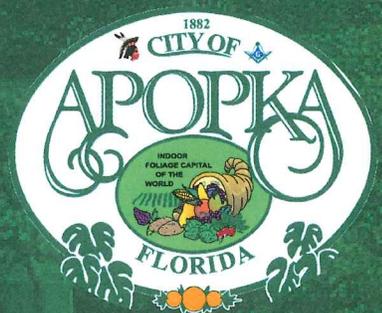




CITY OF APOPKA, FLORIDA

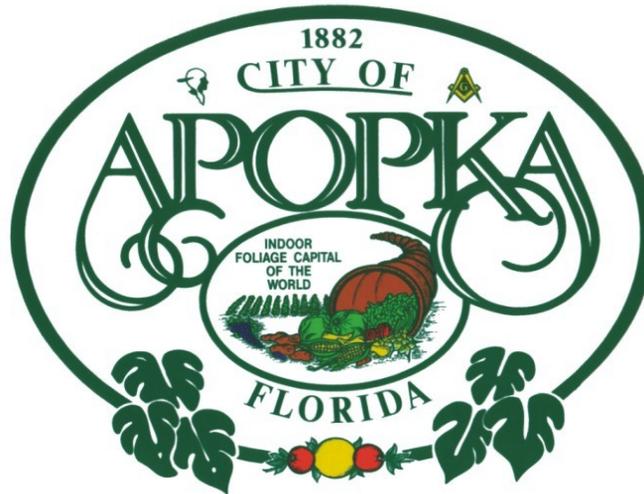
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDING
SEPTEMBER 30, 2012



THE INDOOR FOLIAGE CAPITAL OF THE WORLD

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FISCAL YEAR
ENDED SEPTEMBER 30, 2012**

**Prepared by
Finance Department**

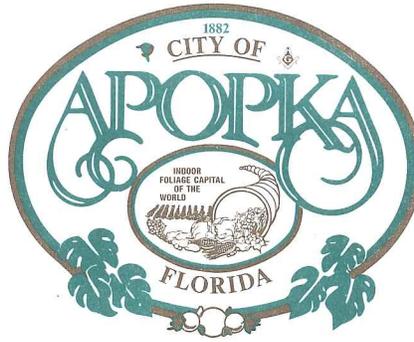
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INTRODUCTORY SECTION



P.O. BOX 1229 • APOPKA, FLORIDA 32704-1229
PHONE (407) 703-1700

March 1, 2013

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Apopka, Florida:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Apopka, Florida for the fiscal year ended September 30, 2012, in accordance with the requirements of the City Charter, Florida Statutes, and Rules of the Florida Auditor General. The CAFR is published to provide the City Council, City staff, citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City.

This report reflects management's representations concerning the finances of the City. Ultimately, management is responsible for the completeness and reliability of the information presented in this report. To provide a reasonable basis for these representations, City management has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free 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. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The City's financial statements have been audited by Shumacker, Johnston & Ross, PA, 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 for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The financial section also includes a narrative introduction, overview and analysis of the September 30, 2012 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Apopka, incorporated in 1882, is located in northwest Orange County within the Orlando Metropolitan Area. The City is the second largest municipality in Orange County and continues to be one of the County's fastest growing municipalities. The City currently occupies a land area of 33.39 square miles and has a population of 42,805. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

The City operates under the council-mayor form of government. Policy-making and legislative authority are vested in a city council consisting of the mayor and four other members. The city council is responsible for establishing policy, passing ordinances and resolutions, adopting the budget, appointing committees, plus other duties. The mayor is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the government, and for appointing the chief administrative officer. The city council is elected on a non-partisan basis. City council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a four-year term. The mayor and city council members are elected at large.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets, sidewalks and other infrastructure; engineering; planning and community development; code enforcement; recreational activities and cultural events; and administration and support services. In addition, the City operates enterprise funds for water, wastewater, reclaimed water and sanitation services.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City's chief administrative officer, who then uses these requests as the basis for developing a proposed budget. The mayor presents the proposed millage rate and budget to the city council on the third Wednesday in July. The city council is required to hold two public hearings on the millage rate and budget in September and to adopt a millage rate and final budget by no later than September 30th, the close of the City's fiscal year.

The appropriated budget is prepared by fund, department or division and function, thus establishing budgetary control at the individual fund level. Department heads may make transfers of appropriations within a department or division. However, transfers between funds or departments, require the approval of the chief administrative officer. Budget revisions that alter the total revenues, expenses or reserves of any fund must be approved by the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund, this comparison is presented on page 24, as part of the basic financial statements. For other governmental funds, this comparison is presented in the combining and individual fund statements and schedules section on pages 79-84.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The City continues to experience an economic slowdown consistent with other areas of the county. The condition appears to be cyclical, and is not expected to have a long-term negative impact to any greater extent locally than what is happening nationally. The local economy strongly benefits from its proximity to Orlando and related employment opportunities. The unemployment rate for the Apopka area was 8% for 2012.

Apopka's standards for services are considered excellent and its tax rates compare favorably to other areas. A stable growth rate for many recurring revenue sources, combined with an abundance of developable land and a stable local building industry should provide continued expansion of the City's revenue base.

Currently, the City has approximately 1,078 platted lots available for construction. There are numerous builders and developers who are either in the process of developing those lots or will be developing them in the near future.

It is expected that future residential and commercial construction will continue to have a major impact on the City. Increases in revenue from the associated utility taxes, franchise fees and intergovernmental revenues can be directly related to increases in population. Revenue from licenses and permits is also expected to remain stable.

Long-term financial planning and major initiatives. The City maintains a five-year Capital Improvement Program (CIP) which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. In addition to the CIP, the City has master plans identifying the present and future capital expansion needs of various facilities and systems with funding levels necessary to meet those capital needs. Currently, the City maintains master plans for water, wastewater, reclaimed water, drainage, recreation and traffic circulation. These plans are periodically reviewed and updated.

In a collaborative effort between the Florida Department of Transportation (FDOT) and the Orlando-Orange County Expressway Authority, construction has begun on the \$1.7 billion Wekiva Parkway (SR 429). The Wekiva Parkway is a 25-mile toll road that will complete Central Florida's beltway around northwest metropolitan Orlando. The parkway will provide an alternative to Interstate 4, and relieve US 441, SR 46 and other area roads of traffic congestion resulting from growth and travel between Orange, Lake, and Osceola counties. The completion of the Wekiva Parkway will have a significant impact on the future growth of northwest Orange County.

The City has worked extensively to become a major player in Orange County by focusing on economic development programs. One program is the Tri-City Partnership, which encompasses the cities of Apopka, Ocoee and Winter Garden. These cities have been working together for the last year to explore economic development opportunities along the SR 429 Corridor in order to encourage business growth within all three jurisdictions and to identify targeted industry clusters, regional catalysts, and economic opportunities to create new jobs within their respective communities.

Northwest Orange County's new economic development engine is the Apopka Westside Research Park area located on the west side of Apopka at the confluence of SR 429 and CR 414. This area, located adjacent to the University of Florida's Institute of Food and Agricultural Sciences (IFAS) Research Center, is home to three (3) business park nodes and the future site of the City of Apopka's Agri-Business and Bio-Technology Small Business Incubator. The Apopka Westside Research Park area in its entirety is over 486 acres in size and can accommodate over 6,000,000 square feet of mixed-use development.

The City continues its vision for the 33 acre Town Center Project situated around the Highland Manor Restaurant. This project will have a positive impact on the economic future of the City with an anticipated \$138,000,000 capital investment.

The City of Apopka is planning for a new or expanded regional airport and related business/industrial development sites in the west area of the City to meet the future aviation needs of Apopka and the region. The area encompasses the West Orange Airport Authority (WOAA) district.

Due of the City's projected future growth rate, the City finds it necessary to expand its wastewater treatment facilities from its current capacity of 4.5 million gallons per day to 8 million gallons. The City has completed the design stage of the wastewater treatment plant and plans to begin construction in the near future.

Relevant financial policies. The City has established a comprehensive set of financial policies which it uses to achieve and maintain a long-term stable and positive financial condition. More specifically it provides guidelines for planning and directing the financial affairs of the City. A part of this policy requires the City to annually review its utility rates to ensure that sufficient revenues are generated to cover operating expenses, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital. As a result of the most recent rate study, the City increased its utility rates during the fiscal year ended September 30, 2012 for water, wastewater and reclaimed water services.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Apopka for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2011. This was the twenty-ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable program 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.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated September 21, 2011. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

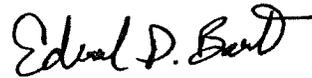
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. Also, appreciation is expressed to all employees throughout the City, particularly those employees who were instrumental in the successful completion of this report.

We would like to especially thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Richard D. Anderson
Chief Administrative Officer



Edward D. Bass II, CPA, CGFO
Finance Director

CITY OF APOPKA
PRINCIPAL CITY OFFICIALS
FISCAL YEAR 2012

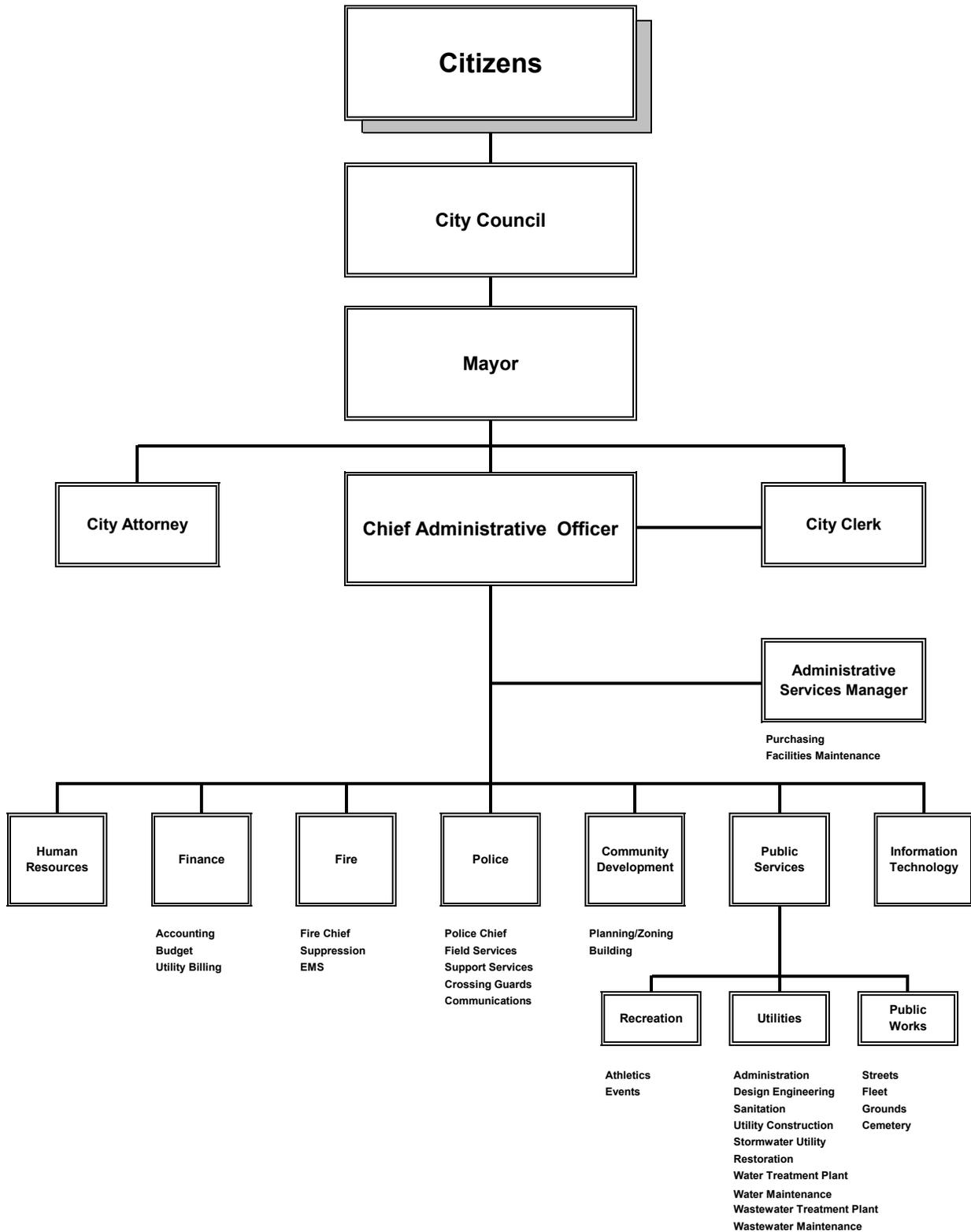
ELECTED OFFICIALS

Mayor	John H. Land
Vice-Mayor-Commissioner	J. William Arrowsmith
Commissioner	Billie L. Dean
Commissioner	Marilyn U. McQueen
Commissioner	Joe Kilsheimer

ADMINISTRATIVE OFFICIALS

Chief Administrative Officer	Richard D. Anderson
City Attorney	Frank Kruppenbacher
City Clerk	Janice G. Goebel
Fire Chief	George L. Bronson
Police Chief	Robert M. Manley
Community Development Director	R. Jay Davoll
Finance Director	Edward D. Bass, II
Human Resources Director	Sharon P. Thornton
Information Technology Director	Donald Kahrs
Public Services Director	John E. Jreij

**CITY OF AOPKA
ORGANIZATIONAL CHART
FISCAL YEAR 2012**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Apopka
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morinell

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 1, 2013

Honorable Mayor and Members
of the City Council
City of Apopka, Florida

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 Apopka, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Apopka, Florida's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph 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 Apopka, Florida as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2013 on our consideration of the City of Apopka's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

Independent Auditor's Report
City of Apopka
Page 2
March 1, 2013

The Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Apopka, Florida basic financial statements. The combining financial statements, the financial information listed as Capital Assets Used in the Operation of Governmental Activities, and the budgetary compliance information, all presented in the table of contents are for the purpose of additional analysis and are not a required part of the basic financial statements of the City of Apopka, Florida. The information in these statements and schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Apopka, Florida. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it, nor do we provide any assurance on it.


Shumacker, Johnston and Ross, PA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Apopka, Florida, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2012. 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 i-v of this report.

As with other sections of this financial report, the information contained within this Management's Discussion and Analysis (MD&A) should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the notes to the financial statements and the other required supplementary information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the City of Apopka exceeded its liabilities at the close of the most recent fiscal year by \$215,874,102 (net position). Of this amount, \$30,844,440 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net assets decreased by \$88,665.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,649,619. Over 37% of this total amount or \$8,812,311 is unassigned and available for use within the City's fund designation and fiscal policies.
- At the end of the current fiscal year, the unrestricted fund balance (total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$10,605,399, or approximately 31.7% of the total general fund expenditures and transfers out for the year.
- The City's total capital assets at the close of the current fiscal year were \$204,930,766 (net of depreciation).
- The City's total outstanding debt decreased by \$2,123,225 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements 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's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported when 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 the future fiscal periods (e.g., uncollected charges for services and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, environmental, and culture and recreation. The business-type activities of the City include water, wastewater, reclaimed water, and sanitation operations.

The government-wide financial statements can be found on pages 16-19 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 identified for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three 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.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and road impact fee fund, because they are considered major funds. Data from the other seven governmental funds are combined into a single,

aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its major governmental funds (General and Road Impact Fees). Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental funds financial statements can be found on pages 20-24 of this report.

Proprietary funds. The City maintains two proprietary funds. An enterprise fund is a type of proprietary fund used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, reclaimed water, and sanitation operations. The water, wastewater, and reclaimed water enterprise fund is referred to as the utility system fund.

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 utility system fund and sanitation fund, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 25-29 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 governmental-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City uses fiduciary funds to account for its three pension plans.

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the financial statements. The notes to the financial statements 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 32-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees.

Required supplementary information can be found on pages 71-74 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information.

Combining and individual fund statements and schedules can be found on pages 75-84 of this report.

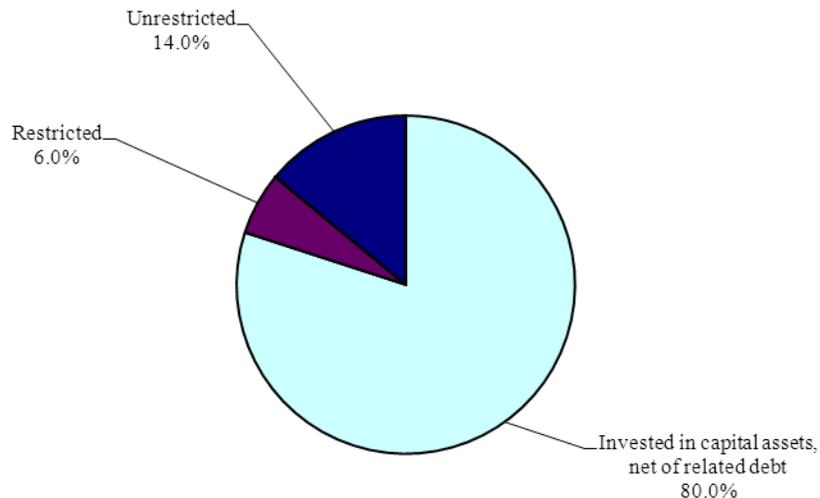
GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 Apopka, assets exceeded liabilities by \$215,874,102 as of September 30, 2012. The following table reflects the condensed statement of net position for the current and preceding fiscal years.

CITY OF APOPKA'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 27,698,902	\$ 25,033,009	\$ 29,864,525	\$ 27,126,993	\$ 57,563,427	\$ 52,160,002
Capital assets	99,665,263	102,836,465	105,265,501	107,616,226	204,930,764	210,452,691
Noncurrent assets	1,888,379	1,674,688	536,025	529,151	2,424,404	2,203,839
Total assets	<u>129,252,544</u>	<u>129,544,162</u>	<u>135,666,051</u>	<u>135,272,370</u>	<u>264,918,595</u>	<u>264,816,532</u>
Current and other liabilities	4,480,254	5,009,662	1,954,874	1,975,756	6,435,128	6,985,418
Long-term liabilities outstanding	22,039,423	21,138,677	20,569,942	20,729,670	42,609,365	41,868,347
Total liabilities	<u>26,519,677</u>	<u>26,148,339</u>	<u>22,524,816</u>	<u>22,705,426</u>	<u>49,044,493</u>	<u>48,853,765</u>
Net position:						
Invested in capital assets, net of related debt	87,869,626	89,626,466	85,285,775	87,624,978	173,155,401	177,251,444
Restricted	2,032,131	2,173,455	9,842,130	9,301,564	11,874,261	11,475,019
Unrestricted	12,831,110	11,595,902	18,013,330	15,640,402	30,844,440	27,236,304
Total net position	<u>\$ 102,732,867</u>	<u>\$ 103,395,823</u>	<u>\$ 113,141,235</u>	<u>\$ 112,566,944</u>	<u>\$ 215,874,102</u>	<u>\$ 215,962,767</u>

Total Net Position



The largest portion of the City's net assets (\$173,155,401 or 80%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, vehicles, equipment, intangible assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in 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's net assets (\$11,874,261 or 6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$30,844,440 or 14%) may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2012, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's total net assets decreased by \$88,665. There was an increase of \$1,235,208 in unrestricted net assets reported in connection with the City's governmental activities. This increase is primarily due to the transfer of CRA funds for the completion of the UCF Apopka Business Incubator. The business-type activities increased by \$2,372,928 as a result of increase in operating revenues that are earmarked for future capital expenditures.

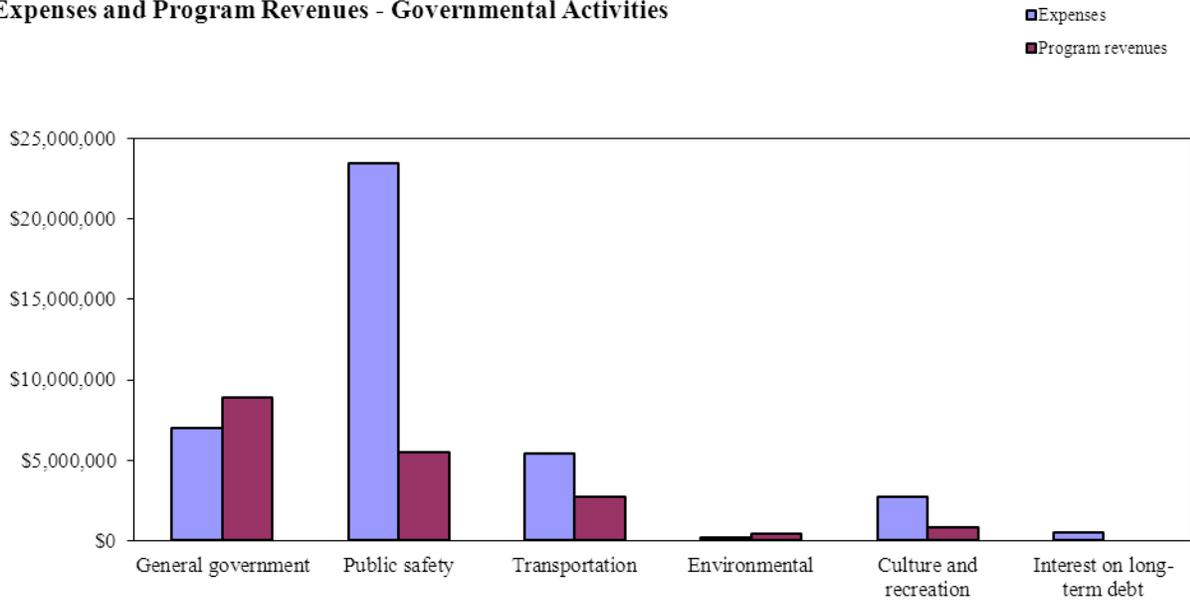
Statement of activities. As noted earlier, the statement of activities presents information showing how the City’s net position changed during the fiscal year. In the case of the City of Apopka, net position changed by \$88,665 as of September 30, 2012. The following table reflects the condensed statement of activities for the current and preceding fiscal years.

CITY OF APOPKA’S CHANGES IN NET POSITION

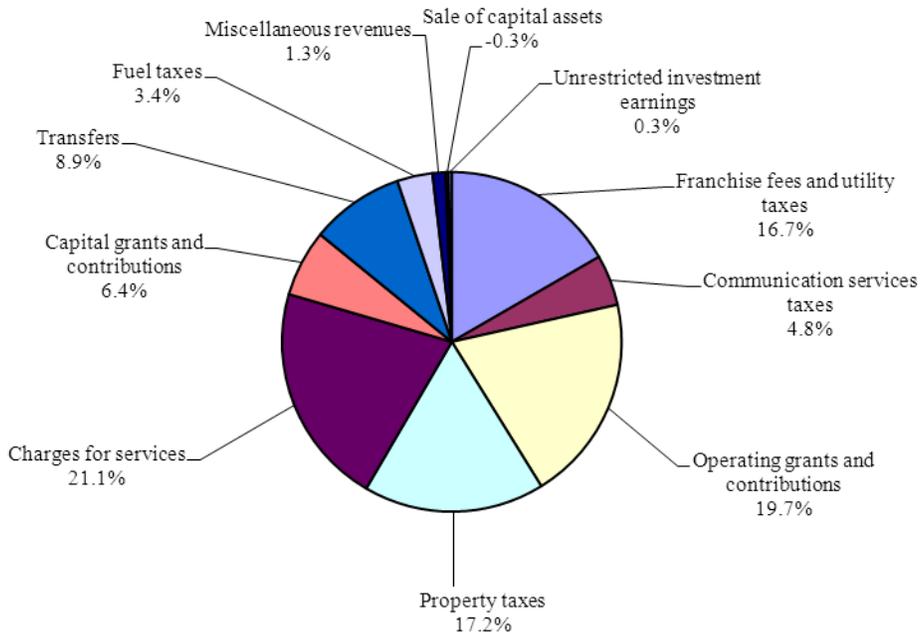
	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 8,217,915	\$ 6,349,132	\$ 18,752,359	\$ 17,982,753	\$ 26,970,274	\$ 24,331,885
Operating grants and contributions	7,658,910	7,616,070	205,628	-	7,864,538	7,616,070
Capital grants and contributions	2,474,554	1,570,734	2,107,631	3,282,439	4,582,185	4,853,173
General revenues:						
Property taxes	6,708,582	6,967,591	-	-	6,708,582	6,967,591
Fuel taxes	1,308,220	1,319,668	-	-	1,308,220	1,319,668
Communication services taxes	1,878,636	1,882,676	-	-	1,878,636	1,882,676
Franchise fees and utility taxes	6,449,976	6,848,383	34,695	31,839	6,484,671	6,880,222
Sale of capital assets	(100,645)	70,046	41,647	12,099	(58,998)	82,145
Unrestricted investment earnings	122,567	120,395	93,332	108,952	215,899	229,347
Miscellaneous revenues	490,664	503,969	-	-	490,664	503,969
Total revenues	35,209,379	33,248,664	21,235,292	21,418,082	56,444,671	54,666,746
Expenses:						
General government	6,995,371	6,042,003	-	-	6,995,371	6,042,003
Public safety	23,502,477	22,686,115	-	-	23,502,477	22,686,115
Transportation	5,440,391	5,016,376	-	-	5,440,391	5,016,376
Environmental	203,250	479,130	-	-	203,250	479,130
Culture and recreation	2,699,130	3,197,661	-	-	2,699,130	3,197,661
Interest on long-term debt	501,906	557,059	-	-	501,906	557,059
Utility system	-	-	13,793,770	13,633,236	13,793,770	13,633,236
Sanitation	-	-	3,397,041	3,260,503	3,397,041	3,260,503
Total expenses	39,342,525	37,978,344	17,190,811	16,893,739	56,533,336	54,872,083
Increase (decrease) in net position before transfers	(4,133,146)	(4,729,680)	4,044,481	4,524,343	(88,665)	(205,337)
Transfers	3,470,190	3,279,800	(3,470,190)	(3,279,800)	-	-
Increase (decrease) in net position	(662,956)	(1,449,880)	574,291	1,244,543	(88,665)	(205,337)
Net position– October 1	103,395,823	104,845,703	112,566,944	111,322,401	215,962,767	216,168,104
Net position – September 30	\$ 102,732,867	\$ 103,395,823	\$ 113,141,235	\$ 112,566,944	\$ 215,874,102	\$ 215,962,767

Governmental activities. Governmental activities decreased the City’s net position by \$662,956.

