

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2017 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2017 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2017 Bonds.



\$39,415,000
CITY OF OCOEE, FLORIDA
CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS,
SERIES 2017

Dated: Date of Delivery

Due: October 1, as shown on inside cover page

The \$39,415,000 Capital Improvement Revenue and Refunding Bonds, Series 2017 (the "Series 2017 Bonds") of the City of Ocoee, Florida (the "City"), will be issued as fully registered bonds, without coupons, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases will be made in book-entry form only in denominations of \$5,000 and any integral multiple thereof. Purchasers of the Series 2017 Bonds (the "Beneficial Owners") will not receive physical delivery of the Series 2017 Bonds. Transfer of ownership in the Series 2017 Bonds will be affected by DTC's book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. The principal and the premium, if any, on the Series 2017 Bonds will be payable upon presentation and surrender thereof at the designated corporate trust office of Regions Bank, Jacksonville, Florida, as Registrar and Paying Agent, or its successors. Interest on the Series 2017 Bonds is payable semi-annually April 1 and October 1 of each year (first interest payment due October 1, 2017) by check or draft mailed by the Paying Agent (or by wire transfer from the Paying Agent under certain circumstances) to the registered owner thereof at the close of business on the date which shall be the fifteenth day of the calendar next preceding such interest payment date at the address appearing on the registration books of the City.

The Series 2017 Bonds are subject to optional and mandatory redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SERIES 2017 BONDS - Redemption Provisions" herein.

The Series 2017 Bonds are being issued under the authority of, and in full compliance with, the Constitution of the State of Florida, the Charter of the City, Chapter 166, Part II, Florida Statutes, Chapter 218, Part VI, Florida Statutes, Chapter 202, Florida Statutes, Chapter 212, Florida Statutes and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 2017-005 of the City Commission of the City (the "City Commission"), adopted on March 21, 2017, as amended and supplemented from time to time, particularly as supplemented by Resolution No. 2017-006 adopted on March 21, 2017 (collectively, the "Resolution"). The Series 2017 Bonds are being issued to (i) refund the City's outstanding Capital Improvement Refunding Revenue Note, Series 2011, (ii) refund the City's outstanding Transportation Improvement Refunding Revenue Note, Series 2012, (iii) finance certain capital improvements within the City, as more particularly described herein, and (iv) pay the cost of issuing the Series 2017 Bonds. See "PURPOSE OF THE SERIES 2017 BONDS," "PLAN OF REFUNDING" and "THE 2017 PROJECT" herein.

The Series 2017 Bonds are secured by a pledge of and are payable solely from Pledged Revenues (as described herein), and, until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution.

THE SERIES 2017 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY SERIES 2017 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2017 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2017 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire official statement to obtain information essential to making an informed investment decision.

The Series 2017 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Bryant Miller Olive P.A., Bond Counsel. Certain legal matters will be passed on for the City by Shuffield, Lowman & Wilson, P.A., City Attorney, and Bryant Miller Olive P.A., Disclosure Counsel. FirstSouthwest, a Division of Hilltop Securities Inc., is acting as Financial Advisor to the City. The Underwriters are being represented by GrayRobinson, P.A., Tampa, Florida. It is expected that settlement for the Series 2017 Bonds will occur through the facilities of DTC in New York, New York, on or about April 11, 2017.

Stifel, Nicolaus & Company, Incorporated

RBC Capital Markets

Dated: March 31, 2017

\$39,415,000
CITY OF OCOEE, FLORIDA
CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS,
SERIES 2017

MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIP NUMBERS

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP</u> <u>Numbers**</u>
2017	\$675,000	3.000%	100.991	0.890%	675561BM5
2018	670,000	3.000	102.870	1.030	675561BN3
2019	685,000	4.000	106.774	1.210	675561BP8
2020	710,000	4.000	108.710	1.420	675561BQ6
2021	745,000	4.000	110.045	1.660	675561BR4
2022	770,000	5.000	116.264	1.860	675561BS2
2023	810,000	5.000	117.927	2.030	675561BT0
2024	845,000	5.000	119.119	2.210	675561BU7
2025	895,000	5.000	120.079	2.370	675561BV5
2026	940,000	5.000	120.968	2.500	675561BW3
2027	980,000	5.000	121.570	2.630	675561BX1
2028	1,035,000	5.000	120.250*	2.760	675561BY9
2029	1,080,000	5.000	119.047*	2.880	675561BZ6
2030	1,135,000	5.000	118.253*	2.960	675561CA0
2031	1,195,000	5.000	117.563*	3.030	675561CB8
2032	1,255,000	5.000	116.781*	3.110	675561CC6
2033	1,315,000	5.000	116.005*	3.190	675561CD4
2034	1,385,000	5.000	115.427*	3.250	675561CE2
2035	1,450,000	5.000	114.948*	3.300	675561CF9
2036	1,525,000	5.000	114.566*	3.340	675561CG7
2037	1,600,000	5.000	114.376*	3.360	675561CH5
2042	1,950,000	5.000	113.902*	3.410	675561CJ1

\$7,110,000 3.750% Term Bonds due October 1, 2041, Price 97.493 Yield 3.910% Initial CUSIP Number 675561CL6**
 \$8,655,000 3.750% Term Bonds due October 1, 2046, Price 96.365 Yield 3.960% Initial CUSIP Number 675561CK8**

* Priced to the first optional call date.

** The City is not responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the City as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the readers of this Official Statement.

CITY OF OCOEE, FLORIDA

150 North Lakeshore Drive
Ocoee, Florida 34761

MAYOR

Rusty Johnson

THE CITY COMMISSION

Richard Firstner, Commissioner
John Grogan, Commissioner
Joel F. Keller, Commissioner
Rosemary Wilsen, Commissioner

CITY MANAGER

Robert D. Frank

CITY CLERK

Melanie Sibbitt

CITY ATTORNEY

Shuffield, Lowman & Wilson, P.A.

CHIEF ACCOUNTANT AND ACTING FINANCE DIRECTOR

Robert K. Briggs, Jr., CPA

BOND AND DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities Inc.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representation with respect to the Series 2017 Bonds other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor will there be any sale of the Series 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City, The Depository Trust Company, and other sources which are believed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct. The information and expressions of opinion stated herein are subject to change without notice. The delivery of this Official Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereon.

Upon issuance the Series 2017 Bonds will not be registered under the Securities Act of 1933, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the City, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2017 Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they will be furnished on request.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THE TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR THE COMPLETENESS OF SUCH INFORMATION.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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OFFICIAL STATEMENT

relating to

\$39,415,000

CITY OF OCOEE, FLORIDA

**Capital Improvement Revenue and Refunding Bonds,
Series 2017**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information with respect to the issuance by the City of Ocoee, Florida (the "City"), of its \$39,415,000 Capital Improvement Revenue and Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The Series 2017 Bonds are being issued under and pursuant to Resolution No. 2017-005 of the City Commission of the City (the "City Commission"), adopted on March 21, 2017, as amended and supplemented from time to time, particularly as supplemented by Resolution No. 2017-006 adopted on March 21, 2017 (collectively, the "Resolution") related to the issuance of the Series 2017 Bonds. The Series 2017 Bonds and any additional obligations of the City issued on a parity therewith pursuant to the Resolution (the "Additional Parity Obligations"), are hereinafter referred to collectively as the "Bonds."

The Series 2017 Bonds are being issued under the authority of, and in full compliance with, the Constitution of the State of Florida, the Charter of the City, Chapter 166, Part II, Florida Statutes, Chapter 218, Part VI, Florida Statutes, Chapter 202, Florida Statutes, Chapter 212, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and the Resolution.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Capitalized terms used herein will have the same meanings as given to them in the Resolution unless otherwise defined herein or where the context would clearly indicate otherwise. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for the payment of the Series 2017 Bonds, and the rights and remedies of Registered Owners thereof. Copies of this Official Statement may be obtained from the Acting Finance Director, 150 North Lakeshore Drive, Ocoee, Florida 34761, (407) 905-3190, upon payment of reproduction costs and postage and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing, other than the Series 2017 Bonds and the Resolution, is to be construed as a contract between the Registered Owners of the Series 2017 Bonds and the City.

On parity with any Additional Bonds which may be issued in the future, the Series 2017 Bonds are limited obligations of the City payable from "Pledged Revenues" which consist of (1) revenues received by the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes, (2) all revenues received by the City from the levy and collection of the communications services tax pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes, and (3) all revenues received by the

City from the levy and collection of the public service tax pursuant to Ordinance No. 542 enacted by the City Commission on October 19, 1971, as amended by Ordinance No. 92-20 enacted by the City Commission on September 1, 1992, in accordance with and pursuant to Section 166.231, Florida Statutes. The Series 2017 Bonds and any Additional Bonds issued pursuant to the Resolution shall be referred to herein as the "Bonds." See "SECURITY FOR THE SERIES 2017 BONDS" herein.

PURPOSE OF THE SERIES 2017 BONDS

The Series 2017 Bonds are being issued to (i) refund the City's outstanding Capital Improvement Refunding Revenue Note, Series 2011 (the "Refunded 2011 Note"), (ii) refund the City's outstanding Transportation Improvement Refunding Revenue Note, Series 2012 (the "Refunded 2012 Note" and together with the Refunded 2011 Note, the "Refunded Notes"), (iii) finance certain capital improvements within the City, as more particularly described herein, and (iv) pay the cost of issuing the Series 2017 Bonds.

THE 2017 PROJECT

The "2017 Project" is defined to include the construction, designing, permitting, reconstruction, acquisition and equipping of certain additions, extensions and improvements to public facilities within the City, including, without limitation, the city hall relocation, the Lakeshore Center expansion, the Lakefront Park improvements, Maine Street extension and Bluford Avenue reconstruction.

PLAN OF FINANCE

The City anticipates the issuance of a Stormwater Revenue Note during the fiscal year ending September 30, 2017 in order to finance certain stormwater improvements. Such improvements will be completed in connection with the City's downtown redevelopment plan, which includes, but is not limited to, improvements to Bluford Avenue, improvements to city hall and Starke Lake Canal, and improvements to downtown and Starke Lake Canal. That portion of the downtown redevelopment improvements which relate to the City's stormwater system will be financed either with cash on hand at the City as a part of its Capital Improvement Program or with proceeds of the Stormwater Revenue Bonds, and not with proceeds of the Series 2017 Bonds. The 2017 Project is not dependent upon such stormwater improvements being completed.

PLAN OF REFUNDING

The City has determined it to be in their best interests for restructuring purposes to provide for payment of the Refunded Notes. Provision for payment will be accomplished through the issuance of the Series 2017 Bonds and the use of a portion of the proceeds thereof, together with other legally available funds of the City, if any, to prepay the Refunded Notes. The Refunded 2011 Note will be prepaid prior to maturity on the date of issuance of the Series 2017 Bonds, at a prepayment price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the prepayment date. The Refunded 2012 Note will be prepaid prior to maturity on the date of issuance of the Series 2017 Bonds, at a prepayment price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the prepayment date.

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

The proceeds expected to be received from the sale of the Series 2017 Bonds, together with other legally available funds of the City, are expected to be used as follows:

Sources of Funds

Par Amounts	\$39,415,000.00
Plus: Net Original Issue Premium	3,143,387.00
Plus: Other Legally Available Funds	<u>800,831.40</u>
TOTAL SOURCES	\$43,359,218.40

Uses of Funds

Prepay Refunded 2011 Note	\$6,209,326.27
Prepay Refunded 2012 Note	11,803,655.36
Deposit to Construction Fund for the 2017 Project	25,000,000.00
Costs of Issuance ⁽¹⁾	<u>346,236.77</u>
TOTAL USES	\$43,359,218.40

⁽¹⁾ Includes financial advisor fees and expenses, Underwriters' discount, legal counsel fees and expenses, rating agency fees, bond registrar and paying agent fees, dissemination agent fees, printing costs, and other costs associated with the issuance of the Series 2017 Bonds.

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DEBT SERVICE SCHEDULE

The following table sets forth the estimated debt service payments on the Series 2017 Bonds.

Year Ending <u>October 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$675,000	\$814,766.33	\$1,489,766.33
2018	670,000	1,705,137.50	2,375,137.50
2019	685,000	1,685,037.50	2,370,037.50
2020	710,000	1,657,637.50	2,367,637.50
2021	745,000	1,629,237.50	2,374,237.50
2022	770,000	1,599,437.50	2,369,437.50
2023	810,000	1,560,937.50	2,370,937.50
2024	845,000	1,520,437.50	2,365,437.50
2025	895,000	1,478,187.50	2,373,187.50
2026	940,000	1,433,437.50	2,373,437.50
2027	980,000	1,386,437.50	2,366,437.50
2028	1,035,000	1,337,437.50	2,372,437.50
2029	1,080,000	1,285,687.50	2,365,687.50
2030	1,135,000	1,231,687.50	2,366,687.50
2031	1,195,000	1,174,937.50	2,369,937.50
2032	1,255,000	1,115,187.50	2,370,187.50
2033	1,315,000	1,052,437.50	2,367,437.50
2034	1,385,000	986,687.50	2,371,687.50
2035	1,450,000	917,437.50	2,367,437.50
2036	1,525,000	844,937.50	2,369,937.50
2037	1,600,000	768,687.50	2,368,687.50
2038	1,680,000	688,687.50	2,368,687.50
2039	1,745,000	625,687.50	2,370,687.50
2040	1,810,000	560,250.00	2,370,250.00
2041	1,875,000	492,375.00	2,367,375.00
2042	1,950,000	422,062.50	2,372,062.50
2043	2,045,000	324,562.50	2,369,562.50
2044	2,120,000	247,875.00	2,367,875.00
2045	2,200,000	168,375.00	2,368,375.00
2046	<u>2,290,000</u>	<u>85,875.00</u>	<u>2,375,875.00</u>
TOTAL	\$39,415,000	\$30,801,566.33	\$70,216,566.33

DESCRIPTION OF THE SERIES 2017 BONDS

General

The Series 2017 Bonds will be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof and will be initially registered to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2017 Bonds. Unless the book-entry only system is discontinued as described herein, individual purchases of the Series 2017 Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the Series 2017 Bonds or any certificate representing their beneficial ownership interests in the Series 2017 Bonds. See "- Book Entry Only System" below.

The principal and premium, if any, on the Series 2017 Bonds will be payable upon presentation and surrender thereof at the designated corporate trust office of Regions Bank, Jacksonville, Florida, as Registrar and Paying Agent, or its successors. Interest on the Series 2017 Bonds is payable semi-annually April 1 and October 1 of each year (first interest payment due October 1, 2017) by check or draft mailed by the Paying Agent (or by wire transfer from the Paying Agent under certain circumstances) to the registered owner thereof at the close of business on the date which shall be the fifteenth day of the calendar month next preceding such interest payment date at the address appearing on the registration books of the City maintained by Regions Bank, Jacksonville, Florida.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2017 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2017 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2017 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2017 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2017 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2017 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2017 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2017 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2017 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 Bond certificate will be issued for each maturity of the Series 2017 Bonds as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Inc. ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to

take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, redemption premium, if any, and interest on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the Payment Date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2017 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

Transfer of Series 2017 Bonds

So long as the Series 2017 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to registration, transfer and exchange of Series 2017 Bonds do not apply to the Series 2017 Bonds.

Series 2017 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2017 Bonds, maturity of any other authorized denominations and type (e.g., Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds).

The Series 2017 Bonds issued under the Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2017 Bonds. So long as any of the Series 2017 Bonds shall remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2017 Bonds.

Each Series 2017 Bond shall be transferable only upon the books of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Series 2017 Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Series 2017 Bond or Series 2017 Bonds of the same aggregate principal amount and Series and maturity as the surrendered Series 2017 Bond. The City, the Registrar and any Paying Agent or fiduciary of the City may deem and treat the Person in whose name any Outstanding Series 2017 Bond shall be registered upon the books of the City as the absolute owner of such Series 2017 Bond, whether such Series 2017 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series 2017 Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2017 Bond to the extent of the sum or sums so paid and neither the City nor the Registrar nor any Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Series 2017 Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Series 2017 Bonds; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Series 2017 Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Series 2017 Bond shall effect payment of interest on such Series 2017 Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2017 Bonds or transferring Series 2017 Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver such Series 2017 Bonds in accordance with the provisions of the Resolution. Execution of Series 2017 Bonds pursuant to the Resolution for purposes of exchanging, replacing or transferring Series 2017 Bonds may occur at the time of the original delivery of the Series 2017 Bonds are a part. All Series 2017 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the City to be canceled by the Registrar. For every such exchange or transfer of Series 2017 Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The City and the Registrar shall not

be obligated to make any such exchange or transfer of Series 2017 Bonds during the fifteen days next preceding an Interest Date on the Series 2017 Bonds (other than Variable Rate Bonds), or, in the case of any proposed redemption of Series 2017 Bonds, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Bonds Mutilated, Destroyed, Stolen or Lost

In case any Series 2017 Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2017 Bond of like tenor as the Series 2017 Bond so mutilated, destroyed, stolen or lost (e.g., Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds), in exchange and substitution for such mutilated Series 2017 Bond upon surrender and cancellation of such mutilated Series 2017 Bond or in lieu of and substitution for the Series 2017 Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and paying such expenses as the City and the Registrar may incur. All Series 2017 Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Series 2017 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2017 Bond, the City may pay the same or cause the Series 2017 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2017 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2017 Bonds issued pursuant to the Resolution shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen or destroyed Series 2017 Bond be at any time found by anyone, and such duplicate Series 2017 Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Series 2017 Bonds issued pursuant to the Resolution.

Redemption Provisions

Optional Redemption

The Series 2017 Bonds are subject to redemption prior to their stated dates of maturity, at the option of the City, in whole or in part on October 1, 2027, or on any date thereafter, at a Redemption Price of 100% of the principal amount thereof, together with accrued interest on such principal amount to the redemption date.

Mandatory Redemption

The Series 2017 Bonds maturing on October 1, 2041 will be subject to mandatory redemption prior to maturity, by lot, in such manner as the Paying Agent may deem appropriate, at the Redemption Price of 100% of the principal amount of the Series 2017 Bonds so to be redeemed in the following Amortization Installments on October 1 in the years specified:

<u>Year</u>	<u>Amortization Installments</u>
2038	\$1,680,000
2039	1,745,000
2040	1,810,000
2041*	1,875,000

*Final Maturity

The Series 2017 Bonds maturing on October 1, 2046 will be subject to mandatory redemption prior to maturity, by lot, in such manner as the Paying Agent may deem appropriate, at the Redemption Price of 100% of the principal amount of the Series 2017 Bonds so to be redeemed in the following Amortization Installments on October 1 in the years specified:

<u>Year</u>	<u>Amortization Installments</u>
2043	\$2,045,000
2044	2,120,000
2045	2,200,000
2046*	2,290,000

*Final Maturity

Notice of Redemption

Unless waived by any Holder of Series 2017 Bonds to be redeemed, notice of any redemption made pursuant to the Resolution shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least thirty days and not more than sixty days prior to the date fixed for redemption to each Holder of Series 2017 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to the Resolution to any Holder of Series 2017 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Series 2017 Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

1. the redemption date,
2. the Redemption Price,
3. if less than all Outstanding Series 2017 Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Series 2017 Bond, the principal amount) of each Series 2017 Bond to be redeemed,
4. that, on the redemption date, the Redemption Price will become due and payable upon each such Series 2017 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

5. that such Series 2017 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar.

Prior to any redemption date, the City shall deposit with the Registrar an amount of money sufficient to pay the Redemption Price of all the Series 2017 Bonds or portions of Series 2017 Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 2017 Bonds or portions of Series 2017 Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2017 Bonds or portions of Series 2017 Bonds shall cease to bear interest. Upon surrender of such Series 2017 Bonds for redemption in accordance with said notice, such Series 2017 Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2017 Bond, there shall be prepared for the Holder a new Series 2017 Bond or Series 2017 Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Series 2017 Bond. All Series 2017 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Notwithstanding the foregoing or any other provision of the Resolution, notice of optional redemption pursuant to the Resolution may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the City if expressly set forth in such notice.

Selection of Series 2017 Bonds to be Redeemed

The Series 2017 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The City shall, at least sixty days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Series 2017 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2017 Bonds of a single maturity, the particular Series 2017 Bonds or portions of Series 2017 Bonds to be redeemed shall be selected not more than forty-five days prior to the redemption date by the Registrar from the Outstanding Series 2017 Bonds of the maturity or maturities designated by the City by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2017 Bonds or portions of Series 2017 Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the City and Paying Agent (if the Registrar is not the Paying Agent for such Series 2017 Bonds) in writing of the Series 2017 Bonds or portions of Series 2017 Bonds selected for redemption and, in the case of any Series 2017 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Redemption of Portion of Series 2017 Bonds

Any Series 2017 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's

attorney duly authorized in writing) and the City shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2017 Bond, without service charge, a new Series 2017 Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2017 Bonds so surrendered.

Payment of Redeemed Series 2017 Bonds

Notice of redemption having been given substantially as aforesaid, the Series 2017 Bonds or portions of Series 2017 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2017 Bonds or portions of Series 2017 Bonds shall cease to bear interest. Upon surrender of such Series 2017 Bonds for redemption in accordance with said notice, such Series 2017 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 2017 Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

SECURITY FOR THE SERIES 2017 BONDS

Sources of Payment

The Series 2017 Bonds are limited obligations of the City payable from the Pledged Funds. "Pledged Funds" means the Pledged Revenues and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established thereunder, other than the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series. "Pledged Revenues" means the Half-Cent Sales Tax Revenues, Communications Services Tax Revenues, and Public Services Tax Revenues, and shall not include any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bond or any other interest subsidy or similar payments made by the Federal Government until deposited into the Interest Account. "Half-Cent Sales Tax Revenues" means monies received by the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes. "Communications Services Tax Revenues" means mean all revenues received by the Issuer from the levy of Communications Services Tax. "Communications Services Tax" means the taxes on local communications services levied by the City pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes. "Public Services Tax Revenues" means all revenues received by the City from the levy of Public Services Taxes. "Public Services Tax" means such tax as levied and collected by the Issuer pursuant Ordinance No. 542 enacted by the City Commission on October 19, 1971, as amended by Ordinance No. 92-20 enacted by the City Commission on September 1, 1992, in accordance with and pursuant to Section 166.231, Florida Statutes also referred to from time to time as the utility service tax.

THE SERIES 2017 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY SERIES 2017 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2017 BOND, OR BE ENTITLED TO

PAYMENT OF SUCH SERIES 2017 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

Funds and Accounts

The City covenanted and agreed in the Resolution to establish with a bank or trust company in the State of Florida, which is eligible under the laws of such State to receive funds of the City, separate funds to be known as the "Revenue Fund," the "Debt Service Fund," and the "Construction Fund." The City shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The City shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Unrestricted Revenue Account, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The City shall at any time and from time to time appoint one or more qualified depositories to hold, for the benefit of the Bondholders, any one or more of the funds and accounts established by the Resolution. Such depository or depositories shall perform at the direction of the City the duties of the City in depositing, transferring and disbursing moneys to and from each of such funds and accounts as set forth in the Resolution, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the City and its agents and employees.

The moneys required to be accounted for in each of the foregoing funds and accounts established in the Resolution may be deposited in a single bank account, and funds allocated to the various funds and accounts established therein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as therein provided.

The designation and establishment of the various funds and accounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as therein provided.

Flow of Funds

Beginning on the date the Series 2017 Bonds are issued, the City shall deposit the Pledged Revenues (only to the extent a sufficient amount is not already on deposit from other legally available revenue sources of the City in amounts sufficient to satisfy all payment obligations under the Resolution), and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, into the Restricted Revenue Account promptly upon receipt thereof. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 21st day of each month, commencing with the month in which delivery of the Series 2017 Bonds shall be made to the purchaser or purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

1. Interest Account. The City shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds

accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The City shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. Any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government shall be used to pay interest on Bonds issued as Direct Subsidy Bonds.

2. Principal Account. Next, the City shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Outstanding Bonds due and unpaid and that portion of the principal next due within one year which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months of thirty days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Bonds as and when the same shall mature, and for no other purpose. The City shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date.

3. Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, the City shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months having thirty days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided in the Resolution, and for no other purpose. The City shall adjust the amount of the deposit into the Bond Amortization Account not later than the 21st month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the City, on or prior to the sixtieth day preceding the due date of such Amortization Installment (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (b) to the redemption at the applicable Redemption Price of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization

Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth day preceding the due date of any such Amortization Installment, the City shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Resolution, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The City shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the City from the Revenue Fund.

4. Reserve Account. Next, the City shall deposit into or credit to the Reserve Account and/or any subaccount hereafter created therein a sum sufficient to maintain therein an amount equal to the applicable Reserve Account Requirement. Moneys in the Reserve Account (or any subaccount therein) shall be used only for the purpose of the payment of maturing principal, interest or Amortization Installments on the Bonds which are secured thereby when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account (or any subaccount therein) exceed the applicable Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as provided in the Resolution, the City may, on the date of delivery of such Additional Bonds, create and establish a separate subaccount in the Reserve Account to secure such Series of Bonds, and may also establish an applicable Reserve Account Requirement. Such required sum may be paid in full or in part from the proceeds of such Additional Bonds.

Notwithstanding the foregoing provisions, in lieu of the required cash deposits into the Reserve Account (or any subaccounts therein) , subject to the written consent of the Insurer or Insurers, if any, the City may, at any time, cause to be deposited into the Reserve Account (or any subaccounts therein) a surety bond, irrevocable letter of credit, guaranty or an insurance policy for the benefit of the applicable Bondholders in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account and/or subaccount therein. Such surety bond, irrevocable letter of credit, guaranty or insurance policy shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to the Resolution and available for such purpose. Repayment of draws made from a surety bond, irrevocable letter of credit, guaranty or an insurance policy provided pursuant to this paragraph, shall be made in accordance with a Supplemental Resolution.

Whenever the amount in the Reserve Account or any subaccount therein, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all applicable Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account (or any subaccounts therein) may be transferred to the other accounts of the Debt Service Fund for the payment of such Bonds.

5. Unrestricted Revenue Account. The balance of any moneys after the deposits required by the Resolution may be transferred, at the discretion of the City, to the Unrestricted Revenue Account or to any other appropriate fund or account of the City and be used for any lawful purpose.

The City, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the City's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

No Reserve Funding

The City has established and created the 2017 Reserve Account in the Reserve Fund; provided, however, that the Reserve Requirement which is applicable to the 2017 Reserve Account is zero dollars (\$0.00). The Series 2017 Bonds shall not be secured by any other account or subaccount in the Reserve Fund.

Construction Fund

The City covenanted and agreed to use moneys on deposit in the Construction Fund used only for payment of the Cost of a Project. Moneys in the Construction Fund which derive from a particular Series of Bonds, until applied in payment of any item of the Cost of a Project, in the manner provided in the Resolution, shall be held in trust by the City and shall be subject to a lien and charge in favor of the Holders of such Series of Bonds and for the further security of such Holders.

Additional Parity Obligations

No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Resolution, shall be issued except upon the conditions and in the manner provided in the Resolution. The City may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Cost of an Additional Project, or the completion thereof or of the Initial Project of the City, or refinancing Subordinate Indebtedness.

No such Additional Bonds shall be issued unless the following conditions are complied with:

1. There shall have been obtained and filed with the City a statement of the Acting Finance Director (1) setting forth the amount of the Pledged Revenues which have been received by the City during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve month period equaled at least 1.35 times the Maximum Annual Debt Service of all Bonds then Outstanding including such proposed Additional Bonds with respect to which such statement is made (together with Policy Costs). "Policy Costs" means any repayment or payment obligations due and owing in connection with on any surety bond on deposit in the Reserve Account. In the event the Act is amended to provide for additional Pledged Revenues to be distributed to the City, the City may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified in the Resolution, have the Acting Finance Director assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

For the purposes of the covenants contained in the Resolution, Annual Debt Service with respect to Variable Rate Bonds shall be determined assuming that such obligations bear interest at the higher of

6.00% per annum or the actual interest rate borne during the month immediately preceding the date of calculation. The foregoing notwithstanding, for purposes of calculating Annual Debt Service, any Variable Rate Bonds with respect to which the City has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such variable rate indebtedness shall be treated for purposes of the Resolution as bearing interest at a fixed rate equal to the fixed rate payable by the City under the interest rate swap, or the capped rate provided by the interest rate cap.

2. Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bond over any other.

3. In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions described above shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of Annual Debt Service on the Outstanding Bonds becoming due in the current Bond Year or in any subsequent Bond Years. The conditions described above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

Subordinated Indebtedness

The City will not issue any other obligations, except under the conditions and in the manner provided in the Resolution, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The City may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by the Resolution. The City shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to the Resolution. The City has agreed in the Resolution to pay promptly any Subordinated Indebtedness as the same shall become due.

Investments

The Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State and the investment policy of the City. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund may be invested and reinvested in Permitted Investments maturing no later than the date on which the moneys therein will be needed. Any and all income received by the City from the investment of moneys in each account of the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Reserve Account or any subaccounts therein (but only to the extent that the amount therein is less than the applicable Reserve Account Requirement) and the Restricted Revenue Account shall be retained in such respective Fund or

Account unless otherwise required by applicable law. To the extent that the amount in the Reserve Account or any subaccounts therein is equal to or greater than the applicable Reserve Account Requirement, any and all income received by the City from the investment of moneys therein shall be transferred, upon receipt, and deposited into the Interest Account. See "APPENDIX C – Form of the Resolution" attached hereto for the definition of "Permitted Investments."

DESCRIPTION OF PLEDGED REVENUES

Local Government Half-Cent Sales Tax

Chapter 212, Florida Statutes, authorizes the levy and collection by the State of a sales tax upon, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized. As of October 1, 2001, the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund") began receiving a portion of certain taxes imposed by the State on communications services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and certain taxes imposed on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. Chapter 218, Part VI, Florida Statutes, (the "Sales Tax Act") provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently 6%. Section 212.20, Florida Statutes, provides for the distribution of 8.9744% of sales tax revenues to the Half-Cent Sales Tax Trust Fund, after providing for certain transfers to the State's General Fund and the Public Employees Relations Commission Trust Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of such county and each eligible municipality within that county pursuant to the following distribution formula:

[Remainder of page intentionally left blank]

$$\begin{array}{l} \text{County Share} \\ \text{(percentage of total Half-Cent} \\ \text{Sales Tax receipts)} \end{array} = \frac{\text{unincorporated} \quad + \quad \frac{2}{3} \text{ incorporated}}{\text{area population} \quad + \quad \frac{2}{3} \text{ incorporated}} \\ \text{total county population} \quad + \quad \text{area population}$$

$$\begin{array}{l} \text{Municipality Share} \\ \text{(percentage of total Half-Cent} \\ \text{Sales Tax receipts)} \end{array} = \frac{\text{municipality population}}{\text{total county population} \quad + \quad \frac{2}{3} \text{ incorporated}} \\ \text{area population}$$

For purposes of the foregoing formula, "population" is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year. Should the City annex any area or should any area of the City de-annex from the City, the share of the Half-Cent Sales Tax received by the City would be respectively increased or decreased according to the foregoing formula.

The Half-Cent Sales Taxes are distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have satisfied these Eligibility Requirements (defined below). The City must have:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Banking and Finance as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special mileages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received certain revenues from a county (in the case of a municipality), collected an occupational license tax, utility tax, or ad valorem tax, or any combination of those three sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and

- (vii) certified to FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of a county or municipality as required by law.

The requirements described in (i) through (vii) are referred to herein as the "Eligibility Requirements". If the City does not comply with the Eligibility Requirements, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by FDOR. The City has continuously maintained eligibility to receive the Half-Cent Sales Tax.

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distribution of the Half-Cent Sales Tax Revenues from the Half-Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Half-Cent Sales Tax Program, and it is not unusual for the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, to be revised from time to time.

The City receives approximately 2.60% of the Half-Cent Sales Tax collected within Orange County, Florida (the "County").

The table below provides historical half-cent sales tax revenues distributed to the City for the fiscal years ended September 30, 2007 through and including 2017.

**CITY OF OCOEE, FLORIDA
HISTORICAL HALF-CENT SALES TAX REVENUE DISTRIBUTION**

<u>Fiscal Year Ended September 30</u>	<u>Half-Cent Sales Tax Revenues⁽¹⁾</u>	<u>Percentage Change</u>
2007	\$4,255,946	--
2008	4,293,898	0.89%
2009	3,934,436	(8.37)
2010	3,956,965	0.57
2011	4,391,828	10.99
2012	4,598,067	4.70
2013	4,924,796	7.11
2014	5,314,028	7.90
2015	5,665,490	6.61
2016 ⁽²⁾	6,084,185	7.39

⁽¹⁾ The amount of the Half-Cent Sales Tax Revenues received by the City during the fiscal year ended September 30, 2009 weakened as non-essential expenditures within the City were curtailed. The retrenchment in consumer and business spending and confidence was caused by an economic decline, including without limitation the diminishing wealth effect from real estate price depreciation, increasing unemployment and decreasing tourism. However, the City experienced increases in Half-Cent Sales Tax Revenues in the fiscal years thereafter and anticipates further increases in the fiscal year ended September 30, 2017.

⁽²⁾ Unaudited.

Source: City of Ocoee, Florida Finance Department

The amount of Half-Cent Sales Tax Revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the State, (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City to the County, which affect the percentage of Local Government Half-Cent Sales Tax received by the City, and (iv) other factors which may be beyond the control of the City, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State and then distributed to the City.

See "—2015 Legislation" and "—Proposed Legislation" below for a description of certain recent and proposed legislation that could have an adverse effect on the amount of Half-Cent Sales Tax Revenues received by the City in the future.

Local Communications Services Tax

The Communications Services Tax Simplification Act, codified as Chapter 202, Florida Statutes (the "CSTA") established, effective October 1, 2001, a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes, and as of the same date repealed Section 166.231(9), Florida Statutes, which previously granted municipalities the authority to levy a utility services tax on the purchase of telecommunications services. Pursuant to Ordinance No. 2001-13 enacted by the City Commission on June 19, 2001, the City's local communications services tax rate is 5.22%, which is the maximum City's utility tax rate under Florida Law.

The proceeds of the local communications services tax, less the Florida Department of Revenue's ("FDOR") cost of administration which may not exceed 1% of the total tax generated, are deposited in the Local Communications Services Tax Clearing Trust Fund (the "CST Trust Fund") and distributed monthly to the appropriate jurisdiction. The local communications services tax revenues received by the City are deposited into the City's General Fund and may be used for any public purpose. The revenues that are received by the City from such communications services tax which derive from the CST Trust Fund created with the FDOR pursuant to Section 202.193, Florida Statutes, may be pledged for the repayment of current or future bonded indebtedness.

The CSTA replaced the former public service tax on telecommunications, including pre-paid calling arrangements, as well as any revenues from franchise fees on cable and telecommunications service providers and permit fees relating to placing or maintaining facilities in rights-of-way collected from providers of certain telecommunications services, with the local communications services tax. The communications services tax applies to a broader base of communications services than the former public service tax on telecommunications.

The local communications services tax applies to the purchase of "communications services" which originated or terminated within the City, with certain exemptions described below. "Communication services" under the CSTA are defined as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term does not include:

- (a) Information services.
- (b) Installation or maintenance of wiring or equipment on a customer's premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar on-line services.

While such services have historically been taxed if the charges for such services are not stated separately from the charges for communications services on a customer's bill, providers now have the ability to exclude such services from the tax if they can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside of the State of Florida.

The sale of communications services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged or educational institution (which includes state tax-supported and nonprofit private schools, colleges and universities and nonprofit libraries, art galleries and museums, among others) or religious institutions (which include, but are not limited to, organizations having an established physical place for worship at which nonprofit religious services and activities are regularly conducted) that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), are exempt from the local communications services tax. In addition, the local communications services tax does not apply to any direct home satellite service.

The CSTA provides that, to the extent that a provider of communications services is required to pay to a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the local communications services tax, such provider is entitled to a credit against the amount of such local communications services tax payable to the State in the amount of such tax, charge, or fee with respect to such service or revenues. The amount of such credit is deducted from the amount that such local taxing jurisdiction is entitled to receive under Section 202.18(3), Florida Statutes. However, the City does not impose any such fees or charges on communications services providers.

Under the CSTA, local governments must work with the FDOR to properly identify service addresses to each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly

receive. The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.

In 1998, the federal Internet Tax Freedom Act ("ITFA") imposed a moratorium on taxation of Internet Access by states and political subdivisions. As amended by the Internet Tax Nondiscrimination Act ("ITNA"), "Internet Access" includes telecommunications services (unregulated non-utility telecommunications, such as cable services) purchased, used or sold by a provider of Internet Access to provide Internet Access, including related communication services, such as email and instant messaging. On February 24, 2016, President Obama signed the Trade Facilitation and Trade Enforcement Act of 2015, which amended the ITFA granting a Permanent Moratorium on Internet Access Taxes (Public Law 114-125, Sec. 922). Since the moratorium have been in place since before the CSTA was codified in 2001, and Internet Access was not taxable pursuant to state law, the City did not experience, and does not anticipate any future negative impact on future collections of local communications services tax revenues because of this action.

Providers of communications services collect the local communications services tax and may deduct 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a data base that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the CST Trust Fund. The FDOR then makes monthly contributions from the CST Trust Fund to the appropriate local governments after deducting up to 1% of the total revenues generated as an administrative fee.

The amount of local communications services tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences.

The amount of the local communications services tax revenues collected within the City may be adversely affected by de-annexation. Such de-annexation would decrease the number of addresses contained within the City. At this time, there are no de-annexations anticipated within the City.

In the 2012 Florida Legislative session, pursuant to Chapter 2012-70, Laws of Florida ("Chapter 2012-70"), a number of provisions of the communications services tax were modified, which have been incorporated in the above narrative. Chapter 2012-70 also modified the requirements of Section 202.22, Florida Statutes, relating to a dealer that does not use one of the three approved local tax situsing methods. The liability of a communications services tax dealer in the cases of underpayment of the tax resulting from that dealer assigning a service address to the incorrect local taxing jurisdiction is limited to only those situations where the dealer did not use an approved situsing method and the FDOR has determined the amount underpaid by that dealer between all jurisdictions. Chapter 2012-70 made these revised definitions and liability provisions retroactive and remedial.

In the 2012 Florida Legislative session, pursuant to Chapter 2012-70, a Communications Services Tax Working Group ("CST Working Group") was established to study the modernization of the local communications services tax revenues and provide a report regarding its findings. In its report dated February 1, 2013, the CST Working Group recommended replacing the existing local communications services tax with an increased sales and use tax. The CST Working Group conditioned their recommendations upon the option being revenue neutral and emphasized the need to hold the State and each municipality and county harmless by ensuring that the amount of revenues received under this new approach would be at least equal to the revenues that each governmental unit is currently receiving from

the local communications services tax. The CST Working Group provided that the change to the tax structure must be implemented in a manner that ensures that State and local governments are able to bond the revenue stream and that existing bonds are not impaired. To date, no legislative action has been taken with respect to the CST Working Group's recommendation and it is unknown as to whether any such legislative action will be taken in the future.

See "—2015 Legislation" and "—Recent Court Ruling Concerning State Communications Services Tax" below for a description of certain recent legislation and litigation that could have an adverse effect on the amount of local communications services tax revenues received by the City in the future.

The table below provides historical communications services tax revenues collected by the City for the fiscal years ended September 30, 2007 through and including 2016.

**CITY OF OCOEE, FLORIDA
HISTORICAL OF COMMUNICATIONS SERVICES TAX REVENUES DISTRIBUTION**

<u>Fiscal Year Ended September 30</u>	<u>Communications Services Tax Revenues</u>	<u>Percentage Change</u>
2007	\$1,433,884	--
2008	1,464,248	2.1%
2009	1,333,799	(8.9)
2010	1,436,491	7.7
2011	1,345,646	(6.3)
2012	1,330,929	(1.1)
2013	1,312,238	(1.4)
2014	1,238,701	(5.7)
2015	1,181,276	(4.6)
2016 ⁽¹⁾	1,102,210	(6.7)

⁽¹⁾ Unaudited.

Source: City of Ocoee, Florida Finance Department

Public Service Tax

The "Public Service Tax" (also, commonly referred to as the "Utility Services Tax") is imposed by the City pursuant to the Constitution of the State and Section 166.231, Florida Statutes, and other applicable provisions of law. Florida law authorizes any municipality in the State to levy a public service tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Services competitive with those enumerated in the previous sentence, as defined by ordinance, shall be taxed on a comparable basis at the same rates. However, fuel oil shall be taxed at a rate not to exceed 4 cents per gallon. Pursuant to Ordinance No. 542 enacted by the City Commission on October 19, 1971, as amended by Ordinance No. 92-20 enacted by the City Commission on September 1, 1992 (collectively, the "Public Service Tax Ordinance"), the City levied a public service tax on the purchase of electricity and metered or bottled gas, whether natural liquefied petroleum gas or manufactured fuel oil delivered in the City at a rate of ten percent (10%) of the charge made by the seller of such service. The public service tax shall be levied only upon purchases within the corporate limits of the City and shall not exceed ten

(10%) percent of the payments received by the seller of the taxable item from the purchaser for the purchase of such service. This tax is required to be paid by the purchaser thereof to the seller of such electricity at the time of paying the charge therefor, but not less than monthly.

