City of

APOPKA

Comprehensive Annual Financial Report

2014

For the Fiscal Year Ended
September 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Prepared by:
Department of Finance

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INTRODUCTORY

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

June 10, 2015

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, 2014, 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 Moore Stephens Lovelace, P.A., 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, 2014, 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, 2014, 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.

Mayor: JOE KILSHEIMER Commissioners: J. WILLIAM ARROWSMITH BILLIE L. DEAN SAM RUTH DIANE VELAZQUEZ

The financial section also includes a narrative introduction, overview and analysis of the September 30, 2014 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 33.46 square miles and has a population of 45,669. 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 as well as a municipal airport.

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

23, 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 75-80.

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 has begun to experience an economic upturn consistent with other areas of the county. The local economy strongly benefits from its proximity to Orlando and related employment opportunities. The unemployment rate for the Apopka area was 5.1% for 2014.

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 757 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.

In an effort to support eco-tourism for Lake Apopka's north shore wilderness, the City led the preparation of a strategic plan through a collaborative effort involving other interested local governments and environmental groups. This strategic plan outlines further recommended actions that bring Lake Apopka closer to a desired destination for tourists and local residents seeking outdoor recreation opportunities.

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 a capital investments anticipated to be in the millions of dollars.

The final development plan for the new relocated Florida Hospital has been approved and construction should begin in 2015. Its new location will be at the corner of Harmon Road and Ocoee-Apopka Road. The City is initiating planning activities to address the urbanization of the area surrounding the new campus site and a visioning study is underway and will address land use and transportation planning needs not only for the new hospital site, but also for new commercial, office and residential development that will follow it.

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.

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, 2013. This was the fourteenth 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 that satisfied both generally accepted accounting principles (GAAP) and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. However, 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 for the fiscal year beginning October 1, 2013. 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 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,

Glenn A. Irby, MPA
Chief Administrative Officer

Pamela N. Barclay, CPA
Finance Director

CITY OF APOPKA

PRINCIPAL CITY OFFICIALS

FISCAL YEAR ENDED 2014

ELECTED OFFICIALS

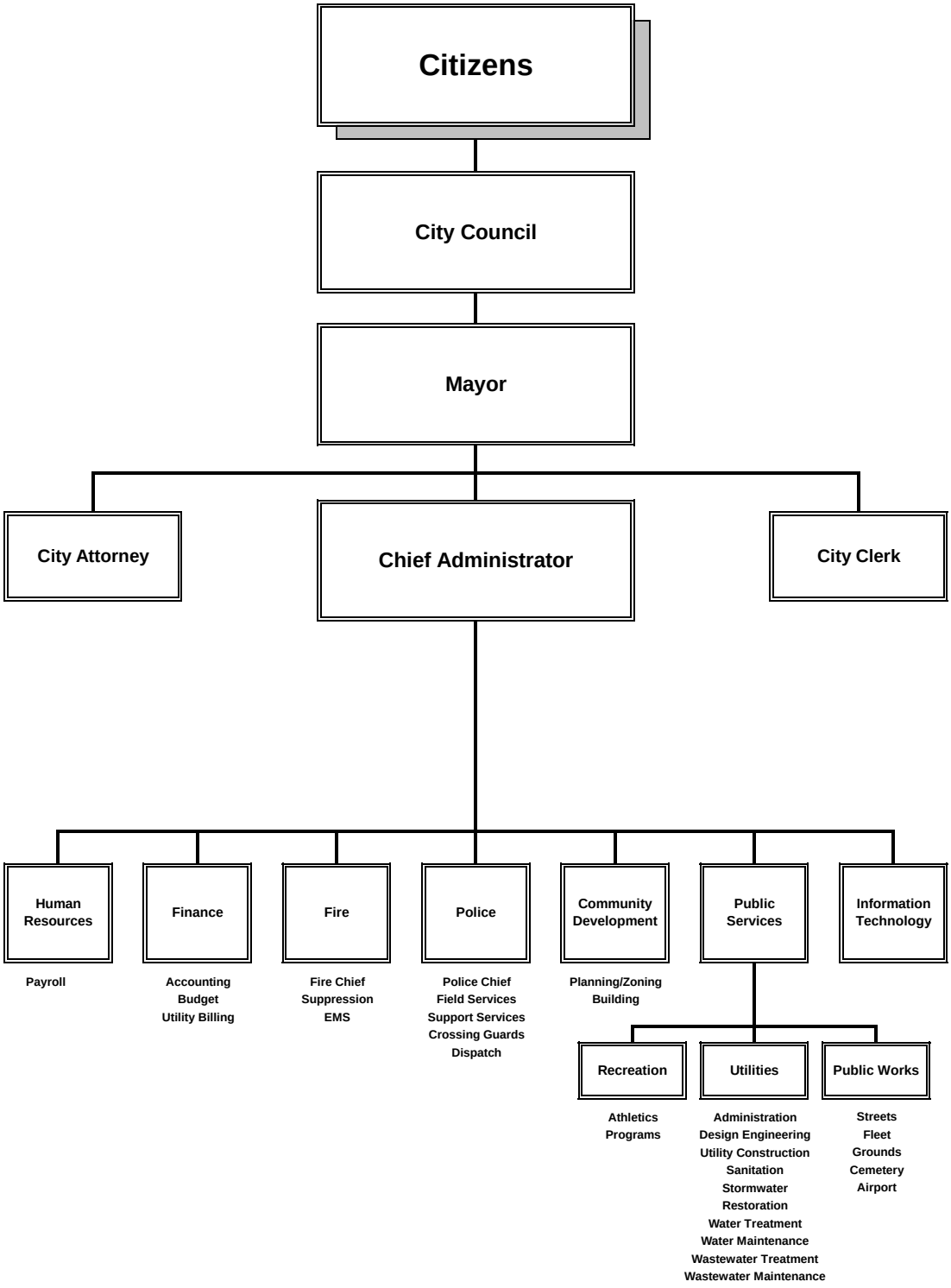
Mayor	Joseph E. Kilsheimer
Vice-Mayor	J. William Arrowsmith
Commissioner	Billie L. Dean
Commissioner	Diane Velazquez
Commissioner	Sam Ruth

ADMINISTRATIVE OFFICIALS

Chief Administrative Officer	Glenn A. Irby
City Attorney	Clifford B. Sheppard
City Clerk	Linda F. Goff
Finance Director	Pamela N. Barclay
Police Chief	Robert M. Manley
Fire Chief	George L. Bronson
Community Development Director	R. Jay Davoll
Human Resources Director	Sharon P. Thornton
Information Technology Director	Donald Kahrs
Public Services Director	Jean E. Jreij

CITY OF APOPKA

ORGANIZATIONAL CHART



Government Finance Officers Association

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, 2013

Executive Director/CEO

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FINANCIAL

SECTION

TAB

FINANCIAL SECTION

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MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Apopka, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the other supplementary information section, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 10, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 10, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Apopka, Florida (the "City"), we offer the readers of these basic financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2014. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) to identify individual fund issues and/or concerns.

As with other sections of this financial report, the information contained within the 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 our letter of transmittal, which can be found on pages i through v, the City's basic financial statements which begin on page 16, and the Required Supplementary Information (RSI), which can be found on pages 68 to 73.

HIGHLIGHTS

Financial Highlights

- The City's net position increased (decreased) during the year as follows:

Fiscal Year 2014					
Governmental Activities	Business-Type Activities	Total	Fiscal Year 2013*	Increase (Decrease)	% Change
$100,348,340	$114,698,455	$215,046,795	$216,094,364	($1,047,569)	-0.5%

- The City's revenues increased (decreased) during the year as follows:

Fiscal Year 2014					
Governmental Activities	Business-Type Activities	Total	Fiscal Year 2013*	Increase (Decrease)	% Change
$43,131,560	$19,328,660	$62,460,220	$59,468,055	$2,992,165	5.0%

- The City's expenses increased (decreased) during the year as follows:

Fiscal Year 2014					
Governmental Activities	Business-Type Activities	Total	Fiscal Year 2013	Increase (Decrease)	% Change
$45,035,438	$18,472,351	$63,507,789	$60,913,430	$2,594,359	4.3%

* As restated

City Highlights

A description of accomplishments for the current year and projects planned for the coming fiscal year can be found in the letter of transmittal. (See pages i through v).

USING THIS ANNUAL REPORT

The primary focus of local government's financial statements historically has been to summarize fund type information. The new focus, as a result of GASB Statement No. 34, is on both the City as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the user to have a greater understanding, allow a broader comparison of relevant data, enhance the readability of the financial statements, and enhance the accountability of the City's management.

Understanding and Overview of the Basic Financial Statements

The City's basic financial statements are comprised of three parts: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements. The remainder of the financial statements is comprised of the following parts: 1) the required supplementary information consisting of Pension Trust Fund Schedules, 2) Combining and Individual Fund Statements and Schedules, and 3) the Statistical Section consisting of selected financial and demographic information, generally presented on a multi-year basis.

MD&A is intended to serve as an introduction to the basic financial statements and required supplementary information. The MD&A represents management's examination and analysis of the City's financial condition and financial performance as a whole. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget and other management tools were used for this analysis.

The basic financial statements now include two kinds of statements. The first type of statement consists of government- wide financial statements. The government-wide financial statements provide both short- and long-term financial information about the City's overall financial status. The government-wide financial statements are presented by its governmental activities and its business-type activities. The government-wide financial statements report information about the City using full accrual accounting methods and economic resources focus, as utilized by similar business activities in the private sector. Information concerning all of the City's assets and liabilities, both financial and capital, and debt are presented whereas the reader can signify the short- and long-term portions. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements. The governmental fund statements tell how the general government accounts for all current financial resources in servicing the community, what was financed in the short term, as well as what remains for future spending. Proprietary fund statements offer short- and long-term financial information about the activities the government operates like a business, such as the Utility System, which includes Water, Wastewater and Reuse, and the Sanitation operations. Fiduciary fund statements are used to account for assets held by the government in a trustee capacity. Currently, there are three pension trust funds, which consist of the General Employees', Police Officers', and Firefighters' Retirement Trust Funds.

Government-wide Financial Statements

The government-wide financial statements are designed to be corporate-like, in that, all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenue is earned and the expense attributed. Fiduciary funds, such as pension trust funds, are excluded from these government-wide financial statements because they represent money and funds legally set aside for use by the employee groups they benefit. Their assets and income do not flow through these statements, nor are the liabilities for which taxpayers may ultimately be responsible included.

The Statement of Net Position presents information on all of the City's assets and liabilities at the end of its fiscal year, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the City in its governmental and business-type activities. This statement, for the first time, combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Government-wide Statement of Net Position can be found on page 16 of this report.

The Statement of Activities presents the results of the City's operations over the course of the fiscal year and information as to how the City's net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex., delinquent taxes). The Statement of Activities is focused on both the gross and net cost of various activities (governmental and business-type) which are provided by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and the local taxing effort necessary to sustain each of those activities.

The Government-wide Statement of Activities can be found on page 17 of this report.

The Governmental Activities reflects the City's basic services, including general government, public safety, transportation, environmental, and recreation. Property Taxes, Franchise Fees, Utility Taxes, Licenses and Permits, Intergovernmental Revenues and Fines & Forfeitures finance the majority of these services.

The Business-type Activities reflect private sector-type operations (Water, Wastewater, Reclaimed Water and Sanitation operations), where the fee for service typically covers all or most of the cost of operations, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses of funds and/or budgeting compliance associated therewith.

The Governmental Funds presentation is presented on a current financial resources basis. This is the manner in which the financial plan (the budget) is typically developed. The City adopts an annual appropriations budget for each of its governmental funds in accordance with State Statutes and the City Charter.

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.

The City maintains seven individual governmental funds. The General Fund is considered a major fund and is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. Data from the other six governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

The Governmental Fund Financial Statements can be found on pages 20 to 21 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, sidewalks and bridges, etc.) have not been reported nor depreciated in government financial statements. Governmental capital assets, particularly infrastructure assets, have only been accounted for using the current financial resources method and have not been expensed annually through depreciation or accounted for otherwise.

The government-wide Statement of Net Position requires that these assets be valued and reported within the Governmental column. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City of Apopka has elected to depreciate these assets over their estimated useful lives.