Expenses and Program Revenues - Governmental Activities

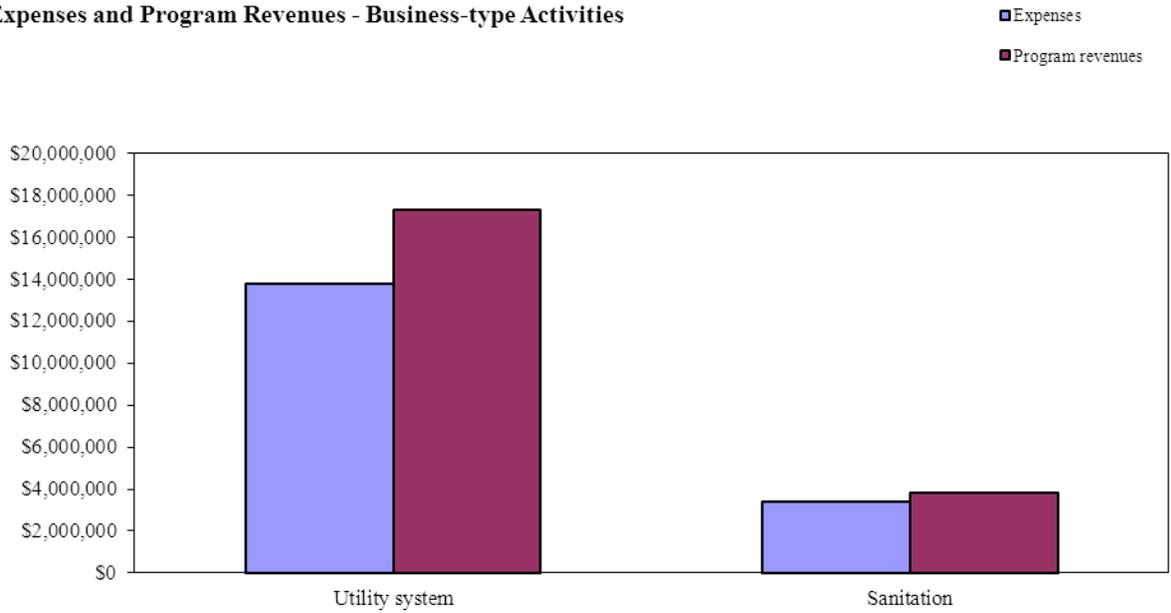


Revenues by Source - Governmental Activities

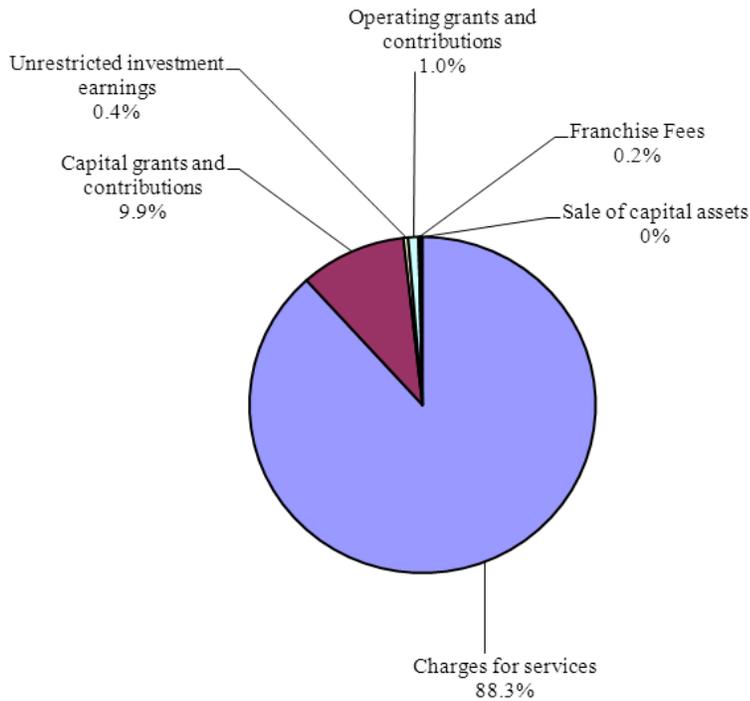


Business-type activities. Business-type activities increased the City's net position by \$574,291.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Governmental activities. As of the end of the current fiscal year, the City of Apopka's governmental activities reported changes in net position of (\$662,956). A key factor for this decrease is due to the increase in other postemployment benefits liability and the completion of the UCF Apopka Business Incubator site.

Business-type activities. As of the end of the current fiscal year, the City of Apopka's business-type activities reported changes in net position of \$574,291. The majority of this increase was due to increased revenues in service charges earmarked for future capital outlay.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City of Apopka's governmental funds reported combined ending fund balances of \$23,649,619. Approximately 40% of this total amount (\$9,665,219) constitutes the unassigned and assigned fund balance. The remainder of the fund balance consists of nonspendable funds totaling \$204,074, restricted funds of \$2,032,131 and committed funds of \$11,748,195.

The general fund is the chief operating fund of the City of Apopka. At the end of the current fiscal year, unassigned and assigned fund balance of the general fund was \$9,665,219, while total fund balance reached \$11,784,128. As a measure of the general fund's liquidity, it may be useful to compare both unassigned and assigned fund balance and total fund balance to total fund expenditures and transfers out. The unassigned and assigned fund balance represents 28% of total general fund expenditures and transfers out, while total fund balance represents 35% of that same amount.

The fund balance of the City of Apopka's general fund increased by \$2,356,086 during the current fiscal year. This increase in the general fund balance is primarily due to a transfer from the CRA fund for the acquisition of the UCF Apopka Business Incubator.

The fund balance of the City of Apopka's other governmental funds increased by \$740,257 during the current fiscal year. A key factor for this increase in other governmental funds balance is reflective of an increase in transportation impact fees earmarked for future transportation improvements.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, the City of Apopka's utility system and sanitation funds reported unrestricted net position of \$17,246,723 and \$766,607 respectively. The utility system reported an increase in net position of \$847,409 and the sanitation fund reported a decrease in net position of \$273,118. The decrease in the sanitation fund is the result of the acquisition of a new Compressed Natural Gas (CNG) garbage truck.

The net assets of the City of Apopka's proprietary funds increased by \$574,291 during the current fiscal year. A key factor for this increase is related to the increased revenues from service charges.

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the general fund original budgeted revenues and the final budgeted revenues was \$1,033,091 primarily due to (1) the insurance premium tax dollars received by the State of Florida for the public safety (Fire and Police) pension plans and (2) projected increases in charges for services. Actual revenues were \$1,564,606 more than budgetary expectations. The final budgeted expenditures were \$3,082,154 more than the original budget primarily due to (1) increases in public safety operations and (2) capital projects that were carried forward from 2011. The city has a policy that any capital project funded in a budget year is carried forward into future budgets until the project is completed. Actual expenditures of the general fund were \$1,693,513 less than the final budgeted amount.

During the year, overall revenues and other financing sources were more than budgetary estimates and actual expenditures were less than budgetary estimates, demonstrating an overall positive variance of \$2,267,248.

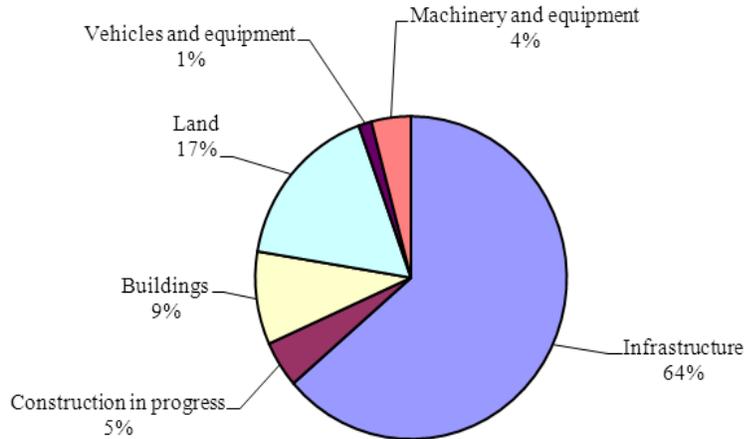
CAPITAL ASSETS

The City of Apopka's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$204,930,766 (net of depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery, vehicles, equipment, intangible assets and construction in progress. The total net decrease in the City of Apopka's investment in capital assets for the current fiscal year was \$5,521,925 or 2.6%.

CITY OF APOPKA'S CAPITAL ASSETS
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 26,779,361	\$ 26,525,761	\$ 7,924,275	\$ 7,883,727	\$ 34,703,636	\$ 34,409,488
Buildings	8,676,013	8,034,084	10,414,268	11,147,421	19,090,281	19,181,505
Infrastructure	55,600,080	55,769,249	74,811,809	76,730,952	130,411,889	132,500,201
Machinery and equipment	3,984,859	5,136,800	4,427,202	4,721,499	8,412,061	9,858,299
Vehicles and equipment	1,456,409	1,318,495	1,305,902	1,291,452	2,762,311	2,609,947
Construction in progress	3,168,543	6,052,077	6,382,045	5,841,174	9,550,588	11,893,251
Total capital assets	\$ 99,665,265	\$ 102,836,466	\$ 105,265,501	\$ 107,616,225	\$ 204,930,766	\$ 210,452,691

Total Capital Assets



Major capital asset events completed during the current fiscal year included the following:

- Capitalization of the Apopka Amphitheater \$2,283,533.
- Capital improvements to the UCF Apopka Business Incubator \$616,929.
- Acquisition of property for future parks and recreation improvements \$352,141.
- Purchase of two new ambulances \$257,035.
- Purchase of a new CNG garbage truck \$252,525.

Additional information on the City of Apopka's capital assets can be found in note 5 on pages 44-45 of this report.

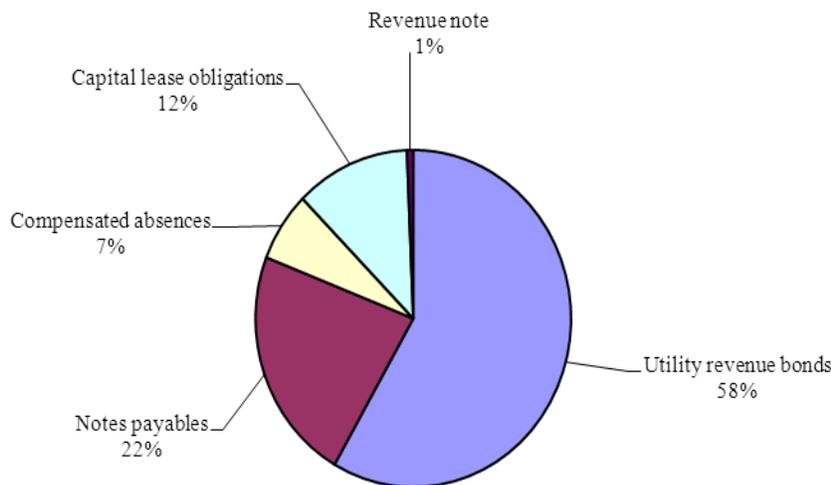
DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Apopka had a total outstanding debt of \$33,635,745. Of this amount, \$19,615,000 represents debt secured by utility system revenues. The remainder of the City's debt except for compensated absences is secured by available revenue sources other than ad valorem taxes.

CITY OF APOPKA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Utility revenue bonds	\$ -	\$ -	\$ 19,615,000	\$ 20,260,000	\$ 19,615,000	\$ 20,260,000
Revenue note	215,250	246,000	-	-	215,250	246,000
Capital lease obligations	3,954,566	4,545,090	-	137,849	3,954,566	4,682,939
Notes payables	7,600,000	8,390,000	-	-	7,600,000	8,390,000
Subtotals	11,769,816	13,181,090	19,615,000	20,397,849	31,384,816	33,578,939
Compensated absences	1,808,057	1,708,959	442,872	471,072	2,250,929	2,180,031
Total outstanding debt	<u>\$ 13,577,873</u>	<u>\$ 14,890,049</u>	<u>\$ 20,057,872</u>	<u>\$ 20,868,921</u>	<u>\$ 33,635,745</u>	<u>\$ 35,758,970</u>

Total Outstanding Debt



The City of Apopka's total debt decreased by \$2,123,225 or 6% during the current fiscal year. The City's utility revenue bonds hold an Aa2 credit rating from Moody's.

Additional information on the City of Apopka's long-term debt can be found in note 6 on pages 46-53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the fiscal year (FY) 2012-13 budget, general fund revenues and transfers in are budgeted to increase by 4.93% over the preceding budget year with general property taxes making up about 19% of general fund budgeted revenues and transfers in. Certified assessed valuations decreased by 3.2% over the preceding fiscal year. The operating millage rate for FY 2013 was set slightly below the prior year at 3.5161 mills. However, due to further declines in taxable valuations projected property tax revenues were estimated to decline by \$186,800 or 2.8%. In order to take advantage of savings related to debt service, the City refunded the WiFi System revenue note during FY 2013.

The recent events surrounding the slowdown of real estate activity, increased foreclosures, declining property values, and the financial market crisis will continue to have an effect on the City's future budgets. Retail sales are rebounding slightly so the City anticipates a modest increase in sales tax revenues.

The fiscal year 2012-13 utility system operation is budgeted to increase by 4.05%, while the sanitation operation is budgeted to increase by 1.15%. During FY 2013 the City refunded the 2001 utility system revenue bonds in order to take advantage of changes in the market. The City anticipates a savings of approximately \$4,686,113 over the remaining life of the bonds.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Apopka'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 information should be addressed to the Finance Department, P.O. Box 1229, Apopka, Florida 32704-1229.

BASIC FINANCIAL STATEMENTS

CITY OF APOPKA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets:			
Cash and cash equivalents	\$ 23,262,847	\$ 15,629,545	\$ 38,892,392
Internal balances	34,478	(34,478)	-
Receivables, net	1,826,318	2,739,948	4,566,266
Due from other governments	875,751	8,895	884,646
Inventories	186,496	335,776	522,272
Prepaid items	17,578	-	17,578
Other asset	250,000	-	250,000
Restricted Assets:			
Cash & cash equivalents	<u>1,245,434</u>	<u>11,184,839</u>	<u>12,430,273</u>
 Total Current Assets	 <u>27,698,902</u>	 <u>29,864,525</u>	 <u>57,563,427</u>
Noncurrent Assets:			
Bond issue costs, net	-	209,495	209,495
Land and other nondepreciable assets	29,947,903	14,306,320	44,254,223
Capital assets, net of depreciation	69,717,360	90,959,181	160,676,541
Net pension obligation	<u>1,888,379</u>	<u>326,530</u>	<u>2,214,909</u>
 Total Noncurrent Assets	 <u>101,553,642</u>	 <u>105,801,526</u>	 <u>207,355,168</u>
 Total Assets	 129,252,544	 135,666,051	 264,918,595

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

LIABILITIES	Governmental Activities	Business-Type Activities	Total
Current Liabilities:			
Accounts payable	\$ 392,340	\$ 210,565	\$ 602,905
Due to other governments	530,492	-	530,492
Accrued liabilities	534,485	60,717	595,202
Accrued interest payable	273,586	-	273,586
Capital leases payable	515,269	-	515,269
Bonds and notes payable	853,962	675,000	1,528,962
Deferred revenues	-	56,646	56,646
Due to pension beneficiaries	438,776	48,944	487,720
Compensated absences	941,344	235,293	1,176,637
Customer utility deposits	-	575,979	575,979
Deposits	-	91,730	91,730
	<u>4,480,254</u>	<u>1,954,874</u>	<u>6,435,128</u>
Total Current Liabilities			
Noncurrent Liabilities:			
Deposits	260,618	-	260,618
Unearned revenues	1,892,572	-	1,892,572
Capital leases payable	3,439,297	-	3,439,297
Compensated absences	866,713	207,579	1,074,292
Bonds payable, net	-	18,575,274	18,575,274
Notes payable	6,987,109	-	6,987,109
Other postemployment benefits liability	8,593,114	1,787,089	10,380,203
	<u>22,039,423</u>	<u>20,569,942</u>	<u>42,609,365</u>
Total Noncurrent Liabilities			
Total Liabilities	<u>26,519,677</u>	<u>22,524,816</u>	<u>49,044,493</u>
NET ASSETS			
Invested in capital assets, net of related debt	87,869,626	85,285,775	173,155,401
Restricted for:			
Capital improvements	-	9,642,130	9,642,130
Renewal and replacements	-	200,000	200,000
Streets Improvement	905,681	-	905,681
Law Enforcement	151,795	-	151,795
Public Safety	220,518	-	220,518
Culture & Recreation	38,474	-	38,474
Capital Projects	715,663	-	715,663
Unrestricted	12,831,110	18,013,330	30,844,440
	<u>12,831,110</u>	<u>18,013,330</u>	<u>30,844,440</u>
Total Net Assets	<u>\$ 102,732,867</u>	<u>\$ 113,141,235</u>	<u>\$ 215,874,102</u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government			
Governmental activities:			
General government	\$ 6,995,371	\$ 1,835,687	\$ 6,858,206
Public safety	23,502,477	4,664,249	780,085
Transportation	5,440,391	576,498	-
Environmental	203,250	409,741	17,470
Culture/Recreation	2,699,130	731,740	3,149
Interest and other fiscal charges on long-term debt	<u>501,906</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>39,342,525</u>	<u>8,217,915</u>	<u>7,658,910</u>
Business-Type activities:			
Utility System	13,793,770	14,953,417	205,628
Sanitation	<u>3,397,041</u>	<u>3,798,942</u>	<u>-</u>
Total business-type activities	<u>17,190,811</u>	<u>18,752,359</u>	<u>205,628</u>
Total primary government	<u>\$ 56,533,336</u>	<u>\$ 26,970,274</u>	<u>\$ 7,864,538</u>

General revenues:
Property taxes
Gasoline taxes
Franchise taxes
Communications services tax
Utility taxes
Gain (Loss) on sale of capital assets
Unrestricted investment earnings
Miscellaneous revenues
Transfers

Total general revenues
and transfers

Changes in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

<u>Program Revenues</u> <u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ 246,504	\$ 1,945,026	\$ -	\$ 1,945,026
27,535	(18,030,608)	-	(18,030,608)
2,128,033	(2,735,860)	-	(2,735,860)
-	223,961	-	223,961
72,482	(1,891,759)	-	(1,891,759)
<u>-</u>	<u>(501,906)</u>	<u>-</u>	<u>(501,906)</u>
<u>2,474,554</u>	<u>(20,991,146)</u>	<u>-</u>	<u>(20,991,146)</u>
2,107,631	-	3,472,906	3,472,906
<u>-</u>	<u>-</u>	<u>401,901</u>	<u>401,901</u>
<u>2,107,631</u>	<u>-</u>	<u>3,874,807</u>	<u>3,874,807</u>
<u>\$ 4,582,185</u>	<u>(20,991,146)</u>	<u>3,874,807</u>	<u>(17,116,339)</u>
	6,708,582	-	6,708,582
	1,308,220	-	1,308,220
	3,633,512	34,695	3,668,207
	1,878,636	-	1,878,636
	2,816,464	-	2,816,464
	(100,645)	41,647	(58,998)
	122,567	93,332	215,899
	490,664	-	490,664
	<u>3,470,190</u>	<u>(3,470,190)</u>	<u>-</u>
	<u>20,328,190</u>	<u>(3,300,516)</u>	<u>17,027,674</u>
	<u>(662,956)</u>	<u>574,291</u>	<u>(88,665)</u>
	<u>103,395,823</u>	<u>112,566,944</u>	<u>215,962,767</u>
	<u>\$ 102,732,867</u>	<u>\$ 113,141,235</u>	<u>\$ 215,874,102</u>

The accompanying notes are an integral part of the financial statements.

CITY OF AOPKA, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
September 30, 2012

	Governmental Funds		
	General	Other	Total
ASSETS			
Cash and cash equivalents	\$ 12,529,181	\$ 10,733,666	\$ 23,262,847
Restricted assets:			
Cash and cash equivalents	187,958	1,057,476	1,245,434
Receivables	1,799,089	27,229	1,826,318
Due from other governments	761,258	114,493	875,751
Inventories	186,496	-	186,496
Prepaid items	17,578	-	17,578
Due from other funds	36,943	-	36,943
Other assets - deposit	250,000	-	250,000
Total Assets	\$ 15,768,503	\$ 11,932,864	\$ 27,701,367
LIABILITIES			
Accounts payable	\$ 340,520	\$ 51,820	\$ 392,340
Due to other governments	530,492	-	530,492
Accrued liabilities	530,580	3,905	534,485
Due to pension beneficiaries	435,260	3,516	438,776
Due to other funds	-	2,465	2,465
Deposits	254,951	5,667	260,618
Unearned revenues	1,892,572	-	1,892,572
Total Liabilities	3,984,375	67,373	4,051,748
FUND BALANCES			
Nonspendable:			
Prepays	17,578	-	17,578
Inventory	186,496	-	186,496
Restricted for:			
Streets Improvement	-	905,681	905,681
Law Enforcement	-	151,795	151,795
Public Safety	220,518	-	220,518
Culture & Recreation	38,474	-	38,474
Capital Projects	715,663	-	715,663
Committed for:			
Transportation Improvements	-	6,285,924	6,285,924
Recreation Improvements	-	77,075	77,075
Stormwater Improvements	-	2,350,628	2,350,628
Community Redevelopment	-	2,094,388	2,094,388
Public Safety	76,412	-	76,412
Storage Retention	147,887	-	147,887
Tree Bank	715,881	-	715,881
Assigned for:			
Culture & Recreation	22,269	-	22,269
Insurance	300,000	-	300,000
Capital Project	530,639	-	530,639
Unassigned	8,812,311	-	8,812,311
Total Fund Balances	11,784,128	11,865,491	23,649,619
Total Liabilities and Fund Balances	\$ 15,768,503	\$ 11,932,864	\$ 27,701,367

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
September 30, 2012

Total governmental funds, fund balances		\$ 23,649,619
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		99,665,263
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported in the governmental funds.		
Long-term liabilities at year-end consist of:		
Notes Payable	\$ (7,600,000)	
Capital Leases Payable	(3,954,566)	
Revenue Note Series 1999	(215,250)	
Compensated Absences	(1,808,057)	
Net Other Postemployment Benefit Obligations	<u>(8,593,114)</u>	(22,170,987)
Liabilities accrued related to long-term debt (interest) are recognized in the governmental funds as expenditures in the period when they are due.		(273,586)
Net Pension Obligation is not an available financial resource and, therefore, is not reported as an asset in the governmental funds.		1,888,379
Note premiums are reported in the governmental funds when first issued, whereas these amounts are deferred and amortized in the government-wide statements.		<u>(25,821)</u>
Net assets of governmental activities		<u><u>\$ 102,732,867</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 12,128,936	\$ 1,419,673	\$ 13,548,609
Licenses, fees and permits	5,622,483	-	5,622,483
Intergovernmental revenues	6,990,191	135,051	7,125,242
Charges for services	2,668,480	924,376	3,592,856
Fines and forfeitures	2,214,965	73,968	2,288,933
Impact Fees	32,000	2,051,405	2,083,405
Investment earnings	80,926	41,640	122,566
Miscellaneous revenues	826,016	15,408	841,424
 Total Revenues	 <u>30,563,997</u>	 <u>4,661,521</u>	 <u>35,225,518</u>
EXPENDITURES			
Current:			
General government	5,992,720	10,314	6,003,034
Public safety	20,173,127	11,259	20,184,386
Transportation	839,340	2,453,663	3,293,003
Environmental	124,799	34,295	159,094
Culture/Recreation	2,160,562	930	2,161,492
Capital outlay	1,654,248	196,152	1,850,400
Debt service - Principal payments	1,411,275	-	1,411,275
Debt service - Interest & Fees	536,680	-	536,680
 Total Expenditures	 <u>32,892,751</u>	 <u>2,706,613</u>	 <u>35,599,364</u>
 Excess (Deficit) of Revenues Over (Under) Expenditures	 <u>(2,328,754)</u>	 <u>1,954,908</u>	 <u>(373,846)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,151,045	479,685	5,630,730
Transfers out	(466,205)	(1,694,336)	(2,160,541)
 Total Other Financing Sources (Uses)	 <u>4,684,840</u>	 <u>(1,214,651)</u>	 <u>3,470,189</u>
 Net Change in Fund Balances	 2,356,086	 740,257	 3,096,343
Fund Balances at Beginning of Year	<u>9,428,042</u>	<u>11,125,234</u>	<u>20,553,276</u>
 Fund Balances at End of Year	 <u><u>\$ 11,784,128</u></u>	 <u><u>\$ 11,865,491</u></u>	 <u><u>\$ 23,649,619</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, 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, 2012

Amounts reported for governmental activities in the Statement of Activities (pages 18 - 19) are different because:

Net Change in Fund Balances--Total Governmental Funds	\$ 3,096,343
Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, \$5,005,455, exceeded capital outlay, \$1,850,400 and developers contributions, \$84,497 in the current period.	(3,070,558)
Repayment of long-term debt is reported as an expenditure in governmental funds, but a reduction of long-term liabilities in the Statement of Net Assets.	1,411,275
In the Statement of Activities, changes in interest accrued on outstanding notes and capital leases, whereas in governmental funds, interest expenditures are recorded when due.	31,686
Changes in compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.	(99,098)
Changes in the Net Pension Obligation 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.	213,691
Changes in Other Postemployment Benefits Liability reported in the Statement of Activities do not require the use of current financial resources and , therefore are not reported as expenditures in the governmental funds.	(2,148,738)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase (decrease) net assets.	(100,645)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>3,088</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (662,956)</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 11,763,300	\$ 12,315,906	\$ 12,128,936	\$ (186,970)
Licenses and permits	4,670,400	4,670,400	5,622,483	952,083
Intergovernmental revenues	7,067,300	7,116,031	6,990,191	(125,840)
Charges for services	2,243,250	2,522,267	2,668,480	146,213
Fines and forfeitures	1,420,800	1,420,800	2,214,965	794,165
Impact Fees	-	20,000	32,000	12,000
Investment income	95,000	95,000	80,926	(14,074)
Miscellaneous revenues	706,250	838,987	826,016	(12,971)
	<u>27,966,300</u>	<u>28,999,391</u>	<u>30,563,997</u>	<u>1,564,606</u>
EXPENDITURES				
Current:				
General government	4,669,180	4,918,057	5,992,720	(1,074,663)
Public safety	20,220,435	20,852,225	20,173,127	679,098
Transportation	791,090	788,315	839,340	(51,025)
Environmental	126,310	126,310	124,799	1,511
Culture/Recreation	2,709,395	2,966,415	2,160,562	805,853
Capital outlay	1,039,400	2,986,642	1,654,248	1,332,394
Debt service - Principal payments	1,411,300	1,411,300	1,411,275	25
Debt service - Interest & Fees	537,000	537,000	536,680	320
	<u>31,504,110</u>	<u>34,586,264</u>	<u>32,892,751</u>	<u>1,693,513</u>
Excess (Deficit) of Revenues over (Under) Expenditures	<u>(3,537,810)</u>	<u>(5,586,873)</u>	<u>(2,328,754)</u>	<u>3,258,119</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,967,700	5,084,181	5,151,045	66,864
Transfers out	(429,890)	(429,890)	(466,205)	(36,315)
Debt issuance	-	1,021,420	-	(1,021,420)
	<u>3,537,810</u>	<u>5,675,711</u>	<u>4,684,840</u>	<u>(990,871)</u>
Net Change in Fund Balance	-	88,838	2,356,086	2,267,248
Fund Balances at Beginning of Year	<u>9,428,042</u>	<u>9,428,042</u>	<u>9,428,042</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ 9,428,042</u></u>	<u><u>\$ 9,516,880</u></u>	<u><u>\$ 11,784,128</u></u>	<u><u>\$ 2,267,248</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	Business Type Activities - Enterprise Funds		
	Utility System	Sanitation	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 14,748,834	\$ 880,711	\$ 15,629,545
Restricted cash and cash equivalents:			
Customer utility deposits	575,979	-	575,979
Deposits	91,730	-	91,730
Bond Service Fund	675,000	-	675,000
Renewal, replacement, and improvement	200,000	-	200,000
Capital improvements	9,642,130	-	9,642,130
Accounts receivable, net	2,252,849	487,099	2,739,948
Inventories	335,776	-	335,776
Due from other governments	8,895	-	8,895
	<u>28,531,193</u>	<u>1,367,810</u>	<u>29,899,003</u>
NON-CURRENT ASSETS			
Capital Assets:			
Land	7,924,275	-	7,924,275
Buildings	21,480,831	-	21,480,831
Infrastructure	101,702,758	-	101,702,758
Equipment and machinery	7,806,742	1,203,230	9,009,972
Vehicles	2,465,383	2,742,304	5,207,687
Construction in progress	6,382,045	-	6,382,045
	<u>147,762,034</u>	<u>3,945,534</u>	<u>151,707,568</u>
Less: accumulated depreciation	<u>(44,054,413)</u>	<u>(2,387,654)</u>	<u>(46,442,067)</u>
Net Capital Assets	<u>103,707,621</u>	<u>1,557,880</u>	<u>105,265,501</u>
Net pension obligation	266,730	59,800	326,530
Bond issue costs	271,440	-	271,440
Less accumulated amortization	<u>(61,945)</u>	<u>-</u>	<u>(61,945)</u>
Total Other Non-Current Assets	<u>476,225</u>	<u>59,800</u>	<u>536,025</u>
Total Non-Current Assets	<u>104,183,846</u>	<u>1,617,680</u>	<u>105,801,526</u>
Total Assets	<u>132,715,039</u>	<u>2,985,490</u>	<u>135,700,529</u>

The accompanying notes are an integral part of the financial statements.

CITY OF AOPKA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	Business Type Activities - Enterprise Funds		
	Utility System	Sanitation	Totals
CURRENT LIABILITIES			
Accounts payable	\$ 134,479	\$ 76,086	\$ 210,565
Accrued liabilities	52,176	8,541	60,717
Deferred revenues	56,646	-	56,646
Due to pension beneficiaries	39,021	9,923	48,944
Due to other funds	27,971	6,507	34,478
Compensated absences	163,941	71,352	235,293
Customer utility deposits	575,979	-	575,979
Deposits	91,730	-	91,730
Current portion of bonds payable	675,000	-	675,000
	<u>1,816,943</u>	<u>172,409</u>	<u>1,989,352</u>
TOTAL CURRENT LIABILITIES			
	<u>1,816,943</u>	<u>172,409</u>	<u>1,989,352</u>
NON-CURRENT LIABILITIES			
Compensated absences	144,631	62,948	207,579
Bonds payable	18,940,000	-	18,940,000
Deferred amounts on refundings	(178,971)	-	(178,971)
Discount on sale of bonds	(185,755)	-	(185,755)
Other postemployment benefits liability	1,361,443	425,646	1,787,089
	<u>20,081,348</u>	<u>488,594</u>	<u>20,569,942</u>
TOTAL NON-CURRENT LIABILITIES			
	<u>20,081,348</u>	<u>488,594</u>	<u>20,569,942</u>
TOTAL LIABILITIES			
	<u>21,898,291</u>	<u>661,003</u>	<u>20,569,942</u>
NET ASSETS			
Invested in capital assets, net of related debt	83,727,895	1,557,880	85,285,775
Restricted for:			
Capital improvements	9,642,130	-	9,642,130
Renewal and replacement	200,000	-	200,000
Unrestricted	17,246,723	766,607	18,013,330
	<u>110,816,748</u>	<u>2,324,487</u>	<u>113,141,235</u>
TOTAL NET ASSETS			
	<u>\$ 110,816,748</u>	<u>\$ 2,324,487</u>	<u>\$ 113,141,235</u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds		
	Utility System	Sanitation	Totals
OPERATING REVENUES			
Water sales	\$ 5,765,969	\$ -	\$ 5,765,969
Sewer charges	5,479,371	-	5,479,371
Reclaimed water sales	2,821,403	-	2,821,403
Sanitation fees	-	3,624,241	3,624,241
Miscellaneous revenues	886,674	174,701	1,061,375
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	14,953,417	3,798,942	18,752,359
OPERATING EXPENSES			
Utility administration	671,334	-	671,334
Water plant operations	1,749,467	-	1,749,467
Wastewater treatment plant operations	2,731,754	-	2,731,754
Utility construction operations	482,249	-	482,249
Water maintenance	1,243,827	-	1,243,827
Utility billing	673,857	-	673,857
Wastewater maintenance	1,059,581	-	1,059,581
Operating charges	-	3,086,388	3,086,388
Utility restoration	244,594	-	244,594
Design Engineering	416,860	-	416,860
Depreciation	3,532,663	312,869	3,845,532
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	12,806,186	3,399,257	16,205,443
Operating Income (Loss)	<hr/>	<hr/>	<hr/>
	2,147,231	399,685	2,546,916
NON-OPERATING REVENUES (EXPENSES)			
Interest income	89,626	3,706	93,332
Gain on disposal of capital assets	41,647	-	41,647
Interest expense	(938,793)	(653)	(939,446)
Franchise fees	-	34,695	34,695
Intergovernmental	205,628	-	205,628
Bond issuance costs and discounts	(48,791)	-	(48,791)
Increase in net pension obligation	-	2,869	2,869
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	(650,683)	40,617	(610,066)
Income (Loss) Before Transfers and Contributions	<hr/>	<hr/>	<hr/>
	1,496,548	440,302	1,936,850
TRANSFERS AND CONTRIBUTIONS			
Transfers in	399,430	-	399,430
Transfers out	(3,156,200)	(713,420)	(3,869,620)
Developers contributions	75,805	-	75,805
Capital contributions - impact fees	2,031,826	-	2,031,826
	<hr/>	<hr/>	<hr/>
Total Transfers and Contributions	(649,139)	(713,420)	(1,362,559)
CHANGE IN NET ASSETS	847,409	(273,118)	574,291
Total Net Assets at Beginning of Year	<hr/>	<hr/>	<hr/>
	109,969,339	2,597,605	112,566,944
Total Net Assets at End of Year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 110,816,748	\$ 2,324,487	\$ 113,141,235

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds		
	Utility System	Sanitation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 14,648,107	\$ 3,794,702	\$ 18,442,809
Cash paid to suppliers for goods and services	(4,492,973)	(1,835,702)	(6,328,675)
Cash paid to employees for services	(4,307,591)	(1,093,123)	(5,400,714)
Net Cash Provided by Operating Activities	<u>5,847,543</u>	<u>865,877</u>	<u>6,713,420</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	399,430	-	399,430
Transfers to other funds	(3,156,200)	(713,420)	(3,869,620)
Taxes	-	34,695	34,695
Net Cash Used in Noncapital Financing Activities	<u>(2,756,770)</u>	<u>(678,725)</u>	<u>(3,435,495)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,164,695)	(271,057)	(1,435,752)
Bond and note payable interest payments	(938,793)	(2,730)	(941,523)
Bond and note payable principal payments	(645,000)	(137,849)	(782,849)
Proceeds from sales of capital assets	41,647	-	41,647
Capital contributions - impact fees	2,031,826	-	2,031,826
Capital contributions - State & Local	205,628	-	205,628
Net Cash Used in Capital and Related Financing Activities	<u>(469,387)</u>	<u>(411,636)</u>	<u>(881,023)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest on cash and cash equivalents	89,626	3,706	93,332
Net Cash provided by Investment Activities	<u>89,626</u>	<u>3,706</u>	<u>93,332</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,711,012	(220,778)	2,490,234
Cash and Cash Equivalents at Beginning of year	<u>23,222,661</u>	<u>1,101,489</u>	<u>24,324,150</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 25,933,673</u></u>	<u><u>\$ 880,711</u></u>	<u><u>\$ 26,814,384</u></u>
Reconciliation to the Financial Statements			
Unrestricted Cash and Cash Equivalents	\$ 14,748,834	\$ 880,711	\$ 15,629,545
Restricted Cash and Cash Equivalents	11,184,839	-	11,184,839
	<u><u>\$ 25,933,673</u></u>	<u><u>\$ 880,711</u></u>	<u><u>\$ 26,814,384</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	Business Type Activities - Enterprise Funds		
	Utility System	Sanitation	Totals
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	<u>\$ 2,147,231</u>	<u>\$ 399,685</u>	<u>\$ 2,546,916</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	3,532,663	312,869	3,845,532
Changes in Assets and Liabilities:			
(Increase) Decrease In - Assets:			
Accounts receivable, net	(218,387)	24,185	(194,202)
Inventories	(49,627)	-	(49,627)
Increase (Decrease) In - Liabilities:			
Accounts payable	51,765	(2,332)	49,433
Accrued liabilities	8,841	1,064	9,905
Due to other funds	4,966	460	5,426
Customer utility deposits	35,067	-	35,067
Compensated absences	(55,103)	26,903	(28,200)
Due to pension beneficiaries	4,966	1,617	6,583
Other postemployment benefits liability	<u>385,161</u>	<u>101,426</u>	<u>486,587</u>
Total Adjustments	<u>3,700,312</u>	<u>466,192</u>	<u>4,166,504</u>
Net Cash Provided by Operating Activities	<u>\$ 5,847,543</u>	<u>\$ 865,877</u>	<u>\$ 6,713,420</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contribution, at fair value, of water, sewer, and water reuse lines by developers	<u>\$ 75,805</u>	<u>\$ -</u>	<u>\$ 75,805</u>
Increase in net pension obligation	<u>\$ 10,894</u>	<u>\$ 2,869</u>	<u>\$ 13,763</u>

The accompanying notes are an integral part of the financial statements.

CITY OF APOPKA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
As of September 30, 2012

ASSETS	<u>PENSION TRUST FUNDS</u>
Cash and cash equivalents	\$ 6,780,045
Investments at fair value:	
U.S. Corporate Stocks	41,079,030
International Corporate Stocks	10,247,064
U.S. Government Bonds & Bills	<u>26,533,863</u>
Total Investments	<u>77,859,957</u>
Contributions receivable	<u>487,721</u>
Total Assets	<u>85,127,723</u>
NET ASSETS	
Held in trust for deferred retirement option plan (DROP)	1,069,084
Held in trust for employees' pension benefits	<u>84,058,639</u>
Total Net Assets Held in Trust for Pension Benefits	<u><u>\$ 85,127,723</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF AOPKA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended September 30, 2012

	PENSION TRUST FUNDS
ADDITIONS	
Contributions:	
Employee contributions	\$ 905,197
Additions to DROP	353,613
State excise tax	552,606
City contributions	3,240,697
Total Contributions	5,052,113
Investment Income (Loss):	
Interest, dividend and other income	1,091,134
Net (appreciation) in fair value of investments	10,927,402
Gains (Losses) on sales of investments	851,846
Investment return DROP	180,533
Net Investment Income	13,050,915
Total Additions	18,103,028
DEDUCTIONS	
Benefit payments	3,696,794
Lump - sum DROP payments	528,425
Termination payments	56,281
Administrative expense	48,431
Total Deductions	4,329,931
CHANGE IN NET ASSETS	
For DROP	5,721
For pension benefits	13,767,376
TOTAL CHANGE IN NET ASSETS	13,773,097
NET ASSETS HELD IN TRUST	
Beginning of year:	
For DROP	1,063,363
For pension benefits	70,291,263
TOTAL NET ASSETS, Beginning of year	71,354,626
End of year:	
For DROP	1,069,084
For pension benefits	84,058,639
TOTAL NET ASSETS, End of year	\$ 85,127,723

The accompanying notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Apopka (the “City”) is a political subdivision of the State of Florida located in Orange County. The legislative branch of the City of a four (4) member citywide elected Council and a citywide elected Mayor. The Mayor and the City Council are governed by the City Charter and by state and local laws and regulations. The Mayor and City Council are responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Mayor.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for the establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies follow.

A. The Reporting Entity

The City is a municipal corporation with a five member council including the mayor, who acts as the presiding officer of the council.

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

The accompanying financial statements present the City’s primary government. The reporting entity for the City includes all functions of government for which the Mayor and City Council are considered to be financially accountable.

Based upon the application of the criteria as set forth in Government Accounting Standards Board Statement Number 14, *The Financial Reporting Entity*, there are no potential component units or related organizations of the City.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

Government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. Fiduciary funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes. The Statement of Net Assets reports all financial and capital resources of the City’s governmental and business-type activities. It is presented in a net assets format (assets less liabilities equal net assets) and shown with three components: amounts invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. The Statement of Activities reports functional categories of programs provided by the City and demonstrate how and to what degree those programs are supported by specific revenue.

Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of our government and contribute to the change in net assets for the fiscal year.

The fund financial statements follow additional and detailed information about the City’s operations for the major funds individually and nonmajor funds in the aggregate for governmental, proprietary and fiduciary funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The government-wide financial statements, as well as the fund financial statements for the proprietary funds and the fiduciary funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, sewer, reuse, and sanitation services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expense directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days.

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. Budgets for governmental funds are also prepared on the modified accrual basis.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The accounting policies and the presentation of the financial report of the City of Apopka, Florida have been designed to conform to generally accepted accounting principles (GAAP) as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). The City applies all applicable FASB pronouncements issued before November 30, 1989, unless they conflict with or contradict GASB pronouncements, in accounting and reporting for its proprietary operations but has elected not to apply FASB pronouncements issued after November 30, 1989.

The following are reported as major governmental funds:

General Fund – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The following are reported as major enterprise funds:

Utility System – The Utility System fund accounts for the operation of the City’s potable water, reuse, and wastewater services to residents and businesses.

Sanitation Fund – The Sanitation Fund accounts for the operations of the City’s waste and refuse management services to its residents and businesses.

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

The City also reported the following fund types:

Special Revenue Funds (Non major) – account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Pension Trust Funds – The Pension Trust funds accounts for the activities of the general employees, police officers and firefighters’ pension plans.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s business-type functions 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.

D. Cash, Cash Equivalents, and Investments

1. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

2. Deposits

The City’s deposits consist of demand accounts (interest and non-interest bearing). The deposits of the Pension Trust Funds are held separately from those of other City funds.

At year-end, the carrying amount of the City’s Governmental and Business-Type Activities cash deposits, including funds on deposit with the Florida Municipal Investment Trust, was \$51,322,665 and the depository balances were \$51,739,356. Of the balance, \$51,585,189 was covered by Federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida with the ability to assess member institutions to provide protection. Accordingly, all of the City’s cash deposits are considered to be fully insured.

The Pension Trust Funds held \$6,780,045 in uninsured and uncollateralized cash deposits at September 30, 2012.

3. Investments

	Fair Value
Pension Trust Fund Investments:	
US Government Bonds & Bills	\$ 26,533,863
U.S. Corporate Stocks	41,079,030
International Corporate Stocks	<u>10,247,064</u>
	<u>\$ 77,859,957</u>

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The City’s mutual bond funds, at the Florida Municipal Investment Trust have weighted average maturities of one and one-half years (1-3 year bond fund) and three years (intermediate bond fund). The City’s investment/portfolio policy applies to all funds of the City except for its pension trust funds. Interest rate risk is managed by limiting maturity terms to one year or less on bank certificates of deposit and to five years or less on U.S. Treasury Bills, Notes, and Bonds. Further management is provided by limiting concentrations of types of investments not to exceed from 15% to 25% at any one time.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – continued

Credit Ratings for Florida Municipal Investments Trust Investments-

Credit Risk for FMIvT Funds

<u>Fixed Income Funds:</u>	<u>Fitch Rating</u>	<u>Standard & Poor's Rating</u>
0-2 Year High Quality Bond Fund	AAA/V1	AAAf/S1
1-3 Year High Quality Bond Fund	AAA/V2	
Intermediate High Quality Bond Fund	AAA/V3	
Broad Market High Quality Bond Fund	AA/V4	
Expanded High Yield Bond Fund	Not Rated	
<u>Equity Funds</u>	<u>Rating</u>	
High Quality Growth Equity Portfolio	Not Rated	
Diversified Value Portfolio	Not Rated	
Russell 1000 Enhanced Index Portfolio	Not Rated	
Diversified Small Cap Equity Portfolio	Not Rated	
International Equity Portfolio	Not Rated	

FMIvT Interest Rate Risk Information in Years

<u>Fixed Income Funds:</u>	<u>Effective Duration</u>	<u>WAMf*</u>
0-2 Year High Quality Bond Fund	0.83	0.83
1-3 Year High Quality Bond Fund	1.64	1.67
Intermediate High Quality Bond Fund	3.16	3.30
Broad Market High Quality Bond Fund	4.66	5.42
Expanded High Yield Bond Fund	3.61	7.08

* Weighted Average to final Maturity

Credit Ratings for Pension Trust Fund Investments -

All of the investments of the Pension Trust Funds are held by the Prudential Retirement Insurance and Annuity Company (PRIAC) in a diversified asset portfolio.

PRIAC has received the following independent credit ratings from the major rating agencies:

Moody's Ratings:	A2
Standard & Poor's	AA-
A.M. Best	A+
Fitch	A+

Credit Risk – Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations. The City's investment policy limits the maximum percentage that may be invested in any one entity or instrument at any one time. In addition, the City limits its investments to those authorized by Florida Statutes and City Ordinances and Resolutions as follows. The following is a current list of authorized securities for investment. Revisions to the authorized list of securities may change from time to time by City Council action. The City is permitted to invest in pools that in turn invest in items the City may not purchase directly.

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of any outside party. Financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business are prequalified in accordance with the City’s investment policy.

D. Cash, Cash Equivalents, and Investments - continued

The City is authorized under Florida Statutes to invest in the following:

- a. State Board of Administration Local Government Surplus Funds Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided for in Chapter 163.01 F.S.
- b. Money Market Funds registered with the Securities Exchange Commission and having the highest credit quality rating from a nationally recognized rating agency placed only with financial institutions qualifying as public depositories as provided for in Chapter 280 of the Florida Statutes.
- c. Savings accounts in state-certified qualified public depositories, as defined in Chapter 280.02, F.S.
- d. Insured or fully collateralized Certificates of Deposit of banks
 - The bank must be a registered public funds depository in the State of Florida
 - Maturities must be one year or less.
- e. U. S. Treasury Bills, Notes and Bonds.
 - Maturity dates must be within five years or less.
- f. Full faith or general faith and credit obligations of United States Government Agencies
 - Maximum maturity shall be five years or less.
 - Maximum portfolio mix shall not exceed 25% for these instruments, inclusive of all types.

The City is further authorized under Ordinance and/or Resolution to invest in the following:

- g. Repurchase agreements collateralized by U.S. Treasury Securities and Market-to-Market
 - Purchased only from authorized dealers as provided for in this policy.
 - Any authorized institution with whom the City transacts repurchase agreements must have on file a fully executed copy of the City’s Master Repurchase Agreements.
 - Maximum portfolio mix shall not exceed 25% at any one time.
- h. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investments trust takes delivery of such collateral either directly or through an authorized custodian (i.e. Mutual Funds)
 - Portfolio mix shall not exceed 15% at any one time.
- i. The City will invest all checking account balances in accordance with the bank contract then in effect.
- j. The City will not hold or purchase any form of derivatives. A “derivative” is defined as financial instrument, the value of which depends on, or is derived from the value of one or more underlying assets or index or asset values. The use of reverse repurchase agreements or other forms of leverage is likewise prohibited.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments - continued

Assets of the General Employee's Pension Trust Fund, Police Officers' Pension Trust Fund and Firefighters' Pension Trust Fund, may be invested in accordance with Florida Statutes as previously described or held in bonds, stocks, commingled funds administered by National or State Banks, or other evidence of indebtedness issued or guaranteed by a corporation under the laws of the United States provided the corporation is traded on a nationally recognized exchange and meets certain rating criteria. Investments may also include annuity and life insurance contracts of life insurance companies.

4. Deferred Compensation Plan

The City maintains an Employee Deferred Compensation Plan as a benefit to employees. Investments in the Deferred Compensation Plan are held separately from those of other City funds. As prescribed by the plan documents, the plan administrator is authorized to invest plan assets in obligations of the U.S. government and various mutual and money market funds, which are held by the plan administrator and not in the City's name. At September 30, 2010 and during the year, deferred compensation plan assets were invested in various mutual funds under a custodial account. The City has no fiduciary responsibility for these accounts.

E. Budgets and Budgetary Accounting

The following procedures are used to establish the budgetary data reflected in the financial statements:

- 1) The Mayor submits a proposed operating budget to the City Council for the fiscal year beginning the following October 1st.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to October 1, the budget is legally enacted through passage of resolution.
- 4) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds (except for the Lake Apopka Impact Fees Fund), and the Capital Projects Funds. The budgets adopted for the Enterprise Funds are to comply with bond covenants. The Pension Trust Funds and the Capital Projects Funds which adopts project – length budgets, are not budgeted.
- 5) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for proprietary fund types are adopted on a non-GAAP basis to reflect budget versus actual information related to "operations and maintenance" as defined in bond covenants.
- 6) The Mayor of Apopka is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total revenues, reserves, or expenditures of any fund must be approved by a majority vote on the City Council. During the fiscal year ended, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended. However, amendments were nominal and did not significantly change the originally adopted budget.
- 7) Appropriations are authorized by resolutions generally at the fund level with the exception of Capital Projects Funds, which are appropriated at the project level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.
- 8) Appropriations lapse at the close of the fiscal year.

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

F. Receivables

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's current millage is 3.5161 mills.

All real and tangible personal property taxes are due and payable on the levy date of November 1 (levy date) of each year or as soon thereafter as the assessment roll is certified by the Orange County Property Appraiser. Orange County mails to each property owner on the assessment roll a notice of taxes due and the County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales are provided for by the Laws of Florida.

Accounts Receivable

Utility System Enterprise Fund operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read September 30 are accrued based on meter readings for the applicable consumptions taken at the beginning of October and billed in October.

G. Inventories

Inventories in the General Fund are stated at cost (determined on the "weighted average" method), and the Utility System Enterprise Fund inventories are stated at the lower of cost or market (determined on the "weighted average" method). Inventories are accounted for by the consumption method, wherein inventories are charged as expenditures/expenses when used. Inventories of the General Fund consist of fuel and motor vehicle parts and supplies. Inventories of the Utility System Fund consist primarily of meters, meter boxes, pipes and maintenance supplies held for use in maintaining and expanding the system. Obsolete and unusable items have been reduced to estimated salvage values.

H. Prepaid Items

Prepays represent payments made to vendors for services that will benefit beyond September 30, 2012. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

I. Restricted Assets

The use of certain assets of the Utility System Enterprise Fund are restricted by specific provisions of bond resolutions and other agreements. Assets so designated are identified as restricted assets on the balance sheet.

J. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g. road, bridges, curbs and gutters, streets and sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Additions to capital assets are recorded at cost at the time of purchase. Gifts or contributions are recorded at fair market value at the time received. The City's thresholds for capitalization for individual capital assets is \$1,000, and for capital projects is \$10,000.