The primary source of public service tax revenues relate to electric services currently provided by Duke Energy. City revenues in fiscal year ended September 30, 2016 from this source totaled \$2,811,941, or approximately 84% of all public service tax revenues received by the City of such fiscal year.

Florida law provides that a municipality may exempt from the public service tax the first 500 kilowatts of electricity per month purchased for residential use, metered or bottled gas or fuel oil for agricultural purposes, purchases of electricity, natural gas, liquefied petroleum gas or manufactured gas by industrial customers for use in industrial manufacturing or processing facilities in the City and electrical energy used in a facility located in a designated enterprise zone. The City has implemented exemptions for sale of natural gas to a public or private utility, including a utility operated by the City, or other municipal corporation and rural electric cooperative associations, either for resale or for use as a fuel in the generation of electricity. Additional statutory exemptions are accorded to purchases for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines.

The public service tax shall not be applied against any fuel adjustment charge. The term "fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

The public service tax must be collected by the seller from purchasers at the time of sale and remitted to the City on a monthly basis. Taxes on most utility services are separately itemized on the bill rendered to customers, but separate disclosure is not required. A failure by a consumer to pay that portion of the bill attributable to the public service tax may result in a suspension of the service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

The amount of public service tax collected by the City may fluctuate as the price of fuel, gas, electricity and the other services subject to the public service tax fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of public service tax collected.

The table below provides historical public service tax revenues collected by the City for the fiscal years ended September 30, 2007 through an including 2016.

[Remainder of page intentionally left blank]

**CITY OF OCOEE, FLORIDA
HISTORICAL PUBLIC SERVICE TAX REVENUES**

Year Ended September 30 ⁽¹⁾	Public Service Tax Revenues ⁽²⁾	Percentage Change ⁽³⁾
2007	\$2,684,234	--
2008	2,712,753	0.9%
2009	2,725,162	0.2
2010	3,157,954	13.9
2011	3,084,358	(2.3)
2012	2,911,601	(5.6)
2013	3,003,838	3.2
2014	3,242,016	7.9
2015	3,213,389	(0.9)
2016 ⁽¹⁾	3,352,691	4.3

⁽¹⁾ Unaudited.

Source: City of Ocoee, Florida Finance Department.

**CITY OF OCOEE, FLORIDA
PRO FORMA DEBT SERVICE COVERAGE
ON THE BONDS**

	Fiscal Year Ended September 30				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016⁽¹⁾</u>
Public Service Tax	\$2,911,601	\$3,003,838	\$3,242,016	\$3,213,389	\$3,352,691
Communications Services Tax	1,330,929	1,312,238	1,238,701	1,181,276	1,102,210
Half-Cent Sales Tax	<u>4,598,067</u>	<u>4,924,796</u>	<u>5,314,028</u>	<u>5,665,490</u>	<u>6,084,185</u>
Total Pledged Funds	\$8,840,597	\$9,240,872	\$9,794,745	\$10,060,155	\$10,539,086
Maximum Annual Debt Service on the Bonds ⁽²⁾	\$2,375,875	\$2,375,875	\$2,375,875	\$2,375,875	\$2,375,875
Pro Forma Debt Service Coverage	3.72x	3.89x	4.12x	4.23x	4.44x

⁽¹⁾ Unaudited.

⁽²⁾ Represents maximum annual debt service on the Series 2017 Bonds.

Outstanding Obligations

The City currently has outstanding its Capital Improvement Revenue Note, Series 2009 (the "Series 2009 Note") and Non-Ad Valorem Refunding Revenue Note, Series 2012 (the "Series 2012 Note") which are each secured by a covenant to budget and appropriate legally available non-ad valorem revenues. The Pledged Revenues securing the Series 2017 Bonds constitute a portion of the City's non-ad valorem revenues, and may only be available to pay debt service on the Series 2009 Note and the Series 2012 Note after debt service on the Series 2017 Bonds is paid. The City fully anticipates compliance with any covenants relating to the issuance of additional debt contained within the resolutions authorizing the Series 2009 Note and the Series 2012 Note.

2015 Legislation

On June 15, 2015, the Florida Legislature passed House Bill 33A ("HB 33A"), relating to taxation which was signed into law. HB 33A became effective on July 1, 2015. HB 33A contains a variety of tax reduction measures including, but not limited to, a reduction in certain State communications services taxes, additional sales tax and property tax exemptions, and additional sales tax holidays. However, the bill contains provisions that are intended to ensure that local governments continue to receive the same amount of such revenues that they would have received under the prior law. HB 33A, to date, has not had an adverse impact on the City's receipt of revenues from the State Revenue Sharing Fund for Municipalities or any other non-ad valorem revenues.

Recent Court Ruling Concerning State Communications Services Tax

On June 11, 2015, the First District Court of Appeal held, in *DIRECTV, Inc. v. State, Dept. of Revenue*, Section 202.12(1), Florida Statutes, unconstitutional as a violation of the dormant commerce clause for charging different State communications services tax rates to cable and satellite television providers. On July 7, 2015, the State filed an appeal of this decision to the Florida Supreme Court. On April 6, 2016, oral arguments were held. Some of the moneys distributed from the State Revenue Sharing Trust Fund for Municipalities include certain proceeds of the State communications services tax that encompass the cable and satellite television provider charges described above. If the First District Court of Appeal's decision is upheld, it is possible the amount of revenues received by the City from the State Revenue Sharing Trust Fund for Municipalities will be reduced. At this time, the City cannot predict whether such decision will be upheld, and if upheld what effect it will have on the revenues received from the State Revenue Sharing Trust Fund for Municipalities. The City also cannot predict whether the basis for an unfavorable ruling could also apply to the local communications services tax.

Proposed Legislation

The proposed Senate Bill SB 176 ("SB 176"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, exempts the sale of feminine hygiene products from the sales and use tax. House Bill HB 63 ("HB 63"), is similar to SB 176. At this time, the City cannot predict whether SB 176 and/or HB 63 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SB 176 or HB 63 will have on the City's collection of sales taxes.

THE CITY

General

The City was incorporated in 1925. It is located approximately 10 miles west of Orlando, and is bounded on the west by the City of Winter Garden, Florida, and on the south by the City of Windermere, Florida, and has a land area of approximately 20.5 square miles, making it the second largest city in land area of the thirteen cities in the County. The City's permanent population as of September 30, 2015 was 40,171.

City Government

The City is governed by a Commission-Manager form of government. The four City Commissioners and the Mayor are elected on staggered three-year terms of office. The City Commission

constitutes the governing body and authority of the City with all the powers and privileges granted and provided in its Charter.

The members of the City Commission and the expiration of their terms of office are as follows:

<u>City Commissioners</u>	<u>District</u>	<u>Term Expires</u>
Rusty Johnson, Mayor	At Large	March 2019
John Grogan	1	March 2019
Rosemary Wilsen	2	March 2018
Richard Firstner	3	March 2019
Joel Keller	4	March 2018

Scott Cookson, City Attorney. The City Commission appoints a City Attorney who acts as the attorney and counselor for the City. The City Attorney prepares and/or reviews as to form and legality all contracts, agreements, bonds and other written instruments to which the City is a party. He also prosecutes and defends complaints, suits and other controversies on behalf of the City.

Scott Cookson currently serves as the City Attorney for the City and has served in that capacity for four years. Mr. Cookson is an attorney at the law firm of Shuffield, Lowman & Wilson, P.A. He received his law degree from the University of Florida in 1997 and has been a member of The Florida Bar since 1998.

Administration

Robert D. Frank, City Manager. The City Commission appoints a City Manager who serves as the chief administrative officer of the City. The powers and duties of the City Manager include directing and supervising the administration of all departments, offices and agencies of the City, preparing and submitting to the City Commission the annual budget and capital program for the City, preparing and submitting to the City Commission a complete report on the finances and administrative activities of the City and other duties as required under the Charter.

Robert Frank currently serves as the City Manager for the City and has served in that capacity for 12 years. He graduated from Florida Atlantic University with a master's degree in public administration. He is also the recipient of a bachelor of engineering technology from the State University of New York. Mr. Frank has a broad range of public sector experience, which includes positions as Assistant City Manager, Assistant Director of Public Works, Deputy County Manager, Director of Public Works, Paramedic, Parks and Recreation, Police Officer, Process Control Engineer, and Utilities. In addition, he has completed certificate programs in Strategic Management and Executive Leadership from the Florida International University. Mr. Frank is certified as a "credentialed city manager" by the International City Management Association.

Melanie Sibbitt, City Clerk. The City Manager appoints the City Clerk. The powers and duties of the City Clerk include providing notice of City Commission meetings, attending and keeping minutes, and acting as custodian of the City's seal, ordinances, resolutions and other documentation pertaining to the City, preserving and filing all contracts and agreements to which the City is a party, attesting to the Mayor's signature and other duties as required under the Charter.

Melanie Sibbitt has been employed by the City for 19 years. Within her 19 years of governmental experience she was Deputy City Clerk for 12 years until recently promoted to City Clerk. She received

her Associates of Arts in Business Administration from Valencia Community College. She is a Certified Municipal Clerk through the International Institute of Municipal Clerks (IIMC). Mrs. Sibbitt is currently a member of the Florida Association of City Clerks (FACC) and the International Institute of Municipal Clerks (IIMC).

Robert Briggs, Chief Accountant and Acting Finance Director. The City Manager appoints the Chief Accountant. The Chief Accountant is responsible for monitoring and monthly reporting of all City revenues and expenses, preparation of quarterly financial reports, grant reporting, the monitoring of the City's two pension trusts and Investment portfolio. The Chief Accountant works in the annual budget forecasting and preparation process as well as capital needs forecasting/bond issuances. In addition, the Chief Accountant serves as a Trustee on the City's General Employee Pension Board.

The City Manager appoints the Finance Director. The Finance Director is responsible for the accounting of all monies received and paid on behalf of the City, verifying that prudence and due diligence are used in the expenditure of City funds, ensuring compliance with all laws and regulations for financial reporting, and the safeguarding of the City's assets. The City's Finance Director recently retired and the City is currently beginning its search for a new Finance Director.

Robert Briggs currently serves as the Chief Accountant and Acting Finance Director for the City. He has over 32 years finance and accounting experience in county and city governments, which is most recent experience working with the City for the last six years. Mr. Briggs' experience includes customer service, capital planning, financing and rate development, system accounting and financial report. He received a Master of Business Administration from Florida State University and is a licensed Certificated Public Accountant by the State. He is a member of the Florida Government Finance Officers Association and serves as a Trustee on the Board of the City's General Employees Pension Trust.

Annual Audit

The Charter of the City requires the City Commission provide for an independent annual audit of all City accounts. Audits are required to be made by a certified public accountant or firm of accountants who or which have no personal interest, direct or indirect, in the fiscal affairs of the City government or any of its officers. Florida law also requires that an annual audit of all City accounts and records be completed within nine months following the end of each Fiscal Year by an independent certified public accountant retained by the City and paid from its public funds. The City has retained an independent certified public accountant for such purpose. See "FINANCIAL STATEMENTS" herein and "APPENDIX B – CITY OF OCOEE, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2015" hereto.

Description of Financial Practices

The financial statements of the City are prepared in conformity with generally accepted accounting principles as applied to local government finances. The City uses funds and accounts groups to report on its financial position and the results of its operations. A summary of significant accounting policies of the City is contained in the notes to the City's financial statements, which are included in Appendix B hereto.

Annual Budget

Annual budgets of the City are adopted on a basis consistent with generally accepted accounting principles, except as described in its financial statements. The City follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. On or before September 30th of each year, public hearings are completed and the City Commission adopts the final budget and establishes the ad valorem tax millage.
4. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within departments within any fund. The City Commission must approve revisions that alter the total expenditures of any department. The legal level of budgetary control is the department level.
5. Budgetary comparisons are not presented for Enterprise Funds since not required under generally accepted accounting principles.

INVESTMENT POLICY

Generally, investment of surplus funds of the City is subject to State law, including, in particular, Section 218.415, Florida Statutes, which requires the adoption of a formal written investment policy for each unit of local government within the State. The City's investment policy is governed by State Statutes and City ordinances. The investment policy does not apply to the City's pension funds and funds related to the issuance of debt where there are other existing policies or indentures in effect. City ordinances allow investments in any financial institution that is a qualified public depository of the State as identified by the State Treasurer, in accordance with Chapter 280, Florida Statutes. Authorized investments under the City's investment policy are:

1. State Board of Administration Local Government Investment Pool;
2. Registered investment companies (money market mutual funds);
3. Money market funds and certificates of deposit in state-certified qualified public depositories;
4. U.S. Government Agency Securities and U.S. Treasury bills, notes and bonds; and
5. Repurchase agreements

Moneys on deposit in the funds and accounts created under the Resolution may be invested only in Authorized Investments (as defined in the Resolution). For a description of the Permitted Investments for moneys in the Funds and Accounts established under the Resolution, see the information contained in "APPENDIX C – FORM OF THE RESOLUTION", which contains the definition of Permitted Investments.

LITIGATION

There is no pending or, to the knowledge of the City, any threatened litigation against the City of any nature whatsoever which in any way questions or affects the validity of the Series 2017 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the collection of Pledged Funds. Neither the creation, organization or existence, nor the title of the present members of the Commission, or other officers of the City are being contested.

The City experiences claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the City, but may, in the aggregate, have a material impact thereon. In the opinion of the City Attorney, however, the City will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the City.

LEGAL MATTERS

Certain legal matters incident to the issuance of Series 2017 Bonds and with regard to the treatment of interest on Series 2017 Bonds for Florida and federal tax purposes (see "TAX MATTERS") are subject to the legal opinion of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of Series 2017 Bonds, will be delivered to the Underwriters at the time of original delivery.

The proposed text of the legal opinion is set forth as Appendix D hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters incident to the issuance of Series 2017 Bonds will be passed upon for the City by Shuffield, Lowman & Wilson, P.A., City Attorney, and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. The Underwriters are being represented by GrayRobinson P.A., Tampa, Florida.

GrayRobinson, P.A. has represented the City on matters not related to the issuance of the Series 2017 Bonds. Bryant Miller Olive P.A. may, from time-to-time, serve as counsel to the Underwriters. The Underwriters have not identified any additional potential or actual material conflicts that require disclosure.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance of the Series 2017 Bonds in order that interest on the Series 2017 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2017 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2017 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2017 Bonds and the other amounts are to be

invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2017 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2017 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2017 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the Series 2017 Bonds may be subject to the federal alternative minimum tax when any Series 2017 Bond is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the Series 2017 Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2017 Bonds. Prospective purchasers of Series 2017 Bonds should be aware that the ownership of Series 2017 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2017 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2017 Bonds; (iii) the inclusion of interest on Series 2017 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2017 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2017 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2017 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2017 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This

reporting requirement does not affect the excludability of interest on the Series 2017 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2017 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2017 Bonds and proceeds from the sale of Series 2017 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2017 Bonds. This withholding generally applies if the owner of Series 2017 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2017 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2017 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2017 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2017 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2017 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2017 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2017 Bonds.

Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2017 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2017 Bonds maturing on October 1, 2041 and October 1, 2046 (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she

holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2017 Bonds maturing on October 1, 2017 through and including October 1, 2037 and on October 1, 2042 (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATINGS

S&P Global Inc. ("S&P") and Fitch Ratings ("Fitch") have assigned ratings of "AA" (stable outlook) and "AA" (stable outlook), respectively, to the Series 2017 Bonds. The ratings reflect only the views of the rating agencies and an explanation of the ratings may be obtained only from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings may have an adverse effect on the market price of the Series 2017 Bonds. An explanation of the significance of the ratings can be received from the rating agencies at the following addresses: S&P Global Inc., 25 Broadway, New York, New York 10004 and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2017 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters to be paid by the City are each contingent upon the issuance of the Series 2017 Bonds.

UNDERWRITING

The Series 2017 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, for itself and as representative of RBC Capital Markets, LLC (collectively, the "Underwriters"). The Underwriters have agreed, subject to the proceedings authorizing the issuance of the Series 2017 Bonds, to purchase Series 2017 Bonds from the City, at a price of \$42,392,690.14 (which represents \$39,415,000 principal amount, plus net original issue premium of \$3,143,387.00, less Underwriters' discount of \$165,696.86), for the purpose of resale to the public. The Underwriters have furnished the information on the inside cover page of this Official Statement pertaining to the public offering prices of the Series 2017 Bonds. The public offering prices of the Series 2017 Bonds may be changed from time to time by the Underwriters, and the Underwriters may allow a concession from the public offering prices to certain dealers. None of Series 2017 Bonds will be delivered by the City to the Underwriters unless all of Series 2017 Bonds are so delivered.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the City. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the City.

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of the City, at and for the fiscal year ended September 30, 2015, including the City's Financial Statements for such fiscal year and report thereon of the City's independent certified public accountants (the "Auditor"), has been included as APPENDIX B to this Official Statement as a matter of public record and the consent of the Auditors to include such documents was not requested. The Auditor was not requested to perform and has not performed any services in connection with the preparation of this Official Statement or the issuance of the Series 2017 Bonds. The Series 2017 Bonds are payable solely from Pledged Revenues in the manner and to the extent provided in the Resolution. See "SECURITY FOR THE SERIES 2017 BONDS" herein. The audited financial statements are presented for general information purposes only.

The City expects that its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2016 will be completed in late April 2017 and posted to EMMA shortly thereafter. The City believes that there has not been any material adverse change in the financial condition of the City since September 30, 2015, which is the most recent date for which audited financial information is available.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the

Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2017 Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Holders of the Series 2017 Bonds to provide certain financial information and operating data relating to the System and the Series 2017 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such covenant shall only apply so long as the Series 2017 Bonds remain outstanding under the Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the City as required with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

The City has retained FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc. as its dissemination agent. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE," which shall be executed by the City at the time of issuance of the Series 2017 Bonds. These covenants have been made in order to assist the Underwriters in complying with the Rule.

With respect to the Series 2017 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The City has not failed to comply in all material respects with its continuing disclosure undertakings pursuant to the Rule during the last five (5) years. However, a review of filings made pursuant to prior undertakings indicated that with respect to its Transportation Refunding Revenue Bonds, Series 1998 (the "Refunded 1998 Bonds"), the City covenanted to provide notice "on a timely basis" of the legal defeasance of the Refunded 1998 Bonds, which were legally defeased on June 8, 2012. The City posted notice on EMMA of such legal defeasance 47 days after the Refunded 1998 Bonds were legally defeased. The City fully anticipates satisfying all future disclosure obligations required pursuant to the Rule. In furtherance of its intention, the City has engaged FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc. as its dissemination agent.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete,

comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for the payment of the Series 2017 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2017 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the City. At the time of delivery of the Series 2017 Bonds, the City will furnish a certificate to the effect that nothing has come to their attention which would lead it to believe that the Official Statement (other than information herein related to DTC and its book-entry only system of registration, information provided by the Underwriters under the caption "Underwriting" and the information contained under the caption "TAX MATTERS" as to which no view shall be expressed), as of its date and as of the date of delivery of the Series 2017 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CITY OF OCOEE, FLORIDA

By: /s/ Rusty Johnson
Mayor

By: /s/ Robert D. Frank
City Manager

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APPENDIX A

**GENERAL INFORMATION CONCERNING
THE CITY OF OCOEE, FLORIDA AND ORANGE COUNTY, FLORIDA**

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**GENERAL INFORMATION CONCERNING
THE CITY OF OCOEE, FLORIDA AND ORANGE COUNTY, FLORIDA**

THE FOLLOWING INFORMATION CONCERNING THE CITY OF OCOEE, FLORIDA, ORANGE COUNTY, FLORIDA AND THE ORLANDO METROPOLITAN STATISTICAL AREA IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE INFORMATION HAS BEEN COMPILED ON BEHALF OF THE CITY AND SUCH COMPILATION INVOLVED ORAL AND WRITTEN COMMUNICATION WITH THE VARIOUS SOURCES INDICATED. THE INFORMATION IS SUBJECT TO CHANGE, ALTHOUGH EFFORTS HAVE BEEN MADE TO UPDATE THE INFORMATION WHERE PRACTICABLE.

THE SERIES 2017 BONDS ARE NOT GENERAL OBLIGATIONS OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF OCOEE.

General Description and Location

The City of Ocoee, Florida (the "City") is a residential community in the western part of Orange County, Florida (the "County") and was incorporated in 1925. It is bounded on the west by the City of Winter Garden, Florida, and on the south by the City of Windermere, Florida, and has a land area of approximately 20.5 square miles, thus making it the second largest city in land area of the thirteen cities in the County. The City is approximately 11.8 miles from the City of Orlando, Florida ("Orlando") and is a part of the Orlando-Kissimmee-Sanford, Florida Metropolitan Statistical Area (the "Orlando MSA").

Population

The following table sets forth historical population trends in the City of Ocoee, the County, and the State of Florida from years 2006 through 2015:

<u>Year</u>	<u>City of Ocoee⁽¹⁾</u>		<u>Orange County⁽²⁾</u>		<u>State of Florida⁽³⁾</u>	
	<u>Population</u>	<u>Change</u>	<u>Population</u>	<u>Change</u>	<u>Population</u>	<u>Change</u>
2006	32,175	--	1,079,524	--	18,166,990	--
2007	33,530	4.2%	1,105,603	2.4%	18,367,842	1.1%
2008	33,658	0.4	1,114,979	0.9	18,527,305	0.9
2009	33,871	0.6	1,108,882	(0.6)	18,652,644	0.7
2010	35,579	5.0	1,145,956	3.3	18,801,310	0.8
2011	36,020	1.2	1,157,342	1.0	19,105,533	1.6
2012	36,953	2.6	1,175,941	1.6	19,352,021	1.3
2013	37,615	1.8	1,202,978	2.3	19,594,467	1.3
2014	39,679	5.5	1,227,995	2.1	19,905,569	1.6
2015	40,171	1.2	1,252,396	2.0	20,271,272	1.8
<u>Projected</u>						
2020	43,153	7.4%	1,371,988	10.0%	21,141,318	4.3%

(1) City of Ocoee, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2015.
(2) Orange County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2015.
(3) Florida Research and Economic Information Database Application.

Recreation

The City of Ocoee Parks and Recreation Department strives to provide citizens of the City with safe and enjoyable programs, parks and facilities. The Parks and Recreation Department manages three (3) recreation centers located throughout the City. There are a variety of programs for youth, adults and seniors offered at these centers throughout the week. The Parks and Recreation Department operates and maintains fourteen (14) parks throughout the City with picnic areas, playgrounds, basketball and tennis courts, baseball, softball, football and soccer fields, a BMX course and pavilions. The City has an active summer recreation program for children and many other organized sporting and leisure activities for all its citizenry.

ECONOMIC SUMMARY

Employment

The following tables provide labor force estimates for the County, the State of Florida and the United States for calendar years 2010 through 2015 and the principal employers for the County and the City for the Fiscal Year ended September 30, 2015.

Orange County, Florida Labor Force Estimates

<u>Calendar</u> <u>Year</u>	<u>Civilian</u> <u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>		
				<u>Orange</u> <u>County</u>	<u>State of</u> <u>Florida</u>	<u>United</u> <u>States</u>
2010	635,299	566,478	68,821	10.8	11.1	9.6
2011	642,178	579,251	62,927	9.8	10.0	8.9
2012	654,230	600,337	53,893	8.2	8.5	8.1
2013	663,480	618,183	45,297	6.8	7.3	7.4
2014	678,313	638,579	39,734	5.9	6.3	6.2
2015	688,018	654,304	33,714	4.9	5.4	--

Source: Florida Research and Economic Information Database Application.

Note: Information for the United States in Fiscal Year 2015 is not provided.

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**Orange County, Florida
Principal Employers**

Employer	Employees	Percentage of Total County Employment
Walt Disney World Co.	70,000	10.89%
Orange County Public Schools	22,347	3.47
Universal Orlando Resort	19,000	2.95
Florida Hospital/Adventist Health System	18,668	2.90
Orlando International Airport	18,000	2.80
University of Central Florida	10,854	1.69
Orange County Government	10,416	1.62
Lockheed Martin	7,000	1.09
Darden Restaurants, Inc.	6,419	1.00
Consulate Health Care	5,000	0.78
Totals	187,704	29.19%

Source: Comprehensive Annual Financial Report for Orange County, Florida for the Fiscal Year Ended September 30, 2015.

**City of Ocoee, Florida
Principal Employers**

Employer	Employees	Percentage of Total City Employment
Health Central Hospital	1,500	3.73%
Orange County Schools	753	1.87
Westgate Resorts, LTD	605	1.51
Publix	571	1.42
Sysco Foods	535	1.33
Wal-Mart	498	1.24
Manheim Auto Auction	335	0.81
City of Ocoee	326	0.83
West Oaks Mall	320	0.80
Wayne Automatic	204	0.51
Totals	5,647	14.06%

Source: Comprehensive Annual Financial Report of the City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Per Capita Income

The following table provides the personal income per capita for the period 2010 through 2014 for the City, the County, the State of Florida and the United States.

<u>Year</u>	<u>City of Ocoee⁽¹⁾</u>	<u>Orange County⁽²⁾</u>	<u>State of Florida⁽²⁾</u>	<u>United States⁽²⁾</u>
2010	\$27,980	\$34,902	\$38,718	\$40,277
2011	27,152	36,595	40,538	42,453
2012	26,939	36,569	41,249	44,266
2013	26,050	36,685	41,309	44,438
2014	25,473	38,007	42,737	46,049

⁽¹⁾ Comprehensive Annual Financial Report of the City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

⁽²⁾ Florida Research and Economic Information Database Application.

Education

The geographic boundaries of the School District of Orange County, Florida (the "District") are those of the County. The District is in the center of the State of Florida and encompasses an area of about 1,000 square miles. During the 2014-15 fiscal year, the District operated 184 schools, including 123 elementary schools, three K-8 schools, 35 middle schools, 19 high schools, and 4 specialized schools with a total of 178,941 full-time equivalent students (FTE) not including charter schools. In addition, the District sponsored 35 charter schools with a total of 11,439 FTE. The District opened two additional elementary schools in fiscal year 2015-2016. The estimated number for full-time equivalent students is 192,034 for fiscal year 2015-2016. The District is the 10th largest school district in the nation and the 4th largest in Florida.

The District also provides Career and Technical education within the County. Instruction takes place throughout four technical centers on five campuses, 19 high schools, 35 middle schools, and various community and business sites, located throughout the County.

The Orlando MSA also, has many notable institutions of higher learning including the following: the University of Central Florida (a four-year state university with more than 60,000 full and part-time students, second largest university in the nation); Rollins College (the oldest four-year institution of higher learning in the State and an independent, co-educational liberal arts college with a full and part-time equivalent enrollment of more than 3,500 students); Barry University Dwayne O. Andreas School of Law (founded in early 1993 as the University of Orlando School of Law, it became part of Barry University in 1999, and received full ABA accreditation in 2006); Seminole State College (an undergraduate institution with a total enrollment of more than 32,000 students that offers two-year degrees as well as six bachelor's degrees); Valencia College (an undergraduate institution covering six campuses and centers with almost 70,000 full and part-time students that offers two-year degrees as well as three bachelor degree programs); and the Florida A&M University Law School which opened in fall of 2002 and had been ABA accredited since 2004.

The UCF College of Medicine was established in 2006 by the Florida Legislature and the Florida Board of Governors to increase opportunities for medical education in Florida, address the physician

shortage and enhance the economy. In 2014, the M.D. program enrolled its sixth class, and its second at full enrollment of 120 students. That means enrollment has increased ten-fold in just five years. The 2016-17 school year, the college will be educating 480 physicians-in-training a year.

Transportation

Air Service to the County and Central Florida is primarily provided by the Orlando International Airport ("OIA"), which is the 13th busiest domestic airport facility and the 29th busiest world airport facility and the third largest airport property in the country with more than 15,000 acres. Designated as an international port of entry with full customs services, OIA has grown tremendously since 1970. Air passengers have increased from 1.3 million in 1971 to over 38 million in 2015. That increase in travelers gives OIA the distinction of being the second busiest airport in Florida. As of March 2016, OIA was served by 443 airlines comprised of 39 scheduled airlines and five airlines providing cargo service. There are approximately 848 daily flights (based on commercial, military and general aviation operations). Only 35% of airport property is developed, ensuring large areas for continued expansion.

Central Florida is also served by five (5) other regional airports: Orlando Executive Airport, Orlando Sanford International Airport, Kissimmee Gateway Airport, Leesburg International Airport, and Mid-Florida Airport located in the City of Eustis, Florida. Tampa International Airport and Daytona Beach International Airport are within 90 minutes from the City.

Commercial bus lines and rail systems are also available in the area. Greyhound Bus Lines provides interstate and intrastate bus service. Both passenger and freight rail systems provide service to the area. Amtrak provides passenger service from the Orlando region to many cities in the U.S. In addition it operates trains between New York and South Florida which travel through Metro Orlando. Two major, full-service freight stations move goods between north and south Atlantic points and there are six northbound and six southbound freight trains daily. Being the largest rail network in the eastern United States, CSX Transportation owns and maintains approximately 1,750 route miles in Florida. Florida Central Railroad (FCEN) operates 68 miles of track and directly serves industries in the Orlando area. The first phase of the SunRail, a commuter rail system that will run along a 61-mile stretch of existing rail freight tracks in the County and Seminole Volusia and Osceola counties, has been completed. Service began May 2014. The second phase, which will extend the current 32 mile stretch further north through Volusia County and south into Osceola County, is expected to start construction in 2016.

Located 50 miles to the east of Orlando is Port Canaveral, the only deep-water port between the harbors of Jacksonville and Fort Lauderdale. To accommodate larger vessels, Port Canaveral is currently undergoing a project to further deepen the entrance of the port to 46 feet; this project is part of larger initiatives to open the harbor to about 50 feet eventually to 55 feet. Port Canaveral is the second busiest cruise port in the world and the world's first quadramodal transportation hub, interchanging freight among sea, land, air, and space. During 2014, 3.86 million revenue cruise passengers passed through Port Canaveral's cruise terminals (4.17 mill passengers when single day revenue passengers are considered). Port Canaveral is home to some of the finest cruise terminals in the world. Six cruise terminals are in operation, and a total of 3.36 million tons of cargo moved through Port Canaveral's facilities in 2014. The Port of Tampa is on Tampa Bay, located 70 miles west of Orlando. Largely a bulk commodities port, it is Florida's largest cargo tonnage port.

The County is at the crossroads of Florida and is crossed by superhighways such as Interstate 4, the Florida Turnpike and the Martin Andersen Beachline Expressway. I-4 connects the Tampa Bay area to Daytona Beach and passes through the heart of downtown Orlando. The Florida Turnpike connects

South Florida and Miami with I-4 and with I-75 and with I-75 with North Central Florida. The Beachline links I-95, Cape Canaveral and the East Coast beaches with I-4 and the Florida Turnpike. To relieve congestion, in early 2015, the Florida Department of Transportation began construction of the I-4 Ultimate project, a 21-mile improvement project which will add four new express lanes in the center of I-4.

In addition to these major interstate thoroughfares, the County is linked throughout by other major road systems. The SR 408 East-West Expressway expedites cross town traffic through the Orlando. The 12.5 mile Osceola Parkway links the international airport to major attractions and half dozen regional arterial highways. SR417, a 55 mile, limited access beltway which provides access to the southern and eastern suburbs of Orlando and serves as a southern connection with Orlando International Airport (consists of the Central Florida GreenWay, Seminole Expressway and Southern Connector Extension). Completing the northwest portion of the beltway around metropolitan Orlando will be the Wekiva Parkway, a 25 mile expressway which will connect to SR 417. A section of the parkway opened in January 2016; however, the project is expected to be completed in 2021.

Officially known as the Central Florida Regional Transportation Authority, LYNX is the primary mass transit provider in the Orlando urban area with a fleet of approximately 300 buses on 77 routes. LYNX buses operate daily on a fixed route system that primarily serves the communities of the County and Seminole and Osceola Counties covering 2,500 square miles and more than 1.8 million people. LYNX provides over 105,682 rides each weekday and set another ridership record delivering about 30.1 million passenger trips in 2014. LYNX provides LYMMO, a state-of-the-art, three-mile, dedicated lane bus system in downtown Orlando, available free-of-charge.

Source: Metro Orlando Economic Development Commission; Greater Orlando Aviation Authority; Florida Department of Transportation; Central Florida Regional Transportation Authority; Florida's Turnpike Enterprise.

Property Taxes

The following information is provided solely for informational purposes. The Series 2017 Bonds are not secured by nor are ad valorem taxes pledged to the repayment of the Series 2017 Bonds.

Each year the County Property Appraiser is required to certify to each taxing authority, the aggregate taxable value of all property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with determination of the forthcoming budget and millage levy. In connection with such determination, the taxing authority must hold a public hearing in connection with the adoption of a tentative budget and millage levy and another hearing relating to adoption of the final budget and millage levy.

City of Ocoee, Florida
Property Tax Rates and Tax Levies
Direct and Overlapping Governments
Millage Rates (per \$1,000 of taxable value)

Fiscal Year	City of Ocoee	Orange County	Orange County School District	Total
2006	4.8018	4.1639	7.7610	18.6212
2007	4.6295	5.1639	7.1690	17.8569
2008	4.2919	4.4347	7.1210	16.6382
2009	4.8252	4.4347	7.1500	17.2005
2010	5.4974	4.4347	7.6730	18.3957
2011	5.5574	4.4347	7.8940	18.6767
2012	5.8460	4.4347	8.5450	19.5318
2013	5.8460	4.4347	8.4780	19.4648
2014	5.7855	4.4347	8.4740	19.3854
2015	5.6371	4.4347	8.2180	18.9669
2016	5.9104	N/A	N/A	N/A
2017	5.8291	N/A	N/A	N/A

Source: Comprehensive Annual Financial Report of the City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

City of Ocoee, Florida
Property Taxes Levies and Collections
2006-2015

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2006	7,865	7,666	97.47	*	7,666	97.47
2007	9,538	9,062	95.01	*	9,062	95.01
2008	10,601	9,849	92.91	14	9,863	93.04
2009	11,245	10,852	96.51	4	10,856	96.54
2010	11,587	11,167	96.38	22	11,189	96.57
2011	10,042	9,683	96.43	32	9,715	96.74
2012	9,990	9,631	96.41	12	9,643	96.53
2013	9,689	9,324	96.23	2	9,326	96.25
2014	9,682	9,315	96.21	-122	9,193	94.95
2015	10,222	9,847	96.33	37	9,884	96.69

Source: Comprehensive Annual Financial Report of the City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

FLORIDA CONSTITUTIONAL LIMITATIONS AND PROPERTY TAX REFORM

Several constitutional and legislative amendments affecting ad valorem taxes have been approved by voters in the past including the following:

Save Our Homes Amendment

By voter referendum held on November 3, 1992, Article VII, Section 4 of the State Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. This amendment is known as the "Save Our Homes Amendment." The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Florida Supreme Court, it began to affect homestead property valuations commencing January 1, 1995, with 1994 assessed values being the base year for determining compliance.

Millage Rollback Legislation

In 2007, the Florida Legislature adopted Chapter 2007-321, Laws of Florida, a property tax plan which significantly impacted ad valorem tax collections for Florida local governments. One component of the adopted legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 fiscal year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in fiscal year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the legislation limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Constitutional Amendments Related to Ad Valorem Exemptions

On January 29, 2008, in a special election held in conjunction with the State's presidential primary, the requisite number of voters approved amendments to the Florida Constitution exempting certain portions of a property's assessed value from taxation. These amendments were effective for the 2008 tax year (fiscal year 2008-2009 for local governments). The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional exemption for the assessed value of homestead property between \$50,000 and \$75,000, thus doubling the existing homestead exemption for property with an assessed value equal to or greater than \$75,000.

2. Permits owners of homestead property to transfer their Save Our Homes Amendment benefit (up to \$500,000) to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Amendment benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. The Save Our Homes Amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10-year period, subject to extension by an affirmative vote of electors.

The Save Our Homes Amendment assessment cap and portability provisions described above have been subject to legal challenge. The plaintiffs in such cases have argued that the Save Our Homes Amendment assessment cap constitutes an unlawful residency requirement for tax benefits on substantially similar property in violation of the equal protection provisions of the Florida Constitution and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution. The plaintiffs also argued that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by the Save Our Homes Amendment. The courts in each case have rejected such constitutional arguments and upheld the constitutionality of such provisions; however, there is no assurance that any future challenges to such provisions will not be successful.

In addition to the legislative activity described above, the constitutionally mandated Florida Taxation and Budget Reform Commission (required to be convened every 20 years) (the "TBRC") completed its meetings on April 25, 2008 and placed several constitutional amendments on the November 4, 2008 General Election ballot. Three of such amendments were approved by the voters of Florida, which, among other things, do the following: (a) allow the Florida Legislature, by general law, to exempt from assessed value of residential homes, improvements made to protect property from wind damage and installation of a new renewable energy source device; (b) assess specified working waterfront properties based on current use rather than highest and best use; (c) provide a property tax exemption for (i) real property that is perpetually used for conservation (began in 2010), and (ii) land not perpetually encumbered, require the Florida Legislature to provide classification and assessment of land use for conservation purposes solely on the basis of character or use.

Exemption for Deployed Military Personnel

In the November 2010 General Election, voters approved a constitutional amendment which provides an additional homestead exemption for deployed military personnel. The exemption equals the percentage of days during the prior calendar year that the military homeowner was deployed outside of the United States in support of military operations designated by the Legislature. This constitutional amendment took effect on January 1, 2011. In March of 2016, HB 7023 was approved by the Governor,

which updated the military operations specified for eligibility under this exemption. The bill also extended the application deadline for qualifying service members.

Other Proposals Affecting Ad Valorem Taxation

During the Florida Legislature's 2011 Regular Session, it passed Senate Joint Resolution 592 ("SJR 592"). SJR 592 allows totally or partially disabled veterans who were not Florida residents at the time of entering military service to qualify for the combat-related disabled veteran's ad valorem tax discount on homestead property. The amendment took effect on January 1, 2013.

During the Florida Legislature's 2012 Regular Session, it passed House Joint Resolution 93 ("HJR 93"). HJR 93 allows the Florida Legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. The amendment took effect on January 1, 2013.

Also during the Florida Legislature's 2012 Regular Session, it passed House Joint Resolution 169 ("HJR 169") allowing the Florida Legislature by general law to permit counties and municipalities, by ordinance, to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors. To be eligible for the additional homestead exemption the county or municipality must have granted the exemption by ordinance; the property must have a just value of less than \$250,000; the owner must have title to the property and maintained his or her permanent residence thereon for at least 25 years; the owner must be age 65 years or older; and the owner's annual household income must be less than \$20,000. The additional homestead tax exemption authorized by HJR 169 would not apply to school property taxes. This bill was approved as an amendment to the Florida Constitution by the voters on November 6, 2012.

During the Florida Legislature's 2013 Regular Session, it passed Senate Bill 1830 ("SB 1830"), which was signed into law by the Governor and created a number of changes affecting ad valorem taxation which became effective July 1, 2013. First, SB 1830 provides long-term lessees the ability to retain their homestead exemption and related assessment limitations and exemptions in certain instances and extends the time for property owners to appeal value adjustment board decisions on transfers of assessment limitations to conform with general court filing timeframes. Second, SB 1830 inserts the term "algaculture" in the definition of "agricultural purpose" and inserts the terms "aquacultural crops" in the provision specifying the valuation of certain annual agricultural crops, nonbearing fruit trees and nursery stock. Third, SB 1830 allows for an automatic renewal for assessment reductions related to certain additions to homestead properties used as living quarters for a parent or grandparent and aligns related appeal and penalty provisions to those for other homestead exemptions. Fourth, SB 1830 deletes a statutory requirement that the owner of the property must reside upon the property to qualify for a homestead exemption. Fifth, SB 1830 clarifies the property tax exemptions counties and cities may provide for certain low income persons age 65 and older. Sixth, SB 1830 removes a residency requirement that a senior disabled veteran must have been a Florida resident at the time they entered the service to qualify for certain property tax exemptions. Seventh, SB 1830 repeals the ability for certain limited liability partnerships to qualify for the affordable housing property tax exemption. Eighth, SB 1830 exempts property used exclusively for educational purposes when the entities that own the property and the educational facility are owned by the same natural persons.