Proprietary Funds

The City maintains two proprietary funds, both of which are enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs of providing goods or services to the general public on a continuing basis should be financed or recovered through user charges. Currently, the City enterprise funds account for its water, wastewater, reclaimed water, and sanitation operations. The water, wastewater and reclaimed water enterprise fund is collectively referred to as the Utility Systems Fund, while the Sanitation Fund is the other enterprise fund.

The City adopts an annual appropriations budget for each of its Enterprise Funds in accordance with State Statutes and City the Charter.

The Enterprise Fund Financial Statements can be found on pages 23 to 27 of this report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government and are separately reported in the statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Rather, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Fiduciary Fund Financial Statements can be found on pages 28 to 29 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 present information about the City's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The Notes to the Financial Statements can be found on pages 30 to 67 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 budgetary compliance and the City's progress in funding its obligation to provide pension benefits to its employees.

Required Supplementary Information can be found on pages 68 to 73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Required Supplementary Information.

Combining and Individual Fund Statements can be found on pages 74 to 81 of this report.

Government-Wide Financial Analysis of the City as a Whole

Net Position - As noted previously, net position may serve over time as a useful indicator of a government's financial position. This year, the City's assets exceeded liabilities by $215,046,795 at September 30, 2014.

Approximately 80.9% of the City's net assets reflect its investment in capital assets (land, equipment, buildings, improvements other than buildings, machinery and equipment and infrastructure), less any related debt still outstanding used to acquire those assets. The City uses these capital assets to provide services to its citizens; so, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.

Net position of the City's governmental activities decreased by $1,903,878 and totaled $100,348,340 at the end of the fiscal year. Of this amount, approximately 91.2% is either restricted as to the purposes they can be used for or is invested in capital assets (land, buildings and equipment). Consequently, unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraint established by debt covenants, enabling legislation, or other legal requirements, totaled $8,864,250 at the end of 2014.

Net position of the City's business-type activities increased by $856,309 and totaled $114,698,455 at the end of the fiscal year. Of this amount, approximately 84.6% is either restricted as to the purposes they can be used for or is invested in capital assets (land, buildings and equipment). Consequently, unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraint established by debt covenants, enabling legislation, or other legal requirements, totaled $19,309,266 at the end of 2014.

The following table reflects a summary of Net Position compared to the prior year:

CITY OF APOPKA, FLORIDA
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 26,457,984	$ 29,528,541	$ 34,187,422	$ 32,211,241	$ 60,645,406	$ 61,739,782
Capital assets	100,567,790	98,311,860	103,784,583	103,932,453	204,352,373	202,244,313
Noncurrent assets	2,453,970	2,359,724	565,230	684,283	3,019,200	3,044,007
Total assets	129,479,744	130,200,125	138,537,235	136,827,977	268,016,979	267,028,102
Current and other liabilities	6,617,617	6,367,336	2,598,178	2,354,821	9,215,795	8,722,157
Long-term liabilities outstanding	22,513,787	20,915,658	21,240,602	20,474,633	43,754,389	41,390,291
Total liabilities	29,131,404	27,282,994	23,838,780	22,829,454	52,970,184	50,112,448
Total deferred inflows of resources	-	2,330,550	-	156,377	-	2,486,927
Net position:						
Invested in capital assets, net of related debt	89,327,168	86,764,954	84,626,587	85,141,627	173,953,755	171,906,581
Restricted	2,156,922	2,174,523	10,762,602	10,337,621	12,919,524	12,512,144
Unrestricted	8,864,250	11,647,104	19,309,266	18,362,898	28,173,516	30,010,002
Total net position	$100,348,340	$100,586,581	$114,698,455	$113,842,146	$215,046,795	$214,428,727

For more detailed information see the Statement of Net Position on page 16.

Changes in Net Position - While the Statement of Net Position shows a snapshot of the City's financial position at the end of the fiscal year, the Statement of Changes in Net Position provides answers as to the nature and source of those changes. At September 30, 2014, the City's combined net assets totaled $215,046,795, which is a decrease of $1,047,569 over last year's reported $216,094,364. During this same period, the City's total revenues increased by $2,992,165 to a total of $62,460,220.

The following schedule compares the revenues and expenses for the current and previous fiscal year:

CITY OF APOPKA, FLORIDA
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2014*	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 10,810,876	$ 9,176,065	$ 17,720,898	$ 18,641,254	$ 28,531,774	$ 27,817,319
Operating grants and contributions	1,283,718	8,468,829	105,512	-	1,389,230	8,468,829
Capital grants and contributions	1,855,694	1,904,213	4,021,117	4,059,847	5,876,811	5,964,060
General revenues:						
Property taxes	6,789,004	6,473,486	-	-	6,789,004	6,473,486
Fuel taxes	1,433,900	1,412,722	-	-	1,433,900	1,412,722
Communication services taxes	1,698,804	1,874,252	-	-	1,698,804	1,874,252
½ Cent sales tax	6,180,303	-	-	-	6,180,303	-
State shared revenues	1,781,391	-	-	-	1,781,391	-
Franchise fees and utility taxes	7,052,673	6,576,352	36,636	42,346	7,089,309	6,618,698
Sale of capital assets	11,444	81,374	12,287	16,238	23,731	97,612
Unrestricted investment earnings	98,712	95,308	104,448	84,191	203,160	179,499
Miscellaneous revenues	235,911	561,578	1,226,892	-	1,462,803	561,578
Total revenues	39,232,430	36,624,179	23,227,790	22,843,876	62,460,220	59,468,055
Expenses:						
General government	6,377,891	6,148,920	-	-	6,377,891	6,148,920
Public safety	25,985,190	26,038,039	-	-	25,985,190	26,038,039
Transportation	8,093,858	5,781,288	-	-	8,093,858	5,781,288
Environmental	251,577	236,843	-	-	251,577	236,843
Culture and recreation	3,985,137	3,802,962	-	-	3,985,137	3,802,962
Interest on long-term debt	341,785	440,843	-	-	341,785	440,843
Utility system	-	-	15,019,098	15,066,790	15,019,098	15,066,790
Sanitation	-	-	3,453,253	3,397,745	3,453,253	3,397,745
Total expenses	45,035,438	42,448,895	18,472,351	18,464,535	63,507,789	60,913,430
Increase (decrease) in net position before transfers	(5,803,008)	(5,824,716)	4,755,439	4,379,341	(1,047,569)	(1,445,375)
Transfers	3,899,130	3,678,430	(3,899,130)	(3,678,430)	-	-
Increase (decrease) in net position	(1,903,878)	(2,146,286)	856,309	700,911	(1,047,569)	(1,445,375)
Net position – beginning*	102,252,218	102,732,867	113,842,146	113,141,235	216,094,364	215,874,102
Net position – September 30	$ 100,348,340	$ 100,586,581	$ 114,698,455	$ 113,842,146	$ 215,046,795	$ 214,428,727

* As restated

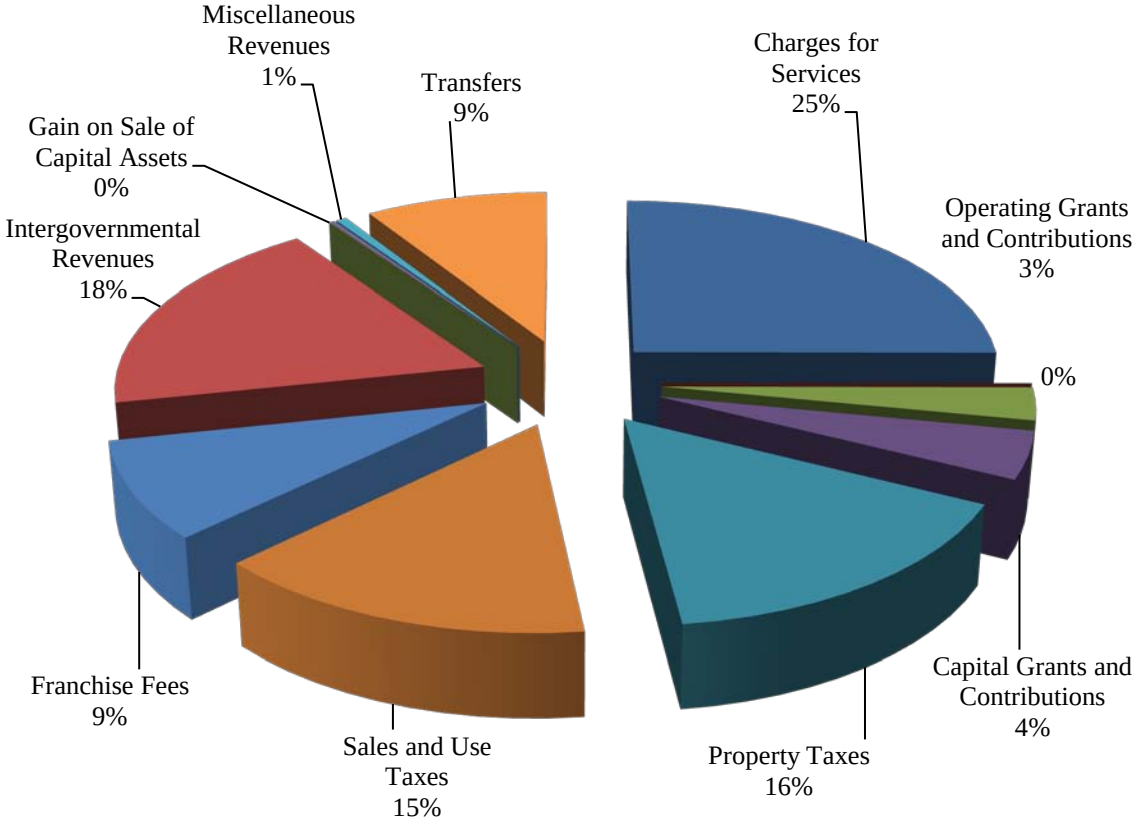
Governmental Activities - Governmental activities decreased the City's net assets by $1,903,878.

The following is a summary of the City's Revenues by Source – Governmental Activities:

Revenues by Source – Governmental Activities

	FY 14 Revenues	% Of Total	FY 13 Revenues	% of Total
Charges for Services	$ 10,810,876	25.2%	$9,176,065	22.8%
Operating Grants and Contributions	1,283,718	3.0%	8,468,829	21.0%
Capital Grants and Contributions	1,855,694	4.3%	1,904,213	4.7%
Property Taxes	6,789,004	15.7%	6,473,486	16.1%
Sales and Use Taxes	6,359,256	14.7%	6,321,790	15.7%
Franchise Fees	3,826,121	8.9%	3,541,536	8.8%
Intergovernmental Revenues	7,961,694	18.5%	-	0.0%
Gain on Sale of Capital Assets	11,444	0.0%	81,374	0.2%
Investment Earnings	98,712	0.2%	95,308	0.2%
Miscellaneous Revenues	235,911	0.5%	561,578	1.4%
Transfers	3,899,130	9.0%	3,678,430	9.1%
Total Revenues	$ 43,131,560	100.0%	$ 40,302,609	100.0%

Governmental Activities Source of Revenue

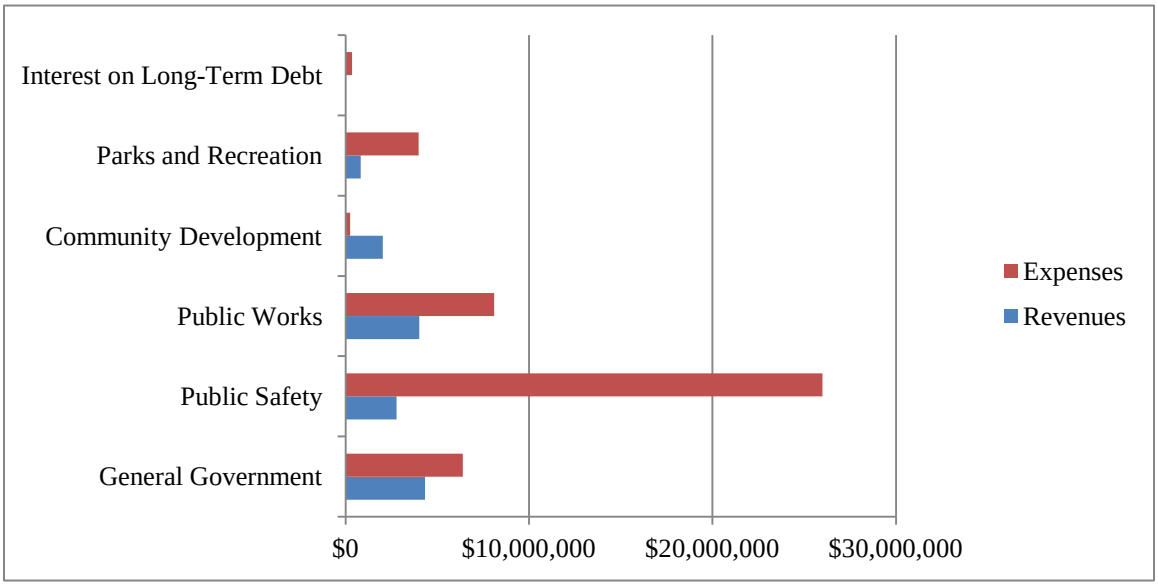


The following is a summary of the City's Program Expenses and Revenues – Governmental Activities:

Program Expenses and Revenues - Governmental Activities

	FY 14 Revenues	% of Total	FY 14 Expenses	% of Total
General Government	$ 4,334,033	31.07%	$ 6,377,891	14.16%
Public Safety	2,769,888	19.85%	25,985,190	57.70%
Public Works	4,012,920	28.77%	8,093,858	17.97%
Community Development	2,019,389	14.48%	251,577	.56%
Parks and Recreation	814,058	5.83%	3,985,137	8.85%
Interest on Long-Term Debt	-	0.00%	341,785	.76%
Totals	$ 13,950,288	100.00%	$ 45,035,438	100.00%

Program Revenues and Expenses - Governmental Activities



A comparison of the City's functional program revenues and costs of providing governmental-type services to its citizens is useful in identifying the capabilities of producing revenues sufficient to operate its programs.