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

J. Capital Assets - continued

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

<u>Assets</u>	<u>Years</u>
Water and Sewer Systems	20-50
Buildings and Improvements	5-50
Machinery and Equipment	3-25
Automotive Equipment	2-20
Public Domain Infrastructure	5-50
Intangibles	5-7

K. Impact Fees – Proprietary Funds (Business-Type Activities)

The City’s water, sewer, and reuse capital facility fee ordinance requires restriction of all monies collected as impact fees. These fees represent a capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the Water, Wastewater and Reuse Systems. The City is obligated to expend these funds only to provide expanded capacity to the system and is permitted to pay applicable debt service on one or more series of bonds for the purposes as described in Note 6. Impact Fees are recorded as capital contributions upon receipt.

L. Unamortized Debt Expense and Note Premium

Unamortized debt expense and note premiums are amortized by using the outstanding principal method over the life of the debt and are recorded as either a reduction to bonds payable or as income respectively.

M. Amortization of Discount on Bonds

Amortization of discount on bonds is determined by using the outstanding principal method and is recorded as interest expense each year over the life of the debt.

N. Compensated Absences

The City grants hours of paid time off to all its full-time employees which they are eligible to use after six months of continuous employment. The City has set annual maximum hours of accrual per year and maximum hours payable based on the employee’s length of service to the City. The annual maximum accruals and payables have set increases at each five year anniversary of the employee’s qualifying hire date. The annual maximum accruals and payables are increased for those employees who work on the basis of a 24 hour shift.

As of January 1, 2011, the City “froze” all employee sick leave balances that were based on the City’s prior sick leave ordinance. Those frozen balances are payable to the employee only upon their termination of employment with the City with the maximum amount set at \$6,000. The City’s current sick leave ordinance requires that an employee must have 10 or more years of service to receive any payout of their accumulated sick leave upon termination of employment. The maximum payout under the current ordinance is \$6,000. Employees who work on the basis of a 24 hour shift may accumulate their hours of sick pay at an increase rate.

A more detailed narrative of the City’s policy on Paid Time Off (PTO) can be found in the City’s Personnel Rules and Regulations.

The City records compensated absences in its Governmental Fund Types as an expenditure when the amount is for reimbursable unused paid time off (vacation or sick leave) payable to employees who had terminated their employments as of the end of the fiscal year. Compensated absences are accrued when incurred in the government-wide and proprietary funds financial statements.

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

O. Fund Equity

The City had implemented the provision of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* in fiscal year 2011, which revises the presentation of fund balance for governmental funds. In the fund financial statements, fund balance for governmental funds is now reported in classifications that are based on the relative strength of the constraints that control how amounts in the funds can be spent.

Fund balance is reported in the following five components:

Nonspendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. This would include inventories, deposits, prepaid items, and long-term notes receivable.

Spendable Fund Balance

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by third – parties (creditors, grantors, contributors) or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that can be used only for specific purposes that are internally imposed by ordinance action by the Mayor and City Council in a formal meeting. Commitments may only be changed by establishing, modifying, or rescinding an ordinance. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The authority for assigning fund balance is expressed by the Mayor, City Council, or City Administrator.

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for other governmental funds besides the General Fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted (committed, assigned, and unassigned) fund resources are available for use, it is the City's policy to generally use restricted resources first, and then unrestricted resources. When unrestricted resources are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

P. Deferred Revenues

Deferred revenues include amounts collected before the revenue recognition criteria are met and receivables, which under the modified accrual basis of accounting, are measurable but not yet available. The deferred revenues will be recognized as revenue in the fiscal year they are earned or become available. The deferred items consist primarily of license and permit revenues collected in advance, grant revenues, and a settlement associated with the electric franchise agreement.

Q. Grants

Grants received or used for purposes normally financed through governmental fund types are accounted for within the City's existing governmental funds. Revenues received or used from grants for governmental fund types are recognized as intergovernmental revenues when they become susceptible to accrual, that is both measurable and available (modified accrual basis). Unrestricted grants, entitlements or shared revenues received in proprietary funds are reported as non operating revenues.

NOTE 2 – RECEIVABLES

The following is a detail listing of accounts receivable by type and fund at September 30, 2012:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>
Receivables:			
Utility Accounts Billed	\$ 89,992	\$ 26,541	\$ 1,964,903
Utility Unbilled Receivables	-	-	890,966
Other:			
Settlement - Progress			
Energy Florida, Inc	1,168,000	-	-
Taxes - Franchise & Utility	545,683	-	4,420
Other	-	688	148,105
	<u>1,713,683</u>	<u>688</u>	<u>152,525</u>
 Total other			
	<u>1,713,683</u>	<u>688</u>	<u>152,525</u>
 Gross Receivables	 1,803,675	 27,229	 3,008,394
 Less Allowance for Uncollectibles	 (4,586)	 -	 (268,446)
 Net Total Receivables	 <u>\$ 1,799,089</u>	 <u>\$ 27,229</u>	 <u>\$ 2,739,948</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Streets Improvement Fund*	\$ 2,465
General Fund	Utility System Fund	27,971
General Fund	Sanitation Fund	<u>6,507</u>
		<u>\$ 36,943</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

* Non-major governmental funds.

The composition of Contributions Receivable in the Pension Trust Funds and Due to Pension Beneficiaries in the corresponding funds as of September 30, 2012 is as follows:

<u>Receivable by Trust Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Firefighters' Pension	General Fund	\$ 121,935
Police Officers' Pension	General Fund	191,919
General Employees' Pension	General Fund	121,406
General Employees' Pension	Utility System Fund	39,022
General Employees' Pension	Sanitation Fund	9,923
General Employees' Pension	Streets Improvement Fund*	<u>3,516</u>
		<u>\$ 487,721</u>

* Nonmajor governmental funds.

Individual interfund transfers for the fiscal year ended at September 30, 2012 were:

	<u>Transfers Made To Other Funds</u>	<u>Transfers Received From Other Funds</u>
General Fund	\$ 466,205	\$ 5,151,045
Enterprise Funds:		
Utility System	3,156,200	399,430
Sanitation Fund	713,420	-
Special Revenue:		
Streets Improvement Fund*	101,120	479,685
Road Impact Fees*	152,489	-
Stormwater*	127,370	-
Community Redevelopment	<u>1,313,356</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 6,030,160</u>	<u>\$ 6,030,160</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers are used to (1) move revenues from the Enterprise Funds and the Special Revenue Funds to the General Fund to assist in financing the costs of the general government of the City in accordance with budgetary authorizations, and (2) to move amounts to finance shared with projects whose expenditures are budgeted and recorded in another fund.

NOTE 4 – RESTRICTED ASSETS – ENTERPRISE FUND (UTILITY SYSTEM)

The use of certain Utility System Fund assets is restricted by specific provisions of the bond resolution authorizing the issuance of the \$25,415,000 Utility System Improvement and Refunding Revenue Bonds, Series 2001. In addition, the City restricts funds available for repayment of deposits as well as funds required by ordinance to be placed in special construction accounts. Restricted assets at September 30, 2012, are as follows:

Bond service fund	\$ 675,000
Deposits	91,730
Renewal, replacement and improvement	200,000
Customer utility deposits	575,979
Capital improvements	<u>9,642,130</u>
Total Restricted Assets	<u><u>\$ 11,184,839</u></u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 5 – CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Reclassifications and Increases</u>	<u>Reclassifications and Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$ 26,525,761	\$ 253,599	\$ -	\$ 26,779,361
Construction in Progress	<u>6,052,077</u>	<u>288,987</u>	<u>(3,172,520)</u>	<u>3,168,543</u>
Total Capital Assets, not being depreciated	32,577,838	542,586	(3,172,520)	29,947,903
<i>Capital Assets, being Depreciated:</i>				
Buildings	12,076,454	949,239	-	13,025,693
Improvement Other Than Buildings	88,643,482	2,385,180	-	91,028,662
Machinery and Equipment	14,356,211	551,793	(248,110)	14,659,894
Automotive Equipment	<u>8,662,305</u>	<u>678,621</u>	<u>(282,453)</u>	<u>9,058,473</u>
Total Capital Assets, being depreciated	123,738,451	4,564,833	(530,563)	127,772,722
<i>Less Accumulated Depreciation for:</i>				
Buildings	(4,042,370)	(307,310)	-	(4,349,680)
Improvements Other than Buildings	(32,874,233)	(2,554,349)	-	(35,428,582)
Machinery and Equipment	(9,219,411)	(1,603,502)	147,878	(10,675,035)
Automotive Equipment	<u>(7,343,810)</u>	<u>(540,294)</u>	<u>282,040</u>	<u>(7,602,064)</u>
Total Accumulated Depreciation	<u>(53,479,824)</u>	<u>(5,005,455)</u>	<u>429,918</u>	<u>(58,055,361)</u>
Total Capital Assets, being Depreciated, Net	<u>70,258,628</u>	<u>(440,622)</u>	<u>(100,645)</u>	<u>69,717,361</u>
Governmental Activities Capital Assets, Net	<u>\$ 102,836,465</u>	<u>\$ 101,964</u>	<u>\$ (3,273,165)</u>	<u>\$ 99,665,263</u>

Depreciation was charged to the functions of governmental activities as follows:

General Government	\$ 596,389
Public Safety	1,921,360
Transportation	2,033,706
Environmental	44,156
Culture/Recreation	<u>409,844</u>
Total Governmental	<u>\$ 5,005,455</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 5 – CAPITAL ASSETS – continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$ 7,883,727	\$ 40,548	\$ -	\$ 7,924,275
Construction in Progress	5,841,174	566,348	(25,477)	6,382,045
Total Capital Assets, not being depreciated	13,724,902	606,896	(25,477)	14,306,321
<i>Capital Assets, being Depreciated:</i>				
Buildings	21,480,831	-	-	21,480,831
Improvements Other Than Buildings	101,584,498	118,260	-	101,702,758
Machinery and Equipment	8,588,509	465,433	(43,970)	9,009,972
Automotive Equipment	4,890,431	329,695	(12,440)	5,207,687
Total Capital Assets, being depreciated	136,544,270	913,388	(56,410)	137,401,248
<i>Less Accumulated Depreciation for:</i>				
Buildings	(10,333,410)	(733,153)	-	(11,066,563)
Improvements Other than Buildings	(24,853,546)	(2,081,373)	43,970	(26,890,949)
Machinery and Equipment	(3,867,010)	(728,200)	12,440	(4,582,770)
Automotive Equipment	(3,598,979)	(302,806)	-	(3,901,785)
Total Accumulated Depreciation	(42,652,945)	(3,845,532)	56,410	(46,442,067)
Total Capital Assets, being Depreciated, Net	93,891,325	(2,932,144)	-	90,959,181
Business-Type Activities				
Capital Assets, Net	<u>\$ 107,616,227</u>	<u>\$ (2,325,248)</u>	<u>\$ (25,477)</u>	<u>\$ 105,265,502</u>

Depreciation was charged to the types of business activities as follows:

Utility System	\$ 3,532,663
Sanitation	312,869
	<u>\$ 3,845,532</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2012:

	Balance Sept. 30 2011	Additions	Deductions	Balance Sept. 30 2012	Balance Due Within One Year
Governmental activities:					
Capital lease obligations	\$ 4,545,090	\$ -	\$ 590,524	\$ 3,954,566	\$ 515,269
Revenue Note, Series 1999	246,000	-	30,750	215,250	30,750
Notes payable	8,390,000	-	790,000	7,600,000	820,000
Compensated absences	1,708,959	1,443,711	1,344,613	1,808,057	941,344
Total	14,890,049	1,443,711	2,755,887	13,577,873	2,307,363
Business-type activities:					
Utility revenue bonds	20,260,000	-	645,000	19,615,000	675,000
Compensated absences	471,072	257,901	286,101	442,872	228,035
Capital lease obligations	137,849	-	137,849	-	-
Total	20,868,921	257,901	1,068,950	20,057,872	903,035
Total Long-Term Debt	\$ 35,758,970	\$ 1,701,612	\$ 3,824,837	\$ 33,635,745	\$ 3,210,398

Unamortized discount and deferred amounts on advance refundings on business-type activity revenue bonds amounted to \$406,628 at September 30, 2011 and \$357,837 at September 30, 2012.

Unamortized bond issue costs on business-type revenue bonds amounts to \$216,384 at September 30, 2011 and \$209,495 at September 30, 2012.

Unamortized premium amounts on governmental activity Revenue Bonds, Series 2003B amounted to \$31,874 at September 30, 2010 and \$28,909 at September 30, 2011.

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

The City's Long-Term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

Florida Municipal Loan Council Note, due in annual principal installments ranging from \$100,000 to \$170,000, plus semi-annual interest ranging from 2.000% to 5.250% through December 1, 2018. The note is secured by Non-Ad Valorem Revenues. This debt is serviced by the General Fund.

\$ 1,045,000

Capital Improvement Revenue Note, Series 1999A. Non-Ad Valorem Revenues are pledged monies budgeted and appropriated pursuant to the loan agreement. Principal and interest are due in annual installments of \$30,750 principal plus interest at 4.870% through January 29, 2019.

215,250

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 6 – LONG-TERM DEBT – continued

Governmental Activities (continued):

Note payable to Bank of America, N.A., collateralized by pledge of recreational impact fees, due in annual principal installments ranging from \$310,000 to \$610,000, plus interest at 3.90% through March 1, 2022. This debt is serviced by the Recreational Impact Fees Fund (Special Revenue Fund)	\$ 5,155,000
Note payable to Bank of America, N.A., collateralized by pledge of Non - Ad Valorem Revenues, due in annual principal installments ranging from \$190,000 to \$300,000, plus interest at 3.85% through March 1, 2017. This debt is serviced by the General Fund.	1,400,000
Capital Leases payable to Banc of America Leasing & Capital, LLC for two (2) fire trucks, (capitalized cost basis of \$972,395) due in monthly installments of \$9,822 including interest at 3.95% through November 4, 2012. This debt is serviced by the General Fund.	19,547
Capital Lease payable to Motorola, Inc. for Motorola Communications System Equipment (capitalized cost basis of \$5,316,963), due in annual installments of \$659,615 including interest at 4.165% through December 1, 2018. This debt is serviced by the General Fund.	<u>3,935,019</u>
Total Governmental Activity Debt	<u><u>\$ 11,769,816</u></u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 6 – LONG-TERM DEBT – continued

Business-Type Activities

Utility System Improvement and Refunding Revenue Bonds, Series 2001, due in annual installments ranging from \$470,000 to \$1,515,000, plus interest ranging from 3.25% to 4.75%, on various maturities.

The Series 2001 Bonds are secured by a pledge and are payable solely from the Pledged Revenues consisting of (i) the Net Revenues of the System, (ii) the Sewer System Development Charges, (iii) the Water System Development Charges, (iv) the Reuse System Development Charges, and (v) the monies on deposit in various funds and accounts created pursuant to the Series 2001 Bond Resolution. This debt is serviced by the Utility System Fund.

\$ 19,615,000

Less: Deferred amounts on refundings
Unamortized discount

(172,082)

(185,755)

Total Business-Type Activity Debt

\$ 19,257,163

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

The annual debt service payments required on outstanding debt at September 30, 2012 are as follows:

Governmental Activities									
Year Ending September 30	Capital Improvement Revenue Notes 1999A			FMLC Note 2003B			Capital Lease Motorola, Inc Communications System		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 30,750	\$ 10,483	\$ 41,233	\$ 130,000	\$ 50,638	\$ 180,638	\$ 495,667	\$ 163,948	\$ 659,615
2014	30,750	8,985	39,735	135,000	44,494	179,494	516,312	143,303	659,615
2015	30,750	7,488	38,238	140,000	37,275	177,275	537,816	121,799	659,615
2016	30,750	5,990	36,740	150,000	29,663	179,663	560,216	99,399	659,615
2017	30,750	4,493	35,243	155,000	21,656	176,656	583,549	76,066	659,615
2018	30,750	2,995	33,745	165,000	13,255	178,255	607,854	51,761	659,615
2019	30,750	1,497	32,247	170,000	4,461	174,461	633,657	26,497	660,154
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
	<u>\$ 215,250</u>	<u>\$ 41,931</u>	257,181	<u>\$ 1,045,000</u>	<u>\$ 201,442</u>	1,246,442	<u>\$ 3,935,071</u>	<u>\$ 682,773</u>	4,617,844
Less: Amounts representing interest			<u>41,931</u>			<u>201,442</u>			<u>682,773</u>
Principal Outstanding			<u>\$ 215,250</u>			<u>\$ 1,045,000</u>			<u>\$ 3,935,071</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

The annual debt service payments required on outstanding debt at September 30, 2012 are as follows:

Year Ending September 30	Governmental Activities								
	Banc of America Capital Leasing, LLC			Bank of America, N.A.			Bank of America, N.A.		
	Fire Trucks			Note 2007A			Note 2007B		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 19,547	\$ 98	\$ 19,645	\$ 430,000	\$ 201,045	\$ 631,045	\$ 260,000	\$ 53,900	\$ 313,900
2014	-	-	-	450,000	184,275	634,275	270,000	43,890	313,890
2015	-	-	-	465,000	166,725	631,725	280,000	33,495	313,495
2016	-	-	-	485,000	148,590	633,590	290,000	22,715	312,715
2017	-	-	-	505,000	129,675	634,675	300,000	11,550	311,550
2018	-	-	-	520,000	109,980	629,980	-	-	-
2019	-	-	-	540,000	89,700	629,700	-	-	-
2020	-	-	-	565,000	68,640	633,640	-	-	-
2021	-	-	-	585,000	46,605	631,605	-	-	-
2022	-	-	-	610,000	23,790	633,790	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
	<u>\$ 19,547</u>	<u>\$ 98</u>	19,645	<u>\$ 5,155,000</u>	<u>\$ 1,169,025</u>	6,324,025	<u>\$ 1,400,000</u>	<u>\$ 165,550</u>	1,565,550
Less: Amounts representing interest			<u>98</u>			<u>1,169,025</u>			<u>165,550</u>
Principal Outstanding			<u>\$ 19,547</u>			<u>\$ 5,155,000</u>			<u>\$ 1,400,000</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

The annual debt service payments required on outstanding debt at September 30, 2012 are as follows:

Year Ending September 30	Governmental Activities		
	Grand Totals		
	Principal	Interest	Total
2013	\$ 1,365,964	\$ 480,112	\$ 1,846,076
2014	1,402,062	424,947	1,827,009
2015	1,453,566	366,782	1,820,348
2016	1,515,966	306,357	1,822,323
2017	1,574,299	243,440	1,817,739
2018	1,323,604	177,991	1,501,595
2019	1,374,407	122,155	1,496,562
2020	565,000	68,640	633,640
2021	585,000	46,605	631,605
2022	610,000	23,790	633,790
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
	\$ 11,769,869	\$ 2,260,819	14,030,687
Less: Amounts representing interest			<u>2,260,819</u>
Principal Outstanding			<u><u>\$ 11,769,868</u></u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

The annual debt service payments required on outstanding debt at September 30, 2012 are as follows:

Year Ending September 30	<u>Business-type Activities</u>			<u>Governmental and Business-type Activities Grand Total</u>		
	<u>Utility Revenue Bonds 2001</u>			Principal	Interest	Total
	Principal	Interest	Total			
2013	\$ -	\$ 456,496	\$ 456,496	\$ 1,365,964	\$ 936,608	\$ 2,302,572
2014	675,000	899,155	1,574,155	2,077,062	1,324,102	3,401,164
2015	700,000	870,618	1,570,618	2,153,566	1,237,400	3,390,966
2016	730,000	840,222	1,570,222	2,245,966	1,146,579	3,392,545
2017	760,000	807,808	1,567,808	2,334,299	1,051,248	3,385,547
2018	795,000	773,200	1,568,200	2,118,604	951,191	3,069,795
2019	830,000	736,222	1,566,222	2,204,407	858,377	3,062,784
2020	870,000	697,123	1,567,123	1,435,000	765,763	2,200,763
2021	910,000	655,500	1,565,500	1,495,000	702,105	2,197,105
2022	950,000	611,325	1,561,325	1,560,000	635,115	2,195,115
2023	995,000	565,131	1,560,131	995,000	565,131	1,560,131
2024	1,045,000	516,681	1,561,681	1,045,000	516,681	1,561,681
2025	1,095,000	465,856	1,560,856	1,095,000	465,856	1,560,856
2026	1,145,000	412,656	1,557,656	1,145,000	412,656	1,557,656
2027	1,200,000	356,963	1,556,963	1,200,000	356,963	1,556,963
2028	1,260,000	298,538	1,558,538	1,260,000	298,538	1,558,538
2029	1,315,000	237,381	1,552,381	1,315,000	237,381	1,552,381
2030	1,380,000	173,375	1,553,375	1,380,000	173,375	1,553,375
2031	1,445,000	106,281	1,551,281	1,445,000	106,281	1,551,281
2032	1,515,000	35,981	1,550,981	1,515,000	35,981	1,550,981
	<u>\$ 19,615,000</u>	<u>\$ 10,516,512</u>	<u>30,131,512</u>	<u>\$31,384,868</u>	<u>\$12,777,331</u>	<u>44,162,199</u>
Less: Amounts representing interest			<u>10,516,512</u>			<u>12,777,331</u>
Principal Outstanding			<u>\$ 19,615,000</u>			<u>\$31,384,868</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS

The City maintains a single-employer defined benefit pension plan which covers substantially all of the City's full-time employees (General Employees' Retirement Plan), a single employer defined benefit plan which covers all of its full-time certified police officers (Municipal Police Officers' Retirement Plan) and a single-employer defined benefit plan which covers all of its full-time certified firefighters (Municipal Firefighters' Retirement Plan). Each of the retirement plans is administered by its Board of Trustees, subject, however, and in any event to the authority and power of the Apopka City Council. Each plan's assets may be used only for the payment of plan administrative costs and benefits to the members of that plan, in accordance with the terms of the plan. Benefits and refunds of contributions to the members of the applicable plan are recognized at the date when they become due and payable specific to the terms of the plan. None of the aforementioned retirement plans issues a stand-alone financial report, nor are they included in the report of a Public Employee Retirement System, or any other entity.

A. Plan Description

1. General Employees' Retirement plan

The General Employees' Retirement Plan ("Plan") was established on October 16, 1976 for all regular, full-time employees not covered by the Municipal Police Officer's Retirement Plan or the Municipal Firefighters' Retirement Plan.

All full-time employees who have attained the age of 57 and five years of credited service are entitled to annual benefits of 2.75% of the average of the five (5) final years of salary, times years of credited service, subject to a maximum of 100% of average final compensation in the form of a life annuity, ceasing upon death. Early retirement is available for employees attaining the age of 47 with ten (10) years of service. The early retirement benefit is in the form of a life annuity (options available). A delayed retirement may be elected where the employee remains actively employed and benefits continue to accrue after the normal retirement date. In the event of pre-retirement death and the employee is eligible for normal or early retirement, a beneficiary is eligible to receive a benefit as if the member retired on the date of death. If the employee is not eligible for the normal or early retirement at the time of pre-retirement death, the Plan provides for a refund of any employee contributions.

Vesting in the Plan is as follows:

- with less than ten years of service, a refund of accumulated contributions
- with ten years or more of continuous service, an accrued pension payable at either early or normal retirement age, or a refund of employee contributions.

2. Municipal Police Officers' Retirement Plan

The Municipal Police Officers' Retirement Plan ("Plan") was established to conform to provisions of the State Statutes of the State of Florida for all sworn Police Officers.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

A. Plan Description (continued)

Employees attaining the age of 45 who have completed 10 or more years of credited service, or 20 years of credited service regardless of age are entitled to monthly benefits of 3.6% of their average final compensation times years of credited service for the first 10 years of credited service and 4% for each year in excess of 10 years. Average final compensation is the average salary for the best 3 of the 5 last years immediately preceding retirement or termination. The Plan permits early retirement at the completion of 10 years of contributed service and attaining the age of 40.

Active employees who retire disabled with a disability that occurred in the line of duty shall receive the greater of 42% of average final compensation or 3.6% per month of average final compensation multiplied by years of credited service. For a non-service incurred disability, a member with 10 years of credited service shall be eligible.

Disability benefits are paid for ten years certain or life or until recovery from disability. If an active police officer dies before retirement eligibility his or her beneficiary receives a refund of the police officer's contributions to the Plan. If the officer dies prior to retirement but has at least 10 years of credited service, his beneficiary is entitled to either early or normal retirement benefits. Minimum disability benefit resulting from an intentional act of violence assumes 20 years of credited service.

Retirees on or after March 1, 1998 receive a lump-sum payment of \$500 following 5 years of benefit payments and an additional \$500 payment on each 5 year anniversary.

If an employee terminates his or her employment with the police department and is not eligible for the other benefits under the Plan, the employee is entitled to the following:

- with less than 10 years of continuous service, a refund of accumulated contributions.
- with 10 or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her 45th birth date.

3. *The Municipal Firefighters' Retirement Plan*

The Municipal Firefighters' Retirement Plan ("Plan") was established to conform to provisions of the State of Florida for all sworn firefighters. All of the City's full-time firefighters participate in the Plan.

Employees attaining the age of 55 who have completed 10 or more credited years of service or with 22 years of credited service are entitled to annual benefits of 3.0% of their average final compensation for the best 5 of the last 10 years times years of credited service. The Plan permits early retirement at the completion of 10 years of credited service and attaining the age of 50 years.

Active employees who retired disabled with disability that occurred in the line of duty shall receive the greater of monthly benefits of 2.5% of their average final compensation times years of credited service but not less than 42% of average final compensation. For non-service incurred disability, a member with 10 years of credited service shall receive the greater of 2.5% of average final compensation or the accrued benefit actuarially reduced but not less than 25% of average final compensation. Disability benefits are paid for ten years certain or life or until recovery from disability that can be provided by the single sum value of the deferred monthly retirement income beginning a normal retirement date, which has accrued to his date of disability.

If an active firefighter dies before retirement eligibility his or her beneficiary receives a refund of the firefighter's contributions to the Plan. If a firefighter dies prior to retirement but has at least 10 years of credited service, his beneficiary is entitled to early or normal retirement benefits for 10 years.