During the Florida Legislature's 2013 Regular Session, the Florida Legislature passed House Bill 277 ("HB 277"), which was signed into law by the Governor. HB 277 provides that certain renewable energy devices are exempt from being considered when calculating the assessed value of residential property. HB 277 only applies to devices installed on or after January 1, 2013. HB 277 took effect on July 1, 2013. The 2016 Florida Legislature passed Joint Resolution 193 (CS/HJR 193), which proposes an amendment to the Florida Constitution to authorize the Legislature, by general law, to exempt the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax from ad valorem taxation, and to prohibit the consideration of the installation of a solar device or a renewable energy source device in determining the assessed value of real property for the purpose of ad valorem taxation, with a designated effective date of January 1, 2018 and an expiration date of December 31, 2037. This CS/HJR 193 has a companion bill, House Bill CS/195, which was approved by the Governor on March 25, 2016 and the electors of Florida on August 30, 2016.

Also during the Florida Legislature's 2013 Regular Session, the Florida Legislature passed House Bill 1193 ("HB 1193"), which was signed into law by the Governor. HB 1193 eliminated three ways in which the property appraiser had authority to reclassify agricultural land as non-agricultural land. Additionally, HB 1193 relieved the value adjustment board of the authority to review the property appraisers. HB 1193 is effective immediately and will apply retroactively to January 1, 2013.

In the November 2016 General Election voters approved a constitutional amendment which changed the existing language regarding homestead tax exemption so that the value of property owned by eligible senior citizens, with a certain minimum income or less, could be assessed when they first apply for the exemption. The measure was designed to ensure eligible seniors' ability to be able to keep their tax exemption even if their home value exceeded \$250,000 in the future. The amendment took effect on January 1, 2017 and applies retroactively to exemptions granted before January 1, 2017. Also, in the November 2016 General Election voters approved a constitutional amendment to authorize a first responder, who is totally and permanently disabled as a result of injuries sustained in the line of duty, to receive relief from ad valorem taxes assessed on homestead property. This amendment also took effect on January 1, 2017.

During the 2016 Regular Session, another Joint Resolution (CS/HJR 1009) passed, proposing an amendment to the Florida Constitution to grant a full or partial property tax exemption on homestead property to first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty. The amendment to the constitution was approved by more than 60% of the voters in the 2016 General Election, the effective date is January 1, 2017.

The 2016 Legislature further passed an amendment in Joint Resolution 275 (CS/HJR 275), clarifying the calculation for use in determining the just value for purposes of homestead tax exemption for certain senior, long-term, low-income residents. The amendment was approved by more than 60% of the voters in the 2016 General Election, the amendment will take effect on January 1, 2017, and operates retroactively to January 1, 2013, for persons who received the exemption prior to January 1, 2017. The CS/HJR 275 is tied to House Bill 277, approved by the Governor on March 25, 2016, which states essentially the same intent and purpose, and has the same effective date of CS/HJR 275.

2017 Regular Session - Proposed Legislation

The proposed House Bill HB 49 ("HB 49"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, requires property appraisers to reduce the assessed value on residential property damaged or destroyed by natural disaster under certain conditions. Senate Bill SB

272 ("SB 272"), is similar to HB 49. At this time, the City cannot predict whether HB 49 and/or SB 272 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, HB 49 or SB 272 will have on the City's collection of ad valorem taxes, if approved.

The proposed Senate Bill SJR 76 ("SJR 76"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, proposes an amendment to the State Constitution to remove the scheduled January 1, 2019 repeal of the limitation which prohibits the increase in the assessed value of non-homestead property to 10% per year. House Bill HJR 21 ("HJR 21"), is similar to SJR 76. At this time, the City cannot predict whether SJR 76 and/or HJR 21 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SJR 76 or HJR 21 will have on the City's collection of ad valorem taxes, if approved.

The proposed Senate Bill SB 226 ("SB 226"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, revises the provision concerning delinquent taxes prior to claiming adverse possession. The bill also revises provisions related to payment of ad valorem taxes and ad valorem assessments under specified situations, revises provisions authorizing property appraisers to waive unpaid penalties and interest, revises property value owned by certain persons that is exempt from taxation, and revises publication requirements for certain public hearings by local governments. House Bill HB 289 ("HB 289"), is similar to SB 226. At this time, the City cannot predict whether SB 226 and/or HB 289 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SB 226 and/or HB 289 will have on the City's collection of property taxes, if approved.

The proposed Senate Bill SB 390 ("SB 390"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, authorizes partial reimbursement of ad valorem taxes that were paid on homestead properties that are rendered uninhabitable from damage inflicted by a hurricane during 2016. The bill requires that the property owner provide documentation that the property was uninhabitable and creates a misdemeanor of the first degree for a person who knowing and willfully gives false information for the purpose of claiming a reimbursement. The bill also provides for reimbursement of the state sales tax paid on the purchase of a mobile home to replace a mobile home that experienced major damage from a hurricane during 2016. The bill includes appropriations for the purpose of providing reimbursements. House Bill HB 279 ("HB 279"), is similar to SB 390. At this time, the City cannot predict whether SB 390 and/or HB 279 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SB 390 and/or HB 279 will have on the City's ad valorem assessments, if approved.

The proposed Senate Bill SJR 124 ("SJR 124"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, proposes an amendment to the State Constitution to authorize the Legislature to provide, by general law, ad valorem tax relief on homestead property to the parent or parents of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces. At this time, the City cannot predict whether SJR 124 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SJR 124 will have on ad valorem taxes, if approved.

The proposed Senate Bill SB 90 ("SB 90"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, implements Amendment 4, which was approved by the voters in August 2016. The bill exempts the assessed value of a renewable energy device from tangible personal property tax and the installation of those devices from determining the assessed value of real property, both residential and non-residential, for the purpose of ad valorem taxation. The bill also revises the definition of "renewable energy source device" to include power conditioning and storage devices, wiring,

structural support and other components. The changes made by this legislation expire on December 31, 2037. At this time, the City cannot predict whether SB 90 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SB 90 will have on ad valorem taxes, if approved.

The proposed Senate Bill SB 86 ("SB 86"), which was filed for review during the upcoming Florida Legislature's 2017 Regular Session, requires that land that is jointly used for commercial non-agricultural purposes and bona fide agricultural purposes directly related to apiculture, which is the raising, caring for and breeding of honeybees, to be classified as agricultural for tax purposes, regardless of whether that land is used primarily for commercial non-agricultural purposes. At this time, the City cannot predict whether SB 86 will become law, and if so, whether it will be in its current form. The City does not know what impact, if any, SB 86 will have on ad valorem taxes, if approved.

Legislative Proposals Relating to Ad Valorem Taxation

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation and revenue limitation have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislation or other proposals will not be introduced or enacted in the current legislative session or in the future that would, or might apply to, or have a material adverse effect upon, the City's finances.

**City of Ocoee, Florida
Principal Property Taxpayers
September 30, 2015
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Key Isle I & II	\$44,189	2.43%
RAIA FL SPEC Hackettstown II LLC	30,172	1.66
Duke Energy Florida Inc.	22,436	1.23
Manheim Remarketing LP	18,154	1.00
PAL of II LLC	13,637	0.75
West Oaks Mall Trust	13,202	0.73
Wal-Mart Stores East Inc.	12,499	0.69
Good Homes Plaza (E&A) LLC	12,451	0.68
Standard Pacific of Florida	12,044	0.66
PAL of I LLC	8,719	0.48

Source: Comprehensive Annual Financial Report of the City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Ratios of Debt of the City by Type

City of Ocoee, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Governmental Activities				Business-Type Activities					
Fiscal Year Ended September 30,	Refunding Revenue Bonds	Notes Payable	Capital Leases	Water Revenues Bonds	Notes Payable	Capital Leases	Total Primary Government	%of Personal Income	Per Capital
2006	27,380	6,515	1,098	21,690	875	1,836	59,394	7.60%	1,771
2007	26,620	9,085	1,153	21,275	710	1,478	60,321	6.99	1,799
2008	25,835	13,100	680	20,845	540	930	61,930	7.00	1,812
2009	25,020	13,100	536	15,180	5,705	281	59,822	6.72	1,766
2010	24,170	12,635	536	14,715	5,505	35	57,596	6.02	1,619
2011	23,280	11,925	346	12,500	7,051	155	55,257	6.17	1,664
2012	0.00*	33,736	147	12,300	6,696	419	53,298	5.95	1,605
2013	0.00	31,879	339	12,095	6,360	416	51,089	5.59	1,513
2014	0.00	29,894	514	0.00	17,931	573	48,912	5.36	1,233
2015	0.00	27,767	1,309	0.00	17,283	700	47,059	5.15	1,171

* Bonds Refunded with Notes during 2012 Fiscal Year.

Source: Comprehensive Annual Financial Report of the City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

For additional information concerning the City's Pension and Other Post-Employment Benefit Plans, see "APPENDIX B - COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015", Section II, Financial Section, Basic Financial Statements, Notes 12 and 13; Section II, Financial Section, Required Supplementary Information and Section III, Statistical Section, Schedule of Revenues by Source and Expense by Type.

Pension Plans

The City maintains two separate single-employer defined benefit pension plans for police officers and firefighters and all other full-time employees who are included as part of the City's reporting entity in Pension Trust Funds (each, a "Plan" and collectively, the "Plans"). In addition, the police and firefighters plan provides disability benefits to Plan members. Chapters 175 and 185, Florida Statutes, establish minimum benefit provisions. The Pension Trust Funds are administered by a Board of Trustees. The City Commission appoints two trustees, employees elect two trustees and the four trustees select a fifth member. The Board of Trustees may not amend any provisions of the Plans without the approval of the City Commission.

Contributions from the State of Florida received under Chapters 175 and 185, Florida Statutes, amounted to \$516,942 in 2015 and were recorded as revenue and expenditures in the general fund. The amounts legally required at September 30, 2015 to be reserved for the two Plans are \$31,366,684 and \$41,551,995, respectively.

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. All Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments without an established market are reported at estimated fair value.

General Employees' Pension Plan

Plan Membership - At September 30, 2015, Plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	78
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	56
Active Plan Members	<u>172</u>
	<u>306</u>

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Contributions - Member contributions are 7.4% of salary. The Mayor and Commissioners are non-contributory participants. City contributions are the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Net Pension Liability - The City's net pension liability was measured as of September 30, 2015, 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 on September 30, 2015 were as follows:

Total Pension Liability	\$32,842,516
Plan Fiduciary Net Pension	(31,417,074)*
Sponsor's Net Pension Liability	\$1,425,442
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	95.66%

*Includes accrued investment income net of prepaid city contributions not included in the funds.

Source: Comprehensive Annual Financial Report for Orange County, Florida for the Fiscal Year Ended September 30, 2015.

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, 2014	\$30,970,526	\$30,589,698	\$ 380,828
Changes for a Year			
Service Cost	1,130,748	-	1,130,748
Interest	2,440,626	-	2,440,626
Differences between expected and actual experience	(480,737)	-	(480,737)
Changes of assumptions	-	-	-
Contributions-employer	-	1,077,570	(1,077,570)
Contributions-employee	-	603,922	(603,922)
Net investment income	-	454,266	(454,266)
Benefit payments, including refunds of employee contributions	(1,218,647)	(1,218,647)	-
Administrative Expense	-	(89,735)	89,735
Net Changes	1,871,990	827,376	1,044,614
Balances at September 30, 2015	\$32,842,516	\$31,417,074	\$1,425,442

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Deferred outflows and inflows of resources - For the year ended September 30, 2015, the City will recognize a pension expense of \$900,039.

Concentrations - The Plan did not hold investments in any one organization that represents five percent (5%) or more of the Plan's fiduciary net position.

Rate of return - For the year ended September 30, 2015 the annual money-weighted rate of return on Plan investments, net of pension plan investment expense, was 1.47 percent.

Police Officers' and Firefighters' Pension

Plan Membership - At September 30, 2015, Plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	47
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	24
Active Plan Members	<u>115</u>
	<u>186</u>

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Contributions - Member contributions are 8% of salary. The City contributions are the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability - The City's net pension liability was measured as of September 30, 2015, 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 on September 30, 2015 were as follows:

Total Pension Liability	\$50,360,075
Plan Fiduciary Net Pension	(41,612,164)*
Sponsor's Net Pension Liability	\$8,747,911
Plan Fiduciary Net Pension as a Percentage of Total Pension Liability	82.63%

*Includes accrued investment income net of prepaid city contributions not included in the funds.

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

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Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2014	\$ 47,615,120	\$ 40,770,015	\$ 6,845,105
Changes for a Year:			
Service Cost	1,245,860	-	1,245,860
Interest	3,784,844	-	3,784,844
Change in excess state money	95,618		95,618
Differences between expected and actual experience	(146,497)	-	(146,497)
Contributions-employer	-	1,726,011	(1,726,011)
Contributions-state	-	516,942	(516,942)
Contributions-employee	-	584,706	(584,706)
Net investment income	-	343,322	(343,322)
Benefit payments, including refunds of employee contributions	(2,234,870)	(2,234,870)	-
Administrative Expense	-	(93,962)	93,962
Net Changes	2,744,955	842,149	1,902,806
Balances at September 30, 2015	\$ 50,360,075	\$ 41,612,164	\$ 8,747,911

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Deferred outflows and inflows of resources - For the year ended September 30, 2015, the City will recognize a pension expense of \$1,612,430.

Concentrations - The Plan did not hold investments in any one organization that represents five percent (5%) or more of the Plan's fiduciary net position.

Rate of return - For the year ended September 30, 2015 the annual money-weighted rate of return on Plan investments, net of pension plan investment expense was 0.84 percent.

Other Post-Employment Benefits:

In accordance with Section 112.0801, Florida Statutes, the City makes continued group health insurance through the City's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has fifteen retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

As of October 1, 2013, the most recent actuarial valuation date, the actuarial accrued liabilities (AAL) and unfunded actuarial accrued liability (UAAL) for benefits was \$1,796,034, and the plan has a funded ratio of 0%. The covered payroll was \$15,078,052 and the ratio of the UAAL to covered payroll was 12%.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2015 is as follows:

Annual Required Contribution	\$ 210,591
Interest on Net OPEB Obligation	196,463
Adjustment to Annual Required Contribution	<u>(195,660)</u>
Annual OPEB cost	211,394
Employer Contributions	<u>(62,993)</u>
Increase in Net OPEB Obligation	148,401
Net OPEB Obligation (beginning of year)	<u>4,365,838</u>
Net OPEB Obligation (end of year)	<u><u>\$ 4,514,239</u></u>

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Three Year Trend Information –

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2015	\$211,394	29.8%	\$4,514,239
9/30/2014	208,449	30.1%	4,365,838
9/30/2013	286,000	21.3%	4,220,208

Source: Comprehensive Annual Financial Report for City of Ocoee, Florida for the Fiscal Year Ended September 30, 2015.

Actuarial Cost Method - The entry age normal, level percentage of pay cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Amortization Method - Liabilities are amortized over a 30 year period as a level of percentage of payroll, closed.

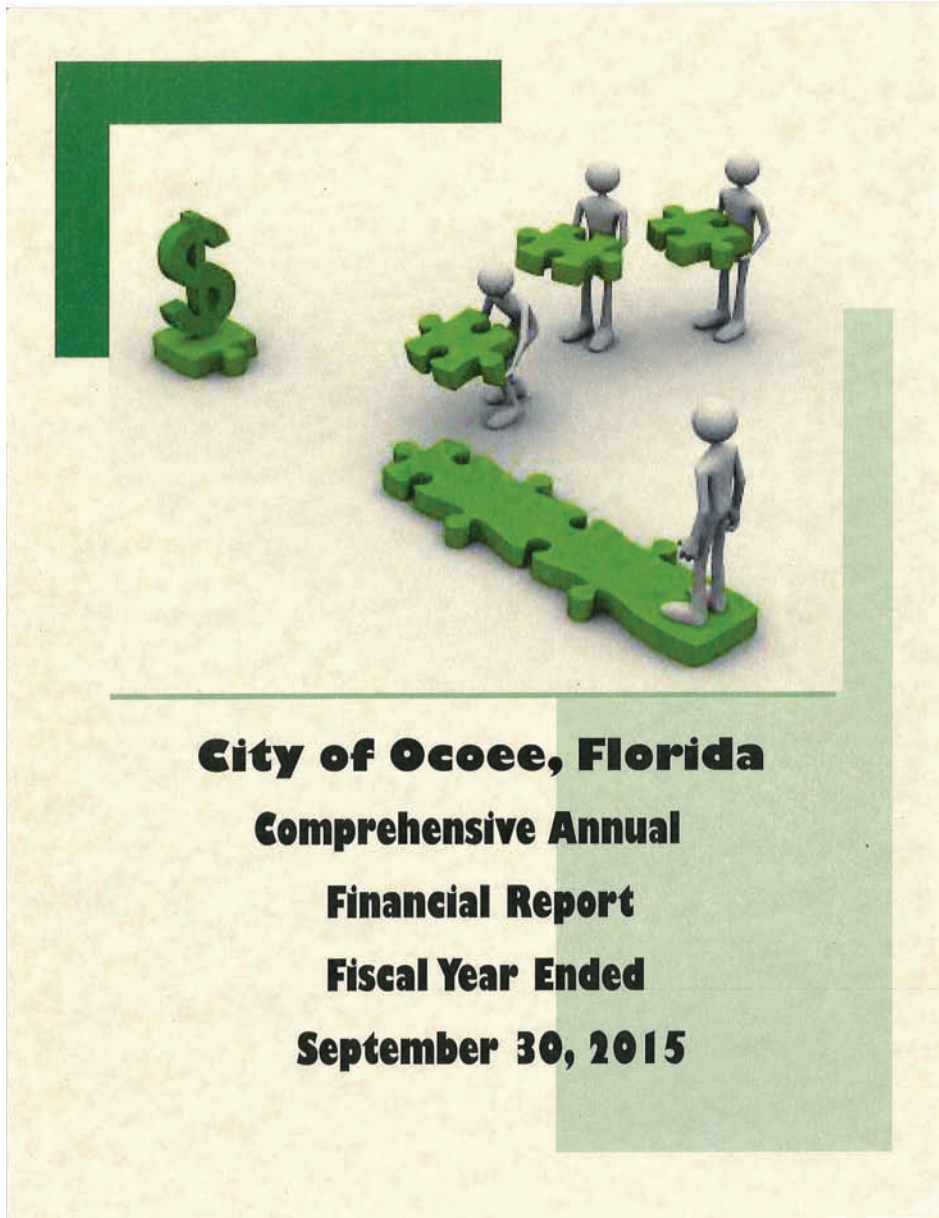
Investment Return (Discount Rate) - 4.5% per annum, compounded annually, net of investment related expenses.

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APPENDIX B

**CITY OF OCOEE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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City of Ocoee, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended September 30, 2015

Prepared by: City of Ocoee Finance Department

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INTRODUCTORY SECTION

This section contains the following subsections:

- Table of Contents
- Letter of Transmittal
- GFOA Certificate of Achievement
- List of Principal Officials
- Organizational Chart

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF OCOEE, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Year Ended September 30, 2015



April 25, 2016

To the Honorable Mayor and City Commission and Citizens of the City of Ocoee, Florida:

The **Comprehensive Annual Financial Report (CAFR) of the City of Ocoee, Florida** for the year ended September 30, 2015 is submitted herewith pursuant to Article III, Section 11 of the City Charter, Florida Statutes Chapter 11, Section 45, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America, and that they be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

The Annual Financial Report was compiled by the staff of the Finance Department. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Ocoee has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Ocoee's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Ocoee's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. We encourage readers to consider information provided in the Management Discussion and Analysis (p. 3-13) in conjunction with the information provided in this Transmittal.

The City of Ocoee's financial statements have been audited by McDirmit, Davis, & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Ocoee for the fiscal year ended September 30, 2015 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Ocoee's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the Government

The City of Ocoee is a municipal corporation of the State of Florida operating under a commission/manager form of government. Located in Central Florida, approximately 14 miles west of Orlando, the City of Ocoee encompasses approximately 15 square miles. Ocoee is the home of approximately 40,170 residents. In addition to its proximity to Orlando

City of Ocoee • 150 N Lakeshore Drive • Ocoee, Florida 34761
Phone: (407) 905-3100 • www.ocoee.org

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Mayor
Rusty Johnson

Commissioners
John Grogan
District 1

Rosemary Wilson
District 2

Richard Firstner
District 3

Joel F. Keller
District 4

City Manager
Robert D. Frank

and many tourist attractions, including Disney World, Universal Studios, and Sea World, Ocoee is also conveniently located near other major employers such as Lockheed Martin and Sysco. Ocoee offers numerous lakes for recreational opportunities, and excellent schools- six elementary schools, a middle school and a high school. Ocoee is home to a major hospital (Orlando Health) and a county operated public library.

Ocoee's proximity to Orlando and its location at the juncture of State Road 50, Florida's Turnpike, State Road 408, the East-West Expressway, and State Road 429, the Western Expressway make it convenient for people to live and work in the City. State Road 50 is a major east-west arterial that spans the State; Florida's Turnpike provides a limited-access highway for north-south traffic and has an exit in Ocoee; the East-West Expressway provides a 15 minute travel route from Ocoee to downtown Orlando and continues to the eastern limits of Orange County; and the Western Expressway provides a similar highway to Walt Disney World and other points south to Osceola County with direct access to Interstate 4. Over the next several years the northern leg of the Western Expressway will be extended north to intersect with Interstate 4 near Sanford to form a major by-pass route.

The City is empowered to levy a property tax on real estate and personal properties within its city limits. The City commission, comprised of the Mayor and four commissioners, is the governing body of the City. The City Manager is appointed by the commission and is responsible for implementing policies adopted by the commission and managing employees and the daily operations of the city government. The financial reporting entity, the City of Ocoee, includes all funds of the primary government and activity for the Community Redevelopment Agency (CRA). The CRA was created in 2006 and is reported as a special revenue fund. Additional information can be found in Note 1 of the notes to the basic financial statements.

The fiscal operating year for the City is October 1st through September 30th. The City Manager submits an annual budget to the city commission by the first day of August for the ensuing year. Public hearings are held as required by the Truth in Millage Act (TRIM) prior to adoption of the millage rate and budget by the commission. Budgetary control over expenditures is at the department level. Commission approval is required to adjust the bottom line of a department. A budget to actual comparison for the general fund is provided on pages 19-20.

The provision of services such as municipal water and wastewater services, stormwater management, and solid waste collection and disposal is an important aspect of Ocoee's growth management. Ocoee continues to expand and improve its wastewater and water facilities to keep pace with the City's growth, and to meet state concurrency requirements through an aggressive capital improvements program. One such example is the development of a comprehensive water reuse plan. As an example of combining services with amenities, the City's 240-acre effluent disposal site is also home to an 18-hole PGA designed golf course. A Community Event Center adjacent to the City Hall Complex was completed during fiscal year 2014. The center is ideally located on the lakefront providing citizens an upscale rental facility for events such as weddings, receptions and other types of meetings.



Mayor
Rusty Johnson

Commissioners
John Grogan
District 1

Rosemary Wilson
District 2

Richard Firstner
District 3

Joel F. Keller
District 4

City Manager
Robert D. Frank

Ocoee has worked extensively to become a major player in Orange County by focusing on economic development programs. One such program is the West Orange Tri-City Partnership, a collaborative effort by the cities of Apopka, Ocoee and Winter Garden. This organization represents approximately 250,000 residents and over 80,000 employees giving the partnership parity with the largest cities, communities, downtowns and business districts in the metropolitan area. The State Road 429 corridor study has been completed. Work has begun to develop a joint overlay with the city of Winter Garden to make the Ocoee Winter Garden corridor a location of "choice" for economic development.

Factors affecting Financial Condition

Local economy. The City of Ocoee is primarily a residential and retail area with a moderate amount of light industry and commercial business. The City's total assessed valuation for real and personal property increased 7.5% from the prior year indicating property values are continuing to turn around in the City. The City's population has increased 25% from that of ten years ago. Local indicators point to a continued trend of growth as the City continues to work with builders, developers and residents for both commercial and residential development. The unemployment rate for Ocoee at September 30, 2015 was 4.2% which was lower than the state's unemployment rate at 5.3% and the national unemployment rate of 5.1%. The City is home to several major employers- Orlando Health Hospital, Super Wal-Mart, Florida Auto Auction, Orange County Public Schools, and Sysco Foods.

The City annexed a total of 14.43 acres of properties during the fiscal year. The City approved 350 single-family and townhome units in 2015. The Oasis at Lake Bennet Apartments was approved for 303 multi-family units. Additionally, a \$30 million 124-unit facility, Inspired Living at Windermere, was approved to be constructed in Ocoee. This new memory care/ALF is affiliated with the NFL Alumni Association. This connection is projected to draw NFL alumni to live in the facility, mostly to use its memory-care units.

Long-term financial planning The City maintained a moderate property tax rate of 5.6371 mils during fiscal year 2015 (tax year 2014). The maximum millage rate that can be levied is 10 mils. Projections for budgeted revenues remained conservative, particularly in the fees generated by building/construction areas. Reducing operational and personnel costs, and obtaining grants for capital projects were strategies utilized again this year to balance the budget. Building permit revenue was \$251,000 higher than budgeted, with other permit revenue over \$270,000 higher. Sales tax revenue was \$345,075 higher than budgeted.

The City annually updates and adopts a 5-year Capital Improvements Plan (CIP) during the fiscal year. The CIP is a multi-year prioritized schedule of improvements that lists each capital improvement by year it is intended to be purchased or commenced; the amount to be spent per year; and, the method of financing such improvement. Each year prior to the annual budget process the CIP is reviewed to ensure incorporation of all necessary capital improvements. It should be noted; however, that the CIP is not a fixed document but a flexible, evolutionary document that may change to reflect changing priorities, opportunities, costs, or different financing approaches.



Mayor
Rusty Johnson

Commissioners
John Grogan
District 1

Rosemary Wilsen
District 2

Richard Firstner
District 3

Joel F. Keller
District 4

City Manager
Robert D. Frank

Relevant Financial Policies. The City had no significant or material changes in financial policy and all required debt service payments of principal and interest were met. The City implemented compliance with for Governmental Accounting Standards Board (GASB) 67 in fiscal year 2014. Financial reporting requirements under GASB 68, "Accounting and Financial Reporting for Pensions" are reflected on pages 55-69 in this report for fiscal year 2015.

Major Initiatives. The City has completed the bi-city study with Winter Garden on the SR 429 corridor. A temporary moratorium on the study area is in place while both Ocoee and Winter Garden finalize development standards which will place Ocoee as a location of "choice" on the SR 429 corridor.

An ordinance, adopted in calendar year 2012 by the City, implemented the administration of economic development incentives by granting ad valorem tax exemptions to qualifying business entities. Additionally, the city reduced impact fees by 25% for transportation and 50% for police, fire and recreation to spark new development. Ocoee has permanently reduced transportation impact fees and offers property tax abatement for new businesses that qualify under the State of Florida Target Industries legislation. Some increase in the development of single family and multi-family dwellings can be attributed to the reduced impact fees which will result in significant savings to the developers.

Awards and Acknowledgements.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ocoee for its CAFR for the fiscal year ended September 30, 2014. This was the twenty-seventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Respectfully submitted,

Robert Frank
City Manager

Wanda Horton, CGFO
Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ocoee Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

CITY OF OCOEE, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2015

ELECTED OFFICIALS

MAYOR
COMMISSIONER- District 1
COMMISSIONER- District 2
COMMISSIONER- District 3
COMMISSIONER- District 4

Leon "Rusty" Johnson
John Grogan
Rosemary Wilsen
Vacant
Joel Keller

STAFF

CITY MANAGER
ASSISTANT CITY MANAGER
CITY CLERK
FINANCE DIRECTOR
POLICE CHIEF
FIRE CHIEF
PUBLIC WORKS DIRECTOR
CITY ENGINEER
HUMAN RESOURCES/RISK MANAGEMENT DIRECTOR
UTILITIES DIRECTOR
PARKS AND RECREATION DIRECTOR
SUPPORT SERVICES DIRECTOR

Robert Frank
Craig Shadrix
Beth Eikenberry
Wanda Horton
Charles Brown
John Miller
Steve Krug
David Wheeler
V. Gene Williford
Charles Smith
Jeff Hayes
J. Allison Butler

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LEGAL COUNSEL

Scott Cookson, Esq.
Shuffield, Lowman, and Wilson, P.A.

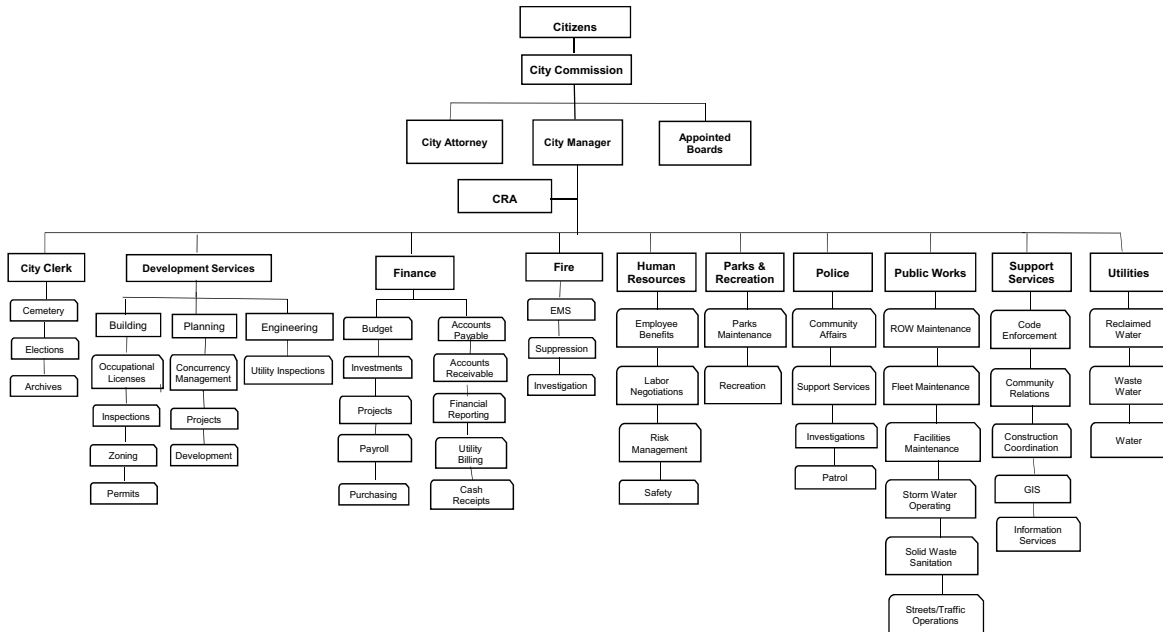
FINANCIAL ADVISOR

Mark Galvin
First Southwest Company

AUDITORS

McDimit Davis & Company, LLC

**City of Ocoee
Organizational Chart
Fiscal Year 2015**



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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Ocoee, 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 Ocoee, Florida*, as of and for the year ended September 30, 2015, 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

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

Auditor 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 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 accounting policies used and significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocoee, Florida, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, community redevelopment agency fund and road impact fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is 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 and the pension and other postemployment benefits disclosures on pages 3 through 13 and 73 through 78 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 preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ocoee, Florida's financial statements as a whole. 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 are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section 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 a report dated April 19, 2016 on our consideration of the *City of Ocoee, Florida's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 result of that testing, and not to provide an opinion on the 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 City of Ocoee's internal control over financial reporting and compliance.

McDermitt Davis & Company, LLC

Orlando, Florida
April 19, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the financial activities of the City of Ocoee for the fiscal year ended September 30, 2015 is designed to assist the reader in a) focusing on significant financial issues, b) providing an overview of the City's financial activity, c) identifying changes in the City's financial position, d) identifying any material deviations from the approved budget, and e) identifying individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-vi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Ocoee exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$171,681,574 (*net position*). Of this amount, \$26,798,387 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,571,685 or 1.5%. Beginning net position was reduced \$8,291,300 due to the implementation of GASB 68.
- As of the close of the current fiscal year, the City of Ocoee's governmental funds reported combined ending fund balances of \$19,095,055. Approximately 51% of this total amount, \$9,804,236 is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,804,236, or 28.4% of total general fund expenditures.
- The City of Ocoee's total debt increased by \$1,306,063 (2.1%) during the current fiscal year.

Using this Annual Report

The financial statement's focus is 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 are intended to serve as an introduction to the City of Ocoee's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City of Ocoee'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 of Ocoee is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The *statement of activities* presents information showing how the government'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 in this statement 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 of Ocoee 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 of Ocoee include general government, public safety, physical environment, and culture and recreation. The business-type activities of the City of Ocoee include Water and Wastewater, Solid Waste, and Stormwater.

The government-wide financial statements include only the City of Ocoee itself (known as the *primary government*) and one blended component unit (The City of Ocoee Community Redevelopment Trust Fund). The Water and Wastewater fund, Solid Waste fund, and the Stormwater fund function as departments of the City of Ocoee, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-15 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 of Ocoee, 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 of Ocoee can be divided into three categories: governmental funds, proprietary funds, 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 a government'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 government'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*.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City of Ocoee maintains 15 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, Road Impact Fund and Community Redevelopment Fund. Data from the other 12 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* elsewhere in this report.

The City of Ocoee adopts an annual appropriated budget for the General, Enterprise and Impact Fee Special Revenue funds. Budgetary comparison schedules have been provided for the General Fund, Road Impact Fund and Community Redevelopment Agency Fund to demonstrate compliance with the budget on pages 19-22. Budgetary comparison schedules for nonmajor Impact Fee Special Revenue funds are presented on pages 85-87.

The basic governmental fund financial statements can be found on pages 16-22 of this report.

Proprietary funds. The City of Ocoee maintains two types of proprietary funds: *enterprise and internal service*.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Ocoee uses enterprise funds to account for its Water and Wastewater fund, Solid Waste fund, and Stormwater fund. Annual operating budgets are adopted for these funds. *Internal service funds* are an accounting tool used to accumulate and allocate costs internally among various functions. The City utilizes an internal service fund for its health insurance. Because services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater fund, Solid Waste fund, and for the Stormwater fund.

The basic proprietary fund financial statements can be found on pages 23-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Ocoee'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 28-29 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 30-72 of this report.

Required supplementary information (RSI). RSI can be found on pages 73-78 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 79-89 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ocoee, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$171,681,574 at the close of the most recent fiscal year.

By far the largest portion of the City of Ocoee's net position (77%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Ocoee uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Ocoee'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. An additional portion of the City of Ocoee's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,798,387) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2015, the City of Ocoee is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The following table reflects the condensed Statement of Net Position for the current and prior year. For more detail see the Statement of Net Position on page 14.

STATEMENT OF NET POSITION
AS OF SEPTEMBER 30,

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 26,679,977	\$ 24,394,204	\$ 25,640,379	\$ 24,841,614	\$ 52,320,356	\$ 49,235,818
Restricted Assets	-	-	8,921,172	8,309,351	8,921,172	8,309,351
Capital Assets	117,619,757	119,276,501	62,755,734	64,254,725	180,375,491	183,531,226
Total assets	144,299,734	143,670,705	97,317,285	97,405,690	241,617,019	241,076,395
Deferred Outflow of Resources	2,723,415	3,597	764,586	426,800	3,488,001	430,397
Current Liabilities	7,136,372	6,663,535	1,141,937	1,294,752	8,278,309	7,958,287
Long Term Liabilities						
Outstanding	44,527,753	35,916,774	19,640,426	19,719,409	64,168,179	55,636,183
Other Liabilities	-	-	475,171	511,133	475,171	511,133
Total liabilities	51,664,125	42,580,309	21,257,534	21,525,294	72,921,659	64,105,603
Deferred Inflows of Resources	395,904	-	105,883	-	501,787	-
Net Position:						
Net Investment in Capital Assets	87,358,904	87,717,699	44,514,898	45,526,782	131,873,802	133,244,481
Restricted	3,943,235	3,560,248	9,066,150	8,670,316	13,009,385	12,230,564
Unrestricted	3,660,981	9,816,046	23,137,406	22,110,098	26,798,387	31,926,144
Total net position	\$ 94,963,120	\$ 101,093,993	\$ 76,718,454	\$ 76,307,196	\$ 171,681,574	\$ 177,401,189

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Activities

The following table reflects the condensed Statement of Activities for the current and prior year. For more detailed information see the Statement of Activities on page 15. Note that total net position increased by \$2,571,685. Beginning net position was also reduced \$8,291,300 due to the implementation of GASB 68.

Net position for governmental activities increased by \$1,987,282. Overall, revenues exceeded budgeted amounts for the general fund. Consumers appear to be more confident about the economy and have begun spending more. Key elements of this increase are:

- Revenue for building permits and related permitting and inspection fees increased \$313,000. This can be attributed to an increase in development within the City.
- Half Cent Sales Tax and Revenue Sharing receipts increased \$351,000 and \$209,000. Again this reflects the up-swing in the economy and pick up in tourism.
- Franchise Fees and Utility tax revenues further support a rebounding economy with increases of \$130,000.
- Road impact fees increased \$1,000,000.

Net position for business-type activities increased by \$584,403. Key elements of this change are an increase in user and connection fee revenue.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

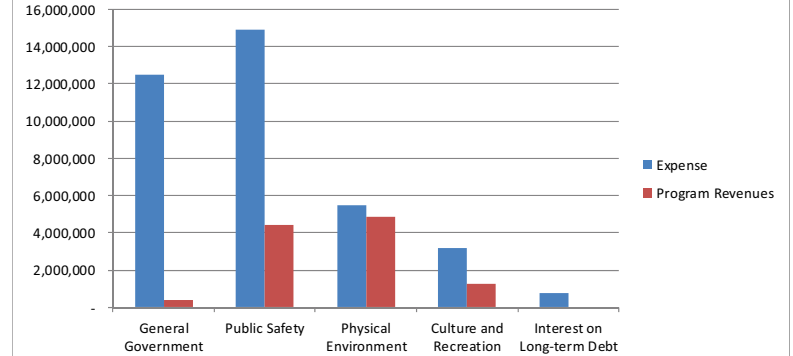
CHANGES IN NET POSITION
For the Year Ended September 30,

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 8,676,266	\$ 4,992,990	\$ 15,571,610	\$ 15,280,138	\$ 24,247,876	\$ 20,273,128
Operating Grants and Contributions	2,032,603	2,062,887	-	11,620	2,032,603	2,074,507
Capital Grants and Contributions	225,719	219,160	1,718,056	3,469,260	1,943,775	3,688,420
General Revenues:						
Property Taxes	9,884,437	9,192,829	-	-	9,884,437	9,192,829
Franchise Fees and Utility Taxes	5,833,539	5,703,266	-	-	5,833,539	5,703,266
Intergovernmental	8,789,064	8,276,562	-	-	8,789,064	8,276,562
Other	775,716	412,895	145,188	266,193	920,904	679,088
Total revenues	36,217,344	30,860,589	17,434,854	19,027,211	53,652,198	49,887,800
Expenses:						
General Government	12,495,444	10,681,945	-	-	12,495,444	10,681,945
Public Safety	14,919,303	15,926,441	-	-	14,919,303	15,926,441
Physical Environment	5,476,916	5,218,225	-	-	5,476,916	5,218,225
Culture and Recreation	3,197,256	3,035,914	-	-	3,197,256	3,035,914
Interest on Long-term Debt	746,693	798,482	-	-	746,693	798,482
Water and wastewater	-	-	9,094,414	8,293,957	9,094,414	8,293,957
Solid Waste	-	-	2,300,596	2,720,559	2,300,596	2,720,559
Stormwater	-	-	2,849,891	2,841,248	2,849,891	2,841,248
Total expenses	36,835,612	35,661,007	14,244,901	13,855,764	51,080,513	49,516,771
Increase (Decrease) in Net Position Before Transfers	(618,268)	(4,800,418)	3,189,953	5,171,447	2,571,685	371,029
Transfers	2,605,550	2,414,089	(2,605,550)	(2,414,089)	-	-
Increase (Decrease) in Net Position	1,987,282	(2,386,329)	584,403	2,757,358	2,571,685	371,029
Net Position - October 1, restated	92,975,838	103,480,322	76,134,051	73,549,838	169,109,889	177,030,160
Net Position - September 30	\$ 94,963,120	\$ 101,093,993	\$ 76,718,454	\$ 76,307,196	\$ 171,681,574	\$ 177,401,189

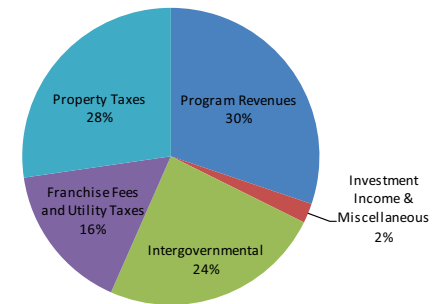
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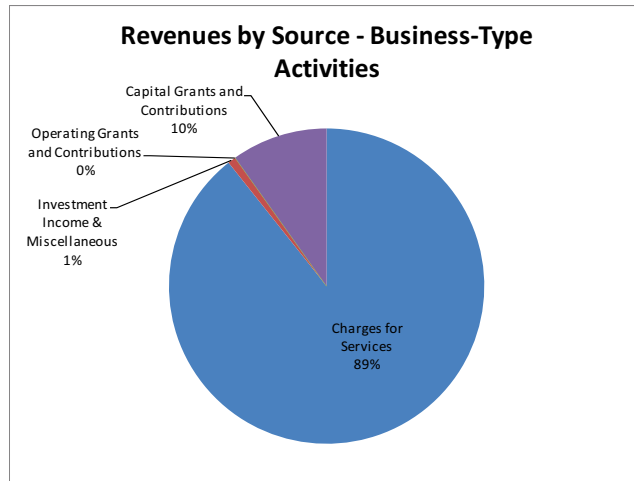
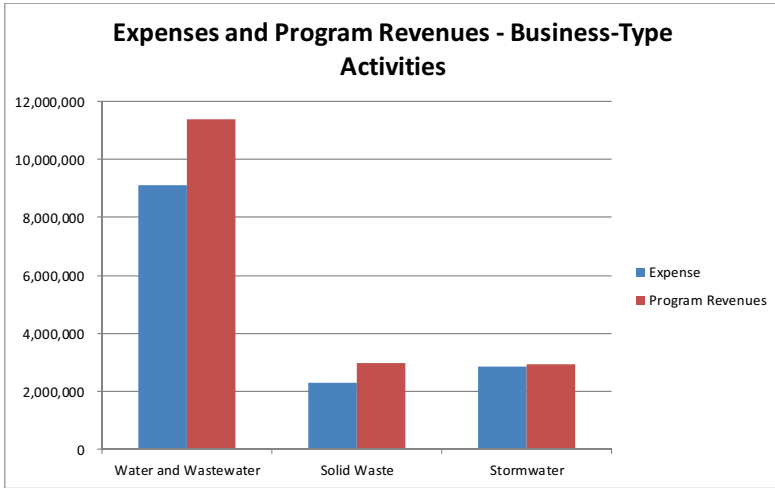
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities





Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Ocoee'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 of Ocoee'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, 2015, the City of Ocoee's governmental funds reported combined ending fund balances of \$19,095,055 an increase of \$2,263,390 in comparison with the prior year. Approximately 51% or \$9,804,236 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

The general fund is the chief operating fund of the City of Ocoee. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,804,236 while total fund balance reached \$12,788,143. 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 28.4% of total general fund expenditures compared to 23.7% for last year. Total fund balance represents 37.0% of total general fund expenditures compared to 31.7% for last year.