Operating expenses of the governmental-type activities increased in 2014 to $45,035,438 as compared to $42,448,895 in 2013. The City has remained constant in its efforts to maintain and control costs; however, through the budget process, has permitted some increases in operating and personnel costs.

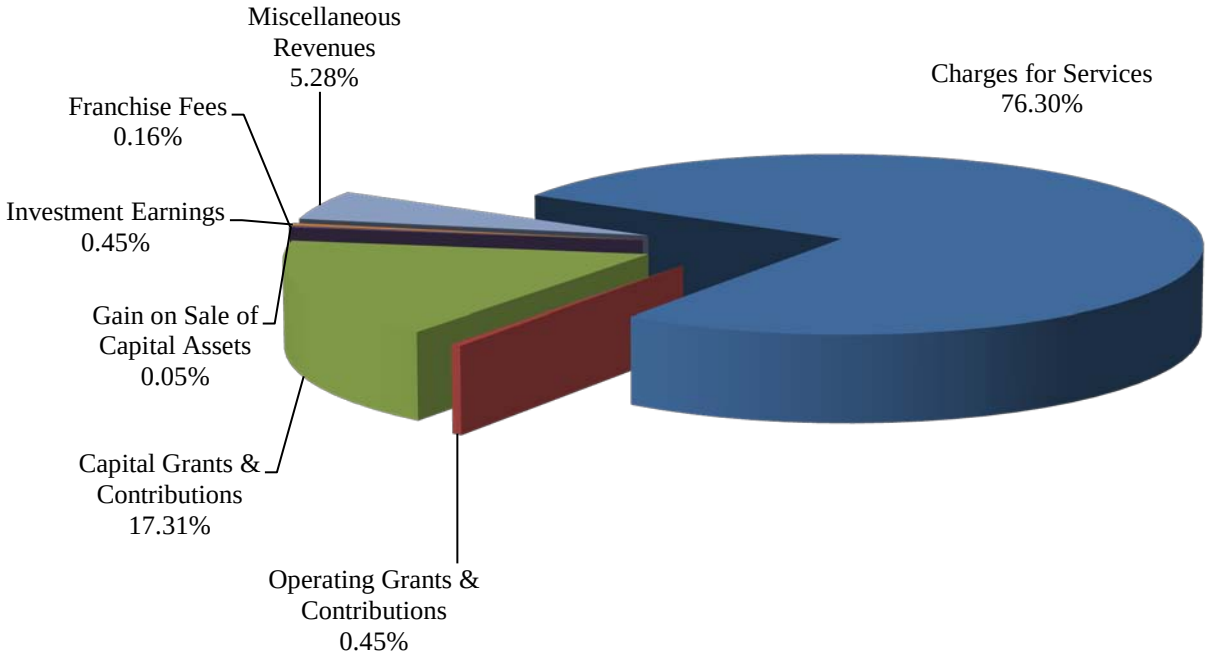
An individual comparison of the City's functional program revenues and costs of providing program services to its citizens is useful in identifying the programs, and the extent of which each are dependent on taxes and other non-exchange revenues to subsidize its program operations.

The following is a summary of the City's Revenues by Source – Business-type Activities:

Revenues by Source - Business-Type Activities

	FY 14 Revenues	% of Total	FY 13 Revenues	% of Total
Charges for Services	$17,720,898	76.30%	$18,641,254	81.60%
Operating Grants & Contributions	105,512	0.45%	-	0.00%
Capital Grants & Contributions	4,021,117	17.31%	4,059,847	17.77%
Franchise Fees	36,636	0.16%	42,346	0.19%
Gain on Sale of Capital Assets	12,287	0.05%	16,238	0.07%
Investment Earnings	104,448	0.45%	84,191	0.37%
Miscellaneous Revenues	1,226,892	5.28%	-	0.00%
Total Revenues	$23,227,790	100.00%	$22,843,876	100.00%

Business-type Activities Source of Revenue

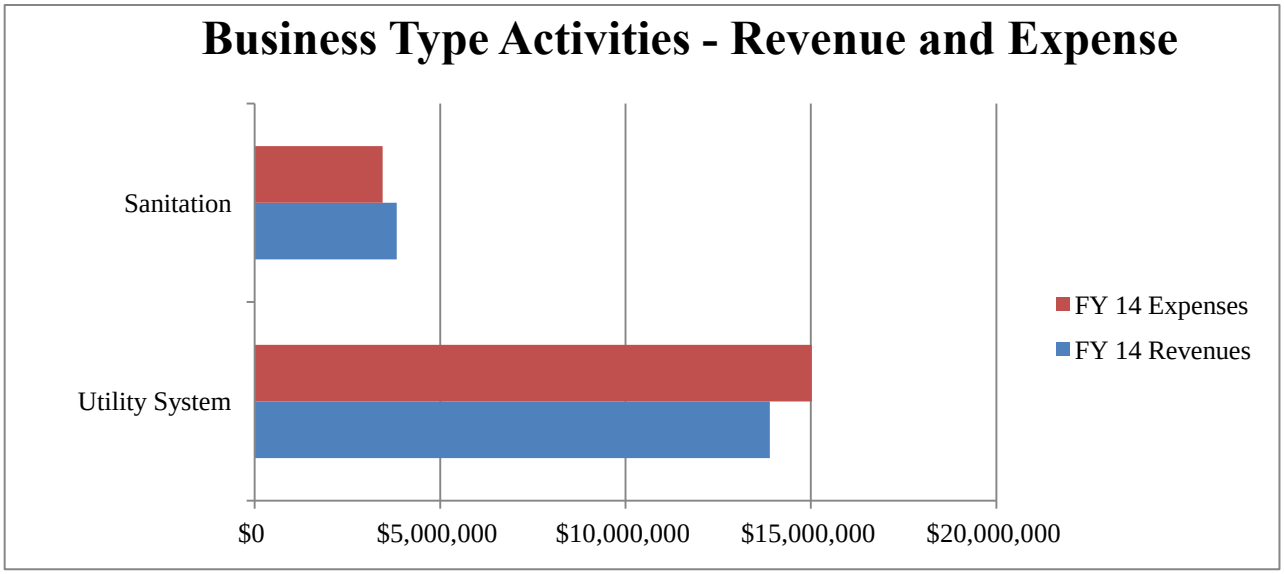


The primary sources of revenues for business-type activities are through charges for services and capital grants and contributions and are useful in identifying how revenues are generated to operate their programs.

The following is a summary of the City's Expenses and Program Revenues – Business-type Activities:

Expenses and Program Revenues - Business-Type Activities

	FY 14 Revenues	% of Total	FY 14 Expenses	% of Total
Utility System	$13,893,549	78.40%	$15,019,098	81.31%
Sanitation	3,827,349	21.60%	3,453,253	18.69%
Totals	$21,847,527	100.00%	$18,472,351	100.00%



A comparison of the City's functional program revenues and costs of providing business-type services to its customers is useful in identifying the capabilities of producing revenues sufficient to operate its programs.

Expenses of the business-type activities increased in 2014 to $18,472,351 as compared to $18,464,535 in 2013.

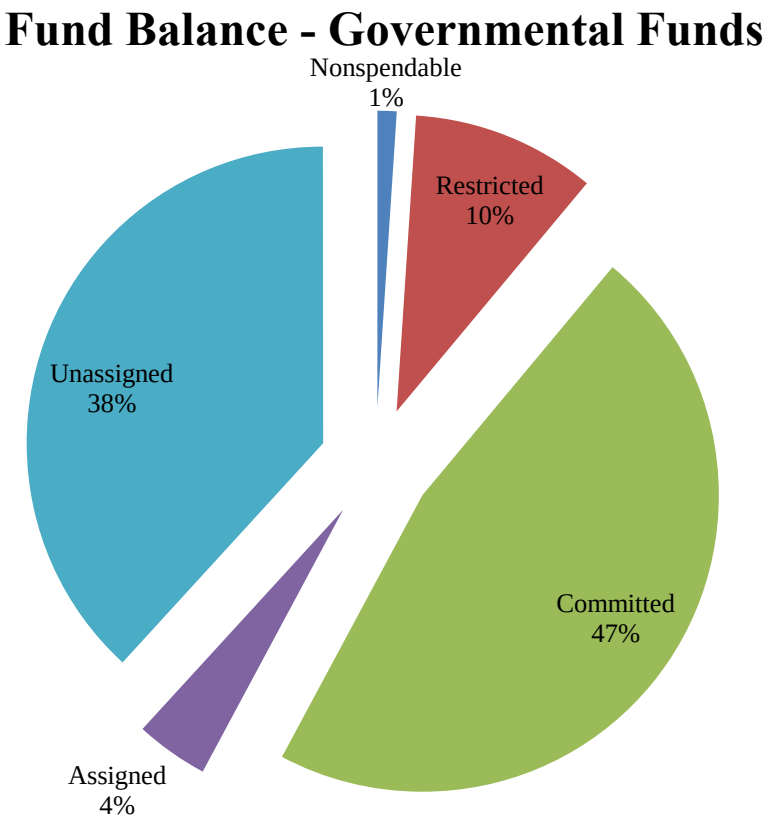
Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 the City completed the current fiscal year, its governmental funds reported a combined fund balance of $21,538,426, which was $2,965,868 less than the $24,504,294, as restated, reported last year. Of the total fund balance, some is restricted for specific purposes by bond ordinance, action of law, accounting standard requirements or other factors outside management of the City of Apopka. In addition, the City Council has, at various times, committed certain funds for specific purposes. Committed monies differ from restricted monies, in that, management can easily change the use for the funds whereas for restricted monies, an outside influence requires the restriction, and those amounts cannot be easily changed without violating a bond provision, aspect of law or accounting standard. At the end of Fiscal Year 2014, 46.8% ($10,073,270) of the fund balance was committed.

Approximately 38.2% or $8,228,167 of the combined fund balance of $21,538,426 amount constitutes unassigned fund balance, which is available for spending at the government's discretion. Another 10% of this amount or $2,156,922 is restricted to indicate that it can only be used for specific purposes pursuant to external or legally imposed constraints. Approximately 4% or $854,541 of this amount is assigned to indicate that it is not available for new spending unless policy change is made by the City Commission.



The General Fund is the chief operating fund of the City. As of September 30, 2014, the unassigned fund balance in the General Fund totaled $8,228,167, while total fund balance reached $10,838,574. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 19.8% of total General Fund expenditures of $41,502,334, while total fund balance represents 26.1% of that same amount.

Total fund balance in the General Fund decreased by $1,281,915 during the current fiscal year, while non-spendable fund balance increased by $10,491, restricted fund balance increased by $52,948, committed fund balance decreased by $190,854, assigned fund balance increased by $282, and unassigned fund balance decreased by $560,081.

An operating reserve equal to two months' operating expenses in the General Fund should be maintained. At September 30, 2014, the operating reserve calculates to $6,917,056 and the unassigned fund balance exceeds this reserve amount by $1,311,111.