If an employee terminates his or her employment with the fire department and is not eligible for any other benefits under the Plan, the employee is entitled to the following:

- with less than 10 years of continuous service, a refund of accumulated member contributions.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

- with 10 or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her 55th birth date.

B. Membership

As of October 1, 2012 the date of the latest actuarial valuation, membership in the Plans consisted of the following:

	General Employees'	Police Officers'	Firefighters'	Total
Retirees and beneficiaries currently receiving benefits	74	36	22	132
Terminated employees entitled to benefits, but not yet receiving them	18	1	5	24
Refund of employee contributions	13	3	8	24
Participants on disability	-	1	6	7
Delayed retirement option	9	-	3	12
Active employees	193	87	75	355
Totals	<u>307</u>	<u>128</u>	<u>119</u>	<u>554</u>

The total payroll for the City of Apopka was \$_____ for the fiscal year ended September 30, 2012. Covered payroll under the respective plans' assumed retirement ages for valuations at October 1, 2012, General employees Retirement Plan; Municipal Police Officers' Retirement Plan; and Municipal Firefighters' Retirement Plan were \$9,358,654; \$4,893,755; and \$4,621,781 respectively.

C. Funding Policy

1. General Employees' Retirement Plan

Contributions are established by local ordinance. Employees are required to contribute 4.9% of their annual salary to the Plan. The City is required to contribute the amount necessary to meet normal (current year's) costs and to fund the actuarial accrued (past service) liability, if any, over 30 years, adjusted for interest according to the timing of the contributions.

2. Municipal Police Officers' Retirement Plan

Contributions are established by local ordinance and include a 2% premium tax on all casualty insurance policies issued in the city limits. Employees are required to contribute 7% of their annual salary to the Plan. The City is required to contribute an actuarially determined rate that includes the state contribution; the current rate is 24.55% of annual covered payroll, subject to a minimum of 4%. Any unfunded accrued liability is amortized over no more than 30 years.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

3. *Municipal Firefighters’ Retirement Plan*

Contributions are established by local ordinance and include a 1.85% excise tax from policyholders on all premiums collected on property fire insurance covering property within the City limits. Employees are required to contribute 8.3% of their salary to the Plan. The City is required to contribute an actuarially determined rate that includes the state contribution; the current rate is 15.20% of annual covered payroll, subject to a minimum of 4%.

Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits. These are the Firefighters’ Pension Fund Excise Tax imposed on the gross receipts of property insurance policy premiums and the Police Officers’ Pension Fund Excise Tax imposed on the gross receipts of casualty insurance policy premiums. These revenues, reported in the City’s General Fund and expended as Public Safety activity, are \$265,778 and \$286,828 respectively, for the year ended September 30, 2012.

Insurance premium excise tax revenues collected in the 1997 calendar year represent an initial “frozen” State contribution. Until plan benefits are improved for the police officers’ and firefighters’ retirement plans, the City’s (the sponsor) contributions are determined based upon the lesser of: (1) the actual State contributions received in the plan year, or (2) the “frozen” State contribution amounts. State contributions received in any plan year in excess of the applicable “frozen” State contribution amounts are segregated from plan assets to be used exclusively to fund benefit improvements. These excess State contributions are accumulated in reserve balances titled “Excess State Monies Reserve”. For the plan year ended September 30, 2012, the City received actual State contributions in the amount of \$265,778 for the Firefighters’ Retirement Plan and \$286,828 for the Police Officers’ Retirement Plan. The applicable “frozen” amounts for the Firefighters’ Retirement Plan was \$165,010 and for the Police Officers’ Retirement Plan was \$252,841. The additions to the Excess State Monies Reserve were \$100,768 for the Firefighters’ Retirement Plan and \$33,987 for the Police Officers’ Retirement Plan. The accumulated total Excess State Monies Reserves as of September 30, 2012 for the Firefighters’ Retirement Plan is \$533,542, and for the Police Officers’ Retirement Plan is \$328,199.

D. Schedules of Funded Status and Funding Progress

The most recent actuarial valuation date for each Plan was October 1, 2012. The funded status and funding progress of each Plan at September 30, 2012 is presented below:

	General Employees	Police Officers	Firefighters
Actuarial Value of Assets	\$ 30,681,963	\$ 29,111,823	\$ 23,480,216
Actuarial Accrued Liability	40,485,839	33,238,719	27,895,903
Unfunded (Overfunded) Status (UAAL)	\$ 9,803,876	\$ 4,126,896	\$ 4,415,687
Funded Ratio	75.78%	87.58%	84.17%
Annual Covered Payroll	\$ 9,358,654	\$ 4,893,755	\$ 4,621,781
UAAL as Percent of Payroll	104.76%	84.33%	95.54%

Schedules of Funding Progress presented as RSI for the General Employees Trust Fund, the Police Officers Pension Trust Fund, and the Firefighters Pension Trust Fund are respectively presented on pages 72-74. These schedules present multi-year (2003-2012) trend information about whether the Actuarial Value of Assets for each plan is increasing or decreasing relative to the plan’s Actuarial Accrued Liability (AAL) Entry Age for benefits over time. In addition, these schedules present the funded status for each plan in the Funded Ratio Actuarial Value of Assets as a percentage of Actuarial Accrued Liability (AAL) Entry Age.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

E. Annual Pension Cost

The Board of Trustees of each Plan establishes, and may amend the contribution requirements of plan members and the City. The City's annual pension cost for the current year and related information for each plan is shown below:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Contribution rates:			
Employer	14.28%	24.55%	15.20%
Employee	4.90%	7.00%	8.30%
Actuarial pension cost	<u>\$ 1,305,066</u>	<u>\$ 1,089,157</u>	<u>\$ 619,020</u>
Contributions made:			
City	\$ 1,336,564	\$ 1,201,591	\$ 702,542
Employees (not including DROP)	267,721	370,026	267,450
State Excise Tax (thru General Fund)	<u>-</u>	<u>286,828</u>	<u>265,778</u>
 Total	 <u>\$ 1,604,285</u>	 <u>\$ 1,858,445</u>	 <u>\$ 1,235,770</u>

*Applicable "Frozen" State Contributions.

Actuarial valuation date	10/1/10	10/1/10	10/1/10
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Pay Closed	Level % of Pay Closed	Level % of Pay Closed
Remaining amortization period	30	30	30
Asset valuation method	4-Yr Smooth Market	4-Yr Smooth Market	4-Yr Smooth Market
Actuarial assumptions:			
Investment rate of return (a)	8.0%	8.0%	8.0%
Projected salary increases (a)	7.0%	7.0%	7.0%
(a) includes inflation at cost-of-living adjustments	3.0%	3.0%	3.0%
(b) does not identify or separately amortize unfunded actuarial liabilities			
Post Retirement COLA	0.0%	0.0%	0.0%

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

F. 3-Year Trend Information

Three year trend information for the plans follows:

Plan	Fiscal Year Ending	Actuarially Determined Contribution (A)	Percentage of (A) Contributed	Net Pension Obligation
General Employees'	9/30/12	\$ 1,321,788	101%	\$ (804,536)
	9/30/11	1,244,229	104%	(773,038)
	9/30/10	1,107,506	97%	(706,793)
Police Officers'	9/30/12	\$ 1,107,098	109%	\$ (739,520)
	9/30/11	1,069,647	103%	(627,086)
	9/30/10	987,471	117%	(577,593)
Firefighters'	9/30/12	\$ 631,730	111%	\$ (670,853)
	9/30/11	626,398	95%	(587,331)
	9/30/10	590,237	122%	(603,537)

G. Development of Net Pension Obligation (NPO)

Three year trend information follows:

General Employees' Plan

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date, October 1, 1997. Thus the NPO on October 1, 1997 is zero.

The recent development of the Net Pension Obligation through September 30, 2012 is as follows:

	<u>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>
Actuarially Determined Contribution (A)	\$ 1,268,250	\$ 1,244,229	\$ 1,321,788
Interest on NPO	(58,306)	(56,543)	(61,843)
Adjustment to (A)	<u>43,748</u>	<u>41,217</u>	<u>45,121</u>
Annual Pension Cost	1,253,692	1,228,903	1,305,066
Contributions Made	<u>1,231,660</u>	<u>1,295,148</u>	<u>1,336,564</u>
Increase in NPO	22,032	(66,245)	(31,498)
NPO, Beginning of Year	<u>(728,825)</u>	<u>(706,793)</u>	<u>(773,038)</u>
NPO, End of Year	<u>\$ (706,793)</u>	<u>\$ (773,038)</u>	<u>\$ (804,536)</u>

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

G. Development of Net Pension Obligation (NPO) (continued)

Police Officers’ Plan

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the “Florida Protection of Public Employee Retirement Benefits Act” (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date October 1, 1997. Thus, the NPO on October 1, 1997, is zero dollars.

The recent development of the Net Pension Obligation through September 30, 2012 is as follows:

	<u>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>
Actuarially Determined Contribution (A)	\$ 987,471	\$ 1,069,647	\$ 1,107,098
Interest on NPO	(31,520)	(46,207)	(50,167)
Adjustment to (A)	<u>20,320</u>	<u>29,752</u>	<u>32,226</u>
Annual Pension Cost	976,271	1,053,192	1,089,157
Contributions Made	<u>1,159,861</u>	<u>1,102,685</u>	<u>1,201,591</u>
Increase in NPO	(183,590)	(49,493)	(112,434)
NPO, Beginning of Year	<u>(394,003)</u>	<u>(577,593)</u>	<u>(627,086)</u>
NPO, End of Year	<u>\$ (577,593)</u>	<u>\$ (627,086)</u>	<u>\$ (739,520)</u>

Firefighters’ Plan

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the “Florida Protection of Public Employee Retirement Benefits Act” (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date October 1, 1997. Thus, the NPO on October 1, 1997, is zero dollars.

The recent development of the Net Pension Obligation through September 30, 2012 is as follows:

	<u>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>
Actuarially Determined Contribution (A)	\$ 590,237	\$ 626,398	\$ 631,730
Interest on NPO	(37,161)	(48,283)	(46,986)
Adjustment to (A)	<u>29,052</u>	<u>35,595</u>	<u>34,276</u>
Annual Pension Cost	582,128	613,710	619,020
Contributions Made	<u>721,154</u>	<u>597,504</u>	<u>702,542</u>
Increase in NPO	(139,026)	16,206	(83,522)
NPO, Beginning of Year	<u>(464,511)</u>	<u>(603,537)</u>	<u>(587,331)</u>
NPO, End of Year	<u>\$ (603,537)</u>	<u>\$ (587,331)</u>	<u>\$ (670,853)</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

H. Net Assets

The Combining Statement of Fiduciary Net Assets
At September 30, 2012 is stated as follows:

ASSETS	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,630,989	\$ 2,383,962	\$ 1,765,094	\$ 6,780,045
Investments at fair value	28,761,552	26,963,119	22,135,286	77,859,957
Contributions receivable	173,867	191,919	121,935	487,721
Total Assets	<u><u>\$ 31,566,408</u></u>	<u><u>\$ 29,539,000</u></u>	<u><u>\$ 24,022,315</u></u>	<u><u>\$ 85,127,723</u></u>
Net Assets:				
Held in trust for deferred retirement option plan (DROP)	\$ 565,628	\$ -	\$ 503,456	\$ 1,069,084
Held in trust for employees' pension benefits	<u>31,000,780</u>	<u>29,539,000</u>	<u>23,518,859</u>	<u>84,058,639</u>
Total Net Assets	<u><u>\$ 31,566,408</u></u>	<u><u>\$ 29,539,000</u></u>	<u><u>\$ 24,022,315</u></u>	<u><u>\$ 85,127,723</u></u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

I. Changes In Net Assets

The Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended September 30, 2012 is stated as follows:

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employee contributions	\$ 267,721	\$ 370,026	\$ 267,450	\$ 905,197
Additions to DROP	221,025	-	132,588	353,613
State excise tax	-	286,828	265,778	552,606
City contributions	1,336,564	1,201,591	702,542	3,240,697
Total contributions	<u>1,825,310</u>	<u>1,858,445</u>	<u>1,368,358</u>	<u>5,052,113</u>
Investment Income (Loss):				
Interest, dividend and other income	403,401	376,100	311,633	1,091,134
Net appreciation (depreciation) in fair value of investments	4,060,163	3,797,188	3,070,051	10,927,402
Gains (losses) on sales of investments	292,538	327,064	232,244	851,846
Investment return DROP	81,364	-	99,169	180,533
Net Investment Income (Loss):	<u>4,837,466</u>	<u>4,500,352</u>	<u>3,713,097</u>	<u>13,050,915</u>
Total Additions	<u>6,662,776</u>	<u>6,358,797</u>	<u>5,081,455</u>	<u>18,103,028</u>
DEDUCTIONS				
Benefit payments	1,216,730	1,400,703	1,079,361	3,696,794
Lump - sum DROP payments	193,444	-	334,981	528,425
Termination payments	37,015	10,812	8,454	56,281
Administrative expense	14,619	15,446	18,366	48,431
Total Deductions	<u>1,461,808</u>	<u>1,426,961</u>	<u>1,441,162</u>	<u>4,329,931</u>
CHANGE IN NET ASSETS				
For DROP	108,945	-	(103,224)	5,721
For pension benefits	5,092,023	4,931,836	3,743,517	13,767,376
Total Change in Net Assets	<u>5,200,968</u>	<u>4,931,836</u>	<u>3,640,293</u>	<u>13,773,097</u>
Net assets held in trust				
Beginning of Year:				
For DROP	456,683	-	606,680	1,063,363
For pension benefits	25,908,757	24,607,164	19,775,342	70,291,263
TOTAL NET ASSETS, 10/01/2011	<u>26,365,440</u>	<u>24,607,164</u>	<u>20,382,022</u>	<u>71,354,626</u>
End of Year:				
For DROP	565,628	-	503,456	1,069,084
For pension benefits	31,000,780	29,539,000	23,518,859	84,058,639
TOTAL NET ASSETS, 09/30/2012	<u>\$ 31,566,408</u>	<u>\$ 29,539,000</u>	<u>\$ 24,022,315</u>	<u>\$ 85,127,723</u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Eligibility

A participant is eligible to receive certain other postemployment benefits upon retirement under one of the 3 City sponsored Pensions Plans. To be eligible for retiree benefits, the participant does not need to be covered under the City’s medical plan immediately prior to retirement. Participants under the following City sponsored Pension Plans are eligible to retire under the following criteria:

City of Apopka Municipal Fire Fighter Retirement:

Normal Retirement: Age 55 with 10 years of service or 22 years of service an any age
Early Retirement: Age 50 and the completion of 10 years of service

City of Apopka Municipal General Employees’ Retirement:

Normal Retirement: Age 57 with 5 years of service
Early Retirement: Age 47 and the completion of 10 years of service

City of Apopka Municipal Police Officers’ Retirement:

Normal Retirement: Age 45 with 10 years of service or 20 years of service at any age
Early Retirement: Age 40 and the completion of 10 years of service

Participants in all three pension plans have the option of entering a DROP program for up to 8 years, after meeting Normal Retirement Criteria.

Employee Contributions

Retirees are offered the opportunity to continue enrollment in the group health, dental, vision, and life insurance plans offered through the City. Premium for the plans are the following:

Monthly Premiums for Coverage	Medical	Dental	
		High	Low
Retiree Coverage	\$ 433	\$ 28	\$ 19
Retiree and Spouse	\$ 865	\$ 61	\$ 42
Retiree and Children	\$ 760	\$ 79	\$ 58
Retiree and Family	\$ 1,273	\$ 105	\$ 76

Life Insurance is available to retirees in the amount of \$30,000. Coverage amounts are reduced to \$19,500 at age 65, and \$15,000 at age 70. Retiree’s pay the full premium for coverage at the rate of \$7.80 per month, reduced to \$5.07 at age 65, \$3.90 at age 70 and \$1.95 at age 75.

Coverage

OPEB Coverage is available for the lifetime of the retiree (except for the Health Insurance Premium Subsidy as outlined below), so long as the required premiums are paid. OPEB Coverage is also available to spouses of retirees who are currently receiving benefits, but at a higher rate. OPEB Coverage is not available to Surviving Spouses of deceased Retirees.

Health Insurance Subsidy/Reduced Retiree Contribution

Employees of the City retiring with more that 25 years of service are eligible to have the premiums for Medical coverage paid for by the City until Medicare Eligibility. Time spent in the DROP option of the retirement plan is counted toward the 25 year goal. Premiums for dependent coverage is not eligible to be paid for by the City.

Effective as of January 1, 2011 newly hired employees are not eligible for the health insurance program subsidy.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

Currently, the City’s OPEB benefits are unfunded. That is, there is no separate Trust Fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City. The City had an actuarial valuation for the OPEB to measure the current year’s subsidies, project these subsidies for decades into the future, and make an allocation of that cost to different years.

Membership of each plan consisted of the following:

Date of Actuarial Valuation:	10/1/2011
Retirees and Beneficiaries Receiving Benefits	51
Active Plan Members	359
Total	410

Annual OPEB Costs and Net OPEB Obligation

The Annual OPEB Cost is the amount that was expensed for the fiscal year. Since the City’s OPEB plan is currently unfunded, the offset to that expense comes from subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree’s own payments for the year). The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net assets.

The following table shows the components of the City’s Annual OPEB Cost for the year and the Net OPEB Obligation.

Annual Required Contribution (ARC)	\$ 3,609,416
Interest on prior year Net OPEB Obligation (NOO)	309,795
Adjustment to ARC	(447,886)
Annual OPEB Cost	3,471,325
Employer Contributions Made	(836,000)
Increase/Decrease in NOO	2,635,325
Net OPEB Obligation, Beginning of Year	7,744,878
Net OPEB Obligation, End of Year	\$10,380,203

The Annual OPEB Cost per covered member is \$8,467

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase in Net OPEB Obligation	Net OPEB Obligation
9/30/2012	\$ 3,471,325	24.08%	\$ 2,635,325	\$ 10,380,203
9/30/2011	\$ 3,144,565	23.60%	\$ 2,402,565	\$ 7,744,878
9/30/2010	\$ 3,162,665	17.93%	\$ 2,595,665	\$ 5,342,313

Funded Status and Funding Progress

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 health care cost trend. Amounts determined regarding the funding status of a 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.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

The following is a schedule of fund status and fund progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (1)	Unfunded (Overfunded) Accrued Liability (UAAL) (2)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Payroll
10/1/2011	\$ -	\$ 27,060,537	\$ 27,060,537	0.0%	\$ 18,874,190	143%
10/1/2010	\$ -	\$ 24,289,582	\$ 24,289,582	0.0%	\$ 19,278,954	126%
10/1/2008	\$ -	\$ 20,052,000	\$ 20,052,000	0.0%	\$ 18,345,660	109%

- (1) Actuarial liability determined under the projected unit credit cost method.
- (2) Actuarial liability less actuarial value of assets, if any.

Actuarial Cost Method

The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in pension costs. The gains and losses result from the difference between the actual experience under the plan and the experience anticipated by the actuarial assumptions.

Liabilities and cost under GASB 45 are derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience will differ from the long term assumptions, the costs determined by the valuation must be regarded as estimated of the true costs of the current OPEB arrangements.

Actuarial liabilities and comparative costs shown in the Report were computed using the **Projected Unit Credit Actuarial Cost Method**, which consists of the following cost components:

1. **The Normal Cost** is the actuarial Present Value of benefits allocated to the valuation year.
2. **The Actuarial Liability** is the Actuarial Present Value of benefits accrued as of the valuation date.
3. **Valuation Assets** are equal to the market value of assets as of the valuation date, if any.
4. **Unfunded Actuarial Liability** is the difference between the Actuarial Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB45 of 30 years.

It should be noted that GASB 45 allows a variety of cost methods to be used. We elected this method because it is generally easy to understand is widely used for the valuation of postemployment benefits other than pensions. Other methods used do not change the ultimate liability, but do allocate it differently between what has been earned in the past and what will be earned in the future. Please note that the net effect of the change may result in an increase or decrease in the annual required contribution (ARC).

In addition to the actuarial method used, actuarial cost estimated depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality amount active and retired employees, rates of termination from employment, and retirement rates.

Demographic assumptions for various defined benefit pension plan’s under which employee’s of the City are covered.

In the descriptions below:

- “Fire” refers to City of Apopka Municipal Fire Fighter Retirement Plan
- “General” refers to City of Apopka Municipal General Employees’ Retirement Plan
- “Police” refers to the City of Apopka Municipal Police Retirement Plan

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

In the most current valuation, (dated 10/1/2011) the actuarial assumptions used for the calculation of cost and liabilities are as follows:

1. Discount Rate: 4.0% per annum, compounded annually
2. Mortality Rates: RP-2000 projected to 2005 by Projection Scale AA
3. Withdrawal Rates: Sample rates of withdrawal for employees:

<u>Age</u>	<u>Fire</u>	<u>Public</u>	<u>General</u>
20	0.0600	0.0600	0.3860
30	0.0500	0.0500	0.1940
40	0.0260	0.0260	0.0730
50	0.0080	0.0080	0.0270
55	0.0030	0.0030	0.0180

4. Disability Rates: Sample rates of disability for employees

<u>Age</u>	<u>Fire</u>	<u>Public</u>	<u>General</u>
20	0.0009	0.0009	0.0007
30	0.0012	0.0012	0.0011
40	0.0021	0.0021	0.0019
50	0.0054	0.0054	0.0051
55	0.0108	0.0108	0.0096

5. Early Retirement: Fire and Police: Commencing with the attainment of Early Retirement Status, members are assumed to retire at the rate of 5% per year.

General: Commencing with the attainment of Early Retirement Status, members are assumed to retire at the rate of 2% per year.

6. DROP and Normal Retirement: Upon attaining Normal retirement Status, participants are assumed to retire at the end of an additional year of service. 100% of participants retiring with less than 25 years of service are assumed to enter the DROP program until accruing 25 years of service or 8 years, whichever comes first. Retirees with more that 25 years of service are assumed to not enter the DROP program.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

7. Election Assumptions:

	Employees Retiring Prior to Age 65 and Electing OPEB Coverage	Participants Continuing or Electing OPEB Coverage After Age 65	Retirees Electing To Cover Dependent Spouses
Firefighter Retirees	60%	6.0%	40.0%
General Retirees	60%	6.0%	40.0%
Police Retirees	60%	6.0%	40.0%

Former Employees of the City who leave service with a vested pension benefit, but who lapse health coverage with the City before commencing the pension are assumed not to re-enroll in the City's OPEB benefits. 100% of retirees younger than age 65 with 25 years of service at retirement are assumed to elected OPEB coverage.

8. Medical Cost Trend Rate:

Claim costs in the future years are estimated by adjusting the starting claims costs by an assumed ongoing cost trend. Such trends are based on the health care cost trend rate adjusted for the impact of plan design, cost containment features and Medicare coordination.

Year	Trend
2013	9.50%
2014	8.40%
2015	7.20%
2016	6.10%
2017	6.00%
2018	6.00%
2019	6.00%
2020	6.00%
2021	5.90%
2022	5.90%
2023	5.90%
2024	5.90%

An ultimate rate of 4.60% is reached in the year 2082.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

9. Retiree Claim Costs: Assumed Annual Gross Health Claims Costs.

Age	Retirees		Spouses	
	Males	Females	Males	Females
50	\$ 9,103	\$ 9,820	\$ 8,510	\$ 10,358
55	\$ 9,663	\$ 9,664	\$ 10,726	\$ 11,162
60	\$ 11,743	\$ 10,904	\$ 12,415	\$ 12,357
64	\$ 14,507	\$ 13,010	\$ 14,607	\$ 14,122
66	\$ 3,823	\$ 3,682	\$ 3,823	\$ 3,682
70	\$ 4,477	\$ 4,243	\$ 4,477	\$ 4,243

Dental and Vision claims net of retiree contributions are reflected as de minimis in the valuation.

10. Administrative Cost: Included in claims.

Actuarial Methods and Assumptions

The following table summarizes the actuarial methods and assumptions as of the latest actuarial valuation date:

Valuation Date	October 1, 2011
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Factor (17.98372)
Remaining Amortization Period	30 years Closed
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Return	4.00%
Projected Salary Increases	7.50%
COLA (Post-Retirement)	None
Inflation at cost-of-living adjustments	None

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 9 – RISK MANAGEMENT

The City is exposed to risk of loss related: to torts; theft of, theft of, damage to or destruction of assets; errors and omissions, injuries to employees, and natural disasters. The City purchases commercial insurance for all types of claims with nominal deductible amounts. The following is a summary of the City’s significant insurance coverage and limitations.

Type of Coverage	Coverage	Limitations
Property	\$ 65,029,434	Buildings and Personal Property
	Included	Electronic data processing
	10,000,000	Flood per occurrence
	6,596,152	Radio Equipment
	250,000	Valuable papers per location & per occurrence to a maximum of \$250,000
	250,000	A/R per location to a maximum of \$250,000
	Included	Boiler & Machinery
	700,000	Business income with extra expense
Automobile	5,000,000	Liability combined single limit - per occurrence
	Basic	Personal injury protection
	50,000	Uninsured motorists bodily injury liability
	Included	Physical damage
Crime	250,000	Employee theft/forgery bond per loss
	250,000	Money & securities inside
	250,000	Money & securities outside
General Liability (includes healthcare and social services)	5,000,000	Combined single limits per occurrence Includes premises and products & completed
Sexual Abuse per Person Limit	1,000,000	Total policy limit
Public Entity Employment Practices Liability	5,000,000	Each wrongful act and total policy limit
Public Employee Position Bond (Finance Director)	100,000	Per person
Public Officials Errors & Omissions Liability Liability	5,000,000	Each loss and total policy limit
Law Enforcement Officers Liability	5,000,000	Each person, wrongful act and total policy limit
Statutory Death Benefit (Police, Fire & General)	60,000	Per covered person
Fiduciary Responsibility	1,000,000	Each occurrence and aggregate
Pollution Liability	1,000,000	Each occurrence and aggregate
Underground Storage Tank Pollution Liability	1,000,000	Each incident and policy aggregate
Workers Compensation	Statutory	
Workers Compensation/Employer's Liability	1,000,000	Each accident, disease, aggregate by disease

There have been no significant reductions in insurance coverage during fiscal year 2011-2012. Settled claims have not exceeded the commercial excess coverage in any of the past three years.