The Community Redevelopment Special Revenue Fund is considered a major fund in order for our external auditors to express an opinion on this fund as required by Florida Statutes chapter 163.387(8). This fund was created in 2006 as a dependent taxing district. The incremental annual increase in tax over the base years is used to fund projects. As of September 30, 2015, the fund balance was \$117,565 a decrease of \$33,639 over the prior year. This decrease is due to the planned expenditures of fund balance for marketing and signage for the CRA.

The Road Impact Fund balance increased \$238,234 during the year. Revenue from impact fees increased \$1,041,741. This increase was due to collection of fees for new development.

Fund balance of the City of Ocoee's General Fund increased by \$2,543,400 during the current fiscal year. This increase can mostly be attributed revenues exceeding budgeted amounts for franchise fees, utility taxes, sales taxes, revenue sharing, and unspent lease proceeds coupled with expenditures less than budgeted.

Proprietary funds. The City of Ocoee'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 Wastewater Fund at the end of the year amounted to \$11,684,849 and unrestricted net position for the Solid Waste and Stormwater Fund amounted to \$1,434,765 and \$10,240,552 respectively. The total increase in Water and Wastewater Fund was \$1,156,190, increase in the Solid Waste Fund was \$163,362, and the Stormwater Fund decreased \$450,434. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Ocoee's business-type activities on page 7.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

Total appropriations and transfers out in the General Fund Budget did not change from the original to final budget; however the allocation of appropriations did change. There were some adjustments to the original department budgets for the General Fund during the year but the total changes resulted in a net zero change for the General Fund budget.

Funds of \$616,243 were transferred from the General Fund Contingency to departments to cover additional costs of programs and purchases that were either not identified in the original budget or costs unknown at budget time. Funds were transferred as follows:

- Legislative department for community promotion requested from the High School band;
- Support Services department for the appraisal of the city property to be sold;
- City Manager's department for an Economic Development Consultant and Master Planning for retail marketing and planning;
- Parks and Recreation for additional funding for the City's Founder's Day Event;
- General Government for additional health claims;
- General government department for additional Educational Incentive expense.

During the year revenues were more than budgetary estimates by \$1,879,939, due primarily from franchise fees, sales and utility taxes, building permits and related revenues, and state revenue receipts exceeding budgeted amounts. This can be attributed to an increase in tourism experienced by the county overall and a rise in consumer spending.

Capital Asset and Debt Administration

Capital Assets. The City of Ocoee's investment in capital assets for its governmental and business type activities as of September 30, 2015 amounts to \$180,375,491 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Significant capital asset events during the year included the resurfacing for the Ocoee Lakeshore Center complex parking areas, completion of more phases of the Peach Lake Manor subdivision Stormwater improvements, resurfacing of three miles of City streets, and completion of new street signs citywide. The Lake Olympia subdivision reclaim retrofit project was started and several miles of water line replacements and upgrades were made. Additional information on the City of Ocoee's capital assets can be found in note 8 on pages 47-49 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration (Continued)

	Capital Assets (net of depreciation) As of September 30, 2014 and September 30, 2013					
	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 24,195,346	\$ 23,675,319	\$ 4,830,345	\$ 4,715,299	\$ 29,025,691	\$ 28,390,618
Buildings	14,107,395	11,916,293	7,900,382	8,506,957	22,007,777	20,423,250
Improvements	16,710,957	8,333,283	37,415,118	39,557,959	54,126,075	47,891,242
Machinery and Equipment	2,785,179	2,393,384	2,037,328	1,989,824	4,822,507	4,383,208
Intangibles	237,742	81,460	40,447	56,859	278,189	138,319
Infrastructure	58,131,112	60,236,090	-	-	58,131,112	60,236,090
Construction in Progress	1,452,026	12,640,672	10,532,114	9,427,827	11,984,140	22,068,499
Total net position	\$ 117,819,757	\$ 119,276,501	\$ 62,755,734	\$ 64,254,725	\$ 180,375,491	\$ 183,531,226

Long-term debt. At the end of the current fiscal year, the City of Ocoee had no bonded debt outstanding. The City of Ocoee also has various notes payable and capital lease obligations.

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.

Additional information on the City of Ocoee's long-term debt can be found in notes 9 and 10 on pages 49-53 of this report.

Economic Factors and Next Year's Budgets and Rates

The City experienced an 8.6% increase in growth for assessed property values for the budgeted year 2015. This increase in property values continues with 7.5% growth for budget year 2016. The unemployment rate for Ocoee at September 30, 2015 was 4.2% which was lower than the state's rate of 5.1%. Local indicators again point to increased commercial and residential development activity.

The 2016 budget was approved with a millage of 5.9104 which is higher than the previous year's rate. The total operating budget adopted for fiscal year 2015-2016 is \$65,569,985. This increase of \$9,620,485 is primarily attributable to revenue to be received from the sale of two parcels of City property and an increase in funding allocated for health insurance coverage.

Requests for Information

This financial report is designed to provide a general overview of the City of Ocoee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 150 N. Lakeshore Drive, Ocoee, Florida 34761.

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BASIC FINANCIAL STATEMENTS

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CITY OF OCOEE, FLORIDA

STATEMENT OF NET POSITION

September 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 16,667,077	\$ 14,044,464	\$ 30,711,541
Investments	8,540,347	10,159,235	18,699,582
Receivables, net	1,181,593	1,276,682	2,458,275
Inventories	45,578	-	45,578
Due From Other Governments	257,330	67,817	325,147
Internal Balances	(82,321)	82,321	-
Prepaid Costs	70,373	9,860	80,233
Restricted Assets:			
Cash and cash equivalents	-	6,488,426	6,488,426
Investments	-	2,432,746	2,432,746
Capital Assets			
Capital assets (not being depreciated)	25,647,372	15,362,459	41,009,831
Capital assets (being depreciated net of accumulated depreciation)	91,972,385	47,393,275	139,365,660
Total Assets	<u>144,299,734</u>	<u>97,317,285</u>	<u>241,617,019</u>
Deferred Outflows of Resources			
Deferred Pension Earnings	2,722,216	374,060	3,096,276
Deferred Charge on Refunding	1,199	390,526	391,725
	<u>2,723,415</u>	<u>764,586</u>	<u>3,488,001</u>
Liabilities:			
Accounts Payable and Other Current Liabilities	2,950,942	189,648	3,140,590
Matured Bonds and Interest Payable	1,635,198	952,289	2,587,487
Accrued Interest Payable	18,529	-	18,529
Due to Other Governmental Agencies	-	-	-
Unearned Revenue	2,531,703	-	2,531,703
Customer Deposits Payable	-	475,171	475,171
Noncurrent Liabilities:			
Due within one year	2,856,811	979,780	3,836,591
Due in more than one year	41,670,942	18,660,646	60,331,588
Total liabilities	<u>51,664,125</u>	<u>21,257,534</u>	<u>72,921,659</u>
Deferred Inflows of Resources			
Deferred Pension Earnings	395,904	105,883	501,787
Net Position:			
Net Investment in Capital Assets	87,358,904	44,514,898	131,873,802
Restricted for:			
Debt Service	142,512	88,852	231,364
Highways and streets	1,468,728	-	1,468,728
Public safety	918,249	-	918,249
Culture and recreation	1,296,181	-	1,296,181
Capital outlay	-	4,517,412	4,517,412
Renewal and replacement	-	4,459,886	4,459,886
Community Redevelopment	117,565	-	117,565
Unrestricted	3,660,981	23,137,406	26,798,387
Total net position	<u>\$ 94,963,120</u>	<u>\$ 76,718,454</u>	<u>\$ 171,681,574</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OCOEE, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2015

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 12,495,444	\$ 419,721	\$ -	\$ -	\$ (12,075,723)	\$ -	\$ (12,075,723)
Public Safety	14,919,303	3,771,840	675,588	-	(10,471,875)	-	(10,471,875)
Physical environment	5,476,916	3,245,152	1,357,015	225,719	(649,030)	-	(649,030)
Culture and Recreation	3,197,256	1,239,553	-	-	(1,957,703)	-	(1,957,703)
Interest on Long-term debt	746,693	-	-	-	(746,693)	-	(746,693)
Total governmental activities	<u>36,835,612</u>	<u>8,676,266</u>	<u>2,032,603</u>	<u>225,719</u>	<u>(25,901,024)</u>	<u>-</u>	<u>(25,901,024)</u>
Business-type activities							
Water and wastewater	9,094,414	9,661,139	-	1,718,056	-	2,284,781	2,284,781
Solid Waste	2,300,596	2,991,560	-	-	-	690,964	690,964
Stormwater	2,849,891	2,918,911	-	-	-	69,020	69,020
Total business-type activities	<u>14,244,901</u>	<u>15,571,610</u>	<u>-</u>	<u>1,718,056</u>	<u>-</u>	<u>3,044,765</u>	<u>3,044,765</u>
Total primary government	<u>\$ 51,080,513</u>	<u>\$ 24,247,876</u>	<u>\$ 2,032,603</u>	<u>\$ 1,943,775</u>	<u>(25,901,024)</u>	<u>3,044,765</u>	<u>(22,856,259)</u>
General Revenues:							
Property taxes					9,884,437	-	9,884,437
Franchise fees and utility taxes					5,833,539	-	5,833,539
Intergovernmental-unrestricted					8,789,064	-	8,789,064
Investment income and miscellaneous					666,376	145,168	811,544
Gain on sale of capital assets					109,340	20	109,360
Transfers					2,605,550	(2,605,550)	-
Total general revenues and transfers					<u>27,888,306</u>	<u>(2,460,362)</u>	<u>25,427,944</u>
Change in net position					1,987,282	584,403	2,571,685
Net Position - beginning, as restated					92,975,838	76,134,051	169,109,889
Net Position - ending					<u>\$ 94,963,120</u>	<u>\$ 76,718,454</u>	<u>\$ 171,681,574</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF OCOEE, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2015

	General Fund	Road Impact	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 6,039,086	\$ 2,045,798	\$ 140,202	\$ 4,999,813	\$ 13,224,899
Cash with paying agent	-	-	-	1,635,198	1,635,198
Investments	7,536,554	1,003,793	-	-	8,540,347
Receivables, net	1,166,831	4,038	-	10,668	1,181,537
Inventories, at cost	45,578	-	-	-	45,578
Due from other governments	253,067	-	-	4,263	257,330
Due from other funds	224,722	400,000	148	362	625,232
Prepays	64,801	-	1,300	4,272	70,373
Total assets	<u>\$ 15,330,639</u>	<u>\$ 3,453,629</u>	<u>\$ 141,650</u>	<u>\$ 6,654,576</u>	<u>\$ 25,580,494</u>
Liabilities and Fund Balances:					
Accounts payable	\$ 376,294	\$ 761	\$ 163	\$ 2,853	\$ 380,071
Accrued liabilities	791,306	-	-	-	791,306
Retainage payable	-	24,175	2,000	2,658	28,833
Deposits payable	1,089,251	-	-	-	1,089,251
Due to other funds	749	-	21,922	2,800	25,471
Due to other governments	3,606	-	-	-	3,606
Matured bonds payable	-	-	-	1,186,000	1,186,000
Matured interest payable	-	-	-	449,198	449,198
Unearned revenue	281,290	1,959,965	-	290,448	2,531,703
Total liabilities	<u>2,542,496</u>	<u>1,984,901</u>	<u>24,085</u>	<u>1,933,957</u>	<u>6,485,439</u>
Fund Balances:					
Nonspendable	110,379	-	1,300	4,272	115,951
Restricted	-	1,468,728	116,265	2,352,670	3,937,663
Assigned	2,873,528	-	-	2,363,677	5,237,205
Unassigned	9,804,236	-	-	-	9,804,236
Total fund balances	<u>12,788,143</u>	<u>1,468,728</u>	<u>117,565</u>	<u>4,720,619</u>	<u>19,095,055</u>
Total Liabilities and Fund Balances	<u>\$ 15,330,639</u>	<u>\$ 3,453,629</u>	<u>\$ 141,650</u>	<u>\$ 6,654,576</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	117,619,757
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	467,079
Deferred inflows and outflows of resources related to pension earnings are not recognized in governmental funds, however, they are recorded in net position under full accrual accounting	2,326,312
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(44,545,083)
Net Position of Governmental Activities	<u>\$ 94,963,120</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF OCOEE, FLORIDA

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

For the Year Ended September 30, 2015

	General Fund	Road Impact	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Taxes and impact fees	\$ 15,717,976	\$ 1,608,970	\$ 225,716	\$ 765,431	\$ 18,318,093
Licenses and permits	1,963,689	-	-	-	1,963,689
Intergovernmental revenues	10,721,667	-	-	100,003	10,821,670
Charges for services	3,256,978	-	-	-	3,256,978
Fines and forfeitures	1,050,107	-	-	31,091	1,081,198
Investment income	96,062	13,038	171	2,982	112,253
Miscellaneous	483,997	-	518	68,407	552,922
Total revenues	<u>33,290,476</u>	<u>1,622,008</u>	<u>226,405</u>	<u>967,914</u>	<u>36,106,803</u>
Expenditures:					
Current:					
General government	10,977,221	-	-	100,000	11,077,221
Public safety	14,564,020	-	-	69,988	14,634,008
Physical environment	2,749,953	23,776	39,114	3,111	2,815,954
Culture and recreation	2,617,849	-	-	6,889	2,624,738
Debt Service:					
Principal	1,182,165	-	-	1,335,073	2,517,238
Interest and fiscal charges	156,936	-	-	591,987	748,923
Capital Outlay:					
General government	633,309	-	-	25,755	659,064
Public safety	826,388	-	-	22,729	849,117
Physical environment	731,795	483,505	48,164	397,008	1,660,472
Culture and recreation	134,451	-	-	56,060	190,511
Total expenditures	<u>34,574,087</u>	<u>507,281</u>	<u>87,278</u>	<u>2,608,600</u>	<u>37,777,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,283,611)</u>	<u>1,114,727</u>	<u>139,127</u>	<u>(1,640,686)</u>	<u>(1,670,443)</u>
Other Financing Sources (Uses):					
Transfers In	4,156,406	-	-	1,932,585	6,088,991
Transfers Out	(1,669,064)	(876,493)	(172,766)	(776,504)	(3,494,827)
Capital Leases	1,184,891	-	-	-	1,184,891
Sale of Capital Assets	154,778	-	-	-	154,778
Total Other Financing Sources (Uses)	<u>3,827,011</u>	<u>(876,493)</u>	<u>(172,766)</u>	<u>1,156,081</u>	<u>3,933,833</u>
Net Change in Fund Balances	2,543,400	238,234	(33,639)	(484,605)	2,263,390
Fund Balances - beginning	10,244,743	1,230,494	151,204	5,205,224	16,831,665
Fund Balances - ending	<u>\$ 12,788,143</u>	<u>\$ 1,468,728</u>	<u>\$ 117,565</u>	<u>\$ 4,720,619</u>	<u>\$ 19,095,055</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OCOEE, FLORIDA

**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, 2015

Net Change in Fund Balances - total governmental funds: \$ 2,263,390

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

Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (1,481,965)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,332,347

The net effect of various transactions involving capital assets (i.e. sales, trades-ins, donations and transfers) is to increase net position (186,164)

Net transfers of capital assets to/from proprietary funds 11,386

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position 663,559

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. (160,189)

Internal service funds are used by management to charge the costs of certain activities, such as health insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (455,082)

Change in net position of governmental activities \$ 1,987,282

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OCOEE, FLORIDA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
	Revenues:			
Taxes:				
Property	\$ 9,944,590	\$ 9,944,590	\$ 9,884,437	\$ (60,153)
Franchise	2,475,020	2,475,020	2,620,150	145,130
Utility	3,085,640	3,085,640	3,213,389	127,749
	<u>15,505,250</u>	<u>15,505,250</u>	<u>15,717,976</u>	<u>212,726</u>
Licenses and permits:				
Building	789,010	789,010	1,558,883	769,873
Occupational	393,740	393,740	404,806	11,066
	<u>1,182,750</u>	<u>1,182,750</u>	<u>1,963,689</u>	<u>780,939</u>
Intergovernmental revenues:				
Sales tax	5,320,415	5,320,415	5,665,490	345,075
State revenue sharing	1,571,260	1,571,260	1,782,289	211,029
Other state shared revenue	153,865	153,865	190,093	36,228
Other county shared revenue	2,532,530	2,532,530	2,566,853	34,323
	<u>9,578,070</u>	<u>9,578,070</u>	<u>10,204,725</u>	<u>626,655</u>
Charges for services:				
Fire contract	400,000	400,000	400,000	-
Program activity fees	587,340	587,340	636,749	49,409
Develop. Review	32,410	32,410	77,272	44,862
Miscellaneous	1,844,880	1,844,880	1,923,363	78,483
	<u>2,864,630</u>	<u>2,864,630</u>	<u>3,037,384</u>	<u>172,754</u>
Fines and forfeitures:				
Fines and forfeitures:	1,116,065	1,116,065	1,050,107	(65,958)
Investment income	31,000	31,000	95,959	64,959
Miscellaneous	125,480	125,480	213,344	87,864
	<u>30,403,245</u>	<u>30,403,245</u>	<u>32,283,184</u>	<u>1,879,939</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
	Expenditures:			
Current:				
General government:				
Legislative	167,445	148,945	125,726	23,219
Executive	912,125	875,461	831,793	43,668
Finance and admin	1,717,045	1,707,545	1,605,945	101,600
Legal	222,500	223,500	223,416	84
Community development	616,250	865,450	586,059	279,391
General services	6,727,835	7,240,365	7,240,063	302
Building maintenance	2,041,780	2,021,073	1,919,508	101,565
	<u>12,404,980</u>	<u>13,082,339</u>	<u>12,532,510</u>	<u>549,829</u>
Public Safety:				
Police	9,478,975	9,333,973	8,713,479	620,494
Fire	5,589,135	5,450,398	5,203,046	247,352
Inspections	737,215	732,215	719,474	12,741
	<u>15,805,325</u>	<u>15,516,586</u>	<u>14,635,999</u>	<u>880,587</u>
Physical environment:				
Public works	3,924,875	3,745,298	3,485,908	259,390
Culture and recreation:				
Parks and recreation	2,576,445	2,558,231	2,434,867	123,364
	<u>34,711,625</u>	<u>34,902,454</u>	<u>33,089,284</u>	<u>1,813,170</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,308,380)</u>	<u>(4,499,209)</u>	<u>(806,100)</u>	<u>3,693,109</u>
Other Financing Sources (Uses)				
Transfers in	3,396,990	3,396,990	4,156,406	759,416
Transfers out	(2,107,775)	(1,916,946)	(1,669,064)	247,882
Proceeds from sale capital assets	519,165	519,165	154,778	(364,387)
Total other financing sources(uses)	<u>1,808,380</u>	<u>1,999,209</u>	<u>2,642,120</u>	<u>642,911</u>
Net Change in Fund Balance	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>1,836,020</u>	<u>4,336,020</u>
Fund Balance - Beginning	<u>10,344,833</u>	<u>10,344,833</u>	<u>10,344,833</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,844,833</u>	<u>\$ 7,844,833</u>	<u>\$ 12,180,853</u>	<u>\$ 4,336,020</u>

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The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF OCOEE, FLORIDA

**ROAD IMPACT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes and impact fees	\$ 825,425	\$ 825,425	\$ 1,608,970	\$ 783,545
Investment income	3,635	3,635	13,038	9,403
Total revenues	829,060	829,060	1,622,008	792,948
Expenditures:				
Physical environment				
Roads	10,000	10,000	507,281	(497,281)
Total expenditures	10,000	10,000	507,281	(497,281)
Excess (Deficiency) of Revenues Over Expenditures	819,060	819,060	1,114,727	295,667
Other Financing Sources (Uses)				
Transfers out	(876,495)	(876,495)	(876,493)	2
Total other financing sources(uses)	(876,495)	(876,495)	(876,493)	2
Net Change in Fund Balance	(57,435)	(57,435)	238,234	295,669
Fund Balance - Beginning	1,230,494	1,230,494	1,230,494	-
Fund Balance - Ending	\$ 1,173,059	\$ 1,173,059	\$ 1,468,728	\$ 295,669

CITY OF OCOEE, FLORIDA

**COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property tax	\$ 228,590	\$ 228,590	\$ 225,716	\$ (2,874)
Investment income	200	200	171	(29)
Miscellaneous	-	-	518	518
Total revenues	228,790	228,790	226,405	(2,385)
Expenditures:				
Physical environment	203,000	203,000	87,278	115,722
Total expenditures	203,000	203,000	87,278	115,722
Excess (Deficiency) of Revenues Over Expenditures	25,790	25,790	139,127	113,337
Other Financing Sources (Uses)				
Transfers out	(165,000)	(165,000)	(172,766)	(7,766)
Total other financing sources(uses)	(165,000)	(165,000)	(172,766)	(7,766)
Net Change in Fund Balance	(139,210)	(139,210)	(33,639)	105,571
Fund Balance - Beginning	151,204	151,204	151,204	-
Fund Balance - Ending	\$ 11,994	\$ 11,994	\$ 117,565	\$ 105,571

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The accompanying Notes to Financial Statements are an integral part of these statements.

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OCOEE, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2015

	Enterprise Funds				Governmental Activities-
	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Total	Internal Service Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 4,579,557	\$ 1,773,836	\$ 6,738,762	\$ 13,092,175	\$ 1,806,980
Cash with fiscal agent	952,289	-	-	952,289	-
Investments	6,842,633	-	3,316,602	10,159,235	-
Receivables, net	1,232,371	16,475	27,836	1,276,682	56
Due from other governments	41,761	2,527	23,529	67,817	-
Due from other funds	239	-	304,842	305,081	-
Prepays	6,947	2,690	223	9,860	-
Total current assets	<u>13,655,797</u>	<u>1,795,528</u>	<u>10,411,814</u>	<u>25,863,139</u>	<u>1,807,036</u>
Noncurrent assets:					
Restricted cash and cash equivalents	6,488,426	-	-	6,488,426	-
Restricted investments	2,432,746	-	-	2,432,746	-
Total restricted assets	<u>8,921,172</u>	<u>-</u>	<u>-</u>	<u>8,921,172</u>	<u>-</u>
Capital assets:					
Land, buildings and equipment	76,021,055	2,853,684	50,629,993	129,504,732	-
Construction in Progress	7,760,726	-	2,771,388	10,532,114	-
Less accumulated depreciation	(43,019,936)	(1,789,397)	(32,471,779)	(77,281,112)	-
Total capital assets (net of depreciation)	<u>40,761,845</u>	<u>1,064,287</u>	<u>20,929,602</u>	<u>62,755,734</u>	<u>-</u>
Total noncurrent assets	<u>49,683,017</u>	<u>1,064,287</u>	<u>20,929,602</u>	<u>71,676,906</u>	<u>-</u>
Total assets	<u>63,338,814</u>	<u>2,859,815</u>	<u>31,341,416</u>	<u>97,540,045</u>	<u>1,807,036</u>
Deferred Outflows of Resources					
Deferred charge on refunding	\$ 390,526	\$ -	\$ -	\$ 390,526	\$ -
Deferred pension earnings	245,740	85,761	42,559	374,060	-
	<u>\$ 636,266</u>	<u>\$ 85,761</u>	<u>\$ 42,559</u>	<u>\$ 764,586</u>	<u>\$ -</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

	Enterprise Funds				Governmental Activities-
	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Total	Internal Service Fund
Liabilities					
Current Liabilities:					
Accounts payable	55,850	2,740	1,251	59,841	655,608
Retainage payable	4,762	-	-	4,762	-
Accrued liabilities	83,733	28,728	12,584	125,045	2,267
Compensated absences	32,983	8,457	5,662	47,102	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	904,842
Customer deposits payable	475,171	-	-	475,171	-
Matured notes payable	648,000	-	-	648,000	-
Matured interest payable	304,289	-	-	304,289	-
Capital lease payable	-	265,678	-	265,678	-
Notes payable	667,000	-	-	667,000	-
Total current liabilities	<u>2,271,788</u>	<u>305,603</u>	<u>19,497</u>	<u>2,596,888</u>	<u>1,562,717</u>
Noncurrent Liabilities:					
Compensated Absences	296,848	76,114	50,953	423,915	-
Notes payable	16,616,000	-	-	16,616,000	-
Capital lease payable	-	434,684	-	434,684	-
Other post employment benefits	490,696	216,233	86,673	793,602	-
Net pension liability	257,818	89,976	44,651	392,445	-
Total noncurrent liabilities	<u>17,661,362</u>	<u>817,007</u>	<u>182,277</u>	<u>18,660,646</u>	<u>-</u>
Total liabilities	<u>19,933,150</u>	<u>1,122,610</u>	<u>201,774</u>	<u>21,257,534</u>	<u>1,562,717</u>
Deferred Inflows of Resources					
Deferred pension earnings	69,560	24,276	12,047	105,883	-
Net Position					
Net investment in capital assets	23,221,371	363,925	20,929,602	44,514,898	-
Restricted for debt service	88,852	-	-	88,852	-
Restricted for capital projects	4,517,412	-	-	4,517,412	-
Restricted for renewal and replacement	4,459,886	-	-	4,459,886	-
Unrestricted	11,684,849	1,434,765	10,240,552	23,360,166	244,319
Total net position	<u>\$ 43,972,370</u>	<u>\$ 1,798,690</u>	<u>\$ 31,170,154</u>	<u>\$ 76,941,214</u>	<u>\$ 244,319</u>

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the business activities of the Statement of Net Position.

Total Net Position per Government-Wide Financial Statements

(222,760)
\$ 76,718,454

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OCOEE, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS**

For the Year Ended September 30, 2015

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	Enterprise Funds				Governmental Activities-
	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 9,661,139	\$ 2,991,560	\$ 2,918,911	\$ 15,571,610	\$ 4,696,400
Total operating revenues	<u>9,661,139</u>	<u>2,991,560</u>	<u>2,918,911</u>	<u>15,571,610</u>	<u>4,696,400</u>
Operating Expenses:					
Salaries and benefits	2,399,616	876,334	425,972	3,701,922	-
Insurance claims and expenses	-	-	-	-	5,437,398
Materials and supplies	1,423,173	850,866	76,677	2,350,716	-
Depreciation and amortization	2,913,782	260,714	2,128,912	5,303,408	-
Other operating expenses	1,447,571	280,810	209,087	1,937,468	-
Total operating expenses	<u>8,184,142</u>	<u>2,268,724</u>	<u>2,840,648</u>	<u>13,293,514</u>	<u>5,437,398</u>
Operating income (loss)	<u>1,476,997</u>	<u>722,836</u>	<u>78,263</u>	<u>2,278,096</u>	<u>(740,998)</u>
Nonoperating Revenue (Expenses):					
Investment income (loss)	92,821	4,560	47,787	145,168	1,201
Interest expense	(645,109)	(8,237)	-	(653,346)	-
Gain (loss) on disposal of capital assets	(13,326)	-	20	(13,306)	-
Total non-operating revenue (expenses)	<u>(565,614)</u>	<u>(3,677)</u>	<u>47,807</u>	<u>(521,484)</u>	<u>1,201</u>
Income before contributions and transfers	<u>911,383</u>	<u>719,159</u>	<u>126,070</u>	<u>1,756,612</u>	<u>(739,797)</u>
Capital Contributions:					
Connection fees	1,493,073	-	-	1,493,073	-
Developers and others	224,983	439	667	226,089	-
Transfers in	5,500	-	25,000	30,500	-
Transfers out	(1,478,749)	(556,236)	(602,171)	(2,637,156)	-
Change in net position	<u>1,156,190</u>	<u>163,362</u>	<u>(450,434)</u>	<u>869,118</u>	<u>(739,797)</u>
Total Net Position - beginning, as restated	<u>42,816,180</u>	<u>1,635,328</u>	<u>31,620,588</u>		<u>984,116</u>
Total Net Position - ending	<u>\$ 43,972,370</u>	<u>\$ 1,798,690</u>	<u>\$ 31,170,154</u>		<u>\$ 244,319</u>
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.				(284,715)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements				<u>\$ 584,403</u>	

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OCOEE, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For The Year Ended September 30, 2015

	Enterprise Funds				Governmental Activities- Internal Service Fund
	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Total	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 9,472,340	\$ 2,985,720	\$ 2,758,208	\$ 15,216,268	\$ -
Receipts from internal services provided	-	-	-	-	4,873,099
Payments to suppliers	(2,853,112)	(1,140,023)	(286,893)	(4,280,028)	(5,423,965)
Payments to employees	(2,399,368)	(872,447)	(425,445)	(3,697,260)	-
Net cash provided (used) by operating activities	4,219,860	973,250	2,045,870	7,238,980	(550,866)
Cash Flows from Non-Capital Financing Activities:					
Transfers in	5,500	-	25,000	30,500	-
Transfers out	(1,466,257)	(556,236)	(602,171)	(2,624,664)	-
Decrease in due from other funds	(239)	-	(304,842)	(305,081)	66,099
Increase (decrease) in due to other funds	(10,150)	(5,098)	(4,593)	(19,841)	704,842
Net cash provided (used) by non-capital financing activities	(1,471,146)	(561,334)	(886,606)	(2,919,086)	770,941
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sale of capital assets	1,029	-	20	1,049	-
Grant revenues	-	-	-	-	-
Proceeds of bonds, notes and leases	-	453,738	-	453,738	-
Acquisition of capital assets	(3,092,891)	(462,268)	(274,999)	(3,830,158)	-
Principal paid on revenue bonds, notes and leases	(648,000)	(326,117)	-	(974,117)	-
Interest paid on revenue bonds, notes and leases	(608,835)	(8,237)	-	(617,072)	-
Connection fees	1,718,056	-	-	1,718,056	-
Net cash provided (used) by capital and related financing activities	(2,630,641)	(342,884)	(274,979)	(3,248,504)	-
Cash Flows from Investing Activities:					
Sale (Purchase) of investments	1,448,503	-	479,797	1,928,300	-
Investment income	92,821	4,560	47,787	145,168	1,201
Net cash provided (used) by investing activities	1,541,324	4,560	527,584	2,073,468	1,201
Net Increase (Decrease) in Cash and Cash Equivalents	1,659,397	73,592	1,411,869	3,144,858	221,276
Cash and Cash Equivalents - beginning	9,408,586	1,700,244	5,326,913	16,435,743	1,585,704
Cash and Cash Equivalents - end	<u>\$ 11,067,983</u>	<u>\$ 1,773,836</u>	<u>\$ 6,738,782</u>	<u>\$ 19,580,601</u>	<u>\$ 1,806,980</u>
Classified As:					
Cash and cash equivalents	\$ 4,579,557	\$ 1,773,836	\$ 6,738,782	\$ 13,092,175	\$ 1,806,980
Restricted cash and cash equivalents	6,488,426	-	-	6,488,426	-
Total	<u>\$ 11,067,983</u>	<u>\$ 1,773,836</u>	<u>\$ 6,738,782</u>	<u>\$ 19,580,601</u>	<u>\$ 1,806,980</u>

The accompanying Notes to Financial Statements are in integral part to these statements.

	Enterprise Funds				Governmental Activities- Internal Service Fund
	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 1,476,997	\$ 722,836	\$ 78,263	\$ 2,278,096	\$ (740,998)
Adjustments Not Affecting Cash:					
Depreciation and amortization	2,913,782	260,714	2,128,912	5,303,408	-
Change in Assets and Liabilities:					
Decrease (increase) in accounts receivable	(152,837)	(3,313)	4,593	(151,557)	176,699
Decrease (Increase) in prepaid costs	(2,038)	(201)	(19)	(2,258)	-
Increase (decrease) in accounts payable	15,408	(8,146)	(1,110)	6,152	11,931
Increase (decrease) in accrued liabilities	674	2,590	1,324	4,588	1,502
Decrease in retainage payable	4,262	-	-	4,262	-
Increase in customer deposits	(35,962)	-	-	(35,962)	-
Increase (decrease) in compensated absences	19,920	7,577	2,788	30,285	-
Increase in due from other governments	-	(2,527)	(9,629)	(12,156)	-
Increase in due to other governments	-	-	(155,667)	(155,667)	-
Increase in deferred outflows	(245,740)	(85,761)	(42,559)	(374,060)	-
Increase in deferred inflows	24,692	8,617	4,276	37,585	-
Increase in net pension liability	188,938	65,938	32,722	287,598	-
Increase in OPEB obligation	11,764	4,926	1,976	18,666	-
Total adjustments	(170,919)	(10,300)	(161,305)	(342,524)	190,132
Net Cash Provided (Used) By Operating Activities	<u>\$ 4,219,860</u>	<u>\$ 973,250</u>	<u>\$ 2,045,870</u>	<u>\$ 7,238,980</u>	<u>\$ (550,866)</u>
Noncash Capital and Financing Activities:					
Net transfers of capital assets	\$ (12,492)	\$ 439	\$ 667	\$ (11,386)	\$ -

The accompanying Notes to Financial Statements are in integral part to these statements.

CITY OF OCOEE, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2015

	Total Employee Pension Funds
Assets:	
Cash and cash equivalents	\$ 2,731,136
Receivables:	
Employer contributions	72,013
Plan members contributions	24,021
Total receivables	<u>96,034</u>
Investments, at fair value:	
Common funds - equity	43,115,932
Common funds - bonds	20,804,107
Real estate investment trust	6,171,470
Total Investments	<u>70,091,509</u>
Total assets	<u>72,918,679</u>
Liabilities	
Accounts Payable	<u>-</u>
Total liabilities	<u>-</u>
Net Position:	
Held in trust for pension benefits	<u>\$ 72,918,679</u>

CITY OF OCOEE, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2015

	Total Employee Pension Funds
Additions:	
Contributions:	
Employer	\$ 2,806,956
Plan members	1,188,628
State	516,942
Total contributions	<u>4,512,526</u>
Investment income:	
Interest	1,912,598
Net appreciation (loss) on fair value of investments	<u>(712,873)</u>
Net investment income (loss)	<u>1,199,725</u>
Total additions	<u>5,712,251</u>
Deductions:	
Benefits	3,443,842
Administrative expenses	579,482
Total deductions	<u>4,023,324</u>
Change in net position	1,688,927
Net Position - beginning	<u>71,229,752</u>
Net Position - ending	<u>\$ 72,918,679</u>

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The accompanying Notes to Financial Statements are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies:

A. Reporting Entity

The City of Ocoee, Florida ("the City") is a political subdivision of the state of Florida located in Orange County, and was established by the Laws of Florida 10951 (1925). The legislative branch of the City is comprised of a five-member elected Commission, which is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy; the execution of such policy is the responsibility of the City Manager appointed by the Commission.

In evaluating how to define the government, for financial reporting purposes, the City 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 organizations' 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 Ocoee created the Community Redevelopment Agency (CRA) in May of 2006. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years 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 eliminate and prevent the development or spread of slum and blighted areas in designated areas within the City. Areas within the CRA are to be redeveloped as an economically sustainable and attractive mixed-use area offering a high quality local destination in a manner that promotes a positive image for the City.

The Ocoee Community Redevelopment Plan was adopted in Resolution No. 2006-007 by Ocoee City Commission to govern the use of these resources. The CRA is governed by a board of seven - the five members of the Ocoee City Commission and two individuals appointed by the City Commission. One of the appointed individuals is nominated by Orange County. The adoption of Ordinance No. 2006-012 established the Redevelopment Trust Fund to account for all transactions generated by activity in the CRA. Separate financial statements are not issued for the CRA; they are included on pages 16 and 17.

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NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):**B. Government-Wide and Fund 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 non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements; however interfund services provided and used are not eliminated. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the 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 instead as *general revenues*.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 government 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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The government reports the following funds:

Major Governmental Funds

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

The *Road Impact Special Revenue Fund* accounts for road impact fees collected from new developments which are restricted for use for planning, acquisition, expansion and development of improvements to the road system.

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

Nonmajor Governmental Funds

Special Revenue Funds account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt Service Funds account for the accumulation of resources for the payment of principal and interest on certain long-term debt.

Capital Projects Funds account for financial resources segregated for the acquisition or construction of major capital facilities.

Major Proprietary Funds

The *Water and Wastewater Utility Fund* is used to account for the operations of the City's water and wastewater systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Stormwater Utility Fund* accounts for the operation and maintenance of the City's stormwater system and payment of related debt.

The *Solid Waste Utility Fund* accounts for the operation and maintenance of the City's solid waste collection and disposal system.

Other Fund Types

The *Pension Trust Funds* account for activities of police officers, firefighters and general employees' retirement plans which accumulate resources for pension benefit payments to qualified employees.

The *Internal Services Fund* accounts for insurance activities of the City.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 Water and Wastewater Utility, Solid Waste, and Stormwater Utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosure, for fiscal year 2006. The effect of this statement is the inclusion of new disclosures for deposit and investment risk.

Investments of the City are reported at fair value. The City's investments consist of investments authorized per the investment policy adopted in accordance with Section 218.415, Florida Statutes.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures 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 government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

4. Restricted assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Assets so designated are identified as restricted assets on the balance sheet.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

5. Capital assets (Continued)

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 assets constructed. Total interest expense incurred by business-type activities during the current year was \$653,346. There was no interest capitalized in enterprise fund capital assets in 2015.

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

<u>Assets</u>	<u>Years</u>
Buildings	10-30
Improvements	20-40
Infrastructure	30-50
Intangible Assets	5-10
Equipment	5-10

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused personal leave benefits. Since the City's policy is to pay accumulated personal leave when employees separate from service, all personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental funds, compensated absences, other post-employment benefits and net pension liability are generally liquidated by the General Fund.

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

7. Long-term obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

8. 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. The deferred charge on refunding and deferred outflows of pension earnings reported in the enterprise and government-wide statement of net position. 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.

9. Net position flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

10. 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 first 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.

11. 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 Commission 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 classifications are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Commission has the responsibility for assigning fund balance. The commission 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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

12. New GASB Statements Implemented

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. GASB Statement No. 71 addresses the issue of the transition provisions in Statement No. 68. Beginning net position of governmental activities, business-type activities, and proprietary funds has been restated and disclosed in Note 3.