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

Unrestricted net assets in all Proprietary Funds at the end of the current fiscal year, as shown on the Proprietary Fund statements, amounted to $19,309,266 compared to $18,362,898 in the prior year, which is an increase of $946,368 over the prior year.

An operating reserve equal to three months' operating expenses in the Proprietary Funds should be maintained. At September 30, 2014, the operating reserve calculates to $4,618,088 and the unrestricted net assets available equals

$19,309,266, resulting in a surplus of $14,990,069 above the reserve requirements.

Budgetary Highlights

The budget is revised throughout the year to recognize projects carried over from the previous year, grant awards received during the year and to adjust budgets to reflect actual circumstances. Normally, budget adjustments are typically minor in nature. Overall budgetary control is achieved through continuous review by the Finance Director.

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 of the City Council. During the fiscal year, various budget adjustments were performed and the budgeted amounts shown on the financial statements are as originally adopted and further adjusted.

Variances in General Fund Revenues compared to Final Budget

General Fund revenues in the current year were $672,831 more than budgeted, with Charges for Services and Licenses, Fees and Permits showing significant variances.

Variances in General Fund Expenditures compared to Final Budget

General Fund expenditures in the current year were $1,224,872 more than budgeted. This is primarily due to the issuance of debt to refinance notes maintaining a higher interest rate.

Capital Assets and Debt Administration

Capital Assets - At September 30, 2014, the City's investment in capital assets for its governmental and business-type activities, net of related debt, totaled $173,953,755. This investment in capital assets, net of depreciation, for all activities is reflected at September 30, 2014 as follows:

Capital Assets

	Governmental Activities	Business-type Activities
Land	$ 27,509,080	$ 7,924,275
Buildings	13,209,737	21,480,831
Improvements	93,647,412	104,841,956
Machinery and Equipment	18,370,625	9,199,586
Automotive Equipment	10,783,512	6,209,136
Construction in Progress	5,733,455	8,196,791
Total Capital Assets	169,253,821	157,852,575
Less: Accumulated Depreciation	(68,686,032)	(54,067,992)
Total Capital Assets - Net	$ 100,567,790	$ 103,784,583

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

Long-Term Debt - At year end, the City had $29,065,622 in notes and bonds outstanding, the majority of which is secured by utility revenues ($17.8 million). The City has one note secured by Recreation Impact Fees and no notes secured by ad-valorem taxes. All of the remaining notes are secured by non-ad-valorem tax revenues. More detailed information about the City's capital leases and long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors are considered each year by the City Council in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop uniform user fees that are fair, reasonable, and adequately recover costs. Some of the major factors considered in this process are the local economy, labor force, unemployment rates, and inflation rates.

- The more recent estimates available for unemployment data in Apopka, Orange County, and the State of Florida are compiled by the Volusia County Economic Development Department. Their estimated unemployment rates are as follows:

	Apopka	Orange County	State of Florida
September 2014	5.1%	5.6%	6.1%
September 2013	5.6%	6.5%	7.1%
Percentage Change	-0.5%	- .9%	- 1.0%

- Inflationary trends for Orange County compare favorably with those trends experienced at the state and national levels.

- The economy is showing continued signs of improvement, as revenues appear to be stabilizing and increasing in some areas, and are expected to improve over the long run.

- During its 2007 legislative session, the Florida Legislature approved a tax reform package that required all cities and counties to cut property taxes. A cap on future property tax revenues was imposed based on the rate of personal income growth and new construction. Local governments may override the cap. The method for the override will vary based on the magnitude of the local government's action (escalating from a supermajority vote of the local governing body, to a unanimous vote of the local governing body).

- On January 29, 2008 the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current $25,000 homestead exemption by another $25,000 (for property values between $50,000 and $75,000), except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to $500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

- With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a $25,000 exemption for tangible personal property.

- Amendment 1 became effective with the budget year beginning on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property, which became effective on January 1, 2010 (budget year beginning on October 1, 2010).

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Finance Director, City of Apopka, Florida, P.O. Box 1229, Apopka, FL 32703.

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BASIC FINANCIAL STATEMENTS

CITY OF APOPKA, FLORIDA

GOVERNMENT-WIDE STATEMENT OF NET POSITION

September 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 20,880,327	$ 19,412,037	$ 40,292,364
Restricted Cash and Cash Equivalents	2,156,922	11,633,813	13,790,735
Investments	77,818	-	77,818
Accounts Receivable (Net)	1,935,608	2,694,908	4,630,516
Due from Other Governments	931,783	8,132	939,915
Inventories	135,668	438,532	574,200
Prepaid Items	89,858	-	89,858
Deposits	250,000	-	250,000
Net Pension Asset	2,453,970	565,230	3,019,200
Capital Assets not Being Depreciated	33,242,537	16,121,066	49,363,603
Capital Assets Being Depreciated, Net of Depreciation	67,325,253	87,663,517	154,988,770
Total Assets	129,479,744	138,537,235	268,016,979
LIABILITIES			
Accounts Payable	1,650,091	488,552	2,138,643
Due to Other Governments	460,558	-	460,558
Accrued Liabilities	667,013	72,085	739,098
Retainage Payable	312,776	26,367	339,143
Accrued Interest Payable	131,919	-	131,919
Due to Pension Beneficiaries	436,926	52,928	489,854
Customer Utility Deposits	-	682,834	682,834
Unearned Revenue	273,650	188,377	462,027
Deposits	58,544	-	58,544
Long-term Liabilities:			
Due Within One Year			
Bonds Payable	140,000	843,000	983,000
Notes Payable	1,521,862	-	1,521,862
Compensated Absences	964,278	244,035	1,208,313
Due in More Than One Year			
Notes Payable	8,938,760	-	8,938,760
Bonds Payable	659,397	18,314,996	18,974,393
Compensated Absences	888,272	211,754	1,100,026
Other Postemployment Benefits	12,027,358	2,713,852	14,741,210
Total Liabilities	29,131,404	23,838,780	52,970,184
NET POSITION			
Net Investment in Capital Assets	89,327,168	84,626,587	173,953,755
Restricted For:			
Capital Improvements	-	10,562,602	10,562,602
Renewal, Replacements, & Improvements	-	200,000	200,000
Street Improvement	995,115	-	995,115
Law Enforcement	144,058	-	144,058
Public Safety	303,951	-	303,951
Culture & Recreation	85,538	-	85,538
Pension Beneficiaries	66,211	-	66,211
Capital Projects	562,049	-	562,049
Unrestricted	8,864,250	19,309,266	28,173,516
Total Net Position	$ 100,348,340	$ 114,698,455	$ 215,046,795

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

CITY OF APOPKA, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary Government:							
Governmental Activities:							
General Government	$ 6,377,891	$ 3,922,155	$ 411,878	$ -	$ (2,043,858)	$ -	$ (2,043,858)
Public Safety	25,985,190	1,937,810	832,078	-	(23,215,302)	-	(23,215,302)
Transportation	8,093,858	2,117,946	39,280	1,855,694	(4,080,938)	-	(4,080,938)
Environmental	251,577	2,019,389	-	-	1,767,812	-	1,767,812
Culture and Recreation	3,985,137	813,576	482	-	(3,171,079)	-	(3,171,079)
Interest on Long-Term Debt	341,785	-	-	-	(341,785)	-	(341,785)
Total Governmental Activities	45,035,438	10,810,876	1,283,718	1,855,694	(31,085,150)	-	(31,085,150)
Business-type Activities:							
Utility System	15,019,098	13,893,549	105,512	4,021,117	-	3,001,080	3,001,080
Sanitation	3,453,253	3,827,349	-	-	-	374,096	374,096
Total Business-type Activities	18,472,351	17,720,898	105,512	4,021,117	-	3,375,176	3,375,176
Total Primary Government	$ 63,507,789	$ 28,531,774	$ 1,389,230	$ 5,876,811	(31,085,150)	3,375,176	(27,709,974)
		General Revenues:					
		Property Tax			6,789,004	-	6,789,004
		Gas Tax			1,433,900	-	1,433,900
		Utility Tax			3,226,552	-	3,226,552
		Communication Services Tax			1,698,804	-	1,698,804
		1/2 Cent Sales Tax			6,180,303	-	6,180,303
		State Shared Revenues			1,781,391	-	1,781,391
		Franchise Fees			3,826,121	36,636	3,862,757
		Gain on Sale of Capital Assets			11,444	12,287	23,731
		Investment Earnings			98,712	104,448	203,160
		Miscellaneous			235,911	1,226,892	1,462,803
		Transfers			3,899,130	(3,899,130)	-
		Total General Revenues/Transfers			29,181,272	(2,518,867)	26,662,405
		Change in Net Position			(1,903,878)	856,309	(1,047,569)
		Net Position - Beginning, as restated			102,252,218	113,842,146	216,094,364
		Net Position - Ending			$ 100,348,340	$ 114,698,455	$ 215,046,795

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

CITY OF APOPKA, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2014

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Cash Equivalents	$ 10,288,051	$ 10,592,276	$ 20,880,327
Restricted Assets:			
Cash and Cash Equivalents	1,017,749	1,139,173	2,156,922
Investments	77,818	-	77,818
Accounts Receivable	1,902,286	33,322	1,935,608
Due from Other Governments	802,598	129,185	931,783
Inventories	135,668	-	135,668
Prepaid Items	89,858	-	89,858
Due from Other Funds	434,466	-	434,466
Other Assets - Deposit	250,000	-	250,000
Total Assets	$ 14,998,494	$ 11,893,956	$ 26,892,450
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1,108,044	$ 542,047	$ 1,650,091
Due to Other Governments	460,558	-	460,558
Accrued Liabilities	663,564	3,449	667,013
Retainage Payable	105,213	207,563	312,776
Due to Pension Beneficiaries	433,641	3,285	436,926
Due to Other Funds	-	434,466	434,466
Deposits	55,250	3,294	58,544
Unearned Revenues	273,650	-	273,650
Total Liabilities	3,099,920	1,194,104	4,294,024
Deferred Inflows:			
Unavailable Revenues	1,060,000	-	1,060,000
Total Deferred Inflows	1,060,000	-	1,060,000
FUND BALANCES			
Nonspendable:			
Prepaids	89,858	-	89,858
Inventory	135,668	-	135,668
Restricted:			
Street Improvements	-	995,115	995,115
Law Enforcement	-	144,058	144,058
Pension Beneficiaries	66,211	-	66,211
Public Safety	303,951	-	303,951
Culture and Recreation	85,538	-	85,538
Capital Projects	562,049	-	562,049
Committed:			
Transportation Improvements	-	5,509,598	5,509,598
Recreation Improvements	-	254,847	254,847
Stormwater Improvements	-	1,723,744	1,723,744
Community Redevelopment	-	2,072,490	2,072,490
Public Safety	65,350	-	65,350
Storage Retention	149,403	-	149,403
Tree Bank	297,838	-	297,838
Assigned:			
Culture and Recreation	554,541	-	554,541
Insurance	300,000	-	300,000
Unassigned	8,228,167	-	8,228,167
Total Fund Balances	10,838,574	10,699,852	21,538,426
Total Liabilities, Deferred Inflows and Fund Balances	$ 14,998,494	$ 11,893,956	$ 26,892,450

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

CITY OF APOPKA, FLORIDA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

September 30, 2014

Total fund balances of governmental funds		$ 21,538,426
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		100,567,790
The pension asset resulting from contributions in excess of the annual required contribution in previous years are not current financial resources and, therefore, are not reported in governmental funds.		2,453,970
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:		
Notes payable	$ 780,000	
Capital lease payable	10,460,622	
Accrued interest payable	131,919	
Other postemployment benefits	12,027,358	
Compensated absences	1,852,550	(25,252,449)
Note premiums are reported in the governmental funds when first issued, whereas these amounts are deferred and amortized in the government-wide statements.		(19,397)
Deferred inflows from federal and state grants recognized as revenue of the current period.		1,060,000
Total net position of governmental activities		$ 100,348,340