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 10 – OTHER DISCLOSURES

A. Excess of Operating Expenses Over Final Budgeted Operating Expenses in Individual Funds

Excess of operating expenses over appropriations in individual funds are as follows at September 30, 2012:

- i. The Sanitation Fund actual expenses on a basis other than GAAP exceeded the budgeted expenses on a basis other than GAAP in the amount of \$369,155
- ii. The Streets Improvement Fund actual expenses exceeded the budgeted expenses in the amount of \$204,904.

B. Deficit retained earnings/fund balances of individual funds at September 30, 2012: None.

NOTE 11 – BUDGETARY BASIS OF ACCOUNTING

The City Council adopts budget resolutions for all governmental and proprietary fund types. The budgets for the Enterprise Funds (Utility System and Sanitation) were adopted on an accounting basis other than in accordance with generally accepted accounting principles. Adjustment necessary to convert the results of operations for the year ended September 30, 2012 from the GAAP basis to the budget basis are as follows:

UTILITY SYSTEM

Change in Net Assets, GAAP basis	\$ 847,409
(Decrease) due to payment of	
Debt principal	(645,000)
(Decrease) due to capital asset purchases	(1,164,695)
Increase due to non-inclusion of	
depreciation expense in budgetary basis	<u>3,532,663</u>
Revenue over Expenses Budget Basis	<u><u>\$ 2,570,377</u></u>

SANITATION

Change in Net Assets, GAAP basis	\$ (273,118)
(Decrease) due to payment of	
Debt principal	(137,849)
(Decrease) due to capital asset purchases	(271,057)
Increase due to non-inclusion of	
depreciation expense in budgetary basis	<u>312,869</u>
(Deficit) of Revenue over Expenses	
Budget Basis	<u><u>\$ (369,155)</u></u>

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Intergovernmental Grants

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

Construction Commitments

As of September 30, 2012 there were no major uncompleted construction contracts.

NOTE 13 – SUBSEQUENT EVENTS

Utility System Refunding Bonds – Series 2012

The City issued \$18,065,000 principal amount of City of Apopka, Florida Utility System Refunding Revenue Bonds, Series 2012, dated as of November 20, 2012. The Series 2012 Bonds were issued to (i) currently refund all of the City's outstanding Utility System Improvement and Refunding Revenue Bonds, Series 2001 (the "Refunded Bonds"); and to (ii) finance the costs of issuance of the Series 2012 Bonds.

The Series 2012 Bonds are secured by a pledge and are payable solely from the Pledged Revenues consisting of (i) the Net Revenues of the System, (ii) the Sewer System Development Charges, (iii) the Water System Development Charges, (iv) the Reuse System Development Charges, and (v) the monies on deposit in various funds and accounts created pursuant to the Series 2012 Bond Resolution, with the exception of the Rebate Fund.

The Series 2012 Serial Bonds have varying interest rates on the different maturities that range from 2.00% to 5.00%. Interest is payable semi-annually on April 1st and October 1st until maturity. Principal of, and premium, if any, on the Series 2012 Serial Bonds shall be paid on October 1, 2013 through 2027 in varying amounts. \$4,970,000 (3.00%) Term Bonds are due October 1, 2031.

The Bond Resolution created a number of funds and accounts into which the City will deposit monies for various purposes including: (1) the Revenue Fund, (2) the Bond Service Fund, (3) the Reserve Fund, (4) the Rate Stabilization Fund, (5) the Subordinated Debt Service Fund, (6) the Renewal, Replacement, and Improvement Fund, (7) the Construction Fund, (8) the Sewer System Development Charges Fund, (9) the Water System Development Charges Fund, and (10) the Reuse Development Charges Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AOPKA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEE'S PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets ¹</u> (a)	<u>Actuarial Accrued Liability (AAL) Entry Age</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a % of Covered Payroll</u> [(b-a)/c]
9/30/12	\$ 30,681,963	\$ 40,485,839	\$ 9,803,876	75.78%	\$ 9,358,654	104.76%
9/30/11	28,297,728	37,692,945	9,395,217	75.07%	8,445,046	111.25%
9/30/10	27,898,852	34,328,465	6,429,613	81.27%	8,530,307	75.37%
9/30/09	26,854,527	31,994,213	5,139,686	83.94%	8,630,755	59.55%
9/30/08	24,939,067	29,619,921	4,680,854	84.20%	9,394,149	49.83%
9/30/07	22,491,821	26,420,066	3,928,245	85.13%	8,878,865	44.24%
9/30/06	19,697,220	24,360,126	4,662,906	80.86%	8,620,338	54.09%
9/30/05	17,117,598	22,235,124	5,117,526	76.98%	7,440,116	68.78%
9/30/04	15,060,597	20,242,019	5,181,422	74.40%	7,318,342	70.80%
9/30/03	13,714,485	14,939,614	1,225,129	91.80%	7,055,582	17.36%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>City's Contribution</u>	<u>Percentage Contributed</u>
2012	\$ 1,321,788	\$ 1,336,564	101.12%
2011	1,244,229	1,295,148	104.09%
2010	1,268,250	1,231,660	97.11%
2009	1,107,506	1,217,963	109.97%
2008	1,113,529	1,181,817	106.13%
2007	1,006,242	1,137,282	113.02%
2006	975,193	1,046,172	107.28%
2005	1,205,817	1,229,263	101.94%
2004	1,082,459	1,123,885	103.83%
2003	903,368	921,562	102.01%

¹ Beginning with the October 1, 2008 Actuarial Valuation the Accumulated DROP Account Value is included with the Liability of the Plan.

CITY OF AOPKA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL) Entry Age</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a % of Covered Payroll</u> [(b-a)/c]
9/30/12	\$ 29,111,823	\$ 33,238,719	\$ 4,126,896	87.58%	\$ 4,893,755	84.33%
9/30/11	26,787,695	31,182,216	4,394,521	85.91%	4,332,162	101.44%
9/30/10	26,525,820	28,860,892	2,335,072	91.91%	4,619,039	50.55%
9/30/09	25,378,656	26,804,543	1,425,887	94.68%	4,569,611	31.20%
9/30/08	23,504,901	23,834,202	329,301	98.62%	4,638,508	7.10%
9/30/07	21,489,030	21,500,596	11,566	99.95%	4,091,218	0.28%
9/30/06	18,484,173	19,032,984	548,811	97.12%	4,005,508	13.70%
9/30/05	15,898,811	16,926,976	1,028,165	93.93%	3,667,176	28.04%
9/30/04	14,131,057	15,223,759	1,092,702	92.82%	3,147,298	34.72%
9/30/03	12,896,540	12,896,540	-	100.00%	3,290,749	0.00%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>City's Contribution</u>	<u>State Excise Tax</u>	<u>Percentage Contributed</u>
2012	\$ 1,359,939	\$ 1,201,591	\$ 252,841 *	106.95%
2011	1,322,488	1,102,685	252,841 *	102.50%
2010	1,240,312	1,159,861	252,841 *	113.90%
2009	1,241,509	1,063,964	252,841 *	106.06%
2008	1,168,305	1,001,421	252,841 *	107.36%
2007	1,129,194	929,917	252,841 *	104.74%
2006	974,392	839,417	252,841 *	112.10%
2005	1,000,748	805,435	252,841 *	98.71%
2004	877,789	695,395	182,403 *	100.00%
2003	617,775	435,372	182,403 *	100.00%

* "Frozen" per Florida Statutes Chapter 175, as amended

CITY OF AOPKA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets ¹</u> (a)	<u>Actuarial Accrued Liability (AAL) Entry Age</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a % of Covered Payroll</u> [(b-a)/c]
9/30/12	\$ 23,480,216	\$ 27,895,903	\$ 4,415,687	84.17%	\$ 4,621,781	95.54%
9/30/11	22,017,631	26,022,103	4,004,472	84.61%	4,164,301	96.16%
9/30/10	21,780,927	24,494,656	2,713,729	88.92%	4,115,944	65.93%
9/30/09	21,389,797	24,332,139	2,942,341	87.91%	4,115,814	71.49%
9/30/08	20,086,629	22,199,137	2,112,508	90.48%	4,313,003	48.98%
9/30/07	18,028,112	20,825,418	2,797,306	86.57%	3,895,788	71.80%
9/30/06	16,059,007	19,437,972	3,378,965	82.62%	3,746,757	90.18%
9/30/05	14,227,281	17,563,335	3,336,054	81.01%	3,544,477	94.12%
9/30/04	12,901,642	16,045,913	3,144,271	80.40%	3,202,177	98.19%
9/30/03	12,123,151	11,630,261	(492,890)	104.24%	3,112,401	-15.84%

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>City's Contribution</u>	<u>State Excise Tax ²</u>	<u>Percentage Contributed</u>
2012	\$ 796,740	\$ 702,542	\$ 165,010 *	108.89%
2011	791,408	597,504	165,010 *	96.35%
2010	755,247	721,154	165,010 *	117.33%
2009	741,066	656,728	165,010 *	110.89%
2008	743,806	638,479	165,010 *	108.02%
2007	745,715	603,939	165,010 *	103.12%
2006	675,825	576,563	165,010 *	109.73%
2005	862,782	734,783	165,010 *	104.29%
2004	780,297	639,608	158,419	102.27%
2003	630,352	526,635	140,706	105.87%

* "Frozen" per Florida Statutes Chapter 175.

1 Beginning with the October 1, 2009 Actuarial Valuation the Accumulated DROP Account Value is included with the Liability of the Plan.

2 There was an unavoidable delay in the State of Florida 's approval of the City's 2010 Annual Report for this pension trust fund which caused the State to delay remittance of the State Excise Tax until the next fiscal year 2011.

CITY OF APOPKA, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS

SCHEDULE OF FUNDING PROGRESS

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
10/1/12	\$ -	\$ 27,060,537	\$ 27,060,537	0.00%	\$ 18,874,190	143%
10/1/10	\$ -	\$ 24,289,582	\$ 24,289,582	0.00%	\$ 16,941,501	143%
10/1/08	\$ -	\$ 20,052,000	\$ 20,052,000	0.00%	\$ 18,345,660	109%

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Increase in Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
2012	\$ 3,471,325	24.08%	\$ 2,635,325	\$ 10,380,203
2011	\$ 3,144,565	23.60%	\$ 2,402,565	\$ 7,744,878
2010	\$ 3,162,665	17.93%	\$ 2,595,665	\$ 5,342,313
2009	\$ 3,188,648	13.86%	\$ 2,746,648	\$ 2,746,648

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF APOPKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012

SPECIAL REVENUE FUNDS

	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees
ASSETS				
Cash and cash equivalents	\$ 826,033	\$ 151,795	\$ 6,285,813	\$ 77,075
Accounts receivable	26,998	-	231	-
Due from other governments	114,493	-	-	-
Total Assets	\$ 967,524	\$ 151,795	\$ 6,286,044	\$ 77,075
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 46,290	\$ -	\$ 120	\$ -
Accrued liabilities	3,905	-	-	-
Due to pension beneficiaries	3,516	-	-	-
Due to other funds	2,465	-	-	-
Deposits	5,667	-	-	-
Total Liabilities	61,843	-	120	-
Fund Balances:				
Restricted	905,681	151,795	-	-
Committed	-	-	6,285,924	77,075
Total Liabilities and Fund Balances	\$ 967,524	\$ 151,795	\$ 6,286,044	\$ 77,075

CITY OF APOPKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2012

<u>Stormwater</u>	<u>Community Redevelopment</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 2,356,038	\$ 2,094,388	\$ 11,791,142
-	-	27,229
-	-	114,493
<u>\$ 2,356,038</u>	<u>\$ 2,094,388</u>	<u>\$ 11,932,864</u>
\$ 5,410	\$ -	\$ 51,820
-	-	3,905
-	-	3,516
-	-	2,465
-	-	5,667
<u>5,410</u>	<u>-</u>	<u>67,373</u>
-		1,057,476
<u>2,350,628</u>	<u>2,094,388</u>	<u>10,808,015</u>
<u>\$ 2,356,038</u>	<u>\$ 2,094,388</u>	<u>\$ 11,932,864</u>

CITY OF APOPKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

SPECIAL REVENUE FUNDS

	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees
REVENUES				
Taxes	\$ 1,308,220	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	524,897	-	-	-
Fines and forfeitures	-	73,968	-	-
Impact fees	-	-	1,987,286	64,119
Investment earnings	3,167	399	18,471	168
Miscellaneous revenues	15,408	-	-	-
Total Revenues	1,851,692	74,367	2,005,757	64,287
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	11,259	-	-
Transportation	2,434,648	-	19,015	-
Environmental	-	-	-	-
Culture/Recreation	-	-	-	930
Capital outlay	61,516	-	92,689	16,905
Total Expenditures	2,496,164	11,259	111,704	17,835
Excess (Deficit) of Revenues Over (Under) Expenditures	(644,472)	63,108	1,894,053	46,452
OTHER FINANCING SOURCES (USES)				
Transfers in	479,685	-	-	-
Transfers out	(101,120)	-	(152,490)	-
Total Other Financing Sources (Uses)	378,565	-	(152,490)	-
Net Change in Fund Balances	(265,907)	63,108	1,741,563	46,452
Fund Balances at Beginning of Year:				
Restricted	1,171,588	88,687	-	-
Committed	-	-	4,544,361	30,623
Total Fund Balances at Beginning of Year	1,171,588	88,687	4,544,361	30,623
Fund Balances at End of Year:				
Restricted	905,681	151,795	-	-
Committed	-	-	6,285,924	77,075
Total Fund Balances at End of Year	\$ 905,681	\$ 151,795	\$ 6,285,924	\$ 77,075

CITY OF AOPKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

<u>Stormwater</u>	<u>Community Redevelopment</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 111,453	\$ 1,419,673
-	135,051	135,051
399,479	-	924,376
-	-	73,968
-	-	2,051,405
9,927	9,508	41,640
-	-	15,408
409,406	256,012	4,661,521
-	-	-
-	10,314	10,314
-	-	11,259
-	-	2,453,663
34,295	-	34,295
-	-	930
13,976	11,066	196,152
48,271	21,380	2,706,613
361,135	234,632	1,954,908
-	-	479,685
(127,370)	(1,313,356)	(1,694,336)
(127,370)	(1,313,356)	(1,214,651)
233,765	(1,078,724)	740,257
-	-	1,260,275
2,116,863	3,173,112	9,864,959
2,116,863	3,173,112	11,125,234
-	-	1,057,476
2,350,628	2,094,388	10,808,015
\$ 2,350,628	\$ 2,094,388	\$ 11,865,491

CITY OF AOPKA, FLORIDA
STREETS IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,394,500	\$ 1,394,500	\$ 1,308,220	\$ (86,280)
Intergovernmental	-	-	-	-
Charges for services	478,650	478,650	524,897	46,247
Investments earnings	5,000	5,000	3,167	(1,833)
Miscellaneous revenues	5,000	5,000	15,408	10,408
Total Revenues	1,883,150	1,883,150	1,851,692	(31,458)
EXPENDITURES				
Current:				
Transportation	2,413,650	2,253,415	2,434,648	(181,233)
Capital outlay	104,500	37,845	61,516	(23,671)
Total Expenditures	2,518,150	2,291,260	2,496,164	(204,904)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(635,000)	(408,110)	(644,472)	(236,362)
OTHER FINANCING SOURCES (USES)				
Transfers in	443,370	443,370	479,685	36,315
Transfers (out)	(101,120)	(101,120)	(101,120)	-
Total Other Financing Sources (Uses)	342,250	342,250	378,565	36,315
Net Change in Fund Balance	(292,750)	(65,860)	(265,907)	(200,047)
Fund Balances Restricted at Beginning of Year	1,171,588	1,171,588	1,171,588	-
Fund Balances Restricted at End of Year	\$ 878,838	\$ 1,105,728	\$ 905,681	\$ (200,047)

CITY OF APOPKA, FLORIDA
LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 73,968	\$ 73,968
Interest			399	399
Total Revenues	<u>-</u>	<u>-</u>	<u>74,367</u>	<u>74,367</u>
EXPENDITURES				
Current:				
Public safety	-	11,500	11,259	241
Capital outlay	<u>-</u>		<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>11,500</u>	<u>11,259</u>	<u>241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(11,500)</u>	<u>63,108</u>	<u>74,608</u>
Net Change in Fund Balance	-	(11,500)	63,108	74,608
Fund Balances Restricted at Beginning of Year	<u>88,687</u>	<u>88,687</u>	<u>88,687</u>	<u>-</u>
Fund Balances Restricted at End of Year	<u><u>\$ 88,687</u></u>	<u><u>\$ 77,187</u></u>	<u><u>\$ 151,795</u></u>	<u><u>\$ 74,608</u></u>

CITY OF AOPKA, FLORIDA
TRANSPORTATION IMPACT FEES FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Impact fees	\$ 675,000	\$ 675,000	\$ 1,987,286	\$ 1,312,286
Investments Earnings	20,000	20,000	18,471	(1,529)
Total Revenues	<u>695,000</u>	<u>695,000</u>	<u>2,005,757</u>	<u>1,310,757</u>
EXPENDITURES				
Current:				
Transportation	116,630	116,630	19,015	97,615
Capital outlay	<u>545,870</u>	<u>492,745</u>	<u>92,689</u>	<u>400,056</u>
Total Expenditures	<u>662,500</u>	<u>609,375</u>	<u>111,704</u>	<u>497,671</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,500</u>	<u>85,625</u>	<u>1,894,053</u>	<u>1,808,428</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(32,500)</u>	<u>(85,625)</u>	<u>(152,490)</u>	<u>(66,865)</u>
Total Other Financing Sources (Uses)	<u>(32,500)</u>	<u>(85,625)</u>	<u>(152,490)</u>	<u>(66,865)</u>
Net Change in Fund Balance	-	-	1,741,563	1,741,563
Fund Balances Committed at Beginning of Year	<u>4,544,361</u>	<u>4,544,361</u>	<u>4,544,361</u>	<u>-</u>
Fund Balances Committed at End of Year	<u><u>\$ 4,544,361</u></u>	<u><u>\$ 4,544,361</u></u>	<u><u>\$ 6,285,924</u></u>	<u><u>\$ 1,741,563</u></u>

CITY OF APOPKA, FLORIDA
RECREATION IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Impact fees	\$ 35,000	\$ 35,000	\$ 64,119	\$ 29,119
Investment earnings	250	250	168	(82)
Total Revenues	<u>35,250</u>	<u>35,250</u>	<u>64,287</u>	<u>29,037</u>
EXPENDITURES				
Current:				
Culture/Recreation	930	930	930	-
Debt Service	14,220	14,220	-	14,220
Capital Outlay	<u>20,100</u>	<u>20,100</u>	<u>16,905</u>	<u>3,195</u>
Total Expenditures	<u>35,250</u>	<u>35,250</u>	<u>17,835</u>	<u>17,415</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>46,452</u>	<u>46,452</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>46,452</u>	<u>46,452</u>
Fund Balances Committed at Beginning of Year	<u>30,623</u>	<u>30,623</u>	<u>30,623</u>	<u>-</u>
Fund Balances Committed at End of Year	<u><u>\$ 30,623</u></u>	<u><u>\$ 30,623</u></u>	<u><u>\$ 77,075</u></u>	<u><u>\$ 46,452</u></u>

CITY OF AOPKA, FLORIDA
STORMWATER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 412,000	\$ 412,000	\$ 399,479	\$ (12,521)
Investments Earnings	9,200	9,200	9,927	727
Total Revenues	<u>421,200</u>	<u>421,200</u>	<u>409,406</u>	<u>(11,794)</u>
EXPENDITURES				
Current:				
Environmental	42,410	42,410	34,295	8,115
Capital outlay	<u>251,420</u>	<u>251,420</u>	<u>13,976</u>	<u>237,444</u>
Total Expenditures	<u>293,830</u>	<u>293,830</u>	<u>48,271</u>	<u>245,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>127,370</u>	<u>127,370</u>	<u>361,135</u>	<u>233,765</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(127,370)</u>	<u>(127,370)</u>	<u>(127,370)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(127,370)</u>	<u>(127,370)</u>	<u>(127,370)</u>	<u>-</u>
Net Change in Fund Balance	-	-	233,765	233,765
Fund Balances Committed at Beginning of Year	<u>2,116,863</u>	<u>2,116,863</u>	<u>2,116,863</u>	<u>-</u>
Fund Balances Committed at End of Year	<u><u>\$ 2,116,863</u></u>	<u><u>\$ 2,116,863</u></u>	<u><u>\$ 2,350,628</u></u>	<u><u>\$ 233,765</u></u>

CITY OF APOPKA, FLORIDA
COMMUNITY REDEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 111,500	\$ 111,500	\$ 111,453	\$ (47)
Intergovernmental revenues	160,000	160,000	135,051	(24,949)
Investment earnings	12,000	12,000	9,508	(2,492)
	<u>283,500</u>	<u>283,500</u>	<u>256,012</u>	<u>(27,488)</u>
EXPENDITURES				
Current:				
General government	283,500	283,500	10,314	273,186
Capital Outlay	-	20,000	11,066	8,934
	<u>283,500</u>	<u>303,500</u>	<u>21,380</u>	<u>282,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(20,000)</u>	<u>234,632</u>	<u>254,632</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(1,313,356)	(1,313,356)	-
	<u>-</u>	<u>(1,313,356)</u>	<u>(1,313,356)</u>	<u>-</u>
Net Change in Fund Balance	-	(1,333,356)	(1,078,724)	254,632
Fund Balances Committed at Beginning of Year	<u>3,173,112</u>	<u>3,173,112</u>	<u>3,173,112</u>	<u>-</u>
Fund Balances Committed at End of Year	<u><u>\$ 3,173,112</u></u>	<u><u>\$ 1,839,756</u></u>	<u><u>\$ 2,094,388</u></u>	<u><u>\$ 254,632</u></u>

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF APOPKA, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
September 30, 2012

	Balance September 30, 2011	Additions	Deletions	Balance September 30, 2012
Government Funds Capital Assets				
Land	\$ 26,525,760	\$ 253,600	\$ -	\$ 26,779,360
Buildings	12,076,454	949,239	-	13,025,693
Improvements Other Than Buildings	88,643,482	2,385,180	-	91,028,662
Machinery and Equipment	14,356,211	467,296	(163,613)	14,659,894
Automotive Equipment	8,662,304	678,621	(282,453)	9,058,472
Construction in Progress	6,052,076	288,987	(3,172,520)	3,168,543
	<u>\$156,316,287</u>	<u>\$ 5,022,923</u>	<u>\$ (3,618,586)</u>	<u>\$ 157,720,624</u>

Investment in Governmental Funds Capital Assets by Source

General Fund	\$ 57,320,853	\$ 2,315,413	\$ (1,188,710)	\$ 58,447,557
State of Florida Grants	995,505	143,325	(23,567)	1,115,262
Road Impact Fees Fund	23,358,167	92,689	-	23,450,856
Recreational Impact Fees Fund	12,251,595	2,300,439	(2,283,533)	12,268,500
Customers and Citizens	251,718	-	-	251,718
Local Option Gas Tax Fund	3,058,327	61,518	-	3,119,846
Federal Revenue Sharing	206,506	-	(1,286)	205,220
County and State Donations	70,547	-	-	70,547
Law Enforcement Trust Fund	221,438	-	-	221,438
Community Redevelopment Agency	987,371	11,066	-	998,437
Investments - Developers	56,194,424	84,497	-	56,278,921
Investment in Stormwater Assets	1,399,837	13,976	(121,490)	1,292,323
	<u>\$156,316,287</u>	<u>\$ 5,022,923</u>	<u>\$ (3,618,586)</u>	<u>\$ 157,720,624</u>

CITY OF AOPKA, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
September 30, 2012

	Balance September 30, 2011	Additions	Deletions	Balance September 30, 2012
Government Funds Capital Assets				
Land	\$ 26,525,760	\$ 253,600	\$ -	\$ 26,779,360
Buildings	12,076,454	949,239	-	13,025,693
Improvements Other Than Buildings	88,643,482	2,385,180	-	91,028,662
Machinery and Equipment	14,356,211	467,296	(163,613)	14,659,894
Automotive Equipment	8,662,304	678,621	(282,453)	9,058,472
Construction in Progress	6,052,076	288,987	(3,172,520)	3,168,543
	<u>\$ 156,316,287</u>	<u>\$ 5,022,923</u>	<u>\$ (3,618,586)</u>	<u>\$ 157,720,624</u>

Investment in Governmental Funds Capital Assets by Source

General Fund	\$ 57,320,853	\$ 2,315,413	\$ (1,188,710)	\$ 58,447,557
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Recreational Impact Fees Fund	12,251,595	2,300,439	(2,283,533)	12,268,500
Customers and Citizens	251,718	-	-	251,718
Local Option Gas Tax Fund	3,058,327	61,518	-	3,119,846
Federal Revenue Sharing	206,506	-	(1,286)	205,220
County and State Donations	70,547	-	-	70,547
Law Enforcement Trust Fund	221,438	-	-	221,438
Community Redevelopment Agency	987,371	11,066	-	998,437
Investments - Developers	56,194,424	84,497	-	56,278,921
Investment in Stormwater Assets	1,399,837	13,976	(121,490)	1,292,323
	<u>\$ 156,316,287</u>	<u>\$ 5,022,923</u>	<u>\$ (3,618,586)</u>	<u>\$ 157,720,624</u>

CITY OF AOPKA, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
For the Year Ended September 30, 2012

Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Automotive Equipment	Construction in Progress
General Government:							
Administration	\$ 24,338,270	\$ 17,406,533	\$ 6,050,778	\$ 207,332	\$ 609,768	\$ 63,859	\$ -
City Clerk	76,031	-	-	-	76,031	-	-
Financing	1,012,011	-	4,066	-	964,928	43,017	-
Planning	1,182,810	144,600	4,456	842,771	115,233	75,750	-
Zoning	5,058	-	-	-	5,058	-	-
Total General Government	26,614,180	17,551,133	6,059,300	1,050,103	1,771,018	182,626	-
Public Safety:							
Police Protection	5,705,362	342,510	1,245,015	11,695	1,800,030	2,306,112	-
Fire Protection	17,397,991	200,301	4,310,202	65,904	9,334,393	3,487,191	-
Ambulance	1,591,480	-	-	-	449,979	1,141,501	-
Building	1,136,321	63,600	705,816	58,312	177,642	130,951	-
Total Public Safety	25,831,154	606,411	6,261,033	135,911	11,762,044	7,065,755	-
Parks and Recreation:							
Parks	3,580,794	246,549	29,307	2,492,989	213,102	598,847	-
Recreation	11,722,939	453,725	672,789	10,060,611	327,384	208,430	-
Total Parks and Recreation	15,303,733	700,274	702,096	12,553,600	540,486	807,277	-
Other:							
Highways and Streets	84,775,560	7,921,541	-	75,766,671	282,357	804,991	-
Garage Maintenance	799,705	-	3,264	494,792	261,382	40,267	-
Stormwater	1,227,749	-	-	1,027,585	42,607	157,557	-
Total Other	86,803,014	7,921,541	3,264	77,289,048	586,346	1,002,815	-
Construction in Progress	3,168,543	-	-	-	-	-	3,168,543
Total Capital Assets	\$ 157,720,624	\$ 26,779,360	\$ 13,025,693	\$ 91,028,662	\$ 14,659,893	\$ 9,058,473	\$ 3,168,543

CITY OF AOPKA, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended September 30, 2012

Function and Activity	Governmental Funds Capital Assets October 1, 2011	Additions	Deletions	Governmental Funds Capital Assets September 30, 2012
General Government:				
Administration	\$ 23,471,208	\$ 981,350	\$ (114,287)	\$ 24,338,271
City Clerk	76,032	-	-	76,032
Finance	851,289	161,625	(903)	1,012,011
Planning	1,176,340	11,066	(4,596)	1,182,810
Zoning	5,058	-	-	5,058
Total General Government	25,579,927	1,154,041	(119,786)	26,614,182
Public Safety:				
Police Protection	5,350,724	463,707	(109,068)	5,705,363
Fire Protection	17,309,414	117,198	(28,621)	17,397,991
Ambulance	1,298,117	302,093	(8,731)	1,591,479
Building	1,053,419	100,829	(17,926)	1,136,322
Total Public Safety	25,011,674	983,827	(164,346)	25,831,155
Parks and Recreation:				
Parks	3,560,989	43,889	(24,084)	3,580,794
Recreation	9,408,497	2,330,802	(16,359)	11,722,940
Total Parks and Recreation	12,969,486	2,374,691	(40,443)	15,303,734
Other:				
Highways and Streets	84,698,276	77,283	-	84,775,559
Garage Maintenance	669,586	130,119	-	799,705
Stormwater	1,335,263	13,976	(121,490)	1,227,749
Total Other	86,703,126	221,378	(121,490)	86,803,014
Construction in Progress	6,052,076	288,987	(3,172,520)	3,168,543
Total Capital Assets	\$ 156,316,289	\$ 5,022,923	\$ (3,618,586)	\$ 157,720,624

SCHEDULE OF BUDGETARY COMPLIANCE

The City Council adopted budget resolutions for all governmental and proprietary fund types. The budgets for the Enterprise Funds are adopted on an accounting basis other than in accordance with generally accepted accounting principles (GAAP). The schedule in this section is presented to report legal compliance with the City's budget resolutions.