Note 2 - 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 a reconciliation between *fund balance - total governmental funds* and *net position- governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$44,545,083 difference are as follows:

Notes Payable	\$ 27,767,000
Less: Deferred amount on refunding (to be amortized over life of debt)	(1,199)
Capital Leases Payable	1,309,052
Other Post Employment Benefits	3,720,637
Compensated Absences	1,950,156
Net Pension Liability	9,780,908
Accrued Interest Payable	18,529
Net Adjustment to Reduce Fund Balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 44,545,083</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

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 balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(1,481,965) difference are as follows:

Capital Outlay	\$ 2,754,067
Depreciation Expense	<u>(4,236,032)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,481,965)</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$1,332,347 difference are as follows:

Debt Issued or Incurred:	
Capital leases	\$ (1,184,891)
Principal Repayment	<u>2,517,238</u>
Net Adjustment to Increase Net Changes in Fund Balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,332,347</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

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 (Continued)

Another element of that reconciliation states "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." The details of this (\$160,189) difference are as follows:

Compensated Absences	\$ (32,684)
Other Post Employment Benefits	(129,735)
Accrued Interest Payable	4,628
Amortization of Loss on Refunding	(2,398)
Net Adjustment to Decrease Net Changes in Fund Balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (160,189)</u>

Note 3 - Accounting Changes:

The beginning balances of governmental activities, business-type activities, and proprietary funds have been adjusted due to the implementation of GASB 68.

	Water and Wastewater Fund	Solid Waste Fund	Stormwater Fund	Total Proprietary Funds
Net Position, October 1, 2014, previously stated	\$ 42,929,928	\$ 1,675,025	\$ 31,640,288	\$76,245,241
Restatement of Net Position Due to Implementation of GASB 68	<u>(113,748)</u>	<u>(39,697)</u>	<u>(19,700)</u>	<u>(173,145)</u>
Net Position, October 1, 2014, restated	<u>\$ 42,816,180</u>	<u>\$ 1,635,328</u>	<u>\$ 31,620,588</u>	<u>\$76,072,096</u>
	Governmental Activities	Business-type Activities	Total	
Net Position, October 1, 2014, previously stated	\$101,093,993	\$ 76,307,196	\$177,401,189	
Restatement of Net Position Due to Implementation of GASB 68	<u>(8,118,155)</u>	<u>(173,145)</u>	<u>(8,291,300)</u>	
Net Position, October 1, 2014, restated	<u>\$ 92,975,838</u>	<u>\$ 76,134,051</u>	<u>\$169,109,889</u>	

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 4 - Stewardship, Compliance, and Accountability:

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Community Redevelopment Agency Special Revenue Fund, Impact Fee Special Revenue and Enterprise Funds, except as described below under Budget Basis of Accounting. All annual appropriations lapse at fiscal year end. The City follows these procedures set forth below in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments.
3. On or before September 30th of each year, public hearings are completed and the Commission adopts the final budget and establishes the ad valorem tax millage.
4. The City cannot legally exceed the budget; however, the City Manager is authorized to transfer budgeted amounts within departments within any fund. The City Commission must approve revisions that alter the total expenditures of any department. The legal level of budgetary control is the department level.
5. Budgetary comparisons are not presented for Enterprise Funds since not required under generally accepted accounting principles.

B. Excess of Expenditures Over Appropriations

The Road Impact Fund contained excess expenditures over appropriations, which were funded by greater than anticipated revenues and available fund balance.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 5 - Budget Basis of Accounting:

The General Fund, Community Redevelopment Agency Special Revenue Fund and Impact Fee Special Revenue Fund budgets are prepared on a budgetary basis, whereby encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. In addition, the City includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures. Also, the City does not budget for capital outlay expenditures and other financing sources related to the acquisition of assets through capital leases. The City does not budget for the state pension contributions that must be recorded as intergovernmental revenue and public safety expenditures in the General Fund GAAP financial statements.

The City also does not budget for Recreation Programs, Founders Day, Police Fundraiser, Community Events, and Fire Fully Involved, which are consolidated in the General Fund for GAAP purposes, however not included in the budgetary basis of the General Fund.

For the 2015 fiscal year, the following adjustments were necessary to convert General Fund expenditures on the GAAP basis to the budgetary basis:

	<u>Expenditures</u>	<u>Revenues</u>	<u>Other Financing Sources (Uses)</u>
General Fund:			
GAAP Basis	\$ 34,574,087	\$ 33,290,476	\$ 3,827,011
Nonbudgeted State Pension Amounts	(516,942)	(516,942)	-
Nonbudgeted Capital Lease Transactions	(527,363)	-	(1,184,891)
Nonbudgeted Recreation Programs	(85,150)	(74,683)	-
Nonbudgeted Founders Day	(309,285)	(357,917)	-
Nonbudgeted Police Fundraiser	(23,182)	(19,078)	-
Nonbudgeted Community Events	(21,917)	(38,667)	-
Nonbudgeted Fire Fully Involved	(964)	(5)	-
Budgetary Basis	<u>\$ 33,089,284</u>	<u>\$ 32,283,184</u>	<u>\$ 2,642,120</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 6 - Deposits and Investments:

Deposits

At year-end, the carrying amount of the City's deposits was \$37,199,967 and the bank balance was \$40,074,188. Cash on hand of \$880 and Cash with Fiscal Agent of \$2,587,487 are not on deposit with a financial institution. Fiduciary cash of \$2,731,136 held by the pension funds is not in the City's bank accounts. All bank deposits were covered by Federal Depository Insurance or held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. This limits local government deposits to "authorized depositories." The State of Florida Collateral Pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. For this reason, the City considers its deposits insured or collateralized.

Investments

The City's investment policy is governed by State Statutes and City ordinances. The investment policy does not apply to the City's Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with chapter 280 of the Florida Statutes. Authorized investments are:

1. State Board of Administration Local Government Investment Pool (SBA);
2. Registered investment companies (money market mutual funds);
3. Money Market funds and Certificates of Deposit in state-certified qualified public depositories;
4. U.S. Government Agency Securities and U.S. Treasury Bills, Notes and Bonds;
5. Repurchase agreements

The SBA is not a registrant with the Securities and Exchange Commission (SEC); however the State of Florida does provide regulatory oversight. The Board has adopted operating procedures consistent with the requirements for a 2a-7 fund for the Florida Prime Fund; therefore, the pool account balance can be used as fair value for the financial reporting.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 6 - Deposits and Investments (Continued):

Investments (Continued)

Investments made by the City of Ocoee at September 30, 2015 are summarized below. Defined benefit pension plan investments, other than \$43,115,932 in mutual funds investing in equity securities, are included below.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity (Years)
Florida Prime	\$ 238,388	AAAm	29 days
Certificates of Deposit	4,474,972	Not rated	23.0 months
Money Market	1,099,027	Not rated	N/A
U.S. Government and Agency Securities	15,319,941	AA+	1.87 years
Pension Plan Investments:			
Fixed Income Securities	20,804,107	BBB-AA+	12.5 years
Real Estate and Misc. Assets	6,171,470	Not Rated	
	<u>\$ 48,107,905</u>		

Credit Risk:

The City's investment policy limits credit risk by restricting authorized investments to those described above. The policy requires that investments in U.S. Government Agency Securities be guaranteed by the full faith of the U.S. Government. Also, term repurchase agreements must be collateralized by U.S. Treasury securities and overnight (sweep) repurchase agreements must be collateralized by the full faith or general faith and credit obligations of the U.S. Government or U.S. Government Agency Securities. Securities of registered investment companies must be limited to U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. Government obligations.

Custodial Credit Risk:

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's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2015, all of the City's bank deposits were in qualified public depositories.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 6 - Deposits and Investments (Continued):

Investments (Continued)

Custodial Credit Risk (Continued):

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. At September 30, 2015, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The policy has no limitations on portfolio composition.

Interest Rate Risk:

The policy limits investment in U.S. Government Agency Securities, Treasury Bills, Notes and Bonds to a maximum maturity of five years. The maximum length to maturity for Certificates of Deposit is three years.

Note 7 - Receivables:

Receivables as of yearend for the City's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Less Allowance for Uncollectible Accounts	Total
General Fund	\$ 1,187,221	\$ (20,390)	\$ 1,166,831
Road Impact	4,038	-	4,038
Water and Wastewater Utility Fund	1,314,095	(81,724)	1,232,371
Solid Waste Fund	17,715	(1,240)	16,475
Stormwater Fund	29,367	(1,531)	27,836
Internal Service Fund	56	-	56
Other Governmental Funds	10,668	-	10,668
Total	<u>\$ 2,563,160</u>	<u>\$ (104,885)</u>	<u>\$ 2,458,275</u>

CITY OF OCOEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 8 - Capital Assets:

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 23,675,319	\$ 520,027	\$ -	\$ 24,195,346
Construction in progress	12,640,672	726,677	(11,915,323)	1,452,026
Total capital assets, not being depreciated	36,315,991	1,246,704	(11,915,323)	25,647,372
Capital assets, being depreciated:				
Buildings	16,851,070	2,660,202	-	19,511,272
Improvements	12,754,813	9,303,035	(57,896)	21,999,952
Machinery and equipment	11,860,780	1,128,552	(804,866)	12,184,466
Intangibles	671,430	210,494	(90,264)	791,660
Infrastructure	94,745,930	-	-	94,745,930
Total capital assets, being depreciated	136,884,023	13,302,283	(953,026)	149,233,280
Less accumulated depreciation for:				
Buildings	(4,934,777)	(469,100)	-	(5,403,877)
Improvements	(4,421,530)	(896,509)	29,044	(5,288,995)
Machinery and equipment	(9,467,396)	(715,919)	784,028	(9,399,287)
Intangibles	(589,970)	(54,212)	90,264	(553,918)
Infrastructure	(34,509,840)	(2,104,978)	-	(36,614,818)
Total accumulated depreciation	(53,923,513)	(4,240,718)	903,336	(57,260,895)
Total capital assets, being depreciated, net	82,960,510	9,061,565	(49,690)	91,972,385
Governmental activities capital assets, net	\$119,276,501	\$ 10,308,269	\$ (11,965,013)	\$117,619,757

Increases in accumulated depreciation for governmental activities includes accumulated depreciation on assets transferred from business-type activities, therefore, total increases is not the same as depreciation expense disclosed below. This difference is \$4,686. Increases in accumulated depreciation for business-type activities include accumulated depreciation on assets transferred from governmental activities. This difference is \$25,562.

CITY OF OCOEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 8 - Capital Assets (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,715,299	\$ 115,046	\$ -	\$ 4,830,345
Construction in progress	9,427,827	2,828,917	(1,724,630)	10,532,114
Total capital assets, not being depreciated	14,143,126	2,943,963	(1,724,630)	15,362,459
Capital assets, being depreciated:				
Buildings	20,094,002	-	-	20,094,002
Improvements	94,806,553	1,950,166	(59,378)	96,697,341
Machinery and equipment	7,063,453	661,506	(41,619)	7,683,340
Intangibles	186,107	13,597	-	199,704
Total capital assets, being depreciated	122,150,115	2,625,269	(100,997)	124,674,387
Less accumulated depreciation for:				
Buildings	(11,587,045)	(606,575)	-	(12,193,620)
Improvements	(55,248,594)	(4,080,687)	47,058	(59,282,223)
Machinery and equipment	(5,073,629)	(611,699)	39,316	(5,646,012)
Intangibles	(129,248)	(30,009)	-	(159,257)
Total accumulated depreciation	(72,038,516)	(5,328,970)	86,374	(77,281,112)
Total capital assets, being depreciated, net	50,111,599	(2,703,701)	(14,623)	47,393,275
Business-type activities capital assets, net	\$ 64,254,725	\$ 240,262	\$ (1,739,253)	\$ 62,755,734

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 8 - Capital Assets (Continued):

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 789,588
Public safety	795,471
Physical environment	2,152,156
Culture and recreation	498,817
Total Depreciation Expense - governmental activities	<u>\$ 4,236,032</u>
Business-type Activities:	
Water and wastewater	\$ 2,913,782
Solid waste	260,714
Stormwater	2,128,912
Total Depreciation Expense - business-type activities	<u>\$ 5,303,408</u>

Note 9 - Leases:

Capital Leases - The City has entered into lease agreements as lessee for financing the acquisition of vehicles, trucks, data processing, communications and office equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Assets		
Machinery & equipment	\$ 1,158,162	\$ 1,479,956
Less: Accumulated depreciation	(150,804)	(348,286)
Total	<u>\$ 1,007,358</u>	<u>\$ 1,131,670</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 9 - Leases (Continued):

Amortization of equipment leased and capital leases is included in depreciation expense. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 were as follows:

Year Ending September 30	Governmental Activities	Business-type Activities
2016	\$ 507,027	\$ 273,927
2017	450,181	239,177
2018	273,176	144,124
2019	108,078	58,151
Total Minimum Lease Payments	<u>1,338,462</u>	<u>715,379</u>
Less: Amount representing interest	(29,410)	(15,017)
	<u>\$ 1,309,052</u>	<u>\$ 700,362</u>

Note 10 - Long-Term Debt:

Notes Payable

The 2010 Water and Sewer System Refunding Revenue Notes are secured by net revenue of the water and sewer system. The total principal and interest remaining to be paid on this series is \$374,634. For the fiscal year, principal and interest paid on this series was \$374,101 and total pledged revenue was \$4,468,164.

The 2012 Water and Sewer System Refunding Revenue Notes are secured by net revenue of the water and sewer system. The total principal and interest remaining to be paid on this series is \$5,983,402. For the fiscal year, principal and interest paid on this series was \$178,976 and total pledged revenue was \$4,468,164.

The 2013 Water and Sewer System Refunding Revenue Notes are secured by net revenue of the water and sewer system. The total principal and interest remaining to be paid on this series is \$17,596,311. For the fiscal year, principal and interest paid on this series was \$703,500 and total pledged revenue was \$4,468,164.

The 2011 Capital Improvement Refunding Revenue Notes are secured by half-cent sales tax revenue. The total principal and interest remaining to be paid on this series is \$7,868,881. For the fiscal year, principal and interest paid on this series was \$603,457 and total pledged revenue was \$5,665,490.

The 2012 Transportation Improvement Refunding Revenue Notes are secured by Local Option Gas Tax and Public Service tax revenue. The total principal and interest remaining to be paid on this series is \$14,950,031. For the fiscal year, principal and interest paid on this series was \$1,120,469 and total pledged revenue was \$3,951,554.

The remaining Governmental Activities Notes payable are secured by a covenant to budget and appropriate, not a pledge of specific revenues.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 10 - Long-Term Debt (Continued):

Notes Payable (Continued)

The City has notes payable for both governmental and business-type activities. Outstanding notes payable at year end are as follows:

Governmental Activities

Capital Improvement Note, Series 2009 - payable in annual principal installments start 10/1/10 through 10/1/2024 and interest paid semi-annually at a variable rate equal to 67% of the sum of LIBOR plus 2.6%, with a floor of 2.1% 3,385,000

Capital Improvement Refunding Revenue Note, Series 2011 - payable in annual principal installments start 10/1/12 through 10/1/2028 and interest paid semi-annually at 2.510% 6,644,000

Transportation Improvement Refunding Revenue Note, Series 2012 - payable in annual principal installments start 10/1/12 through 10/1/2028 and interest paid semi-annually at 2.730% 12,444,000

Non-Ad Valorem Refunding Revenue Note, Series 2012 - payable in annual principal installments start 2/1/2013 through 2/1/2023 and interest paid semi-annually at 2.10% 5,294,000
\$27,767,000

Business-Type Activities

Water and Sewer System Refunding Revenue Note, Series 2012 - payable in annual principal installments through 2026 and interest paid semi-annually at 2.35% \$ 5,177,000

Water and Sewer System Refunding Revenue Note, Series 2013 - payable in annual principal installments through 2033 and interest paid semi-annually at 3.93% 11,739,000

Water and Sewer System Refunding Revenue Note, Series 2010 - payable in annual principal installments through 2016 and interest paid semi-annually at 2.08% 367,000
\$17,283,000

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 10 - Long-Term Debt (Continued):

Notes Payable (Continued)

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,171,000	\$ 682,350	\$ 667,000	\$ 590,637
2017	2,233,000	629,712	716,000	572,098
2018	2,297,000	575,521	735,000	551,258
2019	2,369,000	519,878	757,000	529,798
2020	2,434,000	462,513	779,000	507,663
2021-2025	11,265,000	1,427,146	4,256,000	2,180,945
2026-2030	4,998,000	267,597	5,468,000	1,428,046
2031-2033	-	-	3,905,000	310,902
	<u>\$ 27,767,000</u>	<u>\$ 4,564,717</u>	<u>\$ 17,283,000</u>	<u>\$ 6,671,347</u>

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NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 10 - Long-Term Debt (Continued):

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2015 was as follows:

	Beginning Balance, Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes payable-					
Capital improvement notes	\$ 16,690,000	\$ -	\$ (1,367,000)	\$ 15,323,000	\$ 1,363,000
Transp. improvement notes	13,204,000	-	(760,000)	12,444,000	808,000
Total notes payable	29,894,000	-	(2,127,000)	27,767,000	2,171,000
Capital lease	514,399	1,184,891	(390,238)	1,309,052	490,811
Compensated absences	1,917,473	237,383	(204,700)	1,950,156	195,000
Net pension liability	7,121,086	2,659,822	-	9,780,908	-
Other post employment benefits	3,590,902	129,735	-	3,720,637	-
Governmental activity long-term liabilities	\$ 43,037,860	\$ 4,211,831	\$ (2,721,938)	\$ 44,527,753	\$ 2,856,811
Business-type Activities:					
Revenue Notes payable	\$ 17,931,000	\$ -	\$ (648,000)	\$ 17,283,000	\$ 667,000
Capital lease	572,741	453,738	(326,117)	700,362	265,678
Compensated absences	440,732	74,285	(44,000)	471,017	47,102
Net pension liability	104,847	287,598	-	392,445	-
Other post employment benefits	774,936	18,666	-	793,602	-
Business-type activity long-term liabilities	\$ 19,824,256	\$ 834,287	\$ (1,018,117)	\$ 19,640,426	\$ 979,780

For governmental funds, compensated absences, other post-employment benefits and net pension liability are generally liquidated by the General Fund.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 11- Interfund Receivables, Payables and Transfers:

The composition of interfund balances as of September 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Redevelopment Agency	\$ 21,922
General Fund	Internal Service Fund	200,000
General Fund	Nonmajor governmental	2,800
Community Redevelopment Agency	General Fund	148
Water and Wastewater Fund	General Fund	239
Nonmajor Governmental	General Fund	362
Road Impact	Internal Service Fund	400,000
Stormwater Fund	Internal Service Fund	304,842
Total		\$ 930,313

Interfund balances represent reimbursements for a portion of salaries, purchases paid from an incorrect funds and transfer for debt service payment.

Interfund transfers for the year ended September 30, 2015 consisted of the following:

	Transfers In					Total
	General Fund	Water and Wastewater Fund	Stormwater Fund	Governmental Capital Assets Not a Fund	Nonmajor Governmental	
Transfer Out:						
General Fund	\$ -	\$ 5,500	\$ -	\$ -	\$ 1,663,564	\$ 1,669,064
Road Impact	876,493	-	-	-	-	876,493
Community Redevelopment Agency	172,766	-	-	-	-	172,766
Water and Wastewater Fund	1,466,257	-	-	12,492	-	1,478,749
Solid Waste Fund	531,236	-	25,000	-	-	556,236
Stormwater Fund	602,171	-	-	-	-	602,171
Nonmajor Governmental	507,483	-	-	-	269,021	776,504
Total	\$ 4,156,406	\$ 5,500	\$ 25,000	\$ 12,492	\$ 1,932,585	\$ 6,131,983

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that they are required to be expended from. Transfers are also used to a) accumulate required interest and principal debt payments for timely remittance, b) move administrative fees from the enterprise funds to the general fund, and c) move funds for purchases of computers based upon a replacement schedule. Transfers in the fund statements do not balance due to transfer of capital assets out of the Water and Wastewater Fund in the amount of \$12,492 into the governmental capital assets.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans:

Defined Benefit Plan and Trust

The City maintains two separate single-employer defined benefit pension plans for police officers and firefighters and all other full-time employees who are included as part of the City's reporting entity in Pension Trust Funds. The plans do not issue stand-alone financial reports. Each plan provides retirement and death benefits to plan members and beneficiaries. In addition, the police and firefighters plan provides disability benefits to Plan members. Florida Statutes, Chapter 175 and 185 establish minimum benefit provisions. The City of Ocoee Commission appoints two boards of trustees, two trustees are elected by the employees and a fifth member is selected by the four trustees to administer the pension trust funds. This board of trustees may not amend any provisions of the pension plan without the approval of the City Commission.

Contributions from the State received under Florida State Statutes 175 and 185 amounted to \$516,942 in 2015 and were recorded as revenue and expenditures in the general fund. The amounts legally required at September 30, 2015 to be reserved for general employees and police and fire pension funds are \$31,366,684 and \$41,551,995 respectively.

Summary of Significant Accounting Principles

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. All Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments without an established market are reported at estimated fair value.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

Individual Pension Fund Statements - The pension plans do not issue stand-alone financial reports. Individual statements of net position and changes in pension fund net position for the two pension plans included in the City of Ocoee fiduciary funds are as follows:

INDIVIDUAL STATEMENTS OF FIDUCIARY NET POSITION

September 30, 2015

	General Employees Pension	Police and Fire Pension
Assets:		
Cash and cash equivalents	\$ 928,827	\$ 1,802,309
Receivables:		
Employer contributions	-	72,013
Plan members contributions	-	24,021
Total receivables	-	96,034
Investments, at fair value:		
Common funds - equity	18,878,661	24,237,271
Real estate investment trust	2,856,111	3,315,359
Common funds - bonds	8,703,085	12,101,022
Total Investments	30,437,857	39,653,652
Total assets	31,366,684	41,551,995
Liabilities		
Accounts Payable	-	-
Total liabilities	-	-
Net Position:		
Held in trust for pension benefits	\$ 31,366,684	\$ 41,551,995

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

INDIVIDUAL STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2015

	General Employees Pension	Police and Fire Pension
Additions:		
Contributions:		
Employer	\$ 1,080,946	\$ 1,726,010
Plan members	603,922	584,706
State	-	516,942
Total contributions	<u>1,684,868</u>	<u>2,827,658</u>
Investment income:		
Interest	716,123	1,196,475
Net appreciation (depreciation) on fair value of investments	(75,364)	(637,509)
Net investment income	<u>640,759</u>	<u>558,966</u>
Total additions	<u>2,325,627</u>	<u>3,386,624</u>
Deductions:		
Benefits	1,207,137	2,236,705
Administrative expenses	275,207	304,275
Total deductions	<u>1,482,344</u>	<u>2,540,980</u>
Change in Net Position	843,283	845,644
Net Position - beginning	30,523,401	40,706,351
Net Position - ending	<u>\$ 31,366,684</u>	<u>\$ 41,551,995</u>

General Employees' Pension

Summary of Significant Accounting Policies

Method used to value investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

Plan Administration - the General Employees' Pension is administered by a Board of Trustees comprised of two City Commission appointees, two members of the Plan elected by the membership, and a fifth member elected by the other four members, and appointed by City Commission.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

General Employees' Pension (Continued)

Plan Membership - At September 30, 2015 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	78
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	56
Active Plan Members	<u>172</u>
	<u>306</u>

Benefits Provided - The plan provides retirement, termination and death benefits.

Normal Retirement - *Date:* Attainment of Age 60. The Mayor and Commissioners have a 9 year Credited Service requirement in addition to the attainment of Age 60. Members (excluding the Mayor and Commissioners) hired after September 17, 2012, achieve normal retirement eligibility upon the attainment of age 62, with the completion of 7 years of credited service

Benefit: 3% of average final compensation for each year of credited service, limited to 81% of average final compensation. For members (including Mayor and Commissioners) hired or elected after September 17, 2012, the benefit is 2.25% of average final compensation for each year of credited service, limited to 70% of average final compensation.

Early Retirement - *Eligibility:* Age 50 and 5 years of credited service. The Mayor and Commissioners have a 9 year service requirement. Members (excluding the Mayor and Commissioners) hired after September 17, 2012, achieve early retirement eligibility upon the attainment of age 50 with the completion of 7 years of credited service. Accrued benefits are actuarially reduced.

Vesting - Members are 100% vested after 5 years of credited service. The Mayor and Commissioners have a 9 year requirement for vesting eligibility. Members (excluding the Mayor and Commissioners) hired after September 17, 2012 achieve 100% vesting eligibility upon the completion of 7 years of credited service. Members will receive the vested portion of their accrued benefit payable at the otherwise early (reduced) or normal (unreduced) retirement date.

Pre-Retirement Death Benefits - *Vested:* monthly accrued benefit payable to designated beneficiary for 10 years. *Nonvested:* refund of accumulated contributions without interest.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

General Employees' Pension (Continued)

Contributions - Member contributions are 7.4% of salary. The Mayor and Commissioners are non-contributory participants. City contributions are the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.

Net Pension Liability - The City's net pension liability was measured as of September 30, 2015, 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 on September 30, 2015 were as follows:

Total Pension Liability	\$ 32,842,516
Plan Fiduciary Net Position	(31,417,074) *
Sponsor's Net Pension Liability	<u>\$ 1,425,442</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.66%

* includes accrued investment income net of prepaid city contributions not included in the funds

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	4% - 5%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality rates were based on the RP2000 Combined Healthy Mortality Table (sex distinct), projected to the valuation date. This assumption is believed to accommodate expected mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on July 25, 2014 for the period 1987-2013.

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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

General Employees' Pension (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.0%	7.50%
International Equity	15.0%	8.50%
Broad Market Fixed Income	25.0%	2.50%
Global Fixed Income	5.0%	3.50%
Real Estate	10.0%	4.50%
Total	<u>100.0%</u>	

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.

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, 2014	\$ 30,970,526	\$ 30,589,698	\$ 380,828
Changes for a Year:			
Service Cost	1,130,748	-	1,130,748
Interest	2,440,626	-	2,440,626
Differences between expected and actual experience	(480,737)	-	(480,737)
Changes of assumptions	-	-	-
Contributions-employer	-	1,077,570	(1,077,570)
Contributions-employee	-	603,922	(603,922)
Net investment income	-	454,266	(454,266)
Benefit payments, including refunds of employee contributions	(1,218,647)	(1,218,647)	-
Administrative Expense	-	(89,735)	89,735
Net Changes	<u>1,871,990</u>	<u>827,376</u>	<u>1,044,614</u>
Balances at September 30, 2015	<u>\$ 32,842,516</u>	<u>\$ 31,417,074</u>	<u>\$ 1,425,442</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

General Employees' Pension (Continued)

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$ 5,087,093	\$ 1,425,442	\$ (1,683,905)

Deferred outflows and inflows of resources

For the year ended September 30, 2015, the City will recognize a pension expense of \$900,039. On September 30, 2015 the City 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 Changes of Assumptions	\$ -	\$ 384,590
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,358,663	-
	<u>\$ 1,358,663</u>	<u>\$ 384,590</u>

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

Year Ended September 30:	
2016	\$ 228,014
2017	228,014
2018	228,014
2019	290,031
2020	-
Thereafter	-

Concentrations - The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

General Employees' Pension (Continued)

Rate of return - For the year ended September 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP) - members are eligible following satisfaction of normal retirement requirements (age 60). For members hired after September 17, 2012, the eligibility for DROP participation is the attainment of age 62 and the completion of 10 years of credited service. Participation is not more than 84 months from age 60. For members hired after September 17, 2012, the DROP participation period shall not exceed 60 months from the first date of normal retirement eligibility. Earnings accrue at a fixed annual rate of 3%, credited quarterly. The DROP balance as of September 30, 2015 is \$796,014.

Police Officers' and Firefighters' Pension

Summary of Significant Accounting Policies

Method used to value investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

Plan Administration - The Plan is administered by a Board of Trustees comprised of two City Commission appointees, two members of the Plan elected by the membership, and a fifth member elected by the other four members, and appointed by City Commission.

Plan Membership - At September 30, 2015 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	47
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	24
Active Plan Members	115
	<u>186</u>

Benefits Provided - The plans provides retirement, termination, disability and death benefits.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

Police Officers' and Firefighters' Pension (Continued)

Normal Retirement - Date: Earlier of age 55 and 10 years of credited service, or 25 years of credited service, regardless of age.

Benefit: 3.5% of average final compensation times credited service. Maximum benefit for members hired before October 1, 2012, 100% of average final compensation. For member hired after September 30, 2012, 91% of average final compensation.

Early Retirement - Eligibility: Age 45 and 5 years of credited service. Accrued benefits are reduced 3% per year to age 50 and actuarially reduced from age 50 to age 45.

Vesting - Members are 100% vested after 5 years of credited service. Members will receive the vested portion of their accrued benefit payable at the otherwise early or normal retirement date.

Disability - For service incurred, covered from date of employment. For non-service incurred- 10 years of credited service. Benefit is accrued to date of disability but not less than 42% of average final compensation (service incurred). Additionally, the benefit cannot exceed 91% of average final compensation for members hired after September 30, 2012.

Pre-Retirement Death Benefits - Vested: monthly accrued benefit payable to designated beneficiary for 10 years. Nonvested: refund of accumulated contributions without interest.

Contributions - Member contributions are 8% of salary. The City contributions are the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability - The City's net pension liability was measured as of September 30, 2015, 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 on September 30, 2015 were as follows:

Total Pension Liability	\$ 50,360,075
Plan Fiduciary Net Position	(41,612,164) *
Sponsor's Net Pension Liability	<u>\$ 8,747,911</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.63%

* includes accrued investment income net of prepaid city contributions not included in the funds

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

Police Officers' and Firefighters' Pension (Continued)

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	6.00%
Discount Rate	8.00%
Investment Rate of Return	8.00%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table (sex distinct). Disabled lives are set forward five years. This assumption is believed to accommodate expected mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1989-2014.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50.0%	7.50%
International Equity	10.0%	8.50%
Core Fixed Income	25.0%	2.50%
Global Bond	5.0%	3.50%
Real Estate	10.0%	4.50%
Total	<u>100.0%</u>	

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

Police Officers' and Firefighters' Pension (Continued)

Discount rate - The discount rate used to measure the total pension liability was 8%. 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.

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, 2014	\$ 47,615,120	\$ 40,770,015	\$ 6,845,105
Changes for a Year:			
Service Cost	1,245,860	-	1,245,860
Interest	3,784,844	-	3,784,844
Change in excess state money	95,618	-	95,618
Differences between expected and actual experience	(146,497)	-	(146,497)
Contributions-employer	-	1,726,011	(1,726,011)
Contributions-state	-	516,942	(516,942)
Contributions-employee	-	584,706	(584,706)
Net investment income	-	343,322	(343,322)
Benefit payments, including refunds of employee contributions	(2,234,870)	(2,234,870)	-
Administrative Expense	-	(93,962)	93,962
Net Changes	2,744,955	842,149	1,902,806
Balances at September 30, 2015	\$ 50,360,075	\$ 41,612,164	\$ 8,747,911

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

	1% Decrease	Current	1% Increase
	7.00%	Discount Rate 8.00%	9.00%
Net Pension Liability	\$ 14,699,664	\$ 8,747,911	\$ 3,762,363

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 12 - Retirement Plans (Continued):

Police Officers' and Firefighters' Pension (Continued)

Deferred outflows and inflows of resources

For the year ended September 30, 2015, the City will recognize a pension expense of \$1,612,430. On September 30, 2015 the City 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	\$ -	\$ 117,197
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,737,613	-
	\$ 1,737,613	\$ 117,197

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

Year Ended September 30:	
2016	\$ 354,023
2017	354,023
2018	354,023
2019	558,347
2020	-
Thereafter	-

Concentrations - The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

Rate of return - For the year ended September 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 0.84 percent.

Deferred Retirement Option Program (DROP) Police and Fire - members are eligible within 12 months following satisfaction of normal retirement requirements. Participation is not more than 60 months. Rate of return: at election of member (may change once during DROP period) either: 1) actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees), or 2) 6.5%. Earnings are credited each fiscal quarter (2% for members entering the DROP after September 30, 2012). Additionally, members entering the DROP after September 30, 2012 cannot choose the Plan return option for investment crediting. The DROP balance as of September 30, 2015 is \$1,318,540.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 13 - Other Post Employment Benefits:

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the City's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has fifteen retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

As of October 1, 2013, the most recent actuarial valuation date, the actuarial accrued liabilities (AAL) and unfunded actuarial accrued liability (UAAL) for benefits was \$1,796,034, and the plan has a funded ratio of 0%. The covered payroll was \$15,078,052 and the ratio of the UAAL to covered payroll was 12%.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2015 is as follows:

Annual Required Contribution	\$ 210,591
Interest on Net OPEB Obligation	196,463
Adjustment to Annual Required Contribution	<u>(195,660)</u>
Annual OPEB cost	211,394
Employer Contributions	<u>(62,993)</u>
Increase in Net OPEB Obligation	148,401
Net OPEB Obligation (beginning of year)	<u>4,365,838</u>
Net OPEB Obligation (end of year)	<u>\$ 4,514,239</u>

Three Year Trend Information -

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2015	\$ 211,394	29.8%	\$ 4,514,239
9/30/2014	208,449	30.1%	4,365,838
9/30/2013	286,000	21.3%	4,220,208

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 13 - Other Post Employment Benefits (Continued):

Summary of Actuarial Methods & Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method - The entry age normal, level percentage of pay cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Amortization Method - Liabilities are amortized over a 30 year period as a level of percentage of payroll, closed.

Decrements -

Mortality Rates - RP 2000 Combined Mortality Table (sex distinct), projected to the valuation date for general employees, and RP-2000 Combined Healthy-sex distinct, disabled lives are set forward five years for Police and Fire.

Disability - none applied to general employees, rates of employee disability for Police and Fire:

<u>Age</u>	<u>Rate</u>
20	0.14%
30	0.18%
40	0.30%
50	1.00%

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 13 - Other Post Employment Benefits (Continued):

Termination Rates - General employees termination rates are as follows:

Service	% Terminating During the Year
Less than 1 year	15.0%
1 to 10 years	10.0%
11 years and up	2.0%

Police and Fire employee termination rates are as follows:

Age	% Terminating During the Year
20	17.2%
30	15.0%
40	8.2%
50	1.7%

Retirement - 100% of participants are assumed to retire upon reaching Normal Retirement Age. General Employees hired before October 1, 2012 are expected to retire 8% per year from ages 50 to 59; 5-year service requirement applies. General employees hired on or after October 1, 2012 are expected to retire 2% per year from ages 50 to 59; 7-year service requirement applies. For Police and Fire employees, commencing with the earliest assumed early retirement date (age 45 with 5 years of service), members are assumed to retire at the rate of 1% per year.

Investment Return (Discount Rate) - 4.5% per annum, compounded annually, net of investment related expenses.

Future Participation Rates - 50% of eligible retirees are assumed to elect to continue coverage into retirement, with 100% electing spouse coverage.

Healthcare Inflation - Pre-Medicare-6.5% in fiscal 2015; 6.5% in fiscal 2016 (grading down to 4.5% in fiscal 2019). Post-Medicare-none.

Medical Aging Factors - 4% per year prior to age 65; 3% per year between ages 65 and 75; 2% per year between ages 75 and 85; 0% per year thereafter.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 13 - Other Post Employment Benefits (Continued):

Summary of Benefits

Other Post-Employment Benefits (OPEBs) - The City of Ocoee provides optional post-employment healthcare and life insurance coverage to eligible individuals.

Eligible Individuals - A participant is eligible to receive benefits from the plan upon retirement under either the City of Ocoee Municipal Police Officers' and Firefighters' Retirement Trust Fund or the City of Ocoee Municipal General Employees' Retirement Trust Fund. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active immediately prior to retirement. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children.

Claims Assumption - The plan is self-insured. Pre-65 retirees participating in the group insurance plans offered by the City are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. For 2014-2015 per capita annual health costs per participant were \$9,663.

Note 14 - Deferred Compensation Plan:

The City offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by Great West, ICMA Retirement Corporation, Principal Group and Hartford. The plans permit participants 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 fund financials.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 15 - Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. Risk of loss from above is transferred by the City to various commercial insurers through the purchase of insurance. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage during the past three years.

The City became self-insured for employee health insurance effective November 1, 2007. 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 general, water and wastewater, solid waste, and stormwater funds participate in the program and make payments to the internal service fund based on the number of employees in each fund.

The City's health internal service fund covers claims up to \$100,000 per individual event and related claims. The City purchased excess stop loss coverage with an aggregate limit of \$1,000,000 per policy period.

The claims liability of \$655,608 represents claims processed through December 2014 which were applicable to the current fiscal year and any additional claims are deemed to be immaterial. Changes to the claims liability are as follows for the years ended September 30:

	<u>2015</u>	<u>2014</u>
Claims Liability, beginning of year	\$ 643,677	\$ 508,394
Incurred Claims	5,437,398	3,456,402
Payments on Claims	<u>(5,425,467)</u>	<u>(3,321,119)</u>
Claims Liability, end of year	<u>\$ 655,608</u>	<u>\$ 643,677</u>

The City also became self-insured for workers' compensation effective October 1, 2007. The City covers events up to \$600,000 even if more than one employee is involved in the event. The City has purchased excess stop loss coverage with an aggregate limit of \$1,000,000 per event. The City also has an aggregate retention limit of \$1,364,543 for all claims, and when this aggregate is reached, then the excess stop loss coverage up to \$1,000,000 in excess of the aggregate covers claims.

Worker's compensation claims are paid from each fund as incurred and, therefore, is not included in the internal service fund. Also actuarial probabilities are not needed since no claims are pending at September 30, 2015.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

Note 16 - Contingent Liabilities:

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.

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

Note 17 - Fund Balance:

At September 30, 2015, the City's governmental fund balances were as follows:

	<u>General Fund</u>	<u>Road Impact</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable					
Inventory and prepaids	\$ 110,379	\$ -	\$ 1,300	\$ 4,272	\$ 115,951
Spendable					
Restricted for:					
Debt service	-	-	-	142,512	142,512
Community redevelopment	-	-	116,265	-	116,265
Highways and streets	-	1,468,728	-	-	1,468,728
Fire	-	-	-	463,602	463,602
Police	-	-	-	450,375	450,375
Culture and recreation	-	-	-	1,296,181	1,296,181
Assigned to:					
Subsequent year expenditures	2,216,000	-	-	-	2,216,000
Transportation improvements	-	-	-	441,926	441,926
Capital projects	657,528	-	-	1,921,751	2,579,279
Unassigned	<u>9,804,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,804,236</u>
Total Fund Balance	<u>\$12,788,143</u>	<u>\$ 1,468,728</u>	<u>\$ 117,565</u>	<u>\$ 4,720,619</u>	<u>\$19,095,055</u>

Note 18 - Commitments:

At September 30, 2015, the City had entered into contracts for construction in the amount of \$2,193,125.