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

CITY OF APOPKA, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 12,301,424	$ 1,520,529	$ 13,821,953
Licenses, Fees and Permits	5,689,506	-	5,689,506
Intergovernmental Revenues	8,323,538	108,784	8,432,322
Charges for Services	3,699,285	945,943	4,645,228
Fines and Forfeitures	1,462,018	135,527	1,597,545
Impact Fees	50,650	2,201,831	2,252,481
Investment Earnings	55,618	43,094	98,712
Miscellaneous Revenues	851,055	41,934	892,989
Total Revenues	32,433,094	4,997,642	37,430,736
EXPENDITURES			
Current:			
General Government	7,481,376	221,389	7,702,765
Public Safety	24,209,905	10,000	24,219,905
Transportation	1,527,248	2,441,793	3,969,041
Environmental	107,694	100,742	208,436
Culture and Recreation	3,313,323	1,025	3,314,348
Debt Service:			
Principal Payments	4,431,604	-	4,431,604
Interest and Fiscal Charges	431,184	-	431,184
Capital Outlay	-	4,166,380	4,166,380
Total Expenditures	41,502,334	6,941,329	48,443,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,069,240)	(1,943,687)	(11,012,927)
OTHER FINANCING SOURCES AND (USES)			
Transfers In	4,243,629	619,383	4,863,012
Transfers (Out)	(604,233)	(359,649)	(963,882)
Debt Issuance - Refunding	4,147,929	-	4,147,929
Total Other Financing Sources and (Uses)	7,787,325	259,734	8,047,059
Net Change in Fund Balances	(1,281,915)	(1,683,953)	(2,965,868)
Fund Balances - Beginning, as restated	12,120,489	12,383,805	24,504,294
Fund Balances - Ending	$ 10,838,574	$ 10,699,852	$ 21,538,426

The notes to the financial statements 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, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (2,965,868)
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	$ 6,163,043	
Contributions of capital assets	1,855,694	
Less current year depreciation	(5,759,610)	
		2,259,127
The issuance of notes and similar long-term debt provides current financial resources to governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:		
Issuance of debt:		
Issuance of notes payable	(4,147,929)	
Principal repayments:		
Notes payable	4,431,604	283,675
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Compensated absences	15,764	
Other postemployment benefits	(1,665,524)	
Pension asset	136,746	
Accrued interest on long-term debt	86,187	(1,426,827)
In the statement of activities, only the loss on the sale/disposal of capital assets is reported. The change in net position differs from the change in fund balance by the cost of the capital assets sold/disposed or adjusted in value.		(3,197)
Governmental funds report the effect of 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.		3,212
Under the modified accrual basis of accounting, revenues are recognized when both the measurable and available critieria have been met. Under full accrual accounting, the revenues would be recognized when earned.		(54,000)
Change in net position of governmental activities		$ (1,903,878)

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

CITY OF APOPKA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 11,755,600	$ 12,351,016	$ 12,301,424	$ (49,592)
Licenses, Fees and Permits	5,037,900	5,037,900	5,689,506	651,606
Intergovernmental Revenues	7,961,400	8,013,166	8,323,538	310,372
Charges for Services	2,721,300	2,762,259	3,699,285	937,026
Fines and Forfeitures	2,591,420	2,598,210	1,462,018	(1,136,192)
Impact Fees	-	22,000	50,650	28,650
Investment Earnings	98,550	98,550	55,618	(42,932)
Miscellaneous Revenues	835,300	877,162	851,055	(26,107)
Total Revenues	31,001,470	31,760,263	32,433,094	672,831
EXPENDITURES				
Current:				
General Government	4,235,400	6,525,818	7,481,376	(955,558)
Public Safety	22,943,860	25,931,944	24,209,905	1,722,039
Transportation	949,000	2,149,900	1,527,248	622,652
Environmental	132,880	132,880	107,694	25,186
Culture and Recreation	1,703,945	3,573,885	3,313,323	260,562
Debt Service:				
Principal Payments	1,508,730	1,709,500	4,431,604	(2,722,104)
Interest and Fiscal Charges	413,620	253,535	431,184	(177,649)
Total Expenditures	31,887,435	40,277,462	41,502,334	(1,224,872)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(885,965)	(8,517,199)	(9,069,240)	(552,041)
Net Change in Fund Balance	(885,965)	(8,517,199)	(9,069,240)	(552,041)
OTHER FINANCING SOURCES AND (USES)				
Transfers In	4,175,750	4,439,550	4,243,629	(195,921)
Transfers (Out)	(471,000)	(528,860)	(604,233)	(75,373)
Debt Issuance - Refunding	-	1,069,000	4,147,929	3,078,929
Total Other Financing Sources and (Uses)	3,704,750	4,979,690	7,787,325	2,807,635
Net Change in Fund Balances	2,818,785	(3,537,509)	(1,281,915)	2,255,594
Fund Balances - Beginning, as restated	12,120,489	12,120,489	12,120,489	-
Fund Balance - Ending	$ 14,939,274	$ 8,582,980	$ 10,838,574	$ 2,255,594

CITY OF APOPKA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	Business-type Activities - Enterprise Funds		
	Utility System	**Sanitation**	**Totals**
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 18,189,784	$ 1,222,253	$ 19,412,037
Restricted Cash and Cash Equivalents:			
Customer Utility Deposits	682,834	-	682,834
Repair and Maintenance Escrows	188,377	-	188,377
Renewal, Replacement, and Improvement	200,000	-	200,000
Capital Improvements	10,562,602	-	10,562,602
Accounts Receivable, Net	2,213,105	481,803	2,694,908
Inventories	438,532	-	438,532
Due From Other Governments	6,019	2,113	8,132
Prepaid Items	-	-	-
Total Current Assets	32,481,253	1,706,169	34,187,422
Noncurrent Assets:			
Capital Assets:			
Land	7,924,275	-	7,924,275
Buildings	21,480,830	-	21,480,830
Infrastructure	104,841,957	-	104,841,957
Equipment and Machinery	7,993,951	1,205,635	9,199,586
Vehicles	2,554,090	3,655,046	6,209,136
Construction in Progress	8,196,791	-	8,196,791
Less: Accumulated Depreciation	(51,159,091)	(2,908,901)	(54,067,992)
Total Capital Assets (Net)	101,832,803	1,951,780	103,784,583
Net Pension Asset	462,734	102,496	565,230
Total Noncurrent Assets	102,295,537	2,054,276	104,349,813
Total Assets	$ 134,776,790	$ 3,760,445	$ 138,537,235

Continued

CITY OF APOPKA, FLORIDA

STATEMENT OF NET POSITION *(Continued)*

PROPRIETARY FUNDS

September 30, 2014

	Business-type Activities - Enterprise Funds		
	Utility System	**Sanitation**	**Totals**
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 408,285	$ 80,267	$ 488,552
Accrued Liabilities	60,802	11,283	72,085
Retainage Payable	26,367	-	26,367
Due to Pension Beneficiaries	43,026	9,902	52,928
Compensated Absences	195,228	48,807	244,035
Customer Utility Deposits	682,834	-	682,834
Current Portion of Bonds Payable	725,000	118,000	843,000
Due to Other Governments	-	-	-
Unearned Revenue	188,377	-	188,377
Total Current Liabilities	2,329,919	268,259	2,598,178
Noncurrent Liabilities:			
Compensated Absences	173,383	38,371	211,754
Bonds Payable	17,332,996	982,000	18,314,996
Other Postemployment Benefits Liability	2,125,469	588,383	2,713,852
Total Noncurrent Liabilities	19,631,848	1,608,754	21,240,602
Total Liabilities	21,961,767	1,877,013	23,838,780
NET POSITION			
Net Investment in Capital Assets	83,774,807	851,780	84,626,587
Restricted:			
Capital Improvements	10,562,602	-	10,562,602
Renewal, Replacement and Improvement	200,000	-	200,000
Unrestricted	18,277,614	1,031,652	19,309,266
Total Net Position	$ 112,815,023	$ 1,883,432	$ 114,698,455

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

CITY OF APOPKA, FLORIDA

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

September 30, 2014

	Business-type Activities - Enterprise Funds		
	Utility System	**Sanitation**	**Totals**
Operating Revenues:			
Water Sales	$ 5,541,172	$ -	$ 5,541,172
Sewer Charges	5,691,201	-	5,691,201
Reclaimed Water Sales	2,661,176	-	2,661,176
Sanitation Fees	-	3,827,349	3,827,349
Miscellaneous Revenues	1,047,398	179,494	1,226,892
Total Operating Revenues	14,940,947	4,006,843	18,947,790
Operating Expenses:			
Utility Administration	1,096,157	-	1,096,157
Water Plant Operations	1,771,443	-	1,771,443
Wastewater Treatment Plant Operations	2,904,658	-	2,904,658
Utility Construction Operations	535,782	-	535,782
Water Maintenance	1,565,003	-	1,565,003
Utility Billing	760,602	-	760,602
Wastewater Maintenance	1,090,048	-	1,090,048
Operating Charges	-	3,100,786	3,100,786
Utility Restoration	190,385	-	190,385
Design Engineering	589,794	-	589,794
Depreciation	3,625,189	331,467	3,956,656
Total Operating Expenses	14,129,061	3,432,253	17,561,314
Operating Income	811,886	574,590	1,386,476
Nonoperating Revenues (Expenses):			
Interest Income	101,156	3,292	104,448
Gain on Disposal of Capital Assets	6,279	6,008	12,287
Interest Expense	(623,399)	-	(623,399)
Franchise Fees	-	36,636	36,636
Bond Issuance Costs and Discounts	(266,638)	(21,000)	(287,638)
Increase in Net Pension Obligation	-	-	-
Total Nonoperating Revenues (Expense)	(782,602)	24,936	(757,666)
Income Before Contributions and Transfers	29,284	599,526	628,810
Transfers In	448,800	-	448,800
Transfers Out	(3,546,330)	(801,600)	(4,347,930)
Developers Contributions	1,256,835	-	1,256,835
Capital Contributions - Impact Fees	2,764,282	-	2,764,282
Capital Contributions - Grant	105,512	-	105,512
Change in Net Position	1,058,383	(202,074)	856,309
Total Net Position - Beginning	111,756,640	2,085,506	113,842,146
Total Net Position - Ending	$ 112,815,023	$ 1,883,432	$ 114,698,455

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

CITY OF APOPKA, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds		
	Utility System	**Sanitation**	**Totals**
Cash Flows from Operating Activities			
Receipts from Customers and Users	$ 15,036,792	$ 3,995,387	$ 19,032,179
Payments to Suppliers	(6,057,198)	(1,955,939)	(8,013,137)
Payments to Employees	(4,385,726)	(1,138,017)	(5,523,743)
Net Cash Provided by Operating Activities	4,593,868	901,431	5,495,299
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	(3,546,330)	(801,600)	(4,347,930)
Transfers from Other Funds	448,800	-	448,800
Franchise Fees	-	36,636	36,636
Net Cash (Used) by Noncapital Financing Activities	(3,097,530)	(764,964)	(3,862,494)
Cash Flows from Capital and Related Financing Activities			
Acquisition/Construction of Capital Assets	(1,478,442)	(1,047,142)	(2,525,584)
Proceeds from Sale of Capital Assets	6,279	6,008	12,287
Principal Paid on Capital Debt	(725,000)	-	(725,000)
Interest Paid on Capital Debt	(676,062)	-	(676,062)
Capital Contributions - Impact Fees	2,764,282	-	2,764,282
Capital Contributions - Grant	105,512	-	105,512
Bond Issue Costs	-	(21,000)	(21,000)
Proceeds from Notes Payable	-	1,100,000	1,100,000
Net Cash (Used) by Capital and Related Financing Activities	(3,431)	37,866	34,435
Cash Flows from Investing Activities			
Interest Income Received	101,156	3,292	104,448
Net Cash Provided by (Used in) Investing Activities	101,156	3,292	104,448
Net Increase (Decrease) in Cash and Cash Equivalents	1,594,063	177,625	1,771,688
Cash and Cash Equivalents at Beginning of Year	28,229,534	1,006,257	29,235,791
Cash and Cash Equivalents at End of Year	$ 29,823,597	$ 1,183,882	$ 31,007,479
Cash and Cash Equivalents Classified As:			
Unrestricted Assets	$ 18,189,784	$ 1,222,253	$ 19,412,037
Restricted Assets	11,633,813	-	11,633,813
Total Cash and Cash Equivalents	$ 29,823,597	$ 1,222,253	$ 31,045,850