CITY OF APOPKA, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)
ALL ENTERPRISE FUNDS
For the Year Ended September 30, 2012

	Utility System		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Permits and fees	\$ -		\$ -
Intergovernmental grants	57,225	205,628	148,403
Water charges for services	5,012,500	5,765,969	753,469
Sewer charges for services	5,000,500	5,479,371	478,871
Reclaimed water sales	2,650,000	2,821,403	171,403
Impact fees	1,322,640	2,031,826	709,186
Sanitation charges for services	-	-	-
Miscellaneous revenues	139,625	886,674	747,049
Interest income	113,100	89,626	(23,474)
Backflow fees	21,000	-	(21,000)
Effluent penalties	30,000	-	(30,000)
Developers contributions	-	75,805	75,805
Gain on disposal of fixed assets	-	41,647	41,647
Transfers in	399,430	399,430	-
Service & late charges	450,000	-	(450,000)
Increase in net pension obligation	-	-	-
Total Revenues	15,196,020	17,797,379	2,601,359
EXPENSES			
Utility administration	670,395	671,334	(939)
Water plant operations	2,099,670	1,749,467	350,203
Wastewater treatment plant operations	2,734,251	2,731,754	2,497
Utility construction operations	653,500	482,249	171,251
Water maintenance	1,268,670	1,243,827	24,843
Utility billing	681,385	673,857	7,528
Wastewater maintenance	1,100,560	1,059,581	40,979
Operating charges	-	-	-
Utility restoration	232,730	244,594	(11,864)
Design engineering	482,185	416,860	65,325
Interest expense	933,820	938,793	(4,973)
Bond issuance costs & discounts	34,070	48,791	(14,721)
Debt service - principal	565,110	645,000	(79,890)
Transfers out	3,354,200	3,156,200	198,000
Capital asset purchases	1,755,958	1,164,695	591,263
Total Expenses	16,566,504	15,227,002	1,339,502
Excess (Deficit) of Revenues over (under) Expenses	\$ (1,370,484)	\$ 2,570,377	\$ 3,940,861

CITY OF APOPKA, FLORIDA
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BASIS OTHER THAN GAAP)
ALL ENTERPRISE FUNDS
For the Year Ended September 30, 2012

Sanitation			Totals		
Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 37,000	\$ 34,695	\$ (2,305)	\$ 37,000	\$ 34,695	\$ (2,305)
-	-	-	57,225	205,628	148,403
-	-	-	5,012,500	5,765,969	753,469
-	-	-	5,000,500	5,479,371	478,871
-	-	-	2,650,000	2,821,403	171,403
-	-	-	1,322,640	2,031,826	709,186
3,705,000	3,624,241	(80,759)	3,705,000	3,624,241	(80,759)
156,000	174,701	18,701	295,625	1,061,375	765,750
5,000	3,706	(1,294)	118,100	93,332	(24,768)
-	-	-	21,000	-	(21,000)
-	-	-	30,000	-	(30,000)
-	-	-	-	75,805	75,805
-	-	-	-	41,647	41,647
-	-	-	399,430	399,430	-
-	-	-	450,000	-	(450,000)
-	2,869	2,869	-	2,869	2,869
<u>3,903,000</u>	<u>3,840,212</u>	<u>(62,788)</u>	<u>19,099,020</u>	<u>21,637,591</u>	<u>2,538,571</u>
-	-	-	670,395	671,334	(939)
-	-	-	2,099,670	1,749,467	350,203
-	-	-	2,734,251	2,731,754	2,497
-	-	-	653,500	482,249	171,251
-	-	-	1,268,670	1,243,827	24,843
-	-	-	681,385	673,857	7,528
-	-	-	1,100,560	1,059,581	40,979
3,087,580	3,086,388	1,192	3,087,580	3,086,388	1,192
-	-	-	232,730	244,594	(11,864)
-	-	-	482,185	416,860	65,325
2,800	653	2,147	936,620	939,446	(2,826)
-	-	-	34,070	48,791	(14,721)
137,900	137,849	51	703,010	782,849	(79,839)
713,420	713,420	-	4,067,620	3,869,620	198,000
18,572	271,057	(252,485)	1,774,530	1,435,752	338,778
<u>3,960,272</u>	<u>4,209,367</u>	<u>(249,095)</u>	<u>20,526,776</u>	<u>19,436,369</u>	<u>1,090,407</u>
<u>\$ (57,272)</u>	<u>\$ (369,155)</u>	<u>\$ (311,883)</u>	<u>\$ (1,427,756)</u>	<u>\$ 2,201,222</u>	<u>\$ 3,628,978</u>

STATISTICAL SECTION

Statistical Section

This section of the City of Apopka'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 city's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

90-95

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

96-99

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

100-105

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

106-107

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

108-110

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1
City of Apopka
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Net Assets	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 36,351,099	\$ 42,005,203	\$ 44,328,638	\$ 68,474,549	\$ 75,019,777	\$ 81,867,799	\$ 84,640,436	\$ 89,506,866	\$ 89,626,466	\$ 87,869,626
Restricted	-	-	-	-	-	-	-	-	2,173,455	2,032,131
Unrestricted	14,511,711	16,097,977	19,636,150	14,170,095	21,352,609	19,096,607	17,563,034	15,338,837	11,595,902	12,831,110
Total governmental activities net assets	\$ 50,862,810	\$ 58,103,180	\$ 63,964,788	\$ 82,644,644	\$ 96,372,386	\$ 100,964,406	\$ 102,203,470	\$ 104,845,703	\$ 103,395,823	\$ 102,732,867
Business-type activities										
Invested in capital assets, net of related debt	\$ 35,495,304	\$ 43,242,276	\$ 45,754,924	\$ 63,315,809	\$ 82,599,985	\$ 84,651,808	\$ 85,287,785	\$ 85,405,361	\$ 87,624,978	\$ 86,015,227
Restricted	8,167,317	15,359,257	15,868,060	16,351,539	15,441,099	13,703,960	12,571,761	12,347,388	9,301,564	9,842,130
Unrestricted	16,599,287	10,523,529	14,631,214	15,837,829	13,923,759	12,822,079	12,589,992	13,569,652	15,640,402	17,283,878
Total business-type activities net assets	\$ 60,261,908	\$ 69,125,062	\$ 76,254,198	\$ 95,505,177	\$ 111,964,843	\$ 111,177,847	\$ 110,449,538	\$ 111,322,401	\$ 112,566,944	\$ 113,141,235
Total Net Assets										
Primary government										
Invested in capital assets, net of related debt	\$ 71,846,403	\$ 85,247,479	\$ 90,083,562	\$ 131,790,358	\$ 157,619,762	\$ 166,519,607	\$ 169,928,221	\$ 174,912,227	\$ 177,251,444	\$ 173,884,853
Restricted	8,167,317	15,359,257	15,868,060	16,351,539	15,441,099	13,703,960	12,571,761	12,347,388	11,475,019	11,874,261
Unrestricted	31,110,998	26,621,506	34,267,364	30,007,924	35,276,368	31,918,686	30,153,026	28,908,489	27,236,304	30,114,988
Total primary government net assets	\$ 111,124,718	\$ 127,228,242	\$ 140,218,986	\$ 178,149,821	\$ 208,337,229	\$ 212,142,253	\$ 212,653,008	\$ 216,168,104	\$ 215,962,767	\$ 215,874,102

Schedule 2
City of Apopka
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses										
Governmental activities:										
General government	\$ 2,685,547	\$ 2,897,793	\$ 3,116,233	\$ 3,551,953	\$ 4,935,306	\$ 5,305,919	\$ 5,489,298	\$ 7,066,267	\$ 6,042,003	\$ 6,995,371
Public safety	14,313,409	15,732,340	16,711,993	17,580,932	16,689,550	18,164,762	20,734,113	20,687,224	22,686,115	23,502,477
Transportation	3,477,128	3,780,499	4,300,499	3,867,445	5,249,964	5,201,553	4,963,392	5,309,419	5,016,376	5,440,391
Environmental	67,593	46,290	73,077	53,249	210,749	247,288	181,210	189,307	479,130	203,250
Culture and recreation	2,037,993	2,178,520	2,265,884	2,514,450	2,795,810	2,983,580	2,987,478	2,744,468	3,197,661	2,699,130
Nondepartmental	221,690	-	-	-	-	-	-	-	-	-
Interest on long-term debt	146,225	171,134	207,561	193,573	391,093	443,330	611,994	609,818	557,059	501,906
Total governmental activities expenses	22,949,585	24,806,576	26,675,247	27,761,602	30,272,472	32,346,432	34,967,485	36,606,503	37,978,344	39,342,525
Business-type activities:										
Utility system	8,738,248	10,260,441	10,568,410	10,872,355	12,386,827	13,305,265	13,471,277	13,483,200	13,633,236	13,793,770
Sanitation	2,118,538	2,227,185	2,441,539	2,581,418	2,753,466	3,072,999	3,043,158	3,087,328	3,260,503	3,397,041
Total business-type activities expenses	10,856,786	12,487,626	13,009,949	13,453,773	15,140,293	16,378,264	16,514,435	16,570,528	16,893,739	17,190,811
Total primary government expenses	\$ 33,806,371	\$ 37,294,202	\$ 39,685,196	\$ 41,215,375	\$ 45,412,765	\$ 48,724,696	\$ 51,481,920	\$ 53,177,031	\$ 54,872,083	\$ 56,533,336

Schedule 2
City of Apopka
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,185,090	\$ 1,449,264	\$ 1,679,288	\$ 2,201,272	\$ 1,926,447	\$ 1,507,285	\$ 1,098,254	\$ 1,257,853	\$ 1,308,182	\$ 1,835,687
Public safety	1,051,406	1,044,043	1,558,218	1,956,359	1,962,364	1,725,278	2,398,293	3,330,192	3,647,620	4,664,249
Transportation	1,380,975	1,072,263	285,492	310,633	355,561	415,322	457,683	579,970	475,389	576,498
Environmental	268,705	300,197	294,090	332,965	366,632	387,902	393,675	398,607	400,948	409,741
Culture/Recreation	418,420	516,437	466,333	524,306	621,851	568,682	491,736	501,540	516,993	731,740
Intergovernmental revenues	4,978,154	4,975,607	-	-	-	-	-	-	-	-
Miscellaneous revenues	726,619	1,115,565	857,500	544,450	765,159	-	-	-	-	-
Operating grants and contributions	335,378	216,261	6,137,258	7,082,427	7,740,575	7,243,988	6,767,072	6,777,070	7,616,070	7,658,910
Capital grants and contributions	227,296	6,687,436	4,156,091	14,083,048	8,875,440	2,671,242	2,258,090	4,364,266	1,570,734	2,474,554
Total governmental activities program revenues	10,572,043	17,377,073	15,434,270	27,035,460	22,614,029	14,519,699	13,864,803	17,209,498	15,535,936	18,351,379
Business-type activities:										
Charges for services:										
Utility System:										
Water Sales	\$ 3,713,100	\$ 4,028,607	\$ 4,327,472	\$ 4,828,172	\$ 4,749,889	\$ 4,410,791	\$ 4,478,286	\$ 4,766,796	\$ 5,371,826	\$ 5,765,969
Sewer sales	3,553,019	3,826,451	4,238,536	4,534,005	4,602,238	4,611,793	4,773,408	4,926,149	5,167,002	5,479,371
Reclaimed water sales	294,041	460,630	758,221	1,494,097	1,858,668	1,660,928	2,295,690	2,329,372	2,836,583	2,821,403
Miscellaneous revenues	1,462,377	2,101,514	970,203	1,031,958	1,023,591	863,154	884,454	1,052,384	834,899	886,674
Sanitation:										
Sanitation fees	2,243,297	2,848,844	2,768,191	3,034,873	3,587,192	3,645,799	3,555,180	3,571,548	3,603,016	3,624,241
Fines	-	-	-	-	-	-	-	-	151	-
Miscellaneous revenues	102,193	91,921	113,099	159,102	196,972	160,625	205,438	156,106	169,276	174,701
Operating grants and contributions	-	203,113	536,784	695,798	143,800	-	-	-	-	205,628
Capital grants and contributions	3,640,762	10,169,673	8,186,092	18,348,214	12,276,114	2,296,960	2,329,512	3,549,287	3,282,439	2,107,631
Total business-type activities program revenues	15,008,789	23,730,753	21,898,598	34,126,219	28,438,464	17,650,050	18,521,968	20,351,642	21,265,192	21,065,618
Total primary government program revenues	\$ 25,580,832	\$ 41,107,826	\$ 37,332,868	\$ 61,161,679	\$ 51,052,493	\$ 32,169,749	\$ 32,386,771	\$ 37,561,140	\$ 36,801,128	\$ 39,416,997
Net (Expense)/Revenue										
Governmental activities	\$ (12,377,542)	\$ (7,429,503)	\$ (11,240,977)	\$ (726,142)	\$ (7,658,443)	\$ (17,826,733)	\$ (21,102,682)	\$ (19,397,005)	\$ (22,442,408)	\$ (20,991,146)
Business-type activities	4,152,003	11,243,127	8,888,649	20,672,446	13,298,171	1,271,786	2,007,533	3,781,114	4,371,453	3,874,807
Total primary government net (expense) revenue	\$ (8,225,539)	\$ 3,813,624	\$ (2,352,328)	\$ 19,946,304	\$ 5,639,728	\$ (16,554,947)	\$ (19,095,149)	\$ (15,615,891)	\$ (18,070,955)	\$ (17,116,339)

Schedule 2
City of Apopka
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 4,743,780	\$ 5,074,197	\$ 5,197,868	\$ 6,471,344	\$ 8,231,638	\$ 8,481,780	\$ 9,045,565	\$ 8,032,965	\$ 6,967,591	\$ 6,708,582
Franchise taxes, utility taxes and communication service tax	4,915,940	5,723,573	6,382,981	8,054,282	7,845,792	7,964,942	8,266,402	8,910,570	8,731,059	8,328,612
Gasoline taxes	1,093,976	1,163,519	1,254,216	1,263,340	1,285,046	1,317,758	1,308,117	1,325,623	1,319,668	1,308,220
Sale of capital assets	-	-	704,354	(174,682)	108,193	59,491	24,024	33,154	70,046	(100,645)
Miscellaneous revenues	-	-	-	-	-	920,771	604,493	509,462	503,969	490,664
Investment earnings	343,594	400,466	679,287	1,076,933	1,125,816	752,842	189,145	129,714	120,395	122,567
Transfers	2,638,140	2,930,440	2,650,000	2,714,781	2,789,700	2,921,169	2,904,000	3,097,750	3,279,800	3,470,190
Total governmental activities	13,735,430	15,292,195	16,868,706	19,405,998	21,386,185	22,418,753	22,341,746	22,039,238	20,992,528	20,328,190
Business-type activities:										
Sale of capital assets	-	-	32,525	-	4,442,648	28,921	3,800	27,453	12,099	41,647
Investment earnings	491,215	550,467	857,962	1,293,314	1,508,547	833,466	164,358	111,290	108,952	93,332
Franchise taxes	-	-	-	-	-	-	-	36,999	31,839	34,695
Miscellaneous revenues	-	-	-	-	-	-	-	13,757	-	-
Transfers	(2,638,140)	(2,930,440)	(2,650,000)	(2,714,781)	(2,789,700)	(2,921,169)	(2,904,000)	(3,097,750)	(3,279,800)	(3,470,190)
Total business-type activities	(2,146,925)	(2,379,973)	(1,759,513)	(1,421,467)	3,161,495	(2,058,782)	(2,735,842)	(2,908,251)	(3,126,910)	(3,300,516)
Total primary government	\$ 11,588,505	\$ 12,912,222	\$ 15,109,193	\$ 17,984,531	\$ 24,547,680	\$ 20,359,971	\$ 19,605,904	\$ 19,130,987	\$ 17,865,618	\$ 17,027,674
Change in Net Assets										
Governmental activities	\$ 1,357,888	\$ 7,862,692	\$ 5,627,729	\$ 18,679,856	\$ 13,727,742	\$ 4,592,020	\$ 1,239,064	\$ 2,642,233	\$ (1,449,880)	\$ (662,956)
Business-type activities	6,638,473	8,863,154	7,129,136	19,250,979	16,459,666	(786,996)	(728,309)	872,863	1,244,543	574,291
Total primary government	\$ 7,996,361	\$ 16,725,846	\$ 12,756,865	\$ 37,930,835	\$ 30,187,408	\$ 3,805,024	\$ 510,755	\$ 3,515,096	\$ (205,337)	\$ (88,665)

Schedule 3
City of Apopka
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund										
Reserved	\$ 314,630	\$ 222,607	\$ 208,705	\$ 631,354	\$ 412,662	\$ 237,122	\$ 244,048	\$ 426,277	\$ -	\$ -
Unreserved	7,629,930	10,781,466	12,435,833	6,119,251	7,969,146	6,509,322	7,244,322	8,496,573	-	-
Nonspendable	-	-	-	-	-	-	-	-	1,303,054	204,074
Restricted	-	-	-	-	-	-	-	-	913,180	974,665
Committed	-	-	-	-	-	-	-	-	861,940	940,180
Assigned	-	-	-	-	-	-	-	-	844,546	852,908
Unassigned	-	-	-	-	-	-	-	-	5,505,322	8,812,311
Total general fund	<u>\$ 7,944,560</u>	<u>\$ 11,004,073</u>	<u>\$ 12,644,538</u>	<u>\$ 6,750,605</u>	<u>\$ 8,381,808</u>	<u>\$ 6,746,444</u>	<u>\$ 7,488,370</u>	<u>\$ 8,922,850</u>	<u>\$ 9,428,042</u>	<u>\$ 11,784,138</u>
All Other Governmental Funds										
Reserved	\$ 19,460	\$ 12,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,532,304	5,721,218	7,754,692	7,891,973	12,850,794	12,387,121	12,144,203	10,521,223	-	-
Capital projects funds	320,710	324,990	333,988	350,120	369,588	381,532	384,063	-	-	-
Restricted	-	-	-	-	-	-	-	-	1,260,275	1,057,476
Committed	-	-	-	-	-	-	-	-	9,864,959	10,808,015
Total all other governmental funds	<u>\$ 6,872,474</u>	<u>\$ 6,058,226</u>	<u>\$ 8,088,680</u>	<u>\$ 8,242,093</u>	<u>\$ 13,220,382</u>	<u>\$ 12,768,653</u>	<u>\$ 12,528,266</u>	<u>\$ 10,521,223</u>	<u>\$ 11,125,234</u>	<u>\$ 11,865,491</u>

Schedule 4
City of Apopka
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Taxes	\$ 10,753,696	\$ 11,961,289	\$ 13,078,155	\$ 16,624,047	\$ 18,350,790	\$ 15,633,703	\$ 16,237,692	\$ 15,199,281	\$ 14,322,374	\$ 13,548,609
Licenses, fees and permits	965,407	1,092,013	1,492,522	2,110,855	1,865,371	4,551,440	4,390,989	4,885,499	4,917,670	5,622,483
Intergovernmental Revenues	5,540,828	5,755,711	5,770,224	6,436,594	7,741,708	6,639,760	6,159,652	6,753,008	7,025,456	7,125,242
Charges for services	1,622,473	1,988,398	2,188,213	2,510,617	2,464,173	2,298,587	2,350,133	3,075,549	3,133,490	3,592,856
Fines and forfeitures	271,659	201,870	233,087	338,352	471,299	449,315	1,086,028	1,492,899	1,670,414	2,288,933
Impact Fees	-	-	-	-	3,959,782	1,358,314	686,402	620,555	830,036	2,083,405
Investment earnings	343,594	400,466	679,287	1,076,932	1,125,816	752,841	189,144	128,497	120,394	122,566
Miscellaneous revenues	2,171,676	2,215,488	4,033,488	3,421,797	1,514,021	1,584,136	1,148,004	1,120,841	870,854	841,424
Total revenues	21,669,333	23,615,235	27,474,976	32,519,194	37,492,960	33,268,096	32,248,044	33,276,129	32,890,688	35,225,518
Expenditures										
General government	2,533,753	2,750,211	2,973,073	3,271,693	5,011,669	5,028,209	4,797,013	5,337,598	5,345,545	6,003,034
Public safety	13,286,356	14,607,918	15,519,528	16,738,459	16,175,993	17,346,392	18,330,239	18,344,956	19,187,180	20,184,386
Transportation	1,892,854	2,112,821	2,539,258	2,033,508	3,285,954	3,306,893	2,919,198	3,037,602	3,015,783	3,293,003
Environmental	48,657	23,807	51,854	31,528	188,977	207,368	142,369	141,063	153,360	159,094
Culture / recreation	1,832,560	1,978,008	2,050,963	2,308,470	2,578,367	2,785,184	2,590,285	2,342,587	2,469,829	2,161,492
Nondepartmental	221,690	-	-	-	-	-	-	-	-	-
Capital outlay	3,866,690	4,257,792	2,395,538	15,650,711	15,166,435	8,017,009	9,542,830	5,654,441	2,941,263	1,850,400
Debt service										
Interest	146,224	171,134	207,561	193,573	169,984	463,423	460,974	637,342	590,511	536,680
Principal	577,435	596,804	699,005	698,619	662,789	1,121,880	1,208,584	1,450,853	1,357,814	1,411,275
Grants and aids	18,500	13,422	17,317	47,894	3,000	-	-	-	-	-
Total expenditures	24,424,719	26,511,917	26,454,097	40,974,455	43,243,168	38,276,358	39,991,492	36,946,442	35,061,285	35,599,364
Excess of revenues over (under) expenditures	(2,755,386)	(2,896,682)	1,020,879	(8,455,261)	(5,750,208)	(5,008,262)	(7,743,448)	(3,670,313)	(2,170,597)	(373,846)
Other Financing Sources (Uses)										
Proceeds from borrowing										
Sale of capital assets	-	-	-	-	-	-	24,024	-	-	-
Capital leases proceeds	1,149,839	208,200	-	-	-	-	5,316,963	-	-	-
Note proceeds	-	2,003,307	-	-	9,570,000	-	-	-	-	-
Transfers in	3,152,420	3,743,185	3,264,961	4,115,231	4,075,440	3,948,047	4,074,407	4,990,969	4,328,103	5,630,730
Transfers out	(514,280)	(812,745)	(614,961)	(1,400,450)	(1,285,740)	(1,026,878)	(1,170,407)	(1,893,219)	(1,048,303)	(2,160,541)
Total other financing sources (uses)	3,787,979	5,141,947	2,650,000	2,714,781	12,359,700	2,921,169	8,244,987	3,097,750	3,279,800	3,470,189
Net change in fund balances	\$ 1,032,593	\$ 2,245,265	\$ 3,670,879	\$ (5,740,480)	\$ 6,609,492	\$ (2,087,093)	\$ 501,539	\$ (572,563)	\$ 1,109,203	\$ 3,096,343
Debt service as a percentage of noncapital expenditures	3.5%	3.5%	3.8%	3.5%	3.0%	5.2%	5.5%	6.7%	5.9%	5.8%

Schedule 5
City of Apopka
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended Sept. 30	Residential Property	Commercial Property	Industrial Property	Total Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3.7619
2004	1,051,996	427,552	74,021	1,553,569	324,671	1,228,898	3.7619
2005	1,185,063	471,310	78,705	1,735,078	350,244	1,384,834	3.7619
2006	1,429,082	532,100	85,898	2,047,080	367,553	1,679,527	3.7619
2007	1,865,789	575,106	102,077	2,542,972	385,550	2,157,422	3.7619
2008	2,307,557	673,468	118,556	3,099,581	425,626	2,673,955	3.1738
2009	2,406,309	794,122	124,550	3,324,981	737,387	2,587,594	3.5168
2010	2,125,229	768,370	132,755	3,026,354	757,036	2,269,318	3.5168
2011	1,872,903	708,303	116,618	2,697,824	757,328	1,940,496	3.5166
2012	1,803,977	762,590	166,731	2,733,298	801,139	1,932,159	3.5161

Source: Orange County Property Appraiser's Office: Valuation Trends, Year in Review

Note: Property in the City is reassessed each year. Totals shown are per \$1,000.