Note 19 - Subsequent Events:

The City has evaluated subsequent events through the date of the independent auditor's report, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OCOEE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2015

RETIREE CONTINUATION INSURANCE PLAN

Schedule of Contributions From the Employer and Other Contributing Entities

Year Ended September 30,	Annual Required Contribution	Percentage of ARC Contributed	Net OPEB Obligation
2015	\$ 210,591	29.91%	\$4,514,239
2014	202,209	31.07%	4,365,838
2013	294,000	20.70%	4,220,208
2012	274,000	20.80%	3,995,208
2011	1,185,941	24.30%	3,781,208
2010	1,150,181	24.30%	2,875,990

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ¹ (b)	Unfunded AAL (UAAL) ² (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a % of Covered Payroll (b-a)/c
10/1/2013	-	1,796,034	1,796,034	0.00%	15,078,052	12.00%
10/1/2012	-	2,318,000	2,318,000	0.00%	N/A	N/A
10/1/2011	-	2,106,000	2,106,000	0.00%	N/A	N/A
10/1/2009	-	7,761,429	7,761,429	0.00%	N/A	N/A
10/1/2008	-	7,251,860	7,251,860	0.00%	N/A	N/A
10/1/2007 *	-	6,384,383	6,384,383	0.00%	N/A	N/A

* Initial valuation date

¹ Actuarial liability determined under the projected unit credit cost method

² Actuarial liability less actuarial value of assets, if any

CITY OF OCOEE, FLORIDA

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
GENERAL EMPLOYEES**

Last 10 Fiscal Years*

	9/30/2015	9/30/2014
Total Pension Liability		
Service Cost	\$ 1,130,748	\$ 1,099,915
Interest	2,440,626	2,265,121
Differences Between Expected and Actual Experience	(480,737)	-
Changes of Assumptions	-	-
Benefit Payments, including refunds of employee contributions	(1,218,647)	(1,043,921)
Net Change in Total Pension Liability	1,871,990	2,321,115
Total Pension Liability - beginning	30,970,526	28,649,411
Total Pension Liability - ending (a)	<u>\$ 32,842,516</u>	<u>\$ 30,970,526</u>
Plan Fiduciary Net Position		
Contributions - employer	1,077,570	1,629,738
Contributions - state	-	-
Contributions - employee	603,922	588,154
Net Investment Income	454,266	2,447,920
Benefit Payments, including Refunds of Employee Contributions	(1,218,647)	(1,043,921)
Administrative Expense	(89,735)	(60,184)
Other	-	-
Net Change in Plan Fiduciary Net Position	827,376	3,561,707
Plan Fiduciary Net Position - beginning	30,589,698	27,027,991
Plan Fiduciary Net Position - ending (b)	<u>\$ 31,417,074</u>	<u>\$ 30,589,698</u>
Net Pension Liability - ending (a) - (b)	<u>\$ 1,425,442</u>	<u>\$ 380,828</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.66%	98.77%
Covered-employee Payroll	\$ 8,671,290	\$ 7,988,910
Net Pension Liability as a Percentage of Covered Employee Payroll	16.44%	4.77%

*- only two years of data available

CITY OF OCOEE, FLORIDA

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
POLICE AND FIREFIGHTERS**

Last 10 Fiscal Years*

	9/30/2015	9/30/2014
Total Pension Liability		
Service Cost	\$ 1,245,860	\$ 1,315,099
Interest	3,784,844	3,562,111
Changes in Excess State Money	95,618	94,656
Differences Between Expected and Actual Experience	(146,497)	-
Changes of Assumptions	-	-
Benefit Payments, including refunds of employee contributions	(2,234,870)	(1,812,744)
Net Change in Total Pension Liability	2,744,955	3,159,122
Total Pension Liability - beginning	47,615,120	44,455,998
Total Pension Liability - ending (a)	<u>\$ 50,360,075</u>	<u>\$ 47,615,120</u>
Plan Fiduciary Net Position		
Contributions - employer	1,726,011	1,943,350
Contributions - state	516,942	515,980
Contributions - employee	584,706	616,402
Net Investment Income	343,322	3,922,191
Benefit Payments, Including Refunds of Employee Contributions	(2,234,870)	(1,812,744)
Administrative Expense	(93,962)	(81,677)
Other	-	-
Net Change in Plan Fiduciary Net Position	842,149	5,103,502
Plan Fiduciary Net Position - beginning	40,770,015	35,666,513
Plan Fiduciary Net Position - ending (b)	<u>\$ 41,612,164</u>	<u>\$ 40,770,015</u>
Net Pension Liability - ending (a) - (b)	<u>\$ 8,747,911</u>	<u>\$ 6,845,105</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.63%	85.62%
Covered-employee Payroll	\$ 8,310,219	\$ 7,705,028
Net Pension Liability as a Percentage of Covered Employee Payroll	105.27%	88.84%

*- only two years of data available

CITY OF OCOEE, FLORIDA

SCHEDULE OF CONTRIBUTIONS - GENERAL EMPLOYEES

Last 10 Fiscal Years*

	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 1,077,570	\$ 1,629,738
Contributions in Relation to the Actuarially Determined Contribution	1,077,570	1,629,738
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	8,671,290	7,988,910
Contributions as a Percentage of Covered Employee Payroll	12.43%	20.40%

Notes to Schedule
Valuation Date

10/1/2013

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:

Actuarial Cost Method: Entry Age Normal
Amortization Method: Level Percentage of Pay, Closed
Remaining Amortization Period: 28 years (as of 10/1/2013)
Mortality: RP -2000 combined healthy mortality table (sex distinct), projected to the valuation date. Static rates were used for the prior valuation

Interest Rate: 8% per year, compounded annually, net of investment expenses
Inflation: 3% per year

Normal Retirement: *Contribution Members Hired Prior to 9/18/2012: age 62. Contribution Members Hired After 9/17/12: Age 62 and completion of 7 years of credited service. Non-Contributory Members: Age 60 and completion of 9 years of credited service. Also any member who has reached normal retirement is assumed to continue employment for one additional year.*

Early Retirement: *Contribution Members Hired Prior to 9/18/2012: 8% per year from ages 50 to 59; 5 year service requirement applies. Contribution Members Hired After 9/17/12: 2% per year from ages 50 to 61; 7 year service requirement applies. Non-Contributory Members: 2% per year from ages 50 to 59; 9 year service requirement applies.*

Termination Rates	Credited Service	Termination Probability
	Less than 1 year	15%
	1-10 years	10%
	11 Years and Greater	2%

Salary Increases	Credited Service	Termination Probability
	First 10 years	5%
	Greater than 10 years	4%

Final Year Salary Load	Years of Credited service as of October 1, 2011	
	Assumption	
	less than 1 year	No Load
	1 to 10 years	10%
	10 or more years	20%

Asset Smoothing 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 deminis bias that is above or below the market value of assets.

Payroll Increases

3.2% per year

*- only two years of data available

CITY OF OCOEE, FLORIDA

SCHEDULE OF CONTRIBUTIONS - POLICE AND FIRE

Last 10 Fiscal Years*

	9/30/2014	9/30/2014
Actuarially Determined Contribution	\$ 2,147,335	\$ 2,364,673
Contributions in Relation to the Actuarially Determined Contribution	2,147,335	2,364,673
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	8,310,219	7,705,028
Contributions as a Percentage of Covered Employee Payroll	25.84%	30.69%

Notes to Schedule

Valuation Date 10/1/2013
 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:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Percentage of Pay, Closed
 Remaining Amortization Period 29 years (as of 10/1/2013)
 Mortality RP -2000 combined healthy mortality table (sex distinct). Disabled lives are set forward five years. Based on as study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
 Interest Rate 8% per year, compounded annually, net of investment expenses
 Inflation 3% per year
 Normal Retirement Earlier of age 55 and 10 years of service or 25 years of service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
 Early Retirement Commencing with the earliest retirement date (age 45 with 5 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 1% per year.
 Disability and Termination Rate See table below. It is assumed that 75% of disablements and active member deaths are service related

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.14%	17.20%
30	0.18%	15.00%
40	0.30%	8.20%
50	1.00%	1.70%

Salary Increases 6.00% per year until the assumed retirement age.
 Payroll Growth 3.0% per year
 Actuarial Asset Method Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value returns net-of-fees. It is possible that over time, this technique will produce an insignificant bias that is above or below market value.

*- only two years of data available

CITY OF OCOEE, FLORIDA

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years*

General Employees	9/30/2015	9/30/2014
Annual Money-Weighted Rate of Return		
Net of Investment Expense	1.47%	8.92%
Police and Fire		
Annual Money-Weighted Rate of Return		
Net of Investment Expense	0.84%	10.95%

*- only two years of data available

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NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds

Special Revenue Funds

- Fire Impact** - Accounts for Fire Impact fees collected from new developments which are restricted for acquisition of facilities and equipment determined to be needed to provide fire protection for new development within the City.
- Police Impact** - Accounts for Police Impact fees collected from new developments which are restricted for acquisition of facilities and equipment determined to be needed to provide police protection for new development within the City.
- Recreation Impact** - Accounts for the land and/or money received from owners or developers as a recreational facilities assessment when lands are subdivided within the City. Funds are restricted for the improvement or expansion of City parks.
- Police Trust** - Accounts for the proceeds from property confiscated in police enforcement activities pursuant to F.S. 932.701 (Florida Contraband Forfeiture Act). Funds are restricted for funding police operations.
- Police Training** - Accounts for the revenues received pursuant to F.S. 943.25(8) which imposes a \$2.00 court cost against every person convicted for violation of state penal or criminal statute or convicted of a municipal or county ordinance violation where said offense occurred within the City of Ocoee. Funds are restricted for education and training of law enforcement personnel.
- Red Light Camera Reserve** - Accounts for revenue from red light infractions prior to the State legislation, restricted to expenditures related to on-going litigation.

Debt Service Funds

Transportation Improvement Refunding Revenue Notes, Series 2012

- Accounts for the accumulation of resources and payment of principal and interest payments on the 2012 Transportation Improvement Refunding Revenue Notes issued to refund the 1998 Transportation Refunding and Improvement Revenue Bonds, and the 2002 Transportation Refunding and Improvement Revenue Bonds and to finance the design, construction, paving and improvement of certain roads and drainage improvements within the city.

Capital Improvement Refunding Revenue Notes, Series 2011

- Accounts for the accumulation of resources and payment of principal and interest payments on the 2011 Capital Improvement Refunding Revenue Notes, issued to refund the 1999 Capital Improvement Revenue Bonds, and finance certain capital improvements, including acquisition of land.

Capital Projects Funds

Asset Acquisition

- Accounts for resources segregated for computer and other asset acquisitions approved by the commission by not completed at year end.

Capital Projects Reserve

- Accounts for resources segregated for capital projects approved by the commission but not completed at year end.

Transportation Improvements

- Accounts for resources to finance the design, construction, paving and improvement of certain roads and drainage improvements within the City.

Coca Cola Property Improvements

- Accounts for the resources for the development - including infrastructure for the Crown Point area.

CITY OF OCOEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2015

	Special Revenue				
	Fire Impact	Police Impact	Recreation Impact	Police Trust	Police Training
Assets:					
Cash and cash equivalents	\$ 463,602	\$ 194,711	\$ 1,296,181	\$ 172,953	\$ 84,551
Cash with paying agent	-	-	-	-	-
Receivables, net	-	-	-	-	1,013
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays	-	-	-	-	4,272
Total assets	<u>\$ 463,602</u>	<u>\$ 194,711</u>	<u>\$ 1,296,181</u>	<u>\$ 172,953</u>	<u>\$ 89,836</u>
Liabilities and Fund Balances:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,853
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Matured bonds payable	-	-	-	-	-
Matured interest payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,853</u>
Fund Balances:					
Nonspendable	-	-	-	-	4,272
Restricted	463,602	194,711	1,296,181	172,953	82,711
Assigned	-	-	-	-	-
Total fund balances	<u>463,602</u>	<u>194,711</u>	<u>1,296,181</u>	<u>172,953</u>	<u>86,983</u>
Total Liabilities and Fund Balances	<u>\$ 463,602</u>	<u>\$ 194,711</u>	<u>\$ 1,296,181</u>	<u>\$ 172,953</u>	<u>\$ 89,836</u>

CITY OF OCOEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2015

	Special Revenue		Debt Service		
	Red Light Camera Reserve	Total Special Revenue Funds	Trans Debt Service Fund	CIP Debt Service Fund	Total Debt Service Funds
Assets:					
Cash and cash equivalents	\$ -	\$ 2,211,998	\$ 91,358	\$ 51,009	\$ 142,367
Cash with paying agent	-	-	1,120,469	514,729	1,635,198
Receivables, net	-	1,013	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	145	-	145
Prepays	-	4,272	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 2,217,283</u>	<u>\$ 1,211,972</u>	<u>\$ 565,738</u>	<u>\$ 1,777,710</u>
Liabilities and Fund Balances:					
Accounts payable	\$ -	\$ 2,853	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Matured bonds payable	-	-	760,000	426,000	1,186,000
Matured interest payable	-	-	360,469	88,729	449,198
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,853</u>	<u>1,120,469</u>	<u>514,729</u>	<u>1,635,198</u>
Fund Balances:					
Nonspendable	-	4,272	-	-	-
Restricted	-	2,210,158	91,503	51,009	142,512
Assigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>2,214,430</u>	<u>91,503</u>	<u>51,009</u>	<u>142,512</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2,217,283</u>	<u>\$ 1,211,972</u>	<u>\$ 565,738</u>	<u>\$ 1,777,710</u>

Continued

CITY OF OCOEE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2015

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	Capital Projects					Total-Other Governmental Funds
	Asset Acquisition Fund	Capital Projects Reserve Fund	Transportation Improvements Fund	Coca Cola Property Improv Fund	Total Capital Projects	
Assets:						
Cash and cash equivalents	\$ 68,606	\$ 2,133,267	\$ 440,749	\$ 2,826	\$ 2,645,448	\$ 4,999,813
Cash with paying agent	-	-	-	-	-	1,635,198
Receivables, net	-	8,695	960	-	9,655	10,668
Due from other governments	-	-	-	4,263	4,263	4,263
Due from other funds	-	-	217	-	217	362
Prepays	-	-	-	-	-	4,272
Total assets	<u>\$ 68,606</u>	<u>\$ 2,141,962</u>	<u>\$ 441,926</u>	<u>\$ 7,089</u>	<u>\$ 2,659,583</u>	<u>\$ 6,654,576</u>
Liabilities and Fund Balances:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,853
Retainage payable	-	2,658	-	-	2,658	2,658
Due to other funds	-	-	-	2,800	2,800	2,800
Matured bonds payable	-	-	-	-	-	1,186,000
Matured interest payable	-	-	-	-	-	449,198
Unearned revenue	-	290,448	-	-	290,448	290,448
Total liabilities	<u>-</u>	<u>293,106</u>	<u>-</u>	<u>2,800</u>	<u>295,906</u>	<u>1,933,957</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	4,272
Restricted	-	-	-	-	-	2,352,670
Assigned	68,606	1,848,856	441,926	4,289	2,363,677	2,363,677
Total fund balances	<u>68,606</u>	<u>1,848,856</u>	<u>441,926</u>	<u>4,289</u>	<u>2,363,677</u>	<u>4,720,619</u>
Total Liabilities and Fund Balances	<u>\$ 68,606</u>	<u>\$ 2,141,962</u>	<u>\$ 441,926</u>	<u>\$ 7,089</u>	<u>\$ 2,659,583</u>	<u>\$ 6,654,576</u>

CITY OF OCOEE, FLORIDA

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

For the Year Ended September 30, 2015

	Special Revenue Funds				
	Fire Impact	Police Impact	Recreation Impact	Police Trust	Police Training
Revenues:					
Taxes and impact fees	\$ 218,728	\$ 166,843	\$ 379,860	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	3
Fines and forfeitures	-	-	-	16,572	14,519
Investment income	209	86	690	94	56
Miscellaneous	-	-	-	-	-
Total revenues	<u>218,937</u>	<u>166,929</u>	<u>380,550</u>	<u>16,666</u>	<u>14,578</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	24,248	45,740
Physical environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service:					
Principal	-	58,000	91,073	-	-
Interest and fiscal charges	-	30,569	23,492	-	-
Capital Outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	22,729	-
Physical environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>88,569</u>	<u>114,565</u>	<u>46,977</u>	<u>45,740</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>218,937</u>	<u>78,360</u>	<u>265,985</u>	<u>(30,311)</u>	<u>(31,162)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(226,598)	-	(42,423)	-	-
Total other financing sources(uses)	<u>(226,598)</u>	<u>-</u>	<u>(42,423)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,661)	78,360	223,562	(30,311)	(31,162)
Fund Balances - beginning	471,263	116,351	1,072,619	203,264	118,145
Fund Balances - ending	<u>\$ 463,602</u>	<u>\$ 194,711</u>	<u>\$ 1,296,181</u>	<u>\$ 172,953</u>	<u>\$ 86,983</u>

CITY OF OCOEE, FLORIDA

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

For the Year Ended September 30, 2015

	Special Revenue		Debt Service		
	Red Light Camera Reserve	Total Special Revenue Funds	Trans Debt Service Fund	CIP Debt Service Fund	Total Debt Service Funds
Revenues:					
Taxes and impact fees	\$ -	\$ 765,431	\$ -	\$ -	\$ -
Intergovernmental revenues	-	3	-	-	-
Fines and forfeitures	-	31,091	-	-	-
Investment income	-	1,135	158	221	379
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>797,660</u>	<u>158</u>	<u>221</u>	<u>379</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	69,988	-	-	-
Physical environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt Service:					
Principal	-	149,073	760,000	426,000	1,186,000
Interest and fiscal charges	-	54,061	360,469	177,457	537,926
Capital Outlay:					
General government	-	-	-	-	-
Public safety	-	22,729	-	-	-
Physical environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>295,851</u>	<u>1,120,469</u>	<u>603,457</u>	<u>1,723,926</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>501,809</u>	<u>(1,120,311)</u>	<u>(603,236)</u>	<u>(1,723,547)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	1,120,469	604,924	1,725,393
Transfers out	(57,936)	(326,957)	-	-	-
Total other financing sources (uses)	<u>(57,936)</u>	<u>(326,957)</u>	<u>1,120,469</u>	<u>604,924</u>	<u>1,725,393</u>
Net Change in Fund Balances	(57,936)	174,852	158	1,688	1,846
Fund Balances - beginning	57,936	2,039,578	91,345	49,321	140,666
Fund Balances - ending	<u>\$ -</u>	<u>\$ 2,214,430</u>	<u>\$ 91,503</u>	<u>\$ 51,009</u>	<u>\$ 142,512</u>

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CITY OF OCOEE, FLORIDA
**COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2015

	Capital Projects					Total-Other Governmental Funds
	Asset Acquisition Fund	Capital Projects Reserve Fund	Transportation Improvements Fund	Coca Cola Property Improv Fund	Total Capital Projects	
Revenues:						
Taxes and impact fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 765,431
Intergovernmental revenues	-	100,000	-	-	100,000	100,003
Fines and forfeitures	-	-	-	-	-	31,091
Investment income	36	1,149	282	1	1,468	2,982
Miscellaneous	-	68,407	-	-	68,407	68,407
Total revenues	<u>36</u>	<u>169,556</u>	<u>282</u>	<u>1</u>	<u>169,875</u>	<u>967,914</u>
Expenditures:						
Current:						
General government	-	100,000	-	-	100,000	100,000
Public safety	-	-	-	-	-	69,988
Physical environment	-	-	-	3,111	3,111	3,111
Culture and recreation	-	6,889	-	-	6,889	6,889
Debt Service:						
Principal	-	-	-	-	-	1,335,073
Interest and fiscal charges	-	-	-	-	-	591,987
Capital Outlay:						
General government	-	25,755	-	-	25,755	25,755
Public safety	-	-	-	-	-	22,729
Physical environment	-	397,008	-	-	397,008	397,008
Culture and recreation	-	56,060	-	-	56,060	56,060
Total expenditures	-	<u>585,712</u>	-	<u>3,111</u>	<u>588,823</u>	<u>2,608,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>36</u>	<u>(416,156)</u>	<u>282</u>	<u>(3,110)</u>	<u>(418,948)</u>	<u>(1,640,686)</u>
Other Financing Sources (Uses):						
Transfers in	-	207,192	-	-	207,192	1,932,585
Transfers out	-	(449,547)	-	-	(449,547)	(776,504)
Total other financing sources(uses)	-	<u>(242,355)</u>	-	-	<u>(242,355)</u>	<u>1,156,081</u>
Net Change in Fund Balances	36	(658,511)	282	(3,110)	(661,303)	(484,605)
Fund Balances - beginning	68,570	2,507,367	441,644	7,399	3,024,980	5,205,224
Fund Balances - ending	<u>\$ 68,606</u>	<u>\$ 1,848,856</u>	<u>\$ 441,926</u>	<u>\$ 4,289</u>	<u>\$ 2,363,677</u>	<u>\$ 4,720,619</u>

CITY OF OCOEE, FLORIDA

FIRE IMPACT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes and impact fees	\$ 116,610	\$ 116,610	\$ 218,728	\$ 102,118
Intergovernmental revenues	13,015	13,015	-	(13,015)
Investment income	585	585	209	(376)
Total revenues	<u>130,210</u>	<u>130,210</u>	<u>218,937</u>	<u>88,727</u>
Expenditures:				
Current:				
Public Safety:				
Fire	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>130,210</u>	<u>130,210</u>	<u>218,937</u>	<u>88,727</u>
Other Financing Sources (Uses)				
Transfers out	(226,600)	(226,600)	(226,598)	2
Total other financing sources (uses)	<u>(226,600)</u>	<u>(226,600)</u>	<u>(226,598)</u>	<u>2</u>
Net Change in Fund Balance	(96,390)	(96,390)	(7,661)	88,729
Fund Balance - beginning	471,263	471,263	471,263	-
Fund Balance - ending	<u>\$ 374,873</u>	<u>\$ 374,873</u>	<u>\$ 463,602</u>	<u>\$ 88,729</u>

CITY OF OCOEE, FLORIDA

POLICE IMPACT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes and impact fees	\$ 87,795	\$ 87,795	\$ 166,843	\$ 79,048
Investment income	75	75	86	11
Total revenues	<u>87,870</u>	<u>87,870</u>	<u>166,929</u>	<u>79,059</u>
Expenditures:				
Debt Service:				
Principal and Interest	91,500	91,500	88,569	2,931
Total expenditures	<u>91,500</u>	<u>91,500</u>	<u>88,569</u>	<u>2,931</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,630)</u>	<u>(3,630)</u>	<u>78,360</u>	<u>81,990</u>
Net Change in Fund Balance	(3,630)	(3,630)	78,360	81,990
Fund Balance - beginning	116,351	116,351	116,351	-
Fund Balance - ending	<u>\$ 112,721</u>	<u>\$ 112,721</u>	<u>\$ 194,711</u>	<u>\$ 81,990</u>

CITY OF OCOEE, FLORIDA

RECREATION IMPACT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes and impact fees	\$ 217,235	\$ 217,235	\$ 379,860	\$ 162,625
Investment income	1,255	1,255	690	(565)
Total revenues	<u>218,490</u>	<u>218,490</u>	<u>380,550</u>	<u>162,060</u>
Expenditures:				
Debt Service:				
Principal and Interest	130,000	130,000	114,565	15,435
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>114,565</u>	<u>15,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>88,490</u>	<u>88,490</u>	<u>265,985</u>	<u>177,495</u>
Other Financing Sources (Uses)				
Transfers out	(45,000)	(45,000)	(42,423)	2,577
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(42,423)</u>	<u>2,577</u>
Net Change in Fund Balance	43,490	43,490	223,562	180,072
Fund Balance - beginning	1,072,619	1,072,619	1,072,619	-
Fund Balance - ending	<u>\$ 1,116,109</u>	<u>\$ 1,116,109</u>	<u>\$ 1,296,181</u>	<u>\$ 180,072</u>

FIDUCIARY FUNDS

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CITY OF OCOEE, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2015

	General Employees Pension	Police and Fire Pension	Total Employee Pension Funds
Assets:			
Cash and cash equivalents	\$ 928,827	\$ 1,802,309	\$ 2,731,136
Receivables:			
Employer contributions	-	72,013	72,013
Plan members contributions	-	24,021	24,021
Total receivables	-	96,034	96,034
Investments, at fair value:			
Common funds - equity	18,878,661	24,237,271	43,115,932
Real estate investment trust	2,856,111	3,315,359	6,171,470
Common funds - bonds	8,703,085	12,101,022	20,804,107
Total Investments	30,437,857	39,653,652	70,091,509
Total assets	31,366,684	41,551,995	72,918,679
Liabilities			
Accounts payable	-	-	-
Total liabilities	-	-	-
Net Position:			
Held in trust for pension benefits	\$ 31,366,684	\$ 41,551,995	\$ 72,918,679

CITY OF OCOEE, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2015

	General Employees Pension	Police and Fire Pension	Total Employee Pension Funds
Additions:			
Contributions:			
Employer	\$ 1,080,946	\$ 1,726,010	\$ 2,806,956
Plan members	603,922	584,706	1,188,628
State	-	516,942	516,942
Total contributions	1,684,868	2,827,658	4,512,526
Investment income:			
Interest	716,123	1,196,475	1,912,598
Net appreciation (depreciation) on fair value of investments	(75,364)	(637,509)	(712,873)
Net investment income	640,759	558,966	1,199,725
Total additions	2,325,627	3,386,624	5,712,251
Deductions:			
Benefits	1,207,137	2,236,705	3,443,842
Administrative expenses	275,207	304,275	579,482
Total deductions	1,482,344	2,540,980	4,023,324
Change in Net Position	843,283	845,644	1,688,927
Net Position - beginning	30,523,401	40,706,351	71,229,752
Net Position - ending	\$ 31,366,684	\$ 41,551,995	\$ 72,918,679

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	90
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	97
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	101
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information.....	105
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information.....	107
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government 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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City Of Ocoee

Net Position by Component

Last Ten Years
Accrual Based Accounting
(amount expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 81,060	\$ 83,414	\$ 83,615	\$ 86,049	\$ 87,258	\$ 86,671	\$ 87,154	\$ 87,432	\$ 87,717	\$ 87,359
Restricted	10,188	10,741	11,146	8,558	6,814	6,909	5,549	4,112	3,560	3,943
Unrestricted	13,924	14,771	17,196	16,080	16,938	14,491	11,810	11,959	9,816	3,661
Total governmental activities net position	\$ 105,172	\$ 108,926	\$ 111,957	\$ 110,687	\$ 111,010	\$ 108,071	\$ 104,512	\$ 103,503	\$ 101,093	\$ 94,963
Business-type activities										
Net investment in capital assets	\$ 39,090	\$ 39,426	\$ 39,610	\$ 43,489	\$ 42,827	\$ 41,936	\$ 41,155	\$ 41,661	\$ 45,527	\$ 44,515
Restricted	300	123	123	99	98	7,604	7,519	7,583	8,670	9,066
Unrestricted	25,513	28,739	30,048	29,230	29,348	23,385	24,461	24,305	22,110	23,137
Total business-type activities net position	\$ 64,903	\$ 68,288	\$ 69,781	\$ 72,818	\$ 72,273	\$ 72,925	\$ 73,135	\$ 73,549	\$ 76,307	\$ 76,718
Primary government										
Net investment in capital assets	\$ 120,151	\$ 122,840	\$ 123,225	\$ 129,538	\$ 130,085	\$ 128,607	\$ 128,309	\$ 129,093	\$ 133,244	\$ 131,874
Restricted	10,488	10,864	11,269	8,657	6,912	14,513	13,068	11,695	12,231	13,009
Unrestricted	39,437	43,510	47,244	45,310	46,286	37,876	36,271	36,246	31,926	26,798
Total primary government net position	\$ 170,076	\$ 177,214	\$ 181,738	\$ 183,505	\$ 183,283	\$ 180,996	\$ 177,647	\$ 177,034	\$ 177,401	\$ 171,681

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City of Ocoee, Florida

Change in Net Position

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Government activities:										
General Government	\$ 5,562,652	\$ 8,086,245	\$ 7,264,659	\$ 9,052,571	\$ 9,458,398	\$ 9,441,940	\$ 9,416,758	\$ 9,938,792	\$ 10,681,945	\$ 12,495,444
Physical Environment	6,555,683	4,887,410	5,706,038	6,512,032	6,469,634	5,943,872	6,504,465	5,555,374	5,218,225	5,476,916
Public Safety	13,465,443	12,558,979	12,931,719	13,253,007	14,684,243	15,197,572	15,541,748	16,076,453	15,926,441	14,919,303
Parks & Recreation	2,233,994	1,928,242	2,399,268	2,728,016	2,664,419	2,480,771	2,666,475	2,737,947	3,035,914	3,197,256
Interest on Long Term Debt	1,488,413	1,677,499	1,784,399	1,559,990	1,588,285	1,511,332	1,402,016	895,124	798,482	746,693
Total government activities	29,306,185	29,138,375	30,086,083	33,105,616	34,864,979	34,575,487	35,531,462	35,203,690	35,661,007	36,835,612
Business-type activities										
Water & Wastewater	6,757,432	7,146,410	7,202,380	8,162,218	7,721,263	7,851,659	8,087,860	8,132,179	8,293,957	9,094,414
Stormwater	2,015,403	2,200,841	2,320,900	2,476,890	2,463,252	2,497,936	2,456,562	2,770,460	2,841,248	2,849,891
Sanitation	1,936,093	2,097,786	2,221,712	2,288,589	2,443,280	2,388,845	2,104,964	2,178,409	2,720,559	2,300,596
Total business-type activities	10,708,928	11,445,037	11,744,992	12,927,697	12,627,795	12,738,440	12,649,386	13,081,048	13,855,764	14,244,901
Total Expenses	40,015,113	40,583,412	41,831,075	46,033,313	47,492,774	47,313,927	48,180,848	48,284,738	49,516,771	51,080,513
Program Revenues										
Government activities:										
Charges for services:										
General Government	446,311	428,564	442,039	428,227	445,380	413,648	404,022	404,374	400,175	419,721
Physical Environment	4,725,736	3,083,827	2,827,986	1,318,743	1,826,899	1,491,414	994,221	2,311,995	1,282,450	3,245,152
Public Safety	1,167,941	823,188	916,043	792,954	1,375,767	1,169,318	1,135,693	1,526,424	2,289,219	3,771,840
Parks & Recreation	1,321,113	870,904	752,672	722,111	820,505	877,217	849,167	1,162,865	1,021,146	1,239,553
Oper. Grants & Contributions	1,330,646	1,659,556	1,666,455	1,673,987	1,643,592	1,740,436	1,861,636	2,032,462	2,062,887	2,032,603
Capital Grants & Contributions	2,850,792	606,043	801,424	2,519,260	2,604,902	664,533	1,540,435	1,163,135	219,160	225,719
Total government activities	11,842,539	7,472,082	7,406,619	7,455,282	8,717,045	6,356,566	6,785,174	8,601,255	7,275,037	10,934,588
Business-type activities:										
Charges for services:										
Water & Wastewater	7,888,035	7,990,701	7,676,327	7,828,428	7,832,384	8,470,715	8,485,818	8,716,867	9,155,979	9,661,139
Stormwater	1,555,587	2,162,728	2,284,143	2,650,040	3,141,760	3,401,041	3,360,566	3,349,634	3,199,105	2,918,911
Solid waste	2,122,380	2,282,162	2,377,988	2,635,103	2,727,633	2,750,381	2,810,349	2,875,741	2,925,054	2,991,560
Oper. Grants & Contributions	-	-	-	465,863	-	-	41,304	14,661	11,620	-
Capital Grants & Contributions	2,885,582	2,745,522	1,509,837	3,878,433	319,899	1,015,687	500,838	1,395,220	3,469,260	1,718,056
Total business-type activities	14,451,584	15,181,113	13,848,295	17,457,867	14,021,676	15,637,824	15,198,875	16,352,123	18,761,018	17,289,666
Total program revenues	\$ 26,294,123	\$ 22,653,195	\$ 21,254,914	\$ 24,913,149	\$ 22,738,721	\$ 21,994,390	\$ 21,984,049	\$ 24,953,378	\$ 26,036,055	\$ 28,224,254

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense) revenue										
Governmental activities	\$ (17,463,646)	\$ (21,666,293)	\$ (22,679,464)	\$ (25,650,334)	\$ (26,147,934)	\$ (28,218,921)	\$ (28,746,288)	\$ (26,602,435)	\$ (28,385,970)	\$ (25,901,024)
Business-type activities	3,742,656	3,736,076	2,103,303	4,530,170	1,393,881	2,899,384	2,549,489	3,271,075	4,905,254	3,044,765
Total net expense	\$ (13,720,990)	\$ (17,930,217)	\$ (20,576,161)	\$ (21,120,164)	\$ (24,754,053)	\$ (25,319,537)	\$ (26,196,799)	\$ (23,331,360)	\$ (23,480,716)	\$ (22,856,259)

General Revenue (Expenses) and Other Changes in Net Position

Governmental activities										
Property Taxes	\$ 7,685,621	\$ 9,061,957	\$ 9,862,838	\$ 10,856,015	\$ 11,188,564	\$ 9,715,104	\$ 9,643,175	\$ 9,325,520	\$ 9,192,829	\$ 9,884,437
Franchise fees and utility taxes	5,074,382	5,162,210	5,331,890	5,350,413	5,801,550	5,566,196	5,283,990	5,276,556	5,703,266	5,833,539
Intergovernmental Revenue	6,958,485	7,082,318	7,065,353	6,476,552	6,660,226	7,030,532	7,328,477	7,780,675	8,276,562	8,789,064
Investment income and misc.	1,857,657	2,253,917	1,759,079	750,242	616,865	557,380	351,594	570,883	412,895	775,716
Transfers	1,561,778	1,859,281	1,691,578	1,790,011	2,204,225	2,410,292	2,581,232	2,640,910	2,414,089	2,605,550
Total government activities	23,117,923	25,419,683	25,710,538	25,223,233	26,471,430	25,279,504	25,188,468	25,594,544	25,999,641	27,888,306
Business-type activities										
Investment income and misc.	1,055,640	1,506,915	1,081,869	436,388	265,498	163,445	241,393	86,970	266,193	145,188
Transfers	(1,561,778)	(1,859,281)	(1,691,578)	(1,790,011)	(2,204,225)	(2,410,292)	(2,581,232)	(2,640,910)	(2,414,089)	(2,605,550)
Total business-type activities	(506,138)	(352,366)	(609,709)	(1,353,623)	(1,938,727)	(2,246,847)	(2,339,839)	(2,553,940)	(2,147,896)	(2,460,362)
Total government	\$ 22,611,785	\$ 25,067,317	\$ 25,100,829	\$ 23,869,610	\$ 24,532,703	\$ 23,032,657	\$ 22,848,629	\$ 23,040,604	\$ 23,851,745	\$ 25,427,944

Change in Net Assets

Governmental activities	\$ 5,654,277	\$ 3,753,390	\$ 3,031,074	\$ (427,101)	\$ 323,496	\$ (2,939,417)	\$ (3,557,820)	\$ (1,007,891)	\$ (2,386,329)	\$ 1,987,282
Business-type activities	3,236,518	3,383,710	1,493,594	3,176,547	(544,846)	652,537	209,650	717,135	2,757,358	584,403
Total change in net position	\$ 8,890,795	\$ 7,137,100	\$ 4,524,668	\$ 2,749,446	\$ (221,350)	\$ (2,286,880)	\$ (3,348,170)	\$ (290,756)	\$ 371,029	\$ 2,571,685

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City of Ocoee, Florida

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Franchise Fees	Utility Tax	Half-Cent Sales Tax	Alcoholic Beverage License	County 6 Cent Gas Tax	Total
2006	\$ 7,665,620	\$ 2,415,080	\$ 2,609,050	\$ 4,213,256	\$ 8,542	\$ 1,120,194	\$ 18,031,742
2007	9,061,957	2,419,179	2,684,234	4,255,946	9,567	1,133,872	19,564,755
2008	9,862,838	2,563,103	2,712,753	4,293,898	10,164	1,128,947	20,571,703
2009	10,856,015	2,576,792	2,725,162	3,934,436	19,466	1,120,396	21,232,267
2010	11,188,564	2,643,596	3,157,954	3,956,965	9,593	1,115,594	22,072,266
2011	9,715,104	2,481,838	3,084,358	4,391,828	10,278	1,101,513	20,784,919
2012	9,643,175	2,372,389	2,911,601	4,598,067	19,745	1,110,779	20,655,756
2013	9,325,520	2,272,718	3,003,838	4,924,796	2,521	1,158,717	20,688,110
2014	9,192,829	2,461,250	3,242,016	5,314,028	21,206	1,269,929	21,501,258
2015	9,884,436	2,620,151	3,213,389	5,665,490	1,515	1,257,015	22,641,996

City of Ocoee, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Pre-GASB 54				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 93,349	\$ 143,715	\$ 141,790	\$ 97,062	\$ 106,203
Unreserved	12,676,538	12,519,804	12,713,934	12,575,887	12,801,901
Total General Fund	\$ 12,769,887	\$ 12,663,519	\$ 12,855,724	\$ 12,672,949	\$ 12,908,104
All other Governmental Funds					
Reserved					
Debt Service Funds	\$ 111,430	\$ 120,819	\$ 139,706	\$ 142,131	\$ 143,138
Unreserved, reported in:					
Capital Projects Funds	1,949,836	2,652,849	2,610,724	3,877,476	3,375,480
Special Revenue Funds	10,295,114	11,159,754	12,536,485	9,055,499	8,548,713
Total all other Governmental Funds	\$ 12,356,380	\$ 13,933,422	\$ 15,286,915	\$ 13,075,106	\$ 12,067,331
Fiscal Year	Post GASB 54				
	2011	2012	2013	2014	2015
General Fund					
Non-Spendable	\$ 99,416	\$ 127,412	\$ 121,556	\$ 86,901	\$ 110,379
Restricted	-	-	-	-	-
Assigned	3,200,000	4,283,790	3,200,000	2,500,000	2,873,528
Unassigned	9,172,375	7,279,077	7,938,384	7,657,842	9,804,236
Total General Fund	\$ 12,471,791	\$ 11,690,279	\$ 11,259,940	\$ 10,244,743	\$ 12,788,143
All other Governmental Funds					
Non-Spendable	\$ 495	\$ 1,818	\$ 4,700	\$ 3,445	\$ 5,572
Restricted	6,909,134	5,548,030	4,106,828	3,558,497	3,937,663
Assigned	3,845,715	3,198,202	3,523,450	3,024,980	2,363,677
Unassigned	-	-	-	-	-
Total all other Governmental Funds	\$ 10,755,344	\$ 8,748,050	\$ 7,634,978	\$ 6,586,922	\$ 6,306,912

City of Ocoee, Florida

Changes in Fund Balance of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes and Impact Fees	\$ 17,187	\$ 16,717	\$ 17,563	\$ 17,228	\$ 18,540	\$ 16,524	\$ 15,563	\$ 16,408	\$ 15,704	\$ 18,318
Licenses and Permits	2,296	1,656	1,356	1,123	1,207	1,148	1,041	1,589	1,053	1,964
Intergovernmental	10,486	8,388	8,732	8,151	9,859	9,078	10,118	10,081	10,349	10,822
Charges for services	641	709	791	749	797	852	919	1,056	1,947	3,257
Fines and forfeitures	277	349	424	369	914	709	786	955	1,185	1,081
Contributions	-	288	801	989	850	358	265	188	210	-
Investment earnings	1,331	1,609	1,087	530	299	211	142	34	63	112
Miscellaneous	1,109	671	598	207	511	343	207	535	288	553
Total revenues	<u>33,327</u>	<u>30,387</u>	<u>31,352</u>	<u>29,346</u>	<u>32,977</u>	<u>29,223</u>	<u>29,041</u>	<u>30,846</u>	<u>30,799</u>	<u>36,107</u>
Expenditures										
General government	4,265	7,243	8,275	8,307	8,611	8,323	8,343	9,080	9,559	11,077
Public safety	12,434	11,470	12,338	12,243	13,561	14,161	14,291	15,110	14,937	14,634
Physical environment	4,125	3,799	3,519	3,828	4,248	3,976	3,554	3,260	3,126	2,816
Culture and recreation	1,958	1,980	2,083	2,436	2,276	2,245	2,413	2,462	2,601	2,625
Capital outlay	9,360	6,577	6,461	4,180	4,383	1,605	2,797	2,515	2,515	3,359
Debt service										
Principal	2,154	2,293	1,360	1,347	6,706	1,840	24,730	8,266	2,182	2,517
Interest	1,488	1,677	1,654	1,621	1,588	1,522	1,402	938	802	749
Other charges	-	-	47	-	-	-	-	-	-	-
Total expenditures	<u>35,784</u>	<u>35,039</u>	<u>35,737</u>	<u>33,962</u>	<u>41,373</u>	<u>33,672</u>	<u>57,530</u>	<u>41,631</u>	<u>35,722</u>	<u>37,777</u>
Excess of revenues over (under) expenditures	(2,457)	(4,652)	(4,385)	(4,616)	(8,396)	(4,449)	(28,489)	(10,785)	(4,923)	(1,670)

City of Ocoee, Florida

Changes in Fund Balance of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses)										
Transfers in	6,566	7,200	5,789	7,210	6,098	6,843	6,337	6,861	5,845	6,089
Transfers out	(5,005)	(5,341)	(4,097)	(5,420)	(3,906)	(4,408)	(3,755)	(4,220)	(3,431)	(3,495)
Capital leases	994	707	101	388	391	51	40	310	373	1,185
Promissory notes	2,005	3,450	8,100	-	5,000	-	23,022	6,291	-	-
Payments to refunded bond escrow agent	-	-	(4,068)	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	137	106	106	44	40	215	57	-	73	154
Total other financing sources (uses)	<u>-4,697</u>	<u>6,122</u>	<u>5,931</u>	<u>2,222</u>	<u>7,623</u>	<u>2,701</u>	<u>25,701</u>	<u>9,242</u>	<u>2,860</u>	<u>3,933</u>
Net change in fund balances	<u>\$ 2,240</u>	<u>\$ 1,470</u>	<u>\$ 1,546</u>	<u>\$ (2,394)</u>	<u>\$ (773)</u>	<u>\$ (1,748)</u>	<u>\$ (2,788)</u>	<u>\$ (1,543)</u>	<u>\$ (2,063)</u>	<u>\$ 2,263</u>
Debt service as a percentage of noncapital expenditures	15.99%	16.21%	11.68%	11.07%	11.48%	11.71%	10.87%	9.74%	9.87%	9.33%

City of Ocoee, Florida

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Real Property Assessed	Real Property Estimated Actual	Personal Property Assessed	Personal Property Estimated Actual	Total Assessed	Total Actual	Total Direct Tax Rate
2006	1,550,172	1,544,822	93,445	93,123	1,643,617	1,637,945	4.8018
2007	1,963,706	1,959,563	100,894	100,681	2,064,600	2,060,244	4.6295
2008	2,384,952	2,366,858	103,963	103,174	2,488,915	2,470,032	4.2919
2009	2,225,189	2,230,227	99,980	100,206	2,325,169	2,330,433	4.8252
2010	1,999,092	2,007,273	100,064	100,473	2,099,156	2,107,746	5.4974
2011	1,728,828	1,714,380	93,294	92,514	1,822,122	1,806,894	5.5574
2012	1,623,489	1,618,845	90,255	89,997	1,713,744	1,708,842	5.8460
2013	1,568,859	1,567,379	90,059	89,974	1,658,918	1,657,353	5.8460
2014	1,583,978	1,580,727	92,883	92,692	1,676,861	1,673,419	5.7855
2015	1,722,692	1,717,624	96,001	95,719	1,818,693	1,813,343	5.6371

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City of Ocoee, Florida

Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years

Fiscal Year	Overlapping Rates													Total Direct & Overlapping Rates
	Orange County					School District							St. John's Water Management District	
	City of Ocoee Operating Millage	General County Millage	Capital Projects County Millage	Parks County Millage	Total County Millage	Local Required School Millage	Local Discretionary School Millage	Supplemental Discretionary School Millage	Local Capital Improvement School Millage	Total School Millage	Library Operating Millage			
2006	4.8018	4.7299	0.2500	0.1840	5.1639	5.5010	0.5100	0.2500	1.5000	7.7610	0.4325	0.4620	18.6212	
2007	4.6295	4.7299	0.2500	0.1840	5.1639	4.9540	0.5100	0.2050	1.5000	7.1690	0.4325	0.4620	17.8569	
2008	4.2919	4.0441	0.2250	0.1656	4.4347	4.9420	0.5100	0.1690	1.5000	7.1210	0.3748	0.4158	16.6382	
2009	4.8252	4.0441	0.2250	0.1656	4.4347	4.9930	0.4980	0.1590	1.5000	7.1500	0.3748	0.4158	17.2005	
2010	5.4974	4.0441	0.2250	0.1656	4.4347	5.4250	0.7480	0.0000	1.5000	7.6730	0.3748	0.4158	18.3957	
2011	5.5574	4.0441	0.2250	0.1656	4.4347	5.3960	0.7480	0.2500	1.5000	7.8940	0.3748	0.4158	18.6767	
2012	5.8460	4.0441	0.2250	0.1656	4.4347	5.2970	0.7480	1.0000	1.5000	8.5450	0.3748	0.3313	19.5318	
2013	5.8460	4.0441	0.2250	0.1656	4.4347	5.2300	0.7480	1.0000	1.5000	8.4780	0.3748	0.3313	19.4648	
2014	5.7855	4.0441	0.2250	0.1656	4.4347	5.2280	0.7480	1.0000	1.5000	8.4740	0.3748	0.3164	19.3854	
2015	5.6371	4.0441	0.2250	0.1656	4.4347	4.9700	0.7480	1.0000	1.5000	8.2180	0.3748	0.3023	18.9669	

Source: Orange County Tax Collectors Office & Orange County Property Appraiser
¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Ocoee.