Continued

CITY OF APOPKA, FLORIDA

STATEMENT OF CASH FLOWS *(Continued)*

PROPRIETARY FUNDS

For The Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds		
	Utility System	**Sanitation**	**Totals**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	$ 811,886	$ 574,590	$ 1,386,476
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	3,625,189	331,467	3,956,656
(Increase) Decrease In -			
Accounts receivable	(57,977)	(9,343)	(67,320)
Prepaids	-	210	210
Due from other governments	54,148	(2,113)	52,035
Net pension obligation	(81,506)	(21,246)	(102,752)
Inventories	(90,058)	-	(90,058)
Increase (Decrease) In -			
Accounts payable	(128,966)	(5,747)	(134,713)
Due to other funds	(49,978)	(11,011)	(60,989)
Accrued liabilities	8,310	1,810	10,120
Unearned revenue	32,000	-	32,000
Compensated absences	(10,463)	(46,065)	(56,528)
OPEB	412,609	87,887	500,496
Due to pension beneficiaries	1,164	992	2,156
Due to other governments	(164)	-	(164)
Customer utility deposits	67,674	-	67,674
Total Adjustments	3,781,982	326,841	4,108,823
Net Cash Provided by Operating Activities	$ 4,593,868	$ 901,431	$ 5,495,299
Noncash Investing, Capital and Financing Actitivities			
Contribution of water, sewer, and water reuse lines by developers	$ 1,256,835	$ -	$ 1,256,835

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

CITY OF APOPKA, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUND

September 30, 2014

ASSETS	
Cash and Cash Equivalents	$ 8,226,533
Investments:	
U.S. Corporate Stocks	55,058,636
International Corporate Stocks	12,276,671
U.S. Government Bonds & Treasury Bills	33,962,369
Total Investments	101,297,676
Contribution Receivable	540,726
Total Assets	110,064,935
Net Position Restricted for Pensions	$ 110,064,935

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

CITY OF APOPKA, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUND

For the Year Ended September 30, 2014

ADDITIONS	
Contributions:	
Employees	$ 1,358,316
State	595,416
City	4,477,672
Total Contributions	6,431,404
Investment Income:	
Interest, Dividends and Other Income	1,340,835
Net Increase in Fair Value of Investments	6,273,492
Gain (Loss) on Sales of Investments	1,893,476
Net Investment Income	9,507,803
Total Additions	15,939,207
DEDUCTIONS	
Benefits Paid to Participants	3,901,124
Lump-sum DROP Payments	326,363
Termination Payments	134,042
Administrative Expense	91,867
Total Deductions	4,453,396
Net Increase in Net Position	11,485,811
Net Position Restricted for Pensions	
Beginning of Year, as restated	98,579,124
End of Year	$ 110,064,935

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

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NOTES TO THE FINANCIAL STATEMENTS

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 is 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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for 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 GASB 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 Position 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 Position reports all financial and capital resources of the City's governmental and business-type activities. It is presented in a net position format (assets less liabilities and deferred inflows of resources equal net position) and shown with three components: amounts invested in capital assets, net of related debt; restricted net position and unrestricted net position. 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 government, proprietary and fiduciary funds. A reconciliation is provided that converts the results of government 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 these estimates.

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 60 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 measureable until actually received. Investment earnings are recorded as earned since they are measurable and available.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred for a settlement arrangement with Duke Energy earned but not received during the modified accrual availability period.

The following is reported as a 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 residents and businesses.

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) – Special Revenue Funds 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 account for the activities of the general employees, police officers and firefighters' pension plans.

As a general rule, the effect of inter-fund activities have 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 revenue 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 was $54,083,099 and the depository balances were $54,933,659 of that balance, $54,855,841 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 $8,226,533 in uninsured and uncollateralized cash deposits at September 30, 2014.

3. Investments

	Fair Value	Weighted Average Maturity (Years)
Pension Trust Fund Investments:		
U.S. Government Bonds and Bills	$33,962,370	3.6
U.S. Corporate Stocks	55,058,635	N/A
International Corporate Stocks	12,276,670	N/A
Total Investments	$101,297,675	

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – continued

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 less than one-and-one-half years. 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 limited 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 limits concentrations of types of investments not to exceed from 15% to 25% at any one time.

Credit Ratings for Florida Municipal Investment Trust Investments –

Credit Risk for FMIvT Funds

Fixed Income Funds:	**Fitch Rating**
0-2 Year High Quality Bond Fund	AAA/V1
1-3 Year High Quality Bond Fund	AAA/V2

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:	A1
Standard & Poor's	AA-
A.M. Best	A+
Fitch	A+

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – continued

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. 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.

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 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 a public depository, 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 which 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-14 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – 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 possession of any outside party. Financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business are prequalified in accordance with the City's investment policy.

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, 2014 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 October 1.

2. Public hearings are held to obtain taxpayers' comments.

3. Prior to October 1, the budget is legally enacted through passage of a resolution.

4. Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds. The budgets adopted for the Enterprise Funds are to comply with bond covenants. The Pension Trust Funds is 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 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. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.

7. Appropriations are authorized by resolutions generally at the fund 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.

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. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's current millage is 3.4727 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 the 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 by September 30 are accrued based on meter readings for the applicable consumption 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 (determine 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

Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2014. These payments are recorded as expenditures or expenses when consumed, rather than when purchased.

I. Restricted Assets

The uses of certain assets in both Governmental and Business-type activities are restricted by specific provisions of bond resolutions and/or 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.

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:

Assets	Years
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. Amortization of Premiums, and Discounts

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Amortization of premiums is computed by the outstanding principal method over the life of the debt and is recorded as either a reduction of the debt or as income, respectively. Amortization of discounts on debt is determined by the outstanding principal method and is recorded as interest expense each year over the life of the debt.

M. Compensated Absences

The City grants hours of paid time off to all of 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 increased 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 recorded 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 employment as of the end of the fiscal year. Compensated absences are accrued when incurred in the government-wide and proprietary funds financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

N. Fund Equity

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 and have been assigned, to be used for specific purposes that are neither considered restricted or committed. These constraints are imposed internally. These constraints are established by the Mayor and City Council. The Mayor and City Council have delegated the authority to assign fund balances to the City's Chief Administrative Officer. In the General Fund, assigned amounts represent intended uses established by the Mayor and City Council, or the City's Chief Administrative Officer.

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.

O. 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 measureable 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, 2014:

Description	General	Special Revenue	Enterprise
Receivables:			
Utility Accounts Billed	$ 94,461	$ 33,322	$ 1,972,919
Utility Unbilled Receivables	-	-	892,819
Other:			
Settlement - Duke Energy	1,060,000	-	-
Taxes - Franchise and Utility	737,660	-	-
Miscellaneous	14,289	-	26,548
Total Other	1,811,949	-	26,548
Gross Receivables	1,906,410	33,322	2,892,286
Less: Allowance for Uncollectibles	(4,124)	-	(197,378)
Net Total Receivables	$ 1,902,286	$ 33,322	$ 2,694,908

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Redevelopment*	$434,467
		$434,467

* Non-major governmental fund.

The composition of Contributions Receivable in the Pension Trust Funds and Due to Pension Beneficiaries in the corresponding funds as of September 30, 2014 is as follows:

Receivable by Trust Fund	Payable Fund	Amount
Firefighters' Pension	General Fund	$ 96,487
Police Officers' Pension	General Fund	135,635
General Employees' Pension	General Fund	201,519
General Employees' Pension	Utility System Fund	43,026
General Employees' Pension	Sanitation Fund	9,902
General Employees' Pension	Streets Improvement Fund*	3,285
		$ 489,854

* Non-major governmental funds.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - continued

Individual interfund transfers for the fiscal year ended at September 30, 3014 were:

	Transfers In	Transfers Out
General Fund	$ 4,243,629	$ 604,233
Enterprise Funds:		
Utility System Fund	448,800	3,546,330
Sanitation Fund	-	801,600
Special Revenue:		
Streets Improvement Fund*	569,483	113,620
Road Impact Fees*	-	105,879
Stormwater*	49,900	140,150
Total Interfund Transfers	$ 5,311,812	$ 5,311,812

*Non-major governmental funds.

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 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 $18,065,000 Utility Refunding Revenue Bonds, Series 2012. 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 (repair and maintenance escrow accounts). Restricted assets at September 30, 2014 are as follows:

Repair and maintenance escrows	$ 188,377
Renewal, replacement and improvement	200,000
Customer utility deposits	644,858
Capital improvements	10,562,602
Total Restricted Assets	$ 11,595,837

NOTE 5 – CAPITAL ASSETS

Governmental Activities:	**Beginning Balance**	**Reclassifications and Increases**	**Reclassifications and Decreases**	**Ending Balance**
Capital Assets, Not Being Depreciated:				
Land	$ 27,064,602	$ 444,478	$ -	$ 27,509,080
Construction in Progress	1,699,681	4,711,829	(678,054)	5,733,455
Total Capital Assets, Not Being Depreciated	28,764,283	5,156,307	(678,054)	33,242,535
Capital Assets, Being Depreciated:				
Buildings	13,209,737	-	-	13,209,737
Improvements Other Than buildings	91,428,950	2,218,462	-	93,647,412
Machinery and Equipment	17,941,669	428,956	-	18,370,625
Automotive Equipment	9,945,810	893,066	(55,364)	10,783,512
Total Capital Assets Being Depreciated	132,526,166	3,540,484	(55,364)	136,011,286
Less Accumulated Depreciation For:				
Buildings	(4,640,164)	(291,807)	-	(4,931,970)
Improvements Other Than Buildings	(38,068,192)	(2,656,469)	-	(40,724,661)
Machinery and Equipment	(12,779,758)	(2,229,205)	-	(15,008,964)
Automotive Equipment	(7,490,475)	(582,129)	52,167	(8,020,437)
Total Accumulated Depreciation	(62,978,589)	(5,759,610)	52,167	(68,686,032)
Total Capital Assets, Being Depreciated, Net	69,547,577	(2,219,126)	(3,197)	67,325,254
Governmental Activities Capital Assets, Net	$ 98,311,860	$ 2,937,181	$ (681,251)	$ 100,567,790

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

General Government	$ 1,759,129
Public Safety	1,199,709
Transportation	2,086,842
Stormwater	43,141
Culture/Recreation	670,789
Total Governmental Activities	$ 5,759,610

NOTE 5 – CAPITAL ASSETS – continued

Business-type Activities:	**Beginning Balance**	**Reclassification and Increases**	**Reclassification and Decreases**	**Ending Balance**
Capital Assets, Not Being Depreciated:				
Land	$ 7,924,275	$ -	$ -	$ 7,924,275
Construction in Progress	7,655,108	1,339,933	(798,250)	8,196,791
Total Capital Assets, Not Being Depreciated	15,579,383	1,339,933	(798,250)	16,121,066
Capital Assets, Being Depreciated:				
Buildings	21,480,831	-	-	21,480,831
Improvements Other Than Buildings	102,786,872	2,055,084	-	104,841,956
Machinery and Equipment	9,049,490	150,096	-	9,199,586
Automotive Equipment	5,188,096	1,061,922	(40,882)	6,209,136
Total Capital Assets Being Depreciated	138,505,289	3,267,102	(40,882)	141,731,509
Less Accumulated Depreciation For:				
Buildings	(11,799,716)	(723,536)	-	(12,523,252)
Improvements Other Than Buildings	(29,017,342)	(2,128,430)	-	(31,145,772)
Machinery and Equipment	(5,261,098)	(787,491)	-	(6,048,589)
Automotive Equipment	(4,074,063)	(317,198)	40,882	(4,350,379)
Total Accumulated Depreciation	(50,152,219)	(3,956,655)	40,882	(54,067,992)
Total Capital Assets, Being Depreciated, Net	88,353,070	(689,553)	-	87,663,517
Business-type Activities Capital Assets, Net	$ 103,932,453	$ 650,380	$ (798,250)	$ 103,784,583

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

Utility System Fund	$ 3,625,188
Sanitation System Fund	331,467
	$ 3,956,655

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2014:

	Balance Sep. 30, 2013	Additions	Deductions	Balance Sep. 30, 2014	Balance Due Due Within One Year
Governmental Activities:					
Capital Lease	$ 3,439,297	$ -	$ (3,439,297)	$ -	$ -
Revenue Notes	7,170,000	4,147,929	(857,307)	10,460,622	1,521,862
Bond Payable	915,000	-	(135,000)	780,000	140,000
Other Postemployment Benefits	10,361,834	1,665,524	-	12,027,358	-
Compensated Absences	1,868,314	1,578,352	(1,594,116)	1,852,550	964,278
Total	23,754,445	7,391,805	(6,025,720)	25,120,530	2,626,140
Business-type Activities:					
Utility Revenue Bonds	17,435,000	-	(710,000)	16,725,000	725,000
Sanitation Revenue Note	-	1,100,000	-	1,100,000	118,000
Other Postemployment Benefits	2,213,356	500,496	-	2,713,852	-
Compensated Absences	473,947	256,912	(275,070)	455,789	244,035
Total	20,122,303	1,857,408	(985,070)	20,994,641	1,087,035
Total Long-Term Debt	$ 43,876,748	$ 9,249,213	$ (7,010,790)	$ 46,115,171	$ 3,713,175

Discounts, Deferred Losses, and Premiums

Governmental Activities:

The unamortized premium amounts on the 2003B Revenue Bonds amounts to $22,609 at September 30, 2013 and $19,397 at September 30, 2014.

