

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE
REGARDING THE ISSUANCE BY
OCOEEUTILITY DISTRICT
WATERWORKS REVENUE REFUNDING BONDS, SERIES 2015**

Pursuant to the requirements of T.C.A. § 7-82-501, the Director of the Office of State and Local Finance has reviewed a plan of finance (the "Plan") prepared by the Ocoee Utility District (the "District") with the assistance of its financial advisor, Kidwell & Company, Inc., for the issuance of an amount not to exceed \$8,000,000 of \$4,970,000 Waterworks Revenue Refunding Bonds, Series 2014A (Tax-Exempt) (the "Tax Exempt Refunding Bonds"), and of \$2,895,000 Waterworks Revenue Refunding Bonds, Series 2014B (Taxable) (the "Taxable Refunding Bonds"). Collectively, these are the "Refunding Bonds." The District is issuing the Bonds to advance refund \$7,220,000 Waterworks Revenue Refunding and Improvement Bonds, Series 2009 (the "Refunded Bonds").

The financial information received with the District's Plan includes the assertions of the District and may not reflect the current or future financial condition of the District or reflect either current market conditions or market conditions at the time of sale. The Bonds may be structured in a different manner than proposed—priced at a premium, discount, or with a different principal payment structure.

ANALYSIS

The Plan estimates the following concerning the Refunding Bonds:

Tax Exempt Refunding Bonds

- An estimated \$4,970,000 Tax Exempt Refunding Bonds will be sold by negotiated sale and priced at par.
- The Bonds will be amortized over 26 years. The final maturity of the debt extends beyond the final maturity of the refunded bonds.
- Total debt service will be reduced by \$236,685 by reducing the average coupon rate from 4.36% for the portion of the Refunded not previously advance refunded to 3.21% for the Tax Exempt Refunding Bonds.
- The Tax Exempt Refunding Bonds will produce an estimated net present value savings of \$90,412 or 2.03% of the refunded principal of \$4,445,000.

Taxable Refunding Bonds

- An estimated \$2,890,000 Tax Exempt Refunding Bonds will be sold by negotiated sale and priced at par.
- The Bonds will be amortized over 26 years. The final maturity of the debt extends beyond the final maturity of the refunded bonds.
- Total debt service will be reduced by \$58,216 by reducing the average coupon rate from 4.36% for the portion of the Refunded not previously advance refunded to 3.31% for the Taxable Refunding Bonds.
- The Taxable Refunding Bonds will produce an estimated net present value savings of \$17,954 or 0.69% of the refunded principal of \$2,595,000.

**Table 1
Costs of Issuance of the Refunding Bonds**

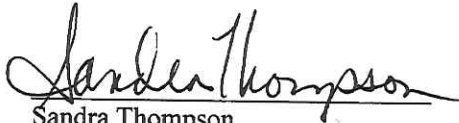
	Tax Exempt Refunding Bonds	Taxable Refunding Bonds	Total Costs	Price per \$1,000 Bond Par Value
Underwriter	\$ 37,275.00	\$ 21,712.50	\$ 58,987.50	\$ 7.50
Financial Advisor (Kidwell & Company, Inc.)	74,550.00	43,425.00	117,975.00	15.00
Bond Counsel (Nelson Mullins Riley & Scarborough LLP)	18,637.50	10,856.25	29,493.75	3.75
Rating Agency Fee	9,940.00	5,790.00	15,730.00	2.00
Other Costs	5,687.22	3,312.78	9,000.00	1.14
Total Cost of Issuance	\$ 146,089.72	\$ 85,096.53	\$ 231,186.25	\$ 29.39

Financial Information for the Year Ending June 30, 2013

For the fiscal year ending June 30, 2013, the District's operating income was \$440,154. The District had an increase in net position of \$234,330 for the year from \$8,698,049 on July 1, 2012 to \$8,932,379 on June 30, 2013. Debt service payments were \$644,494 consisting of interest payments of \$413,218 and principal payments of \$231,276.

The District has reported Kidwell & Company as its financial advisor in this transaction. Financial advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the proposed Plan.



Sandra Thompson
Director of State and Local Finance
November 4, 2014