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City of Ocoee, Florida

Principal Property Taxpayers

September 30, 2015
(amounts expressed in thousands)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Key Isle I & II	\$ 44,189	1	2.43%			
RAIA FL SPEC Hackettstown II LLC	30,172	2	1.66%			
Duke Energy Florida Inc	22,436	3	1.23%	-	-	-
Manheim Remarketing L P	18,154	4	1.00%	21,427	3	1.10%
PAL of II LLC	13,637	5	0.75%	-	-	-
West Oaks Mall Trust	13,202	6	0.73%	70,686	1	3.62%
Wal-Mart Stores East Inc	12,499	7	0.69%	13,264	6	0.68%
Good Homes Plaza (E&A) llc	12,451	8	0.68%	13,924	5	0.71%
Standard Pacific of Florida	12,044	9	0.66%			
PAL of I LLC	8,719	10	0.48%			
Arden Park Ventures				24,638	2	1.26%
Foxfire Apartment Association	-			16,477	4	0.84%
Morrison Homes Inc	-			9,470	8	0.49%
Oak Forest Partners				11,225	7	0.57%
Belk Inc.				9,263	9	0.47%
Owesmere Development LLC				9,174	10	0.47%
	<u>\$ 187,503</u>		<u>10.31%</u>	<u>\$ 199,548</u>		<u>10.22%</u>

Source: ROGER ROSS Orange County Property Appraiser

City of Ocoee, Florida

Property Tax Levies and Collections

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total Tax Levy for 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
2006	7,865	7,666	97.47%	*	7,666	97.47%
2007	9,538	9,062	95.01%	*	9,062	95.01%
2008	10,601	9,849	92.91%	14	9,863	93.04%
2009	11,245	10,852	96.51%	4	10,856	96.54%
2010	11,587	11,167	96.38%	22	11,189	96.57%
2011	10,042	9,683	96.43%	32	9,715	96.74%
2012	9,990	9,631	96.41%	12	9,643	96.53%
2013	9,689	9,324	96.23%	2	9,326	96.25%
2014	9,682	9,315	96.21%	-122	9,193	94.95%
2015	10,222	9,847	96.33%	37	9,884	96.69%

* Data is not available

City of Ocoee, Florida

Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (dollars in thousands, except per capita)

Fiscal Year Ended September 30,	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Refunding Revenue Bonds	Notes Payable	Capital Leases	Water Revenue Bonds	Notes Payable	Capital Leases			
2006	27,380	6,515	1,098	21,690	875	1,836	59,394	7.60%	1,771
2007	26,620	9,085	1,153	21,275	710	1,478	60,321	6.99%	1,799
2008	25,835	13,100	680	20,845	540	930	61,930	7.00%	1,812
2009	25,020	13,100	536	15,180	5,705	281	59,822	6.72%	1,766
2010	24,170	12,635	536	14,715	5,505	35	57,596	6.02%	1,619
2011	23,280	11,925	346	12,500	7,051	155	55,257	6.17%	1,664
2012	0.00 *	33,736	147	12,300	6,696	419	53,298	5.95%	1,605
2013	0.00	31,879	339	12,095	6,360	416	51,089	5.59%	1,513
2014	0.00	29,894	514	0.00	17,931	573	48,912	5.36%	1,233
2015	0.00	27,767	1,309	0.00	17,283	700	47,059	5.15%	1,171

* Bonds refunded with Notes during the 2012 Fiscal Year.
 Source: City of Ocoee
 Metro Orlando Economic Development Commission
 US Department of Labor: Bureau of Labor Statistics

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City of Ocoee, Florida

Direct and Overlapping Governmental Activities Debt

As of September 30, 2015
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Overlapping Debt:			
Orange County Library District Refunding Bonds-Series 1993 (2)	\$ -	-	\$ -
Subtotal, overlapping debt			
Direct Debt:			
City of Ocoee Debt/All Funds (3)	29,076	-	-
Total direct and overlapping debt	<u>\$ 29,076</u>		\$ -

¹ Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Ocoee

² Orange County Library Bonds were paid off in FY 2007.

³ City of Ocoee does not currently have any General Obligation Debt which is being repaid through general property taxes.

City of Ocoee, Florida

LEGAL DEBT MARGIN

September 30, 2015

Assessed Value (FY2015)	<u>\$ 1,813,343,338</u>
Debt Limit 25% of Assessed Value	\$ 453,335,835
Amount of Debt Applicable to Debt Limit:	\$ -
Legal Debt Margin	<u>\$ 453,335,835</u>
Total Bonded Debt	<u>\$ -</u>

Article VIII Section 53 of the City Charter states that the City shall have the power to issue general obligation bonds in an aggregate principal amount of bonds outstanding at any time not in excess of Twenty-Five percent (25%) of the assessed value of the taxable property within the City as shown on the pertinent tax records at the time of the authorization of the general obligation bonds for which the full faith credit of the City is pledged.

City of Ocoee, Florida
Pledged-Revenue Coverage
 Last Ten Fiscal Years

Water/Sewer Revenue Bonds and Notes

Fiscal Year End Sept. 30th	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	11,464,364	4,873,820	6,590,544	400,000	1,086,090	1,486,090	4.43
2007	11,544,011	5,439,053	6,104,958	415,000	1,071,421	1,486,421	4.11
2008	8,887,609	5,416,324	3,471,285	430,000	1,055,921	1,485,921	2.34
2009	8,394,464	6,261,698	2,132,766	455,000	1,073,403	1,528,403	1.40
2010	8,386,012	5,715,865	2,670,147	485,000	951,527	1,436,527	1.86
2011	8,730,055	5,962,597	2,767,458	531,000	883,390	1,414,390	1.96
2012	8,922,597	5,860,140	3,062,457	555,000	851,335	1,406,335	2.18
2013	9,149,151	6,172,153	2,976,998	541,000	748,854	1,289,854	2.31
2014	10,456,403	6,041,532	4,414,871	524,000	686,218	1,210,218	3.65
2015	11,252,533	6,785,561	4,466,972	648,000	608,657	1,256,657	3.55

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City of Ocoee, Florida

Demographic & Economic Statistics

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	Unemploy- ment Rate
2006	¹ 32,175	781,273	24,282	34.7	2.6
2007	¹ 33,530	863,129	25,742	34.9	3.1
2008	33,658	884,397	26,276	36.9	5.0
2009	33,871	890,401	26,288	37.0	9.6
2010	35,579	995,500	27,980	36.0	9.7
2011	² 36,020	978,015	27,152	33.5	9.3
2012	³ 36,953	995,476	26,939	36.2	5.8
2013	⁴ 37,615	979,870	26,050	36.7	5.0
2014	⁵ 39,679	1,048,755	26,487	35.4	4.4
2015	⁶ 40,171	1,023,275	25,473	35	4.2

Sources:

- 1 FY 2006 Estimated-Metro Orlando Economic Development Commission
- 2 FY 2011 BEBR Demographics
- 3 FY 2012 Metro Orlando Economic Development Commission
- 4 FY 2013 Estimated-Metro Orlando Economic Development Commission
- 5 FY 2014 City of Ocoee Community Development Department
- 6 FY 2015 City of Ocoee Community Development Department

City of Ocoee, Florida

Principal Employers
Current Year and Ten Years Ago

2015				2006			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Health Central Hospital	1,500	1	3.73%	West Oaks Mall	2,013	1	12.27%
Orange County Schools	753	2	1.87%	Health Central Hospital	1,600	2	9.75%
Westgate Resorts, LTD	605	3	1.51%	Westgate Resorts LTD	1,250	3	7.62%
Publix	571	4	1.42%	Manheim Auto Auction	911	4	5.55%
Sysco Foods	535	5	1.33%	Sysco Foods	615	5	3.75%
Wal-Mart	498	6	1.24%	Orange County Schools	600	6	3.66%
Manheim Auto Auction	335	7	0.81%	Wal-Mart	590	7	3.60%
City of Ocoee	326	8	0.83%	Publix	485	8	2.96%
West Oaks Mall	320	9	0.80%	City of Ocoee	382	9	2.33%
Wayne Automatic	204	10	0.51%	Best Buy	155	10	0.94%
Total	5,647		14.06%	Total	8,601		52.43%

Source: City of Ocoee Planning Department

- 2004 The City of Ocoee had a population of 29,215
Data provided by City of Ocoee 2004 CAFR
- 2013 The City of Ocoee has a population of 37,615
- 2014 The City of Ocoee has a population of 39,679
- 2015 City of Ocoee has a population of 40,171

* Information not available

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City of Ocoee, Florida

City Government Employees by Function

Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Approved Positions										
General Government	59	72	72	68	66	63	62	60	60	59
Public Safety										
Police-Officers	15	15	15	14	15	15	15	16	23	23
Police-Sworn	60	60	61	64	63	65	65	64	57	57
Police-Support	12	13	13	11	11	10	9	9	9	10
Fire Safety										
Firefighters	25	24	24	33	33	33	30	30	30	30
Fire-Officers	25	25	26	16	15	15	19	18	18	18
Fire-inspectors	1	1	1	2	2	2	1	1	2	2
Fire-Civilian	2	3	3	2	3	3	2	2	2	2
Communication Operators	16	16	15	14	0	0	0	0	0	0
Public Works	32	32	30	28	32	32	30	29	29	29
Parks & Recreation	29	44	44	39	39	39	38	39	42	41
Utilities Department	33	33	35	35	35	34	34	34	34	34
Stomwater	5	5	5	5	5	5	5	6	6	6
Sanitation	15	16	16	15	15	15	15	15	15	15
Total	329	359	360	346	334	331	325	323	327	326

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City of Ocoee, Florida

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Employees	101	110	115	117	118	117	118	118	119	125
Auto Accidents	1,361	1,294	1,070	1,004	959	917	877	922	904	1,126
Arrests	1,273	1,742	1,780	1,216	1,072	1,337	972	1,074	1,434	1,454
Criminal Investigations	n/a	4,824	1,480	1,365	1,045	1,506	1,050	1,054	1,092	1,050
Total Service Calls	40,948	56,060	44,405	44,888	45,646	46,180	41,017	48,802	49,769	49,938
911 Calls Received	3,866	13,134	13,497	9,877	9,494	7,885	8,571	9,783	10,776	14,126
Pieces of Evidence Processed	5,396	2,064	4,334	7,512	3,851	3,147	2,385	7,035	5,458	4,005
Fire & Life Safety										
Employees	51	53	57	57	57	57	56	55	52	55
Total Permits Issued		263	123	118	77	164	139	312	259	199
Construction Inspections	1,751	1,823	1,940	2,240	1,257	747	625	590	568	754
Public Education Programs	83	114	65	96	83	85	79	139	139	285
Emergency Calls Answered/Vehicle	305	2,032	501	435	272	355	327	270	270	102
Emergency Calls Answered/Fire	26	127	141	813	800	772	798	401	116	106
Emergency Calls Answered/All Other	2,335	1,617	3,759	3,020	3,909	3,087	3,205	3,969	4,813	4,367
Miles of Streets, Sidewalks & Bike Paths										
Streets - paved	200	200	110	109	114	113.01	114.27	115.28	115.28	115.14
Streets - unpaved	0	5	5	0	1	0.76	0.76	0.76	0.76	0.76
Streets - brick	6	2	2	2	2	1.54	1.54	1.54	1.54	1.54
Sidewalks	171.2	171.2	172.7	177.5	175.4	175.4	175.4	175.4	175.4	175.4
Culture and recreation										
Multi-purpose recreation center	1	1	1	1	1	1	1	1	1	1
Community Center	3	3	3	3	3	3	3	3	3	3
Athletic fields	14	14	13	11	10	11	12	12	12	12
Tennis courts	7	7	3	3	6	6	6	6	6	6
Racquetball courts	2	2	1	1	1	1	1	1	1	1
Shuffleboard courts	2	2	1	1	-	-	-	-	-	-
Passive parks	6	6	14	15	16	16	16	16	15	16
Parks & Recreation City Playgrounds	18	18	10	10	10	10	10	10	9	10

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City of Ocoee, Florida

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water										
New Connections	710	231	263	177	236	105	122	171	134	180
Number of Customers	11,625	11,981	10,389	12,503	12,908	11,292	11,300	11,314	11,745	13,319
Miles of water mains	130	131	192	151	151	149.51	153.03	155.04	156.04	159.72
Daily Average Consumption (gallons)	4.50	4.25	4.06	3.65	3.21	3.67	3.16	3.18	3.15	3.52
Plant capacity (Gallons)	4.50	4.25	4.33	4.33	4.33	4.66	4.66	4.66	4.88	6.80
Plant Permitted Daily capacity (MGD)	4.33	4.33	4.33	4.33	4.33	4.66	4.66	10.70	10.70	10.70
Service connections	11,500	12,136	12,331	12,503	12,908	10,609	11,080	11,314	11,319	11,424
Deep wells	5	6	6	6	6	6	6	6	6	6
Fire hydrants	1,090	1,095	941	963	1,052	1,056	1,056	1,334	1,334	1,334
Sewer System:										
Miles of sanitary sewers	70	71	85	89	89	83.25	86.36	89.38	89.92	90.03
Lift stations	50	52	56	54	55	59	59	58	61	64
Daily average treatment (Gallons per day)	1.50	1.579	1.639	1.641	1.536	1.62	1.00	1.83	1.62	1.65
Plants capacity (MGD)	4	1.8	1.8	1.8	1.8	3.0	1.68	3.0	3.0	3.0
Disposal sites	2	4	4	6	3	4	4	4	4	4
General Government										
Personnel actions processed	21	10	10	n/a	n/a	n/a	17	13	15	15
Legal Notices published	80	103	107	103	112	91	86	86	93	201
Occupational Licenses issued	434	1,930	1,825	1,731	1,703	1,703	1,798	1,607	1,760	1,835
Accidents & Injuries reviewed	20	26	18	39	36	56	37	39	43	43
Land Use amendments & rezonings	4	10	6	8	25	13	4	7	17	17
License/Permit Reviews	2,872	2,252	2,763	2,934	1,421	913	1,839	2,206	2,625	2,023
Employees paid	434	435	430	412	419	418	413	404	414	413
A/P Checks issued	4,456	4,254	3,650	5,304	3,898	3,751	4,279	4,239	4,422	4,785
Purchase orders/EPO's processed	820	815	786	672	691	643	615	661	663	680

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City of Ocoee, Florida

Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Municipal Employees										
	339	359	407	396	387	379	373	371	414	413
Elections:										
Registered voters	15,096	15,727	18,085	18,963	18,452	17,949	21,296	22,056	23,013	22,950
Votes in Municipal Elections	1,390	-	2,276	859	1,286	4,608	3,426	531	-	6,264
Police Protection:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	55	53	59	61	70	76	74	76	75	75
Other vehicles	43	47	34	25	33	26	24	26	29	26
Auto Accidents	1,361	1,294	1,070	1,004	959	917	877	922	904	1,126
Arrests	1,273	1,742	1,780	1,216	1,072	1,337	972	1,074	1,434	1,454
Criminal Investigations	n/a	4,824	1,480	1,365	1,045	1,506	1,050	1,054	1,092	1,050
Total Service Calls	40,948	56,060	44,405	44,888	45,646	46,180	41,017	48,802	49,769	49,938
911 Calls Received	3,866	13,134	13,497	9,877	9,494	7,885	8,571	9,783	10,776	14,126
Pieces of Evidence Processed	5,396	2,064	4,334	7,512	3,851	3,147	2,385	7,035	5,458	4,005
Fire Protection:										
Stations	3	3	3	3	3	3	4	4	4	4
Recreation:										
Multi-purpose recreation center	1	1	1	1	1	1	1	1	1	1
Community Center	3	3	3	3	3	3	2	3	3	3
Athletic fields	14	14	13	11	10	11	12	12	12	12
Tennis courts	7	7	3	3	6	6	6	6	6	6
Racquetball courts	2	2	1	1	1	1	1	1	1	1
Shuffleboard courts	2	2	1	1	-	-	-	-	-	-
Passive parks	6	6	14	15	16	16	16	16	15	16
City Playgrounds	18	18	18	10	10	10	10	10	9	10

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Capital Assets Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2010	2012	2013	2014	2015
Miles of Streets, Sidewalks & Bike Paths										
Streets - paved	200.32	200.32	109.87	109.44	112.85	113.01	114.27	115.28	115.28	115.14
Streets - unpaved	0.05	4.63	4.70	0.42	0.76	0.76	0.76	0.76	0.76	0.76
Streets - brick	6.30	1.80	1.80	1.54	1.54	1.54	1.54	1.54	1.54	1.54
Sidewalks	171.20	171.20	172.70	177.46	180.16	175.40	175.40	175.40	175.40	175.40
Bike paths	0.05	5.47	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Water										
Miles of water mains	130.00	130.64	192.00	150.78	151.00	149.51	153.03	155.04	156.04	159.72
Daily Average Consumption (MGD)	4.25	4.25	4.06	3.65	3.21	3.67	3.16	3.18	3.15	3.52
Plant capacity Permitted	4.25	4.25	4.33	4.33	4.33	4.66	4.66	4.88	4.88	6.08
Sewer System:										
Miles of sanitary sewers	70.10	70.52	85.00	88.64	88.64	83.25	86.36	89.38	89.92	90.03

City of Ocoee, Florida

Schedule of Revenues by Source and Expense by Type

General Employees Pension Fund
Last Ten Fiscal Years

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits & Refunds	Investment Related Expenses (1)	Admin. Expenses		
2006	823,485	1,200,140	490,713	76,607	31,051		10.7%
2007	2,218,135	1,186,357	696,789	66,649	43,781		10.1%
2008	(2,326,853)	1,504,043	899,072	85,911	40,131		12.5%
2009	893,160	1,707,954	936,450	80,266	52,786		13.4%
2010	1,991,764	1,956,175	910,863	108,584	33,207		15.4%
2011	(164,397)	2,138,622	1,136,431	132,769	51,092		17.2%
2012	2,914,936	2,109,364	1,244,973	140,014	59,424		17.5%
2013	3,142,906	2,425,260	1,101,837	173,577	41,069		22.5%
2014	2,447,920	2,217,892	1,043,921	-	60,184		20.4%
2015	454,266	1,681,492	1,218,647	-	89,735		13.1%

Note (1) consistent with financial reporting requirements of GASB 67 Investment Related Expenses are presented as an offset to related Investment income in column 1

City of Ocoee, Florida

Schedule of Revenues by Source and Expense by Type

Police and Fire Pension Fund
Last Ten Fiscal Years

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits & Refunds	Investment Related Expenses (1)	Admin. Expenses		
2006	1,136,971	1,731,391	866,766	92,208	22,308		17.8%
2007	2,523,834	1,832,716	598,634	80,305	32,364		17.4%
2008	(2,706,638)	1,981,265	901,476	72,796	68,212		18.3%
2009	984,477	1,562,440	864,828	87,492	45,018		20.8%
2010	2,097,302	2,079,314	984,185	141,998	37,946		19.6%
2011	(107,044)	2,319,644	1,072,077	137,073	16,778		22.2%
2012	4,017,592	2,618,959	1,236,784	190,271	62,361		26.7%
2013	4,387,664	3,063,043	1,714,899	227,152	45,396		32.7%
2014	3,992,191	3,075,732	1,812,744	-	81,667		30.7%
2015	343,322	2,827,659	2,234,870	-	93,962		29.4%

Note (1) consistent with financial reporting requirements of GASB 67 Investment Related Expenses are presented as an offset to related Investment income in column 1

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OTHER REPORTS

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 Commissioners
City of Ocoee, 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 City of Ocoee as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Ocoee's basic financial statements, and have issued our report thereon dated April 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Ocoee'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 City of Ocoee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Ocoee'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 material weaknesses or significant deficiencies. Given these 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 City of Ocoee'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.

McDermitt Davis & Company, LLC

Orlando, Florida
April 19, 2016

MANAGEMENT LETTER

Honorable Mayor and City Commission
City of Ocoee, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Ocoee, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated April 19, 2016.

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 Florida Auditor General.

Other Reports

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 Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 19, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require 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 annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

MCDIRMIT DAVIS & COMPANY, LLC

934 North Magnolia Avenue, Suite 100 Orlando, Florida 32803

TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the *City of Ocoee, Florida* has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *City of Ocoee, Florida* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the *City of Ocoee, Florida* for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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

MCDIRMIT DAVIS & COMPANY, LLC

Orlando, Florida
April 19, 2016

Honorable Mayor and City Commissioners
City of Ocoee, Florida

We have audited the financial statements of the *City of Ocoee, Florida* as of and for the year ended September 30, 2015, and have issued our report thereon dated April 19, 2016. 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 October 17, 2012, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance 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 City of Ocoee 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, 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 the significant accounting policies adopted by the *City of Ocoee, Florida* is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been presented 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 estimates affecting the City's financial statement were:

Management's estimate for the allowance for doubtful account 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.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the 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 such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 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 April 19, 2016.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management 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 City of Ocoee, 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 retentions as the City of Ocoee's auditors.

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

Very truly yours,

McDermitt Davis & Company, LLC

Orlando, Florida
April 19, 2016



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

The Honorable Mayor and City Commission
City of Ocoee, Florida

We have examined City of Ocoee's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2015. 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 Ocoee complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

McDermitt Davis & Company, LLC

Orlando, Florida
April 19, 2016

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Mayor
Rusty Johnson

City Manager
Robert Frank



Commissioners
John Grogan, District 1
Rosemary Wilsen, District 2
Richard Firstner, District 3
Joel F. Keller, District 4

April 26, 2016

AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.

Wanda Horton
Finance Director

Wanda Horton is personally known to me.

Jequita Cowan



Sworn before me this Apr. 27, 2016.

My Commission expires MAR. 4, 2017

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APPENDIX C

FORM OF THE RESOLUTION

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CITY OF OCOEE, FLORIDA
MASTER CAPITAL IMPROVEMENT BOND RESOLUTION

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RESOLUTION NO. 2017-005

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OCOEE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$44,000,000 CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS, SERIES 2017 (THE "SERIES 2017 BONDS"); AUTHORIZING AND PROVIDING FOR (i) THE REFUNDING OF THE CITY'S CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2011 AND THE CITY'S TRANSPORTATION IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2012, AND (ii) FOR THE FINANCING OF THE DESIGNING, PERMITTING, ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS DESCRIBED HEREIN AND TO PAY COSTS RELATED TO THE ISSUANCE OF THE SERIES 2017 BONDS; PLEDGING HALF-CENT SALES TAX REVENUES, COMMUNICATIONS SERVICES TAX REVENUES; AND PUBLIC SERVICES TAX REVENUES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2017 BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Ocoee, Florida (the "City" or the "Issuer") has previously issued its Capital Improvement Refunding Revenue Note, Series 2011 (the "Series 2011 Note") and its Transportation Improvement Refunding Revenue Note, Series 2012 (the "Series 2012 Note") (collectively, the "Refunded Bonds"); and

WHEREAS, the Series 2011 Note and the Series 2012 Note, are currently outstanding and are held by SunTrust Bank as the holder; and

WHEREAS, the City Commission (the "City Commission") now desires to adopt this resolution (the "Resolution"), in order to provide for the issuance of Bonds, initially to refund the Series 2011 Note and the Series 2012 Note and to provide proceeds for the Initial Project (as herein defined) through the issuance of its Capital Improvement Revenue and Refunding Bonds, Series 2017 (the "Series 2017 Bonds"); and

WHEREAS, the City Commission also desires to authorize and finds it necessary, desirable and in the best interest of the City and the residents thereof that the initial Project be acquired, constructed and erected (the "Initial Project") as described herein and in a Supplemental Resolution adopted on even date herewith and that the Refunded Bonds will be refunded with the proceeds of the Series 2017 Bonds.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF OCOEE, FLORIDA THAT:

ARTICLE I
GENERAL

SECTION 1.01 Definitions.

When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, Chapter 202 and Chapter 212, Florida Statutes, Chapter 218, Part VI, Florida Statutes, the City Charter of the Issuer, and other applicable provisions of law.

"Additional Bonds" shall mean the obligations issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2017 Bonds.

"Additional Project" shall mean the designing, permitting, acquisition, construction, reconstruction and/or equipping of the facilities and general infrastructure within the City and shall include all property rights, easements, franchises and equipment relating thereto and deemed necessary or convenient for the designing, permitting, acquisition, construction, reconstruction, equipping and/or the operation thereof which are financed in whole or in part with the proceeds of Additional Bonds.

"Amortization Installment" shall mean an amount designated as such by Supplemental Resolution of the Issuer and established with respect to any Term Bonds.

"Annual Debt Service" shall mean, with respect to any Bond Year, the aggregate amount of (1) all interest required to be paid on the Outstanding Bonds during such Bond Year, except to the extent that such interest is to be paid from (a) deposits in the Interest Account made from Bond proceeds or (b) a direct subsidy payment expected to be received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, (2) all principal of Outstanding Serial Bonds maturing in such Bond Year, and (3) all Amortization Installments herein designated with respect to such Bond Year.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Bond Counsel" shall mean Bryant Miller Olive P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Year" shall mean the period commencing on October 2 and ending on twelve months later on October 1.

"Bondholder" or "Holder" or "holder" or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bonds" shall mean the Series 2017 Bonds, together with any Additional Bonds issued pursuant to this Resolution.

"Capital Appreciation Bonds" shall mean the aggregate principal amount of the Bonds that bear interest payable solely at maturity or upon redemption prior to maturity in the amounts determined by reference to the Compounded Amounts, all as shall be determined by Supplemental Resolution of the Issuer. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"City Attorney" shall mean the City Attorney of the Issuer, or any assistant or deputy City Attorney of the Issuer.

"City Manager" shall mean the City Manager or assistant, deputy, interim or acting City Manager of the Issuer.

"Clerk" shall mean the City Clerk or assistant or deputy City Clerk of the Issuer, or such other person as may be duly authorized by the City Commission to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Communications Services Tax" shall mean the taxes on local communications services levied by the City pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.

"Communications Services Tax Revenues" shall mean all revenues received by the Issuer from the levy of Communications Services Tax.

"Compounded Amounts" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the interest date next preceding the date of computation or the date of computation if an interest date, such interest to accrue at the applicable rate which shall not exceed the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bonds, if such date of computation shall not be an

interest date, a portion of the difference between the Compounded Amount as of the immediately preceding interest date and the Compounded Amount as of the immediately succeeding interest date, calculated based on the assumption that Compounded Amount accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"Construction Fund" shall mean the City of Ocoee, Florida, Capital Improvement Revenue and Refunding Bonds, Series 2017 Construction Fund established pursuant to Section 4.03 hereof.

"Cost" when used in connection with a Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during, and if deemed advisable by the Issuer for up to one year after the end of, the construction period of such Project and for a reasonable period thereafter, if permitted by the Code; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses incidental to the issuance of the Bonds for up to one year, including the fees and expenses of any attorneys, financial advisors, auditors, engineers, Paying Agent, Registrar or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for such Project; (9) costs of machinery or equipment required by the Issuer for the commencement of operation of such Project; or (10) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Debt Service Fund" shall mean the City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds Debt Service Fund established pursuant to Section 4.04 hereof.

"Direct Subsidy Bonds" shall mean any Taxable Bonds issued by the Issuer hereunder for which either (1) the Issuer receives direct subsidy payments or any other interest subsidy or similar payments made by the Federal Government in an amount equal to a percentage of the interest paid on such Bond or Bonds, or (2) the holder of such Bond or Bonds receives a tax credit in an amount equal to a percentage of the interest paid on such Bond or Bonds.

"Federal Securities" shall mean (1) cash, and/or (2) non-callable direct obligations of the United States of America.

"Financial Advisor" shall mean FirstSouthwest, a Division of Hilltop Securities Inc., or any other financial advisor appointed from time to time by the Issuer.

"Finance Director" shall mean the Finance Director of the Issuer, or such other person as may be duly authorized by the City Manager of the Issuer to act on his or her behalf.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Half-Cent Sales Tax Revenues" means monies received by the Issuer from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

"Initial Project" shall mean the construction, designing, permitting, reconstruction, acquisition and equipping of certain additions, extensions and improvements to public facilities within the Issuer, as set forth on Exhibit A of the Supplemental Resolution adopted on even date herewith. Such Initial Project shall include without limitation all property rights, appurtenances, easements, franchises and equipment relating thereto and deemed necessary or convenient for the construction, designing, permitting, reconstruction, acquisition and equipping thereof, in accordance with certain plans on file or to be on file with the Clerk, with such changes, deletions, additions or modifications to the enumerated improvements, equipment and facilities, or such other improvements as approved by the City Commission of the Issuer in a Supplemental Resolution in accordance with the Act.

"Insurance Policy" or **"Insurance Policies"** shall mean any policy of bond insurance, letter of credit, guarantee, or other similar form of credit enhancement issued by an Insurer and insuring or guaranteeing the payment when due of all or any portion of the principal of and interest on any Series of Bonds. All references in this Resolution to the Insurance Policy or Insurance Policies shall be of no force and effect (i) if there is a default in the performance of any obligations thereunder by the applicable Insurer, or (ii) at such time as there are no Bonds Outstanding with respect to which an Insurer has issued an Insurance Policy or Insurance Policies.

"Insurer" shall mean any issuer or issuers of any Insurance Policy or any successor corporation that assumes the obligations of the issuer of such Insurance Policy. All references in this Resolution to the Insurer and/or an Insurance Policy shall be of no force and effect to a particular Series of Bonds if such Bonds are not insured, and/or at such time as there are no Bonds Outstanding with respect to which an Insurer has issued an Insurance Policy.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Interest Date" shall be April 1 and October 1 of each year.

"Issuer" shall mean the City of Ocoee, Florida, a municipal corporation of the State of Florida.

"Maximum Annual Debt Service" shall mean the largest amount of Annual Debt Service for any Bond Year in which Bonds shall be Outstanding, excluding all Bond Years

which shall have ended prior to the Bond Year in which Maximum Annual Debt Service shall be computed.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, the maximum rate of interest such Bonds may at any time bear in the future in accordance with the terms of the Supplemental Resolution of the Issuer delineating the details of such Bonds.

"Mayor" shall mean the Mayor of the Issuer, or in his or her absence, the Mayor Pro Tem of the Issuer, or such other person as may be duly authorized by the City Commission to act on his or her behalf.

"Outstanding" when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under an agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.06 and 2.08 hereof, and (3) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean any paying agent for Bonds appointed by or pursuant to a Supplemental Resolution and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

"Permitted Investments" shall mean any investments authorized pursuant to the laws of the State and the Issuer's written investment policy, if any.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean the Pledged Revenues and until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, other than the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series.

"Pledged Revenues" shall mean the Half-Cent Sales Tax Revenues, Public Services Tax Revenues, the Communications Services Tax Revenues and shall not include any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bond or any other interest subsidy or similar payments made by the Federal Government until deposited into the Interest Account.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Project" shall mean the Initial Project and any Additional Project.

"Public Service Tax" shall mean such tax as levied and collected by the Issuer pursuant Chapter 160, Taxation, Article I of the City's Code of Ordinances, in accordance with and pursuant to Section 166.231, Florida Statutes also referred to from time to time as the utility service tax.

"Public Service Tax Revenues" shall mean all revenues received by the Issuer from the levy of Public Service Tax.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunded Bonds" shall mean, with respect to the Series 2017 Bonds, the City of Ocoee, Florida Capital Improvement Refunding Revenue Note, Series 2011 and the City of Ocoee, Florida Transportation Improvement Refunding Revenue Note, Series 2012, and thereafter shall mean that amount of any Series of Bonds, which will be refunded by any Bonds issued hereunder.

"Registrar" shall mean any registrar for the Bonds appointed by or pursuant to a Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to Supplemental Resolution.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Reserve Account Requirement" shall mean an amount to be determined in writing by the Finance Director, based on the advice of the Financial Advisor, prior to the issuance of the any Bonds hereunder, provided, however, such amount shall not exceed the least of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) 125% of the average annual debt service for all Outstanding Bonds secured thereby, or (3) the maximum amount allowed under the Code in order to maintain the exclusion of interest on the Outstanding Bonds secured thereby (other than Taxable Bonds). Notwithstanding anything herein to the contrary, the determination of such amount must be in the best economic interests of the Issuer, based on the advice of the Financial Advisor. Further, the Issuer may establish by Supplemental Resolution the amount of the Reserve Account Requirement applicable to a subaccount hereafter created in the Reserve Account to secure a Series of Bonds pursuant to Section 4.05(A)4. hereof. The Reserve Account Requirement for the Series 2017 Bonds shall be determined and set forth in a Supplemental Resolution.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"**Restricted Revenue Account**" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"**Revenue Fund**" shall mean the City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds Revenue Fund established pursuant to Section 4.04 hereof.

"**Serial Bonds**" shall mean all of the Bonds other than the Capital Appreciation Bonds, Term Bonds and Variable Rate Bonds.

"**Series**" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Issuer of such Bonds as a separate Series, regardless of variations in maturity, interest rate, Amortization Installments or other provisions.

"**Series 2017 Bonds**" shall mean the Issuer's Capital Improvement Revenue and Refunding Bonds, Series 2017 authorized pursuant to Section 2.02 hereof, or such other name or names as shall be designated pursuant to the authorization in Section 2.02 hereof.

"**State**" shall mean the State of Florida.

"**Subordinated Indebtedness**" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof.

"**Supplemental Resolution**" shall mean any resolution of the Issuer amending or supplementing this Resolution adopted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"**Taxable Bond**" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income tax purposes or that such interest is subject to federal income taxation.

"**Term Bonds**" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installments.

"**Unrestricted Revenue Account**" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"**Variable Rate Bonds**" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, shall refer to this Resolution; the term heretofore shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02 Authority for Resolution.

This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and the Insurers. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04 Findings. It is hereby ascertained, determined and declared:

(A) That the Issuer deems it necessary, desirable and in the best interests of the Issuer and its citizens and to serve a public purpose that the Initial Project be constructed, designed, permitted, reconstructed, acquired and equipped and that the Refunded Bonds be currently refunded.

(B) That all or a portion of the Initial Project shall be financed by and/or reimbursed from a portion of the proceeds of the Series 2017 Bonds.

(C) That in order to restructure a portion of the City's debt and to provide for and plan for the incurrence of debt by the City under a suitable structure, it is necessary and desirable to currently refund the Refunded Bonds.

(D) That the Issuer is authorized under the Act to currently refund the Refunded Bonds, and either pay off and refinance such Refunded Bonds upon the issuance of Bonds or to deposit a portion of the proceeds of the Series 2017 Bonds, together with other legally available funds, in escrow to provide for the payment when due of the principal of and interest and redemption premiums, if any, on the Refunded Bonds, to invest a portion of the proceeds of such Bonds pending their application to pay the costs of the current refunding of the Refunded Bonds.

(E) That the purposes for which the Series 2017 Bonds are being issued include the promotion of the public health, welfare, safety and social benefit to the Issuer and its citizens.

(F) That upon the issuance of the Series 2017 Bonds, the Pledged Revenues are not pledged or encumbered in any manner other than to the Series 2017 Bonds and are estimated to be sufficient to pay the principal of and interest on the Series 2017 Bonds, as the same become due, and all other payments provided for in this Resolution.

(G) That the principal of and interest on the Series 2017 Bonds and all other payments provided for in this Resolution will be payable solely from the Pledged Funds; and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Refunded Bonds and, except as otherwise provided herein, the Refunded Bonds shall not constitute a lien upon any property of the Issuer.

SECTION 1.05 Authorization of the Initial Project. The Issuer does hereby authorize the acquisition, construction and reconstruction of the capital improvements which comprise the Initial Project. The Issuer agrees to deposit the portion of proceeds of the Series 2017 Bonds as directed and set forth in Section 2.03(D) hereof into the Construction Fund as provided in Section 4.03 hereof to be expended on the Initial Project.

**ARTICLE II
AUTHORIZATION, TERMS, EXECUTION
AND REGISTRATION OF BONDS**

SECTION 2.01 Authorization of the Refunding of the Refunded Bonds and Initial Project; Authorization of Series 2017 Bonds.

The refunding of the Refunded Bonds and the financing of the Initial Project are hereby specifically authorized. The "Capital Improvement Revenue and Refunding Bonds, Series 2017" are hereby specifically authorized to be issued in an aggregate principal amount of not to exceed \$44,000,000 to (i) refund the Series 2011 Note and the Series 2012 Note, (ii) finance the Initial Project, and (iii) pay the cost of issuing the Series 2017 Bonds.

This Resolution provides for the issuance of Bonds of the Issuer to be designated as "City of Ocoee, Florida, Capital Improvement Revenue and Refunding Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful

money of the United States of America on such dates; all as determined by Supplemental Resolution of the Issuer.

The Bonds shall be issued in denominations of \$5,000 or integral multiples thereof, in such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; shall provide that the proceeds thereof be used in such manner; may be Capital Appreciation Bonds, Serial Bonds, Term Bonds or Variable Rate Bonds (provided, however, that the issuance of Variable Rate Bonds which are Additional Bonds is subject to the provisions of Section 5.02(D) hereof); all as determined by Supplemental Resolution of the Issuer.

SECTION 2.02 Authorization and Description of Bonds.

An initial Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate principal amount of not to exceed \$44,000,000 for the principal purposes of financing and/or reimbursing all or a portion of the Costs of the Initial Project, funding the Reserve Account, if required, refunding the Refunded Bonds and paying certain costs of issuance incurred with respect to such Series. Such Series shall be designated as, and shall be distinguished from the Bonds of all other Series by the title "City of Ocoee, Florida, Capital Improvement Revenue and Refunding Bonds, Series 2017," provided the Issuer may change such designation in the event that the total authorized amount of Series 2017 Bonds are not issued as a single series and/or are not issued in calendar year 2017.

The Series 2017 Bonds shall be dated as of the date of delivery of the Series 2017 Bonds to the purchaser or purchasers thereof or such other date as may be set forth by Supplemental Resolution of the Issuer; shall be issued as fully registered Series 2017 Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter "R"; shall be in such denominations and shall bear interest at a rate or rates not exceeding the maximum rate permitted by law, payable in such manner and on such dates; shall consist of such amounts of Serial Bonds and/or Term Bonds; maturing in such amounts or Amortization Installments and in such years not exceeding forty (40) years from their date; shall be payable in such place or places; shall have such Paying Agent and Registrar; and shall contain such redemption provisions; all as the Issuer shall provide hereafter by Supplemental Resolution.