Business-type Activities:

The unamortized discount and deferred amounts on advance refunding of business-type activity revenue bonds amounted to $305,937 at September 30, 2013 and $261,100 at September 30, 2014.

The unamortized premium amount on the 2012 Utility System Refunding Revenue Bonds amounted to $1,594,096 at September 30, 2014.

NOTE 6 – LONG-TERM DEBT – continued

New Issuances and Advance Refunding

Governmental Activities:

The City issued $2,947,929 Series 2013C Special Obligation Refunding Revenue Note to Old Florida National Bank with an interest rate of 1.2%. The proceeds were used to refund the $3,439,297 outstanding capital lease to Old Florida National Bank, which had an interest rate of 4.165%. The net proceeds of $2,922,929 (after payments of $25,000 in issuance costs) and $659,615 of legally available funds were deposited with an escrow agent and wire transferred to Bank of America, N.A. in complete defeasance of the refunded debt. As a result, the capital lease to Bank of America, N.A. has been removed from the statement of net position.

The City advance refunded the capital lease to achieve $234,115 in net present value savings on debt service payments over four years.

Business-type Activities:

The City issued $1,100,000 Series 2014 Sanitation System Improvement Revenue Note to Hancock Bank with an interest rate of 1.07%. The net proceeds of $1,079,000 (after payments of $21,000 in issuance costs) were used to finance the acquisition of four compressed natural gas sanitation trucks.

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 $135,000 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.	$ 780,000
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.	153,750
Note payable to Bank of America, N.A., collateralized by pledge of recreational impact fees, due in annual principal installments ranging from $465,000 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).	4,275,000
Note payable to Branch Banking and Trust Company (Special Obligation Improvement Revenue Note, Series 2013A), payable from the Non-Ad Valorem Revenues of the City. Interest is due semi-annually at 1.8%, and principal installments are due annually ranging from $104,204 to $120,189 through March 1, 2023. The proceeds of this note were used to purchase two new fire trucks. This note is serviced by the General Fund.	1,008,272

NOTE 6 – LONG-TERM DEBT – continued

Governmental Activities: – continued

Note payable to Old Florida National Bank (Special Obligation Refunding Revenue Note, Series 2013B), payable from the Non-Ad Valorem Revenues of the City. Interest is due semi-annually at 1.15% and principal installments are due annually ranging from $289,460 to $294,202 through March 1, 2017. This note is serviced by the General Fund.	$ 875,671
Note payable to Old Florida National Bank (Special Obligation Refunding Revenue Note, Series 2013C), payable from the Non-Ad Valorem Revenues of the City. Interest is due semi-annually at 1.2% and principal installments are due annually ranging from $582,550 to $603,775 through December 1, 2018. This note is serviced by the General Fund.	2,947,929
Note payable to Hancock Bank (Special Obligation Refunding Revenue Note, Series 2014), payable from the Non-Ad Valorem Revenues of the City. Interest is due semi-annually at 1.92% and principal installments are due annually ranging from $57,000 to $137,000 through March 1, 2024. This note is serviced by the General Fund.	1,200,000
Total Governmental Activity Debt	$ 11,240,622

Business-type Activities:

Utility System Refunding Revenue Bonds, Series 2012, due in annual installments ranging from $710,000 to $1,135,000, plus interest ranging from 2.00% to 5.00%, on various maturities. 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. This debt is serviced by the Utility System Fund.	$ 16,725,000
Note payable to Hancock Bank (Sanitation System Improvement Revenue Note, Series 2014), payable from the Gross Revenues of the Sanitation Fund of the City. Interest is due semi-annually at 1.07% and principal installments are due annually ranging from $118,000 to $249,000 through March 1, 2019. This note is serviced by the Sanitation Fund.	1,100,000
	17,825,000
Less: Deferred amounts on refunding	(261,100)
Unamortized premium	1,594,096
Total Business-type Activity Debt	$ 19,157,996

NOTE 6 – LONG-TERM DEBT – continued

The annual debt service payments required on outstanding debt at September 30, 2014 are as follows:

Governmental Activities:

	Capital Improvement Revenue Note Series 1999A			Florida Municipal Loan Council Revenue Bonds Series 2003B		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2015	$ 30,750	$ 7,488	$ 38,238	$ 140,000	$ 37,275	$ 177,275
2016	30,750	5,990	36,740	150,000	29,663	179,663
2017	30,750	4,493	35,243	155,000	21,656	176,656
2018	30,750	2,995	33,745	165,000	13,256	178,256
2019	30,750	1,498	32,248	170,000	4,463	174,463
	$ 153,750	$ 22,464	$ 176,214	$ 780,000	$ 106,313	$ 886,313

	Recreational Impact Fee Revenue Note Series 2007A			Special Obligation Improvement Revenue Note Series 2013A		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2015	$ 465,000	$ 166,725	$ 631,725	$ 104,204	$ 17,211	$ 121,415
2016	485,000	148,590	633,590	106,079	15,319	121,398
2017	505,000	129,675	634,675	107,989	13,392	121,381
2018	520,000	109,980	629,980	109,933	11,431	121,364
2019	540,000	89,700	629,700	111,911	9,434	121,345
2020-2024	1,760,000	139,035	1,899,035	468,156	17,041	485,197
	$ 4,275,000	$ 783,705	$ 5,058,705	$ 1,008,272	$ 83,828	$ 1,092,100

	Special Obligation Improvement Revenue Note Series 2013B			Special Obligation Improvement Revenue Note Series 2013C		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2015	$ 289,460	$ 8,406	$ 297,866	$ 575,448	$ 31,922	$ 607,370
2016	292,009	5,062	297,071	582,550	24,974	607,524
2017	294,202	1,692	295,894	589,541	17,942	607,483
2018	-	-	-	596,615	10,825	607,440
2019	-	-	-	603,775	3,623	607,398
	$ 875,671	$ 15,160	$ 890,831	$ 2,947,929	$ 89,286	$ 3,037,215

NOTE 6 – LONG-TERM DEBT – continued

Governmental Activities: – continued:

	Special Obligation Improvement Revenue Note Series 2014		
Fiscal Year	**Principal**	**Interest**	**Total**
2015	$ 57,000	$ 22,237	$ 79,237
2016	118,000	20,813	138,813
2017	120,000	18,528	138,528
2018	122,000	16,205	138,205
2019	124,000	13,843	137,843
2020-2024	659,000	32,112	691,112
	$ 1,200,000	$ 123,738	$ 1,323,738

Business-type Activities:

	Utility System Refunding Revenue Bonds Series 2012			Sanitation System Improvement Revenue Note Series 2014		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2015	$ 725,000	$ 609,200	$ 1,334,200	$ 118,000	$ 11,008	$ 129,008
2016	750,000	587,450	1,337,450	242,000	9,213	251,213
2017	770,000	564,950	1,334,950	244,000	6,613	250,613
2018	800,000	534,150	1,334,150	247,000	3,986	250,986
2019	835,000	502,150	1,337,150	249,000	1,332	250,332
2020-2024	4,610,000	2,073,400	6,683,400	-	-	-
2025-2029	5,675,000	1,008,800	6,683,800	-	-	-
2030-2031	2,560,000	115,800	2,675,800	-	-	-
	$ 16,725,000	$ 5,995,900	$ 22,720,900	$ 1,100,000	$ 32,152	$ 1,132,152

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 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 Officers' Retirement Plan or the Municipal Firefighters' Retirement Plan.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

A. Plan Description – continued

All full-time employees who have attained the age of 57 and 5 years of credited service are entitled to annual benefits of 2.75% of the average of the 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 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 10 years of service, a refund of accumulated contributions
- with 10 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 full-time sworn police officers.

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 years.

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 10 years certain or life or until recovery from disability. If an active police officer dies before retirement eligibility, their 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, their beneficiary is entitled to either early or normal retirement benefits. Minimum disability benefits 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 their 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 their 45th birth date.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

A. Plan Description – continued

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 full-time 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 10 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 their date of disability.

If an active firefighter dies before retirement eligibility, their 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, their beneficiary is entitled to early or normal retirement benefits for 10 years.

If an employee terminates their 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.
- with 10 or more years of continuous service, the pension accrued to the date of termination, payable commencing at their 55th birth date.

B. Pension Plan Investments

The Plan's investment policy is described in Note 1. The following table presents the adopted asset allocation policy as of September 30, 2014 for all plans:

Asset Class	Target Allocation
Domestic Equity	48%
International Equity	12%
Fixed Income	30%
Real Estate	0%
Cash	10%
Total	100%

For the year ended September 30, 2014, the annual money-weighted rate of return on the Plan's investments, net of pension investment expense, was 9.10% for both the General Employees' and Police Officers' plans and 9.00% for the Firefighters' plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

B. Pension Plan Investments – continued

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods:

	General Employees	Police Officers	Firefighters
Inflation	3.00%	3.00%	3.00%
Salary Increases	5.50%	5.50%	5.50%
Investment Rate of Return	9.10%	9.10%	9.00%

Mortality rates were based on the RP-2000 Table projected to 2020 by Projection Scale AA, which is based on a study of over 650 public safety funds. Disabled lives are set forward five years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expended future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in all of the plans' target asset allocation as of September 30, 2014 are summarized as follows:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	8.50%
International Equity	9.25%
Fixed Income	4.50%
Real Estate	8.25%
Cash	5.00%

The discount rate used to measure the total pension liability was 7.50%. This single rate of return has been determined by projecting all future benefit payments of the covered group on a closed group basis and discounting them at the long-term expected rate of return on plan assets if the pension plan's fiduciary net position is projected to be greater than or equal to the benefit payments that are projected to be made in that period. For any future period where the pension plan's fiduciary net position is projected to be less than the benefit payments that are projected to be made in that period, those future benefit payments are discounted at an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

B. Pension Plan Investments – continued

The following tables present the sensitivity of the net pension liability to changes in the discount rate:

General Employees		
1% Decrease to 6.50%	**Current Discount Rate of 7.50%**	**1% Increase to 8.50%**
$12,878,931	$7,198,645	$2,442,988

Police Officers		
1% Decrease to 6.50%	**Current Discount Rate of 7.50%**	**1% Increase to 8.50%**
$7,500,542	$2,574,286	$(1,521,263)

Firefighters		
1% Decrease to 6.50%	**Current Discount Rate of 7.50%**	**1% Increase to 8.50%**
$6,230,495	$2,239,187	$(1,074,964)

C. Contribution Requirements

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 26.93% of annual covered payroll, subject to a minimum of 4%. Any unfunded accrued liability is amortized over no more than 30 years.

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 19.30% 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, receipted in the City's General Fund and expended as Public Safety activity are $280,687 and $314,729, respectively, for the year ended September 30, 2014.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

C. Contribution Requirements – continued

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, 2014, the City received actual contributions in the amount of $280,687 for the Firefighters' Retirement Plan and $314,729 for the Police Officers' Retirement Plan. The applicable "frozen" amounts for the Firefighters' Retirement Plan were $165,010 and for the Police Officers' Retirement Plan were $252,841. The additions to the Excess State Monies Reserve were $115,677 for the Firefighters' Retirement Plan and $61,888 for the Police Officers' Retirement Plan. The accumulated total Excess State Monies Reserve as of September 30, 2014 for the Firefighters' Retirement Plan was $753,961 and for the Police Officers' Retirement Plan was $438,952.