Schedule 6
City of Apopka
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates			
	Basic Rate	Total Direct	Orange County	Orange County School Board	St. John's Water Management District	Library
2003	3.7619	3.7619	5.1639	7.8880	0.4620	0.4365
2004	3.7619	3.7619	5.1639	7.5400	0.4620	0.4352
2005	3.7619	3.7619	5.1639	7.7610	0.4620	0.4325
2006	3.7619	3.7619	5.1639	7.1690	0.4620	0.4325
2007	3.7619	3.7619	5.1639	7.1690	0.4620	0.4325
2008	3.1738	3.1738	4.4347	7.1210	0.4158	0.3748
2009	3.5168	3.5168	4.4347	7.6730	0.4158	0.3748
2010	3.5168	3.5168	4.4347	7.8940	0.4158	0.3748
2011	3.5166	3.5166	4.4347	7.8940	0.4158	0.3748
2012	3.5161	3.5161	4.4347	8.4780	0.3313	0.3748

Source: Orange County Property Appraiser's Office

**Schedule 7
City of Apopka
Principal Property Taxpayers,
Current Year and Nine Years Ago**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Coca Cola	\$ 33,324,400	1	1.47%			
TriQuint Inc	25,065,139	2	1.10%	\$ -		
Progress Energy	21,472,397	3	0.95%			
Embarq (Sprint United Management Co.)	18,461,859	4	0.81%	18,029,123	1	2.04%
Woolbright Wekiva LLC	13,031,184	5	0.57%			
TWC Ninety One LTD	12,550,584	6	0.55%	14,818,559	3	1.68%
Oakmont Apopka Road LLC	11,065,209	7	0.49%			
Apopka Associates 2006 LLC	10,420,653	8	0.46%			
Wal-Mart Stores East LP	9,624,018	9	0.42%	10,505,631	5	1.19%
Lowe's Home Centers Inc	9,583,839	10	0.42%			
Colonial Realty LP				16,932,077	2	1.92%
Apopka Regional Shopping Center				10,788,764	4	1.22%
Lakewood at Piedmont LP				10,361,970	6	1.17%
QRS 10-18 FL Inc				10,122,996	7	1.15%
PO's Apolla Florida				6,614,727	8	0.75%
ARC4FL LLC				6,392,625	9	0.72%
Mid Florida Freezer Warehouses Ltd.				6,120,369	10	0.69%
Total	<u>\$ 164,599,282</u>		<u>7.24%</u>	<u>\$ 110,686,841</u>		<u>12.53%</u>

Source: Orange County Property Appraiser's Office

**Schedule 8
City of Apopka
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30,	Taxes Levied for the Fiscal Year *	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years *	Total Collections to Date	
		Amount *	Percentage of Levy *		Amount *	Percentage of Levy *
2003	\$ 4,698,118	\$ 4,492,946	95.63%	\$ 11,386	\$ 4,504,331	95.88%
2004	5,255,395	5,053,649	96.16%	17,775	5,071,424	96.50%
2005	5,880,106	5,665,391	96.35%	19,791	5,685,182	96.69%
2006	7,092,926	6,787,713	95.70%	4,892	6,792,605	95.77%
2007	9,001,580	8,633,048	95.91%	30,426	8,663,474	96.24%
2008	9,311,996	8,903,340	95.61%	16,290	8,919,629	95.79%
2009	9,944,988	9,527,653	95.80%	5,119	9,532,772	95.86%
2010	8,785,190	8,429,895	95.96%	15,192	8,445,087	96.13%
2011	7,557,782	7,254,684	95.99%	23,115	7,277,799	96.30%
2012	7,175,940	6,881,747	95.90%	73,339	6,955,086	96.92%

Source: Orange County Tax Collector's Office

* Years 2003 through 2011 Collections restated for presentation purposes

* Includes CRA Ad Valorem Taxes.

Schedule 9
City of Apopka
Schedule of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Revenue Note	Notes Payable	Capital Leases	Utility Revenue Bonds	Notes Payable	Capital Leases			
2003	\$ 492,000	\$ 2,366,361	\$ 1,068,914	\$ 24,570,000	\$ 709,000	\$ 360,447	\$ 29,566,722	4.49%	\$ 942
2004	461,250	3,911,866	1,120,555	24,100,000	590,000	232,334	30,416,005	4.79%	923
2005	430,500	3,434,000	930,166	23,615,000	471,000	125,133	29,005,799	3.74%	833
2006	399,750	2,963,000	733,297	23,110,000	352,000	63,455	27,621,502	3.23%	741
2007	369,000	12,062,000	572,258	22,585,000	233,000	1,978,982	37,800,240	4.05%	956
2008	338,250	11,091,000	452,128	22,040,000	114,000	1,342,550	35,377,928	3.60%	878
2009	307,500	10,015,000	5,667,257	22,040,000	-	662,994	38,692,751	3.76%	957
2010	276,750	9,150,000	5,112,154	21,475,000	-	405,569	36,419,473	3.46%	876
2011	246,000	8,390,000	4,545,090	20,260,000	-	137,849	33,578,939	2.86%	797
2012	215,250	7,600,000	3,954,566	19,615,000	-	-	31,384,816	2.68%	733

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Schedule 14 for personal income and population data.

Schedule 10
City of Apopka
Schedule of General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Redevelopment Bonds	Total		
2003	\$ -	\$ -	\$ -		\$ -
2004	-	-	-		-
2005	-	-	-		-
2006	-	-	-		-
2007	-	-	-		-
2008	-	-	-		-
2009	-	-	-		-
2010	-	-	-		-
2011	-	-	-		-
2012	-	-	-		-

Note: The City of Apopka has no general bonded debt.

Schedule 11
City of Apopka
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Orange County Library - Bank Loan * Paid off as of 9/30/12	\$ -	%	\$ -
Other debt			-
Subtotal, overlapping debt			
City direct debt			<u>11,769,816</u>
Total direct and overlapping debt			<u><u>\$ 11,769,816</u></u>

Sources: Orange County Library

Note: The City of Apopka has no ordinance which limits general obligation debt to a percentage of assessed property values.

The percentage applicable to the City of Apopka is based upon City / County population ratio.

Schedule 12
City of Apopka
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value	\$	-	\$	-
Debt limit				-
Debt applicable to limit:				
General obligation bonds				-
Less: Amount set aside for repayment of general obligation debt				-
Total net debt applicable to limit				-
Legal debt margin				-

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total net debt applicable to the limit
as a percentage of debt limit

Note: The City of Apopka has no general bonded debt.

**Schedule 13
City of Apopka
Pledged-Revenue Coverage,
Last Ten Fiscal Years**

Fiscal Year	Utility Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2003	\$ 12,663,299	\$ 5,589,157	\$ 7,074,142	\$ 455,000	\$ 1,132,142	4.46	
2004	16,820,053	6,956,569	9,863,484	470,000	1,113,943	6.23	
2005	17,647,227	7,207,999	10,439,228	485,000	1,098,668	6.59	
2006	23,075,998	7,368,424	15,707,574	505,000	1,079,268	9.91	
2007	18,337,328	8,599,615	9,737,713	525,000	1,059,068	6.15	
2008	14,003,169	9,264,344	4,738,825	545,000	1,040,692	2.99	
2009	14,183,525	9,416,675	4,766,850	565,000	1,018,893	3.01	
2010	14,059,783	9,022,371	5,037,412	595,000	980,080	3.20	
2011	15,107,926	9,121,388	5,986,538	620,000	952,743	3.81	
2012	16,492,462	9,273,523	7,218,939	645,000	938,793	4.56	

Note: (1) For 2003-2012, gross pledged revenues include operating revenues, connection fees (Fund 401), impact fees (Fund 403), and investment income (Funds 401 and 403). Contributions from developers and gains on disposal of fixed assets are not included.

(2) Direct operating expenses includes all personnel expenses and operating expenses (less depreciation) as per the Detailed Budget Report (Fund 401).

Source: City of Apopka Finance Department

**Schedule 13
City of Apopka
Pledged-Revenue Coverage,
Last Six Fiscal Years (2)**

Note to Bank of America, N.A. - 2007A 2

Fiscal Year	Recreation Impact Fees ¹	Net Available Revenue	Debt Service		Revenue Coverage in %
			Principal	Interest	
2007	\$ 108,522	\$ 108,522	\$ -	\$ -	100.00%
2008	60,745	60,745	310,000	238,545	11.07%
2009	50,138	50,138	370,000	262,275	7.93%
2010	66,289	66,289	385,000	247,845	10.47%
2011	43,630	43,630	400,000	232,830	6.89%
2012	64,119	64,119	415,000	217,230	10.14%

Note: (1) Gross pledged revenues include all recreation impact fees collected by the City.
(2) The note was issued in fiscal year 2007.

Source: City of Apopka Finance Department

**Schedule 14
City of Apopka
Demographic and Economic Statistics,
Last Ten Calendar Years**

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2003	31,374	\$ 658,681	\$ 20,994	34.0	13.4	12,103	4.9%
2004	32,951	712,543	21,624	34.3	13.4	13,947	4.2%
2005	34,801	775,125	22,273	34.2	13.4	13,959	2.8%
2006	37,253	854,630	22,941	34.8	13.4	14,052	3.3%
2007	39,508	933,554	23,629	34.7	13.4	15,627	4.6%
2008	40,280	980,349	24,338	34.7	13.4	15,389	6.4%
2009	40,406	1,029,965	25,069	38.7	13.4	16,189	10.6%
2010	41,542	1,051,440	25,821	38.7	13.4	16,371	11.6%
2011	42,089	1,119,365	26,595	38.7	13.4	16,151	10.4%
2012	42,805	1,172,559	27,393	35.4	13.4	16,351	8.0%

Sources: US Census Bureau - 2010 Census
Orlando Economic Development Commission
Community Development Dept. for annually updated population figure from the University of Florida.
<http://www.labormarketinfo.com/Library.LAUS.htn> (Monthly date tables per year) for unemployment figures

**Schedule 15
City of Apopka
Principal Employers,
Current Year and Nine Years Ago**

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Century Link (formerly Embarq & Sprint)	2,000	1	5.45%	696	1	1.77%
Orange County Schools	1,467	2	3.99%	296	6	0.75%
Wal-Mart Supercenter	581	3	1.58%	640	2	1.63%
City of Apopka	377	4	1.03%	332	5	0.84%
TriQint (formerly Sawtek)	337	5	0.92%	358	4	0.91%
Florida Living Nursing Center	276	6	0.75%	258	8	0.66%
Florida Hospital - Apopka	264	7	0.72%	184	9	0.47%
Publix	176	8	0.48%			
Albertsons (2 locations)	163	9	0.44%	171	10	0.43%
Home Depot (opened 2004)	118	10	0.32%			
Finfrock Construction				278	7	0.71%
Energy Air Inc				386	3	0.98%
Total	5,759		15.68%	3,599		9.15%

Source: City of Apopka Finance Department survey of local businesses
Energy Air relocated out of City 2008

Schedule 16
City of Apopka
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government										
Administration	7	8	7	14	15	15	14	13	14	13
Finance	16	16	16	15	13	10	9	9	9	8
Human resources	4	4	3	3	3	3	3	3	3	3
Planning	11	11	11	11	11	10	8	8	7	7
Building	9	9	9	8	7	7	7	7	7	6
IT	-	-	-	5	4	5	5	6	6	7
Police										
Officers	76	76	76	82	77	85	85	91	91	88
Civilians	2	2	11	10	10	9	8	32	32	35
Fire										
Firefighters and officers	71	69	77	77	80	81	81	80	80	80
Civilians	26	28	30	22	23	20	18	2	2	3
Sanitation	16	15	16	17	16	17	17	17	17	16
Other public works										
Administration	6	6	6	8	8	8	7	7	7	7
Engineering	6	7	7	5	5	5	4	4	4	3
Purchasing	3	3	4	-	-	-	-	-	-	-
Construction	15	12	8	13	14	10	8	7	6	6
Fleet	8	8	8	9	10	10	8	10	10	11
Streets	9	10	9	8	8	9	8	8	9	8
Cemetery	2	2	2	2	2	2	2	2	2	1
Parks and recreation	25	25	31	33	34	33	28	28	28	27
Water	13	13	15	19	18	22	22	21	21	22
Wastewater	19	20	17	21	22	26	22	23	22	21
Total	344	344	363	382	380	387	364	378	377	372

Source: City Human Resources Department

Schedule 17
City of Apopka
Operating Indicators by Function/Program
Last Nine Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>								
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police									
Physical arrests	1,320	1,676	1,530	1,556	1,897	2,374	2,147	1,523	1,414
Parking violations	19	217	124	104	39	11	117	32	157
Traffic violations	1,790	6,641	6,219	5,747	6,813	4,481	3,521	2,283	1,764
Red light violations	-	-	-	681	269	9,735	13,870	16,754	22,422
Fire									
Emergency responses	5,629	5,994	6,654	6,960	6,242	5,859	5,433	5,093	5,418
Fires extinguished	180	186	236	218	174	135	163	158	143
Inspections	5,128	6,889	4,365	5,782	5,669	5,451	2,324	2,614	2,444
Refuse collection									
Refuse collected (tons per day)	79.0	87.8	69.5	67.1	64.3	74.5	73.5	74.7	73.9
Recyclables collected (tons per day)	3.5	3.8	4.0	5.5	6.3	5.9	5.7	5.6	5.7
Other public works									
Street resurfacing (miles)	9.75	10.2	6.8	6.8	6.8	2.4	4.0	-	-
Parks and recreation									
Athletic leagues	-	-	-	-	-	-	8	9	10
Athletic leagues participants **	86,790	180,660	253,565	344,064	529,140	436,622	4,062	3,201	2,175
Senior/adult programs	293	169	378	397	373	281	9	14	10
Children's programs							4	4	5
Facility rental permits	983	1,423	347	321	1,002	2,048	2,861	666	3,269
Water									
New connections	734	751	2,365*	638	278	246	270	239	333
Average daily consumption (millions of gallons)	6.65	7.06	7.85	8.53	8.27	7.57	7.54	7.35	7.01
Peak daily consumption (millions of gallons)	8.53	10.60	12.75	12.69	14.91	14.68	12.44	12.35	9.90
Wastewater									
Average daily sewage treatment (millions of gallons)	2.54	2.59	2.69	2.89	2.96	2.64	2.66	2.59	2.62
Reclaimed Water									
New connections						202	219	183	207
Average daily consumption (millions of gallons)						5.63	5.51	6.03	6.06
Peak daily consumption (millions of gallons)						9.31	9.61	10.61	9.85

Sources: Various city departments.

Note: Indicators are not available for the general government function.

This is the City's eighth year of implementation under GASB Statement 44.

* Includes connections from JPA

** Years 2004-2009 based on number of athletes
Years 2010-2011 based on number of teams

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

<u>Function/Program</u>	<u>2003</u>	<u>2004</u> ^a	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units		41	57	50	78	76	80	44	54	54
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection										
Collection trucks		16	16	16	12	12	16	16	16	17
Other public works										
Streets (miles)	150.47	165.48	170.5	184.85	186.7	193.05	194.68	202.54	202.54	202.97
Streetlights		134	134	134	134	134	134	134	134	134
Traffic signals		29	29	29	29	30	27	28	32	32
Parks and recreation										
Acreage	119.5	119.5	119.5	119.5	182.7	221.2	265.18	265.176	265.176	265.176
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/softball diamonds	15	15	15	14	14	14	14	14	14	14
Soccer/football fields	11	11	11	11	14	15	15	15	15	15
Community centers	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	161.4	176.5	179.8	228.3	242.24	250.99	259.11	266.334	267.908	267.908
Fire hydrants	1002	1102	1124	1220	1298	1348	1381	1403	1414	1429
Total system capacity (millions of gallons)		35.53	35.53	47.02	47.02	47.02	46.84	46.84	46.84	46.84
Wastewater										
Sanitary sewers (miles)	150.74	165.7	168.5	185.18	202.59	206.12	210.16	216.61	218.41	218.41
Storm sewers (miles)		8.26	10.06	16.53	21.23	24.12	25.86	96.37	96.37	96.38
Treatment capacity (millions of gallons)		4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Lift stations					104	111	108	111	112	112
Reclaimed Water										
Reclaimed water mains							104.04	113.29	116.53	118.33
Total system capacity (millions of gallons)							15.55	15.55	15.55	15.55

Sources: Various city departments.

Note: ^a City's seventh year of implementation under GASB Statement 44.

COMPLIANCE SECTION

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

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*

March 1, 2013

Honorable Mayor and Members
of the City Council
City of Apopka, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Apopka, Florida, as of and for the year ended September 30, 2012, which collectively comprise the City of Apopka, Florida's basic financial statements and have issued our report thereon dated March 1, 2013. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Apopka, Florida's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Apopka's internal control over financial reporting.

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, detect and correct misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Apopka, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor and City Council, management and Federal and State of Florida awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Shumacker, Johnston & Ross, PA

CITY OF APOPKA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2012

FEDERAL AWARDS

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>	<u>Federal through State Receipts</u>
U.S. Department of Justice:				
Byrne Discretionary Program (total grant \$17,087) Biometric & Technology Equipment Grant #2011-DJ-BX-3155	16.580	\$ 8,929	\$ 8,929	\$ -
Bulletproof Vest (total grant \$2,160) Grant #2010-BUBX-10053042	16.607	181	181	-
Bulletproof Vest (total grant \$5,600) Grant #2011-BUBX	16.607	4,701	4,701	-
Justice Assistance Grant (total grant \$19,280) Digital In Car Video Grant #2012-DJ-BX-0879	16.738	-	-	-
American Recovery Act - JAG (total grant \$158,389) Operational Equipment Initiative Grant #2009-SB-B9-1374	16.804	6,937	6,937	-
Pass through the Florida Department of Law Enforcement: Justice Assistance Grant (total grant \$16,934) Special Response Team Equipment Contract #2012-JAGC-ORAN-5-C4-149	16.738	16,934	16,934	16,934
Justice Assistance Grant (total grant \$60,948) Multi-Agency Communications Project Contract #2011-JAGC-ORAN-4-B2-093	16.738	-	-	53,633
U.S. Department of Energy:				
American Recovery and Reinvestment Act Energy Efficiency and Conservation Block Grant (total grant \$153,600) Compressed Natural Gas Station Grant #DE-EE0002149	81.128	27,535	27,535	-
TOTAL FEDERAL AWARDS		<u>\$ 65,217</u>	<u>\$ 65,217</u>	<u>70,567</u>

(Federal Single Audit not required)

continued on next page

CITY OF APOPKA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2012

STATE OF FLORIDA FINANCIAL ASSISTANCE

<u>State Agency / Program Title</u>	<u>CSFA Number</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>State Receipts</u>
Office of Tourism, Trade and Economic Development:				
Lake Apopka Redevelopment Grant (total grant \$1,320,121) Contract #OT 00-101		\$ -	\$ -	\$ -
Florida Department of Environmental Protection:				
Pass through the St. Johns River Water Management District Water Protection and Sustainability Grant (total grant \$2,450,000) North Shore Augmentation Contract #25373-WPSP	37.066	<u>82,256</u>	<u>82,256</u>	<u>82,256</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 82,256</u>	<u>\$ 82,256</u>	<u>82,256</u>
TOTAL STATE RECEIPTS				<u>\$ 152,823</u>

(Florida Single Audit not required)

NOTE: This schedule was prepared using the modified accrual basis of accounting for *Federal and State Revenues and Expenditures* , the cash basis for *Federal through State Receipts* , and *State Receipts* .

Shumacker, Johnston & Ross, PA

Certified Public Accountants

J. Cecil Shumacker, CPA
Robert E. Johnston, CPA (1982-2001)
W. Chet Ross, CPA

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

March 1, 2013

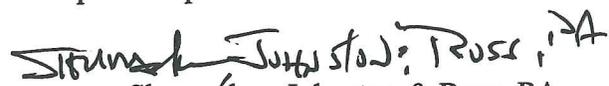
Honorable Mayor and Members of the
City Council
City of Apopka, Florida

We have examined management's assertion included in its representation letter dated March 1, 2013 that the City of Apopka, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance for the year ended September 30, 2012. Management is responsible for the City of Apopka, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Apopka, Florida complied with the allowable cost requirements of the grants and aids appropriations identified in the Schedule of Expenditures of Federal Awards and State Financial Assistance during the year ended September 30, 2012 is fairly stated, in all material respects.

This report is intended solely for the information and use of management, the Mayor and City Council, and applicable Federal and State of Florida agencies and is not intended and should not be used by anyone other than these specified parties.


Shumacker, Johnston & Ross, PA

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MANAGEMENT LETTER

March 1, 2013

Honorable Mayor and Members
of the City Council
City of Apopka, Florida

We have audited the basic financial statements of the City of Apopka, Florida as of and for the year ended September 30, 2012, and have issued our report thereon dated March 1, 2013.

The following comments and recommendations are provided as required by Chapter 10.550, Section 10.554(1) (i), *Rules of the Auditor General*, which govern the conduct of local government entity audits performed in the State of Florida. This letter included the following information, which is not included in the aforementioned basic financial statements:

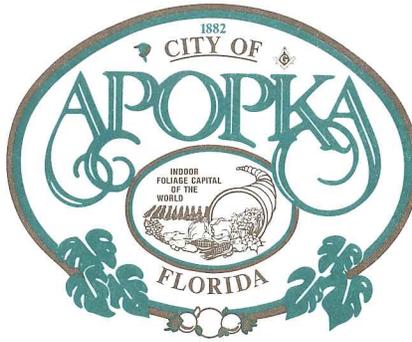
1. The City has taken corrective actions to address significant findings and recommendations made in the preceding annual financial audit report. There were no significant findings or recommendations made in the preceding annual financial audit.
2. The City is in compliance with Section 218.415 *Florida Statutes* regarding the investment of public funds.
3. We have made no recommendations to improve the City's present financial management, accounting procedures, and internal controls.
4. We did not have any findings of violations of laws, regulations, contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential.
- 5a. For matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors and based on professional judgment, we have not reported any violations of provisions of laws, regulations, contracts or grant agreements, or fraud, illegal acts, or abuse that have occurred, or are likely to have occurred.
- 5b. We have not reported any control deficiencies that are not significant deficiencies, including but not limited to:
 1. Improper or inadequate accounting procedures.

2. Failures to properly record financial transactions.
3. Inaccuracies, shortages or defalcations. Also, we did not either discover any instances of fraud, or have any instances of fraud come to our attention.
6. The name of the primary government is the City of Apopka, Florida, created by Charter in the Laws of Florida, Chapter 3962, 1882. There are no component units included within the reporting entity.
- 7a. The City has not met any of the financial emergency conditions described in Section 218.503(1), *Florida Statutes*.
- 7b. The financial report 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 year ended September 30, 2012.
- 7c. Financial condition assessment procedures pursuant to Rule 10.556(7) were applied during the audit of the basic financial statements. The City is not, and during the fiscal year, was not experiencing deteriorating financial conditions which may cause a financial emergency described in Section 218.503(1), *Florida Statutes*. Accordingly, we have made no recommendations addressing deteriorating financial conditions in accordance with Rule 10.557(4) (d).

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



Shumacker, Johnston and Ross, PA



P.O. BOX 1229 • APOPKA, FLORIDA 32704-1229
PHONE (407) 703-1700

June 20th, 2013

Auditor General, State of Florida
Tallahassee, Florida

Dear Sir:

The following is the City of Apopka's explanation and/or rebuttal as required by Auditor General Rule 10.558(1) for its fiscal year ended September 30, 2012.

**EXPLANATION AND REBUTTAL OF AUDITOR'S MANAGEMENT LETTER
COMMENTS:**

**DETERMINATION OF FINANCIAL EMERGENCY (F.S. SECTION 218.503(1) –
N/A**

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES ANNUAL REPORT –
N/A**

Sincerely,

A handwritten signature in black ink that reads "Edward D. Bass II".

Edward D. Bass II
Finance Director