The principal of or Redemption Price, if applicable, on the Series 2017 Bonds are payable upon presentation and surrender of the Series 2017 Bonds at the designated office of the Paying Agent. Interest payable on any Series 2017 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Series 2017 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2017 Bond is not punctually paid or duly provided for by the

Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Series 2017 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten days preceding such special record date. All payments of principal of or Redemption Price, if applicable, and interest on the Series 2017 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 2.03 Application of Series 2017 Bond Proceeds.

Except as otherwise provided by Supplemental Resolution, the proceeds derived from the sale of the Series 2017 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2017 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) Accrued interest, if any, shall be deposited in the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2017 Bonds.

(B) A sufficient amount of the Series 2017 Bond proceeds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2017 Bonds which must be paid upon delivery of the Series 2017 Bonds. Such amount may, at the option of the Issuer, be deposited in and disbursed from the Construction Fund.

(C) A sufficient amount shall be paid to refund in full the Refunded Bonds.

(D) The balance of the Series 2017 Bond proceeds shall be deposited in the Construction Fund to be used to pay all or a portion of the Costs of the Initial Project.

SECTION 2.04 Execution of Bonds.

The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds, or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although, at the date of such Bond, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.05 Authentication.

No Bond of any Series shall be secured hereunder or be entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.10 hereof.

SECTION 2.06 Temporary Bonds.

Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.04 hereof, and deliver, upon authentication by the Registrar pursuant to Section 2.05 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by Supplemental Resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Registrar.

SECTION 2.07 Bonds Mutilated, Destroyed, Stolen or Lost.

In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost (e.g., Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds), in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.07 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.08 Transfer.

Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, maturity of any other authorized denominations and type (e.g., Serial Bonds will be exchanged for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds).

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books.

Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds pursuant to Section 2.04 hereof for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the fifteen days next preceding an Interest Date on the Bonds of such Series (other than Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

SECTION 2.09 Coupon Bonds; Capital Appreciation Bonds; Variable Rate Bonds.

The Issuer, at its discretion, may by Supplemental Resolution authorize the issuance of coupon Bonds, registrable as to principal only or as to both principal and interest, Capital Appreciation Bonds or Variable Rate Bonds. Such Supplemental Resolution shall provide for the negotiability, transfer, interchangeability, denominations and form of such Bonds and, if applicable, coupons appertaining thereto. Coupon Bonds (other than Taxable Bonds) shall only be issued if an opinion of Bond Counsel is received to the effect that issuance of such coupon Bonds will not adversely affect the exclusion from gross income of interest earned on such Bonds for federal income tax purposes.

SECTION 2.10 Form of Bonds.

The text of the Bonds, except as otherwise provided pursuant to Section 2.09 hereof (the form of which shall be provided by Supplemental Resolution of the Issuer) shall be in substantially the following form with such non-material omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-____ \$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF OCOEE

CAPITAL IMPROVEMENT REVENUE [AND REFUNDING] BOND, SERIES _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	_____ 1, ____	_____ / ____	_____

Registered Holder: _____

Principal Amount: _____

KNOW ALL MEN BY THESE PRESENTS, that the City of Ocoee, Florida, a municipality created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on _____ 1 and _____ 1 of each year commencing _____ 1, ____ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Such Principal Amount and interest and the redemption premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the redemption premium, if any, on this Bond, are payable, upon presentation and surrender hereof, at the designated corporate trust office of _____, _____, _____, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by _____, _____, _____, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of such Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder. In the event interest payable on this Bond is not punctually paid or duly provided for by the Issuer on such

interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten days preceding such special record date.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$ _____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance and/or reimburse the cost of construction, designing, permitting, reconstruction, acquisition and equipping of certain additions, extensions and improvements to public facilities within the Issuer, under the authority of and in full compliance with the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, Section 202.19(8), Florida Statutes, the City Charter of the Issuer, Chapter 160, Taxation, Article I of the Issuer's Code of Ordinances, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 2017-005 duly adopted by the City Commission on March 21, 2017, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. 2017-006 duly adopted by the City Commission on March 21, 2017 (collectively, the "Resolution"), and is subject to the terms and conditions of the Resolution. Capitalized undefined terms used herein shall have the meaning ascribed thereto in the Resolution.

The Bonds and the interest thereon are payable solely from and secured by a lien upon and a pledge of Half-Cent Sales Tax Revenues, Communications Services Tax Revenues and Public Services Tax Revenues, and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PREMIUM, IF ANY, OR INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER OTHER THAN THE PLEDGED FUNDS, AND SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT DESCRIBED IN THE RESOLUTION.

Neither the members of the City Commission nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

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REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN THIS PLACE.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City of Ocoee, Florida has issued this Bond and has caused the same to be executed by the manual signature of the Mayor, attested and countersigned by the manual signature of its City Clerk, approved as to form and correctness by the manual signature of the City Attorney, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ___ day of _____, 20__.

(SEAL) CITY OF OCOEE, FLORIDA
By: _____
Mayor

ATTESTED:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

[Provisions on Reverse Side of Bond]

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denominations of \$5,000 and integral multiples thereof, not exceeding the aggregate principal amount of the Bonds maturing on the same date. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the fifteen days next preceding an interest payment date, or in the case of any proposed redemption of the Bonds, then, during the fifteen days next preceding the date of the first mailing of notice of such redemption.

[INSERT REDEMPTION PROVISIONS]

Notice of redemption, unless waived, is to be given by the Registrar by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Holders of the Bonds to be redeemed at such Holders' addresses shown on the registration books maintained by the Registrar or at such other addresses as shall be furnished in writing by such Registered Holders to the Registrar. Provided, however, that no defect in any such notice to any Registered Holder of Bonds to be redeemed nor failure to give such notice to any such Registered Holder nor failure of any such Registered Holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Registered Holders of Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

[Insert Name, Address, Social Security or Other Identifying Number of Assignee]

the within Bond and does hereby irrevocably constitute and appoint _____ as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN-- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the list above.

STATEMENT OF INSURANCE

[IF APPLICABLE, INSERT INSURER LANGUAGE]

**ARTICLE III
REDEMPTION OF BONDS**

SECTION 3.01 Privilege of Redemption.

The terms of this Article III shall apply to redemption of Bonds other than Variable Rate Bonds. The terms and provisions relating to redemption of Variable Rate Bonds shall be provided by Supplemental Resolution.

SECTION 3.02 Selection of Bonds to be Redeemed.

The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least sixty days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than forty-five days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03 Notice of Redemption.

Unless waived by any Holder of Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least thirty days and not more than sixty days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this Section to any Holder of Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

1. the redemption date,
2. the Redemption Price,

3. if less than all Outstanding Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed,

4. that, on the redemption date, the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

5. that such Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Notwithstanding the foregoing or any other provision hereof, notice of optional redemption pursuant to this Section 3.03 may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer if expressly set forth in such notice.

SECTION 3.04 Redemption of Portions of Bonds.

Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05 Payment of Redeemed Bonds.

Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

**ARTICLE IV
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF**

SECTION 4.01 Bonds not to be Indebtedness of Issuer.

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE ISSUER EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED HEREIN.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 4.02 Security for Bonds.

The payment of the principal of, Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. The pledge contained in this Resolution shall constitute a first priority lien on the Pledged Funds in favor of the Holders of the Bonds.

SECTION 4.03 Construction Fund.

The Issuer covenants and agrees to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of such State to receive funds of the Issuer, to be known as the "City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds Construction Fund" (the "Construction Fund") which shall be used only for payment of the Cost

of a Project. Moneys in the Construction Fund which derive from a particular Series of Bonds, until applied in payment of any item of the Cost of a Project, in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of such Series of Bonds and for the further security of such Holders.

SECTION 4.04 Funds and Accounts.

The Issuer covenants and agrees to establish with a bank or trust company in the State of Florida, which is eligible under the laws of such State to receive funds of the Issuer, separate funds to be known as the "City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds Revenue Fund" (the "Revenue Fund") and the "City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds Debt Service Fund" (the "Debt Service Fund"). The Issuer shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The Issuer shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The Issuer shall at any time and from time to time appoint one or more qualified depositories to hold, for the benefit of the Bondholders, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agents and employees.

SECTION 4.05 Flow of Funds.

(A) Beginning on the date the Series 2017 Bonds are issued, the Issuer shall deposit the Pledged Revenues (only to the extent a sufficient amount is not already on deposit from other legally available revenue sources of the Issuer in amounts sufficient to satisfy all payment obligations hereunder), and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, into the Restricted Revenue Account promptly upon receipt thereof. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 21st day of each month, commencing with the month in which delivery of the Series 2017 Bonds shall be made to the purchaser or purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

1. Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay

interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. Any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government shall be used to pay interest on Bonds issued as Direct Subsidy Bonds.

2. Principal Account. Next, the Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Outstanding Bonds due and unpaid and that portion of the principal next due within one year which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months of thirty days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Bonds as and when the same shall mature, and for no other purpose. The Issuer shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. Payments to the Principal Account shall be on parity with payments to the Bond Amortization Account.

3. Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, the Issuer shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months having thirty days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Bond Amortization Account not later than the 21st month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the sixtieth day preceding the due date of such Amortization Installment (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (b) to the redemption at the applicable Redemption Price of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Revenue Fund.

4. Reserve Account. Next, the Issuer shall deposit into or credit to the Reserve Account and/or any subaccount hereafter created therein a sum sufficient to maintain therein an amount equal to the applicable Reserve Account Requirement. Moneys in the Reserve Account (or any subaccount therein) shall be used only for the purpose of the payment of maturing principal, interest or Amortization Installments on the Bonds which are secured thereby when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account (or any subaccount therein) exceed the applicable Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as herein provided, the Issuer may, on the date of delivery of such Additional Bonds, create and establish a separate subaccount in the Reserve Account to secure such Series of Bonds, and may also establish an applicable Reserve Account Requirement. Such required sum may be paid in full or in part from the proceeds of such Additional Bonds.

Notwithstanding the foregoing provisions, in lieu of the required cash deposits into the Reserve Account (or any subaccounts therein), subject to the written consent of the Insurer or Insurers, if any, the Issuer may, at any time, cause to be deposited into the Reserve Account (or any subaccounts therein) a surety bond, irrevocable letter of credit, guaranty or an insurance policy for the benefit of the applicable Bondholders in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account and/or subaccount therein. Such surety bond, irrevocable letter of credit, guaranty or insurance policy shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose. Repayment of draws made from a surety bond, irrevocable letter of credit, guaranty or an insurance policy provided pursuant to this paragraph, shall be made in accordance with a Supplemental Resolution.

Whenever the amount in the Reserve Account or any subaccount therein, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all applicable Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account (or any subaccounts therein) may be transferred to the other accounts of the Debt Service Fund for the payment of such Bonds.

5. Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through 4.05(A)(4) hereof may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or to any other appropriate fund or account of the Issuer and be used for any lawful purpose.

(B) The Issuer, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(C) At least one business day prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

SECTION 4.06 Investments.

The Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State and the investment policy of the Issuer.

Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund may be invested and reinvested in Permitted Investments maturing no later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in each account of the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Reserve Account or any subaccounts therein (but only to the extent that the amount therein is less than the applicable Reserve Account Requirement) and the Restricted Revenue Account shall be retained in such respective Fund or Account unless otherwise required by applicable law. To the extent that the amount in the Reserve Account or any subaccounts therein is equal to or greater than the applicable Reserve Account Requirement, any and all income received by the Issuer from the investment of moneys therein shall be transferred, upon receipt, and deposited into the Interest Account.

Nothing contained in this Resolution shall prevent any Permitted Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.07 Separate Accounts.

The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

ARTICLE V SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS, AND COVENANTS OF ISSUER

SECTION 5.01 Subordinated Indebtedness.

The Issuer will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all

respects to the pledge of the Pledged Funds created by this Resolution. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 5.02 Issuance of Additional Bonds.

No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Cost of an Additional Project, or the completion thereof or of the Initial Project of the Issuer, or refinancing Subordinate Indebtedness.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) There shall have been obtained and filed with the Issuer a statement of the Finance Director (1) setting forth the amount of the Pledged Revenues which have been received by the Issuer during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve month period equaled at least 1.35 times the Maximum Annual Debt Service of all Bonds then Outstanding including such proposed Additional Bonds with respect to which such statement is made (together with Policy Costs). "Policy Costs" means any repayment or payment obligations due and owing in connection with on any surety bond on deposit in the Reserve Account. In the event the Act is amended to provide for additional Pledged Revenues to be distributed to the Issuer, the Issuer may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified in this Section 5.02(A), have the Finance Director assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

For the purposes of the covenants contained in this Section 5.02, Annual Debt Service with respect to Variable Rate Bonds shall be determined assuming that such obligations bear interest at the higher of 6.00% per annum or the actual interest rate borne during the month immediately preceding the date of calculation. The foregoing notwithstanding, for purposes of calculating Annual Debt Service, any Variable Rate Bonds with respect to which the Issuer has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such variable rate indebtedness shall be treated for purposes of this Section 5.02 as bearing interest at a fixed rate equal to the fixed rate payable by the Issuer under the interest rate swap, or the capped rate provided by the interest rate cap.

(B) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other

provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bond over any other.

(C) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of this Section 5.02 shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of Annual Debt Service on the Outstanding Bonds becoming due in the current Bond Year or in any subsequent Bond Years. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 5.03 Bond Anticipation Notes.

Subject to Sections 5.01 or 5.02 hereof, the Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by Resolution of the Issuer.

SECTION 5.04 Books and Records.

The Issuer will keep books and records of the receipt of the Pledged Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.05 Annual Audit.

The Issuer shall, within a reasonable amount of time after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to any Holder of a Bond who shall have furnished such Holder's address to the Clerk and requested in writing that the same be furnished to such Holder. The Issuer shall be permitted to make a reasonable charge for furnishing such audited financial statements.

SECTION 5.06 No Impairment.

As long as there are Bonds Outstanding hereunder, the pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Commission.

SECTION 5.07 Collection of Pledged Revenues.

The Issuer covenants to do all things necessary on its part to continue the receipt of the Pledged Revenues in compliance with the Act and any successor provision of law governing the same and shall not take or consent to any action that would impair the Issuer's ability to collect Pledged Revenues at the current rates. The Issuer will proceed diligently to perform legally and effectively all steps required on its part to receive the Pledged Revenues and shall exercise all legally available remedies to enforce such collections now or hereafter available under State law.

SECTION 5.08 Federal Income Tax Covenants; Taxable Bonds.

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(D) The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income tax purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become includable in the gross income of the Holder thereof for federal income tax purposes. The covenants set forth in paragraphs (A), (B) and (C) above shall not apply to any Taxable Bonds.

**ARTICLE VI
DEFAULTS AND REMEDIES****SECTION 6.01 Events of Default.**

The following events shall each constitute an "Event of Default:"

(A) The Issuer shall fail to make a payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when such payment becomes due.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding or the Insurer of such amount of Bonds. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

SECTION 6.02 Remedies. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with

the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trust hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03 Directions to Trustee as to Remedial Proceedings.The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds who is not in default in the performance of any of its obligations under its Insurance Policy) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04 Remedies Cumulative.

No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05 Waiver of Default.No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06 Application of Moneys After Default.If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(B) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or as Amortization Installments upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

**ARTICLE VII
SUPPLEMENTAL RESOLUTIONS**

SECTION 7.01 Supplemental Resolutions without Bondholders' Consent.

The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolutions shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Sections 2.01, 2.02 or 2.09 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To change or modify the description of the Initial Project or any Additional Project.

(G) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds.

(H) To make any other change that, in the reasonable opinion of the Issuer, would not materially adversely affect the security for the Bonds.

SECTION 7.02 Supplemental Resolutions with Bondholders' Consent. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of other than the lien and pledge created by this Resolution which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If, at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

SECTION 7.03 Supplemental Resolutions with Insurer's Consent in lieu of Bondholders' Consent. Notwithstanding any provisions of Section 7.02 above to the contrary, if the Insurer of a particular Series of Bonds is not then in default in the performance of any of its obligations under its Insurance Policy, the approvals, consents and notifications required by Section 7.02 above to be given by or to the Holders of the Bonds, as the case may be, subject to such Insurance Policy shall be given solely by or to the Insurer, as the case may be, and the instrument contemplated by Section 7.02 above shall be executed solely by the Insurer and the Holders of the Bonds subject to such Insurance Policy shall have no right to receive such notification or give such approvals and consents or to execute such certificate except that the adoption of Supplemental Resolutions that would have any of the effects described in (A) through (E) in Section 7.02 above shall require the approval and consent of all Holders of Bonds then Outstanding and the Insurer.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders of all Bonds, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become

void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Federal Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Federal Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Federal Securities and moneys for the deposited Federal Securities and moneys if the new Federal Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the Refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or specified Federal Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Federal Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 9.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of

such Bonds that the deposit required by this Section 8.01 of moneys or Federal Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 8.02 Sale of Bonds. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law and as shall be approved by Supplemental Resolution of the Issuer.

SECTION 8.03 Preliminary Official Statement. The Issuer hereby authorizes the preparation of a Preliminary Official Statement for the purpose of marketing the Series 2017 Bonds. The form of such Preliminary Official Statement shall be approved by Supplemental Resolution.

SECTION 8.04 Capital Appreciation Bonds. For the purposes of (i) receiving payment of the redemption price of a Capital Appreciation Bond if redeemed prior to maturity, (ii) receiving payment if the principal of all Bonds is declared immediately due and payable, (iii) computing Annual Debt Service, and (iv) computing the amount of Holders required for any notice, consent, request or demand hereunder for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Compounded Amount.

SECTION 8.05 General Authority. The members of the City Commission and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 8.06 No Third Party Beneficiaries. Except such other Persons as may be expressly described herein or in the Bonds, nothing in this Resolution or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Issuer and the Holders, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

SECTION 8.07 No Personal Liability.Neither the members of the City Commission, any employees of the Issuer, nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 8.08 Severability of Invalid Provisions.If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.09 Repeal of Inconsistent Resolutions.All resolutions or parts or resolutions in conflict herewith are hereby repealed to the extent of such conflict.

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SECTION 8.10 Effective Date.This Resolution shall become effective immediately upon its adoption as provided by law.

Passed and Adopted this ____ day of March, 2017, at a regular meeting duly called and held.

CITY COMMISSION OF THE CITY OF
OCOEEE, FLORIDA

(SEAL)

Rusty Johnson, Mayor

ATTEST:

Melanie Sibbitt, City Clerk

APPROVED AS TO FORM AND
LEGALITY FOR THE USE AND
RELIANCE OF THE CITY OF OCOEE,
FLORIDA, ONLY, THIS ____ DAY OF
MARCH, 2017.

APPROVED BY THE OCOEE CITY
COMMISSION AT A MEETING HELD ON
MARCH 21, 2017 UNDER AGENDA ITEM
NO. _____.

SHUFFIELD, LOWMAN & WILSON, P.A.

SCOTT COOKSON, CITY ATTORNEY

RESOLUTION NO. 2017-006

A RESOLUTION OF THE CITY OF OCOEE, FLORIDA, SUPPLEMENTING RESOLUTION NO. 2017-005 ADOPTED ON MARCH 21, 2017, WHICH AUTHORIZES AND APPROVES THE NEGOTIATED SALE OF NOT TO EXCEED \$44,000,000 CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS, SERIES 2017 FOR THE PURPOSES DESCRIBED HEREIN; AUTHORIZING THE SALE THEREOF TO STIFEL, NICOLAUS & COMPANY, INCORPORATED, SUBJECT TO THE TERMS AND CONDITIONS OF A PURCHASE CONTRACT, AND DELEGATING TO THE CITY MANAGER THE AUTHORITY TO AWARD THE SALE OF THE BONDS TO SUCH UNDERWRITER PURSUANT TO A NEGOTIATED SALE AND SUBJECT TO THE CONDITIONS AND TERMS SET FORTH HEREIN AND IN SUCH PURCHASE CONTRACT; APPROVING THE FORM OF SUCH PURCHASE CONTRACT, THE PRELIMINARY OFFICIAL STATEMENT AND THE CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH PURCHASE CONTRACT, THE FINAL OFFICIAL STATEMENT AND SUCH CONTINUING DISCLOSURE CERTIFICATE; APPOINTING A PAYING AGENT AND REGISTRAR; AUTHORIZING OTHER REQUIRED ACTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission (the "Commission") of the City of Ocoee, Florida (the "Issuer") has, by a resolution adopted on March 21, 2017 (the "Master Resolution" and, as supplemented hereby, the "Resolution"), authorized the issuance of not to exceed \$44,000,000 City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds, Series 2017 (the "Series 2017 Bonds"); and

WHEREAS, all capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolution; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated, for itself and as representative of RBC Capital Markets, LLC (collectively, the "Underwriter") has indicated that it is willing to enter into the hereinafter defined Purchase Contract with the Issuer pursuant to which the Underwriter will agree to purchase the Series 2017 Bonds; and

WHEREAS, due to the present volatility of the market for tax-exempt public obligations such as the Series 2017 Bonds, the need to access such market very quickly, the willingness of the Underwriter to purchase the Series 2017 Bonds at interest rates favorable to the Issuer, and the critical importance of timing of the sale of the Series 2017 Bonds, the Issuer has determined

to sell the Series 2017 Bonds through a negotiated sale to the Underwriter, and it is hereby determined that it is in the best interest of the public and the Issuer to delegate to the City Manager or his designee the authority to fix the final details of the Series 2017 Bonds, based upon the advice of the Financial Advisor and the Issuer's Finance Director, and accept the offer of the Underwriter to purchase the Series 2017 Bonds at a negotiated sale pursuant to the terms of a Purchase Contract, the form of which is attached hereto as Exhibit A (the "Purchase Contract"), if certain conditions set forth in this resolution are satisfied; and

WHEREAS, prior to acceptance by the Issuer of the offer of the Underwriter to purchase the Series 2017 Bonds, the Underwriter will provide the Issuer with all applicable disclosure information required by Section 218.385, Florida Statutes, to be attached to, or otherwise included as part of, the Purchase Contract; and

WHEREAS, the Series 2017 Bonds are being issued to (i) finance and/or reimburse all or a portion of the Costs of the Initial Project, (ii) refund the Series 2011 Note and the Series 2012 Note, and (iii) paying certain costs of issuance of the Series 2017 Bonds; and

WHEREAS, the Issuer has determined it to be in its best interests and to serve a public purpose to provide in this resolution for the issuance of the Series 2017 Bonds for the purposes heretofore stated, and this resolution shall constitute a Supplemental Resolution for purposes of the Master Resolution; and

WHEREAS, the Series 2017 Bonds will be secured by a lien on the Pledged Revenues and, upon issuance of the Series 2017 Bonds, the Pledged Revenues will not be pledged or encumbered in any manner except in favor of the Series 2017 Bondholders, in accordance with the terms of the Master Resolution; and

WHEREAS, in connection with the offering and sale of the Series 2017 Bonds, the Issuer desires to approve the distribution of the Preliminary Official Statement, a form of which is attached hereto as Exhibit B, and delegate to (i) the City Manager the authority to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), and (ii) to the Mayor and City Manager to execute and deliver a final Official Statement with respect to the Series 2017 Bonds (the "Official Statement"); and

WHEREAS, following the receipt of bids from various financial institutions and the recommendation of the Financial Advisor, the Issuer desires to appoint Regions Bank, Jacksonville, Florida, as registrar and paying agent with respect to the Series 2017 Bonds (the "Registrar and Paying Agent") and approve the form of and authorize the execution and delivery of a Registrar and Paying Agent Agreement, a form of which is attached hereto as Exhibit D (the "Registrar and Paying Agent Agreement"); and

WHEREAS, in connection with its continuing disclosure obligations under the Rule, the Issuer desires to approve the form of, and authorize the execution and delivery of, a Continuing Disclosure Certificate, a form of which is attached hereto as Exhibit C (the "Continuing Disclosure Certificate"); and

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Ocoee, Florida, that:

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Act and the Master Resolution.

SECTION 2. Definitions. All capitalized undefined terms shall have the meaning ascribed thereto in the Master Resolution or the recitals above. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this Section. Words importing singular number shall include plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Underwriter" shall mean Stifel, Nicolaus & Company, Incorporated, for itself and as representative of RBC Capital Markets, LLC.

SECTION 3. Approval of Issuance of Series 2017 Bonds; Terms of Series 2017 Bonds. The Issuer hereby delegates to the City Manager the authority to determine the final terms of the Series 2017 Bonds, based upon the advice of the Financial Advisor, including (i) the dated date, (ii) the principal amount and whether the Series 2017 Bonds shall be issued as Serial Bonds and/or Term Bonds, (iii) the maturity dates and amounts, (iv) the interest rates, prices and yields, and Interest Dates, (v) the optional redemption features, if any, (vi) the Amortization Installments and other mandatory redemption features, if any, (vii) the sale date and the delivery date, (viii) all other details of the Series 2017 Bonds, and to take such further action as shall be required for carrying out the purposes of this resolution all with respect to the Series 2017 Bonds. All covenants contained in the Master Resolution with respect to the Bonds shall be applicable to the Series 2017 Bonds.

SECTION 4. Award of Sale of the Series 2017 Bonds; Execution of Purchase Contract. Due to the willingness of the Underwriter to purchase the Series 2017 Bonds at interest rates favorable to the Issuer, the present volatility of the market for tax-exempt public obligations such as the Series 2017 Bonds and the critical importance of timing of the sale of the Series 2017 Bonds, the Issuer hereby approves the negotiated sale of the Series 2017 Bonds to the Underwriter and delegates to the City Manager or his designate the authority to accept the offer of the Underwriter to purchase the Series 2017 Bonds and to the City Manager or his designee execute and deliver, on behalf of the Issuer, the Purchase Contract, in the form attached hereto as Exhibit A, which form is hereby approved; provided, however, that the City Manager or his designee shall not have the authority to execute the Purchase Contract, unless the City Manager or his designee shall have received from the Underwriter (i) all applicable disclosure

information required by Section 218.385, Florida Statutes, and (ii) such other information as the City Manager or his designee shall deem necessary, upon the advice of the Financial Advisor, which demonstrates to the City Manager or his designee that (A) the aggregate principal amount of the Series 2017 Bonds is not in excess of \$44,000,000, (B) the final maturity of the Series 2017 Bonds is not later than October 1, 2046, (C) the underwriting discount is not greater than 1.0% of the original principal amount of the Series 2017 Bonds, and (D) the true interest cost rate on the Series 2017 Bonds is not greater than 4.50%.

All actions of the City Manager or his designee taken pursuant to the authority contained in Sections 1 and 3 of this resolution shall be evidenced by the execution of the Purchase Contract by the City Manager or his designee and delivery of the Purchase Contract to the City Clerk for filing with the City Clerk. The execution and delivery of the Purchase Contract shall constitute complete evidence of the actions of the appropriate City officials, as described herein, and shall constitute the action of the Issuer. Subject to satisfaction of the conditions in this Section 4, the City Manager or his designee is hereby authorized and directed to execute, and the City Clerk is hereby authorized to attest under seal, the Purchase Contract. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Purchase Contract by the Issuer, including any changes to the form attached hereto as Exhibit A, and shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

The Series 2017 Bonds shall be issued under and secured by the Resolution and shall be executed and delivered in the manner as set forth in the Resolution, with such additional changes and insertions therein as conform to the provisions of the Purchase Contract, and such execution and delivery shall be conclusive evidence of the approval thereof by such offers.

SECTION 5. Authorization of Series 2017 Bonds. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Capital Improvement Revenue and Refunding Bonds, Series 2017" are authorized to be issued in the aggregate principal amount of not to exceed \$44,000,000.

SECTION 6. Book Entry System. The Issuer has previously executed a blanket letter of representation dated October 6, 1998 (the "Letter of Representation") with The Depository Trust Company ("DTC"). It is intended that the Series 2017 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Letter of Representation. The Series 2017 Bonds shall be initially issued in the form of a single fully registered Series 2017 Bond for each maturity. Upon initial issuance, the ownership of such Series 2017 Bonds shall be registered by the Registrar and Paying Agent in the name of Cede & Co., as nominee for DTC. With respect to Series 2017 Bonds registered by the Registrar and Paying Agent in the name of Cede & Co., as nominee of DTC, the Issuer and the Registrar and Paying Agent shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2017 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant")

or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2017 Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Registrar and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2017 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Series 2017 Bond as shown in the bond register, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, if applicable, or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2017 Bond as shown in the bond register, of any amount with respect to principal of, premium, if any, or interest on, if applicable, the Series 2017 Bonds. No person other than a registered owner of a Series 2017 Bond as shown in the bond register shall receive a Series 2017 Bond certificate with respect to any Series 2017 Bond. Upon delivery by DTC to the Registrar and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2017 Bonds appearing as registered owners in the registration books maintained by the Registrar and Paying Agent at the close of business on a regular record date, the name "Cede & Co." in this resolution shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the agreement among the Issuer, the Registrar and Paying Agent and DTC evidenced by the Letter of Representation shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Series 2017 Bonds that they be able to obtain certificated Series 2017 Bonds, the Issuer shall notify DTC of the availability through DTC of Series 2017 Bond certificates and the Series 2017 Bonds shall no longer be restricted to being registered in the bond register in the name of Cede & Co., as nominee of DTC, but only in accordance with the Letter of Representation. At that time, the Issuer may determine that the Series 2017 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or his designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2017 Bonds may be registered in whatever name or names registered owners of Series 2017 Bonds transferring or changing Series 2017 Bonds designate, in accordance with the provisions hereof. Notwithstanding any other provision of the Resolution to the contrary, so long as any Series 2017 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, if applicable, such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

As long as any Series 2017 Bonds are outstanding in book-entry form, the provisions of the Resolution inconsistent with such system of book-entry registration shall not be applicable to such Series 2017 Bonds, and the Issuer covenants to cause adequate records to be kept with

respect to the ownership of any Series 2017 Bonds issued in book-entry form or the beneficial ownership of Series 2017 Bonds issued in the name of a nominee.

SECTION 7. Application of Series 2017 Bond Proceeds.

The proceeds, including any accrued interest received from the sale of the Series 2017 Bonds, shall be applied by the Issuer as follows:

1. Accrued interest, if any, shall be deposited in the Interest Account in the Debt Service Fund, and shall be used only for the purpose of paying interest becoming due on the Series 2017 Bonds.
2. The Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2017 Bonds.
3. Simultaneously with the issuance of the Series 2017 Bonds, the Issuer shall prepay all of the principal amount outstanding of the Refunded Bonds, including accrued and unpaid interest through the prepayment date.
4. The balance of said proceeds shall be deposited in the Construction Fund to be used to pay all or a portion of the Costs of the Initial Project.

SECTION 8. Reserve Account. The Reserve Account Requirement for the Series 2017 Bonds shall be zero, based upon the advice of the Financial Advisor. The Issuer may establish an account or accounts in the Reserve Account to secure any Additional Bonds, with details to be established in the Supplemental Resolution which authorizes such Additional Bonds.

SECTION 9. Approval of Distribution of Preliminary Official Statement and Authorization of Final Official Statement. The preparation and distribution of the Preliminary Official Statement relating to the Series 2017 Bonds, in the form attached hereto as Exhibit B, is hereby approved and authorized. The City Manager is hereby authorized to execute and deliver a certificate of the Issuer which deems such Preliminary Official Statement "final" within the contemplation of the Rule. Such Preliminary Official Statement is hereby authorized to be used and distributed in connection with the sale and marketing of the Series 2017 Bonds. The distribution of the final Official Statement relating to the Series 2017 Bonds is hereby authorized, and the execution and delivery of such Official Statement by the Mayor and City Manager is hereby authorized, which execution and delivery shall constitute complete evidence of the approval of such final Official Statement by the Issuer.

SECTION 10. Appointment of Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agent Agreement. Regions Bank, Jacksonville, Florida is hereby appointed to serve as Registrar and Paying Agent with respect to the Series 2017 Bonds. The Registrar and Paying Agent shall perform such duties as are more fully described in the

Resolution and the Registrar and Paying Agent Agreement, in the form attached hereto as Exhibit D, to be entered into with the Issuer in connection with the Series 2017 Bonds.

The Registrar and Paying Agent shall fulfill such functions with respect to Registrar and Paying Agent Agreement until a qualified successor shall have been designated by the Issuer and accepts such duties, such designation to be subject to written notice to the Registrar and Paying Agent, or until the Series 2017 Bonds have been paid in full pursuant to the Resolution.

The Registrar and Paying Agent Agreement shall be executed in the name of the Issuer by the Mayor, such signatures to be attested to and countersigned by the City Clerk, the official seal of the Issuer to be imprinted thereon, with such additional changes and insertions therein as are subsequently approved, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

SECTION 11. Continuing Disclosure. The Issuer hereby covenants and agrees that, in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule with respect to the Series 2017 Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the Series 2017 Bonds to the Underwriter, as may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure Certificate, attached hereto as Exhibit C is hereby approved and ratified, all of the provisions of which, when executed and delivered by the Issuer as authorized herein shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. Notwithstanding any other provision of the Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Resolution. However, the Continuing Disclosure Certificate shall be enforceable by the Series 2017 Bondholders in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a 2017 Bondholder to the Issuer that a breach exists. Any rights of the Series 2017 Bondholders to enforce the provisions of this covenant shall be on behalf of all Series 2017 Bondholders and shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder.

The Continuing Disclosure Certificate shall be executed in the name of the Issuer by the Mayor, attested to and countersigned by the City Clerk under seal with such additional changes and insertions therein as are subsequently approved, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

FirstSouthwest, a Division of Hilltop Securities Inc. is hereby appointed Dissemination Agent pursuant to the Continuing Disclosure Certificate.

SECTION 12. Prior Resolutions. All prior resolutions of the Issuer inconsistent with the provisions of the Master Resolution are hereby amended and supplemented to conform with

the provisions herein contained and, except as may otherwise amended and supplemented hereby, the Master Resolution shall remain in full force and effect.

SECTION 13. No Personal Liability. Neither the members of the Commission nor any person executing the Series 2017 Bond shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 14. General Authority. The Mayor, the City Manager, the Finance Director, the City Clerk, the City Attorney and any other proper officials of the Issuer are hereby authorized to do all acts and things required of them by this resolution, the Master Resolution, the Series 2017 Bonds, or any other agreement or contract relating to the Series 2017 Bonds, or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing and each member, employee, attorney and officer of the Issuer is hereby authorized and directed to execute and deliver any and all papers and instruments, including without limitation tax returns, non-arbitrage certificates, and various other certificates, and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 15. Severability and Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of the other provisions hereof or of the Series 2017 Bonds.

SECTION 16. No Third Party Beneficiaries. Except such other Persons as may be expressly described in the Resolution or in the Series 2017 Bonds, nothing in the Resolution or in the Series 2017 Bonds, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Issuer, the Series 2017 Bondholders, any right, remedy or claim, legal or equitable, under and by reason of the Resolution or of the Series 2017 Bonds, or any provisions thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Persons who shall from time to time be the Series 2017 Bondholders.

SECTION 17. Master Resolution to Continue in Force. The Master Resolution and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 18. Effective Date. This Resolution shall become effective immediately upon its adoption as provided by law.

Passed and Adopted this 21st day of March, 2017, at a regular meeting duly called and held.

EXHIBITS A THROUGH D INTENTIONALLY OMITTED

CITY COMMISSION OF THE CITY OF
OCOEE, FLORIDA

(SEAL)

Rusty Johnson, Mayor

ATTEST:

Melanie Sibbitt, City Clerk

FOR USE AND RELIANCE ONLY BY THE
CITY OF OCOEE, APPROVED AS TO FORM
AND LEGALITY, THIS ____ DAY OF
MARCH, 2017.

APPROVED BY THE OCOEE CITY
COMMISSION AT A MEETING HELD ON
MARCH 21, 2017 UNDER AGENDA ITEM
NO. _____

CITY ATTORNEY

C-27

EXHIBIT E

Project Description

Proceeds of such loan will be used to finance the construction, designing, permitting, reconstruction, acquisition and equipping of certain additions, extensions and improvements to public facilities within the Issuer, including without limitation the Maine Street extension, the Bluford Avenue Reconstruction, the City Hall Relocation, the Lakeshore Center Expansion, the Master Downtown Stormwater System, the Downtown Gravity Sewer System, the Oakland Avenue Reconstruction, the McKey Street Reconstruction, the Bluford Second Left-Turn Lane, the Silver Star Road Realignment – PD&E, the Kissimmee Avenue Realignment, the Taylor Street Reconstruction, the Gateways and Wayfinding Phase 1, the Trail Connector Segment and the Lakefront Park Improvements Phase 2 as further described in the descriptions on file with the City Clerk, and such other governmental projects as may be approved by the City Commission.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

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APPENDIX D

FORM OF BOND COUNSEL OPINION

April 11, 2017

City Commission of the City of Ocoee
Ocoee, Florida

Re: \$39,415,000 City of Ocoee, Florida
Capital Improvement Revenue and Refunding Bonds, Series 2017

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Ocoee, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$39,415,000 Capital Improvement Revenue and Refunding Bonds, Series 2017 (the "Series 2017 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, the Charter of the Issuer, Chapter 166, Part II, Florida Statutes, Chapter 218, Part VI, Florida Statutes, Chapter 202, Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. 2017-005 of the City Commission of the Issuer (the "City Commission"), adopted on March 21, 2017, as amended and supplemented from time to time, particularly as supplemented by Resolution No. 2017-006 adopted by the City Commission on March 21, 2017 (collectively, the "Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Shuffield, Lowman & Wilson, P.A., as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, the due execution and delivery of the Series 2017 Bonds and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Series 2017 Bonds.

The Series 2017 Bonds are payable from the Pledged Revenues, which consist primarily of Half-Cent Sales Tax Revenues, Communications Services Tax Revenues, and Public Services Tax Revenues in the manner and to the extent provided in the Resolution. Pursuant to the terms, conditions and limitations contained in the Resolution, the Issuer has reserved the right to issue Additional Bonds in the future which shall have a lien on the Pledged Revenues equal to that of the Series 2017 Bonds.

The Series 2017 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form or any real or personal property for the payment of the principal of or interest on the Series 2017 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, that, under existing law:

1. The Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The Series 2017 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Resolution.

3. The Resolution creates a valid lien upon the Pledged Revenues for the security of the Series 2017 Bonds on a parity with any Additional Bonds hereafter issued, all in the manner and to the extent provided in the Resolution.

4. Interest on the Series 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2017 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. The opinions set forth in the preceding two sentences are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") that must be satisfied subsequent to the issuance of the Series 2017 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2017 Bonds.

It is to be understood that the rights of the owners of the Series 2017 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with

general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2017 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2017 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2017 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2017 Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2017 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Ocoee, Florida (the "Issuer") in connection with the issuance of its \$39,415,000 Capital Improvement Revenue and Refunding Bonds, Series 2017 (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 2017-005 of the City Commission of the Issuer (the "City Commission"), adopted on March 21, 2017, as amended and supplemented from time to time, particularly as supplemented by Resolution No. 2017-006 adopted on March 21, 2017 (the "Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, by not later than April 30th following the end of the prior fiscal year, beginning with the report for fiscal year ending September 30, 2016, provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Issuer shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A.

- (c) The Dissemination Agent shall:
- (i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;
 - (ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing any Repository to which it was provided; and
 - (iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the statements contained in the final Official Statement dated March 31, 2017 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) updates to the tables in the Official Statement entitled "HISTORICAL HALF-CENT SALES TAX REVENUE DISTRIBUTION", "HISTORICAL COMMUNICATIONS SERVICES TAX REVENUE DISTRIBUTION", "HISTORICAL PUBLIC SERVICE TAX REVENUES", and "PRO FORMA DEBT SERVICE COVERAGE ON THE BONDS".

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet Web site or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material; and
15. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc..

SECTION 9. AMENDMENT. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate provided that the following conditions are satisfied:

- (a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;
- (b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment does not materially impair the interests of the holders, as determined either by parties unaffiliated with the Issuer or obligated person (such as the trustee or bond counsel), or by approving vote of bondholders pursuant to the terms of the governing instrument at the time of the amendment.

In the event of any amendment of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the

reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Bonds or any other party.

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SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of April 11, 2017

CITY OF OCOEE, FLORIDA

By: _____

Name: Rusty Johnson

Title: Mayor

ATTEST:

By: _____

Name: Melanie Sibbitt

Title: City Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Ocoee, Florida

Name of Bond Issue: City of Ocoee, Florida Capital Improvement Revenue and Refunding Bonds, Series 2017

Date of Issuance: April 11, 2017

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate dated as of April 11, 2017. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF OCOEE, FLORIDA

By: _____

Name: _____

Title: _____

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