D. Schedules of Funded Status and Funding Progress

The most recent actuarial valuation date for each plan was October 1, 2014. The funded status and funding progress of each plan at September 30, 2014 is presented below:

	General Employees	Police Officers	Firefighters
Actuarial Value of Assets	$ 41,715,492	$ 39,668,376	$ 1,308,243
Actuarial Accrued Liability	$ 47,927,749	$ 41,316,716	$ 32,832,608
Unfunded (Overfunded) Status (UAAL)	$ 6,212,257	$ 1,648,340	$ 1,524,365
Funded Ratio	87.04%	96.01%	95.36%
Annual Covered Payroll	$ 9,817,061	$ 5,463,618	$ 4,701,480
UAAL as Percent of Payroll	63.28%	30.17%	32.42%

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 page 68. These schedules present multi-year (2005-2014) 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.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

E. Annual Pension Cost, Net Pension Obligation (Asset) and Net Pension Liability

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

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 Net Pension Obligation ("NPO") on October 1, 1997 is zero.

The components of the net pension liability of the City as of September 30, 2014 were as follows:

Total Pension Liability	$	47,927,749
Plan Fiduciary Net Position		40,729,084
City's Net Pension Liability	$	7,198,665
Plan Fiduciary Net Position as a % of Total Pension Liability		84.98%

The recent development of the NPO through September 30, 2014 is as follows:

	General Employees' Plan		
	9/30/2012	**9/30/2013**	**9/30/2014**
Actuarially Determined Contribution (A)	$ 1,321,788	$ 1,527,489	$ 1,767,282
Interest on NPO	(61,843)	(64,363)	(79,294)
Adjustment to (A)	45,121	50,549	78,855
Annual Pension Cost	1,305,066	1,513,675	1,766,843
Contributions Made	1,336,564	1,706,074	1,837,620
Increase in NPO	(31,498)	(192,399)	(70,777)
NPO, Beginning of Year	(773,038)	(804,536)	(996,935)
NPO, End of Year	$ (804,536)	$ (996,935)	$ (1,067,712)

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

E. Annual Pension Cost, Net Pension Obligation (Asset) and Net Pension Liability – 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 components of the net pension liability of the City as of September 30, 2014 were as follows:

Total Pension Liability	$	41,316,716
Plan Fiduciary Net Position		38,742,430
City's Net Pension Liability	$	2,574,286
Plan Fiduciary Net Position as a % of Total Pension Liability		93.77%

The recent development of the NPO through September 30, 2014 is as follows:

	Police Officers' Plan		
	9/30/2012	**9/30/2013**	**9/30/2014**
Actuarially Determined Contribution (A)	$ 1,107,098	$ 1,211,103	$ 1,471,305
Interest on NPO	(50,167)	(59,162)	(82,353)
Adjustment to (A)	32,226	39,865	62,513
Annual Pension Cost	1,089,157	1,191,806	1,451,465
Contributions Made	1,201,591	1,481,729	1,603,429
Increase in NPO	(112,434)	(289,923)	(151,964)
NPO, Beginning of Year	(627,086)	(739,520)	(1,029,443)
NPO, End of Year	$ (739,520)	$ (1,029,443)	$ (1,181,407)

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.

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

E. Annual Pension Cost, Net Pension Obligation (Asset) and Net Pension Liability – continued

The components of the net pension asset of the City as of September 30, 2014 were as follows:

Total Pension Liability	$	32,832,608
Plan Fiduciary Net Position		30,593,421
City's Net Pension Asset	$	2,239,187
Plan Fiduciary Net Position as a % of Total Pension Liability		93.18%

The recent development of the NPO through September 30, 2014 is as follows:

	Firefighters' Plan		
	9/30/2012	**9/30/2013**	**9/30/2014**
Actuarially Determined Contribution (A)	$ 631,730	$ 717,001	$ 907,485
Interest on NPO	(46,986)	(53,668)	(59,985)
Adjustment to (A)	34,276	43,018	68,682
Annual Pension Cost	619,020	706,351	916,182
Contributions Made	702,542	788,822	932,939
Increase in NPO	(83,522)	(82,471)	(16,757)
NPO, Beginning of Year	(587,331)	(670,853)	(753,324)
NPO, End of Year	$ (670,853)	$ (753,324)	$ (770,081)

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

E. Annual Pension Cost, Net Pension Obligation (Asset) and Net Pension Liability – continued

Three-year trend information is as follows:

Plan	Fiscal Year Ending	Annual Pension Cost (A)	Percentage of (A) Contributed	Net Pension Obligation
General Employees	9/30/2014	$1,766,843	104%	$(1,067,712)
	9/30/2013	1,513,675	113%	(996,935)
	9/30/2012	1,305,066	102%	(804,536)
Police Officers	9/30/2014	1,451,465	110%	(1,181,407)
	9/30/2013	1,191,806	124%	(1,029,443)
	9/30/2012	1,089,157	110%	(739,520)
Firefighters	9/30/2014	916,182	120%	(770,081)
	9/30/2013	706,351	112%	(753,324)
	9/30/2012	619,020	113%	(670,853)

Actuarial Methods and Significant Assumptions:

	General Employees	Police Officers	Firefighters
Contribution rates:			
Employer	18.00%	26.93%	19.30%
Employee	4.90%	7.00%	8.30%
Actuarial valuation date	10/1/2012	10/1/2012	10/1/2012
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percentage of Pay, Closed	Level Percentage of Pay, Closed	Level Percentage of Pay, Closed
Remaining amortization period	30	30	30
Asset valuation method	4 Year Smoothed Market Value	4 Year Smoothed Market Value	4 Year Smoothed Market Value
Actuarial assumptions:			
Investment rate of return	8%	8%	8%
Projected salary increase	7%	7%	7%
(includes inflation at)	3%	3%	3%

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

F. Net Position

The Combining Statement of Fiduciary Net Position
At September 30, 2014 is stated as follows:

Assets	General Employees	Police Officers	Firefighters	Total
Cash and cash equivalents	$ 2,932,724	$ 2,978,592	$ 2,315,217	$ 8,226,533
Investments at fair value	37,538,628	35,586,241	28,172,807	101,297,676
Contributions receivable	257,732	177,597	105,397	540,726
Total Assets	$ 40,729,084	$ 38,742,430	$ 30,593,421	$ 110,064,935
Total Net Position Restricted for Pensions	$ 40,729,084	$ 38,742,430	$ 30,593,421	$ 110,064,935

NOTE 7 – EMPLOYMENT RETIREMENT SYSTEMS – continued

G. Changes in Net Position

The Combining Statement of Changes in Fiduciary Net Position At September 30, 2014 is stated as follows:

	General Employees	Police Officers	Firefighters	Total
ADDITIONS				
Contributions:				
Employee Contributions	$ 535,334	$ 399,320	$ 423,662	$ 1,358,316
State Contributions	-	314,729	280,687	595,416
City Contributions	1,837,620	1,603,429	1,036,623	4,477,672
Total Contributions	2,372,954	2,317,478	1,740,972	6,431,404
Investment Income (Loss):				
Interest, dividend and other income	495,310	468,757	376,768	1,340,835
Net appreciation (depreciation) in fair value of investments	2,394,661	2,248,499	1,630,332	6,273,492
Gains on sales of investments	642,629	615,711	635,136	1,893,476
Net Investment Income (Loss)	3,532,600	3,332,967	2,642,236	9,507,803
Total Additions	5,905,554	5,650,445	4,383,208	15,939,207
DEDUCTIONS				
Benefit payments	1,432,120	1,370,564	1,098,442	3,901,124
Lump-sum DROP payments	158,360	-	168,003	326,363
Termination payments	73,370	32,726	27,946	134,042
Administrative expense	31,923	31,542	28,402	91,867
Total Deductions	1,695,791	1,434,832	1,322,773	4,453,396
CHANGE IN NET POSITION	4,209,763	4,215,613	3,060,435	11,485,811
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year, as restated	36,519,321	34,526,817	27,532,986	98,579,124
End of year	$ 40,729,084	$ 38,742,430	$ 30,593,421	$ 110,064,935

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OBEB)

Eligibility

A participant is eligible to receive certain other postemployment benefits upon retirement under one of the three 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 Fighters' Retirement:
Normal Retirement: Age 55 with 10 years of service or 22 years of service at 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. Premiums for the plans are as follows:

Monthly Premiums for Coverage	Medical	Dental High	Dental 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, $15,000 at age 70, and $7,500 at age 75. 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.

OPEB 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 than 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 towards the 25-year goal. Premiums for dependent coverage are not eligible to be paid for by the City.

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

NOTE 8 – OTHER POST EMPLOYMENT 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:	**9/30/2014**
Retirees and Beneficiaries Receiving Benefits	43
Active Plan Members	378
Total	421

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:

	September 30, 2014
Normal Cost (Service cost for one year)	$ 1,713,571
Amortization of Unfunded Actuarial Accrued Liability	1,507,102
Interest on Normal Cost and Amortization	3,220,673
Annual Required Contribution (ARC)	3,220,673
Interest on ARC	503,008
Adjustment to ARC	(727,224)
Annual OPEB Cost (Expense)	2,996,457
Employer Contributions Made	(830,437)
Increase in Net OPEB Obligation	2,166,020
Net OPEB Obligation at Beginning of Year	12,575,190
Net OPEB Obligation at End of Year	$ 14,741,210

Schedule of Employer Contributions

Fiscal Year Ended	**Annual OPEB Cost**	**Percentage of Annual OPEB Cost Contributed**	**Increase in Net OPEB Obligation**	**Net OPEB Obligation**
9/30/2014	$ 2,996,457	27.70%	$2,166,020	$ 14,741,210
9/30/2013	$ 2,857,680	23.20%	$2,194,987	$ 12,575,190
9/30/2012	$ 3,471,325	24.10%	$2,635,325	$ 10,380,203

NOTE 8 – OTHER POST EMPLOYEMENT BENEFITS (OPEB) – continued

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.

The following is a schedule of funded status and funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (1)	Unfunded Accrued Liability (UAAL) (2)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Payroll
9/30/2014	$ -	$26,060,861	$26,060,861	0%	$19,291,933	135%
9/30/2013	$ -	$24,124,054	$24,124,054	0%	$18,549,936	130%
9/30/2012	$ -	$27,060,537	$27,060,537	0%	$18,874,190	143%

(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 OPEB 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 **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 Accrued 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 Accrued Liability** is the difference between the Actuarial Accrued Liability and the Valuation Assets. It is amortized over the maximum permissible period under GASB 45 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 and is widely used for the valuation of postemployment benefits other than pensions. Other methods used do not change the ultimate liability, but do allocate, if different, 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).

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – continued

In addition to the actuarial method used, actuarial cost estimates 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 among active and retired employees, rates of termination from employment, and retirement rates.

Demographic assumptions for various defined-benefit pension plans under which employees of the City are covered are listed below:

In the descriptions below:
"Fire" refers to City of Apopka Municipal Firefighters' Retirement Plan
"General" refers to City of Apopka Municipal General Employees' Retirement Plan
"Police" refers to the City of Apopka Municipal Police Officers' Retirement Plan

In the most current valuation (dated 10/1/2012), 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 system table with floating Scale AA

3. Withdrawal Rates: Sample rates of withdrawal for employees:

Age	Fire	Public	General
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:

Age	Fire	Public	General
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

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

5. Early Retirement: Fire and Police: Beginning at Early Retirement eligibility, members are assumed to retire at the rate of 5% per year, unless deferring retirement would allow a participant to quality for the Health Insurance Premium Subsidy. In this case, it is assumed an employee will defer retirement until they are eligible for the subsidy.

General: Beginning at Early Retirement eligibility, members are assumed to retire at the rate of 2% per year, unless deferring retirement would allow a participant to qualify for the Health Insurance Premium Subsidy. In this case, it is assumed an employee will defer retirement until they are eligible for the subsidy.

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 than 25 years of service are assumed to not enter the DROP program.

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 eligible for health insurance premium reimbursement are assumed to elect OPEB coverage.

8. Medical Cost Trend Rate:
Claims costs in 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 and cost-containment features.

Year	Prior to age 65	Age 65+
2013	5.50%	5.50%
2014	5.50%	5.90%
2015	5.30%	5.80%
2016	5.60%	5.80%
2017	5.70%	5.70%
2018	5.70%	5.70%
2019	5.70%	5.70%
2020	5.70%	5.70%
2021	5.70%	5.70%
2022	5.70%	5.70%
2023	5.60%	5.60%
2024	5.60%	5.60%
2025	5.60%	5.60%

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - continued

An ultimate rate of 4.50% for the medical trend prior to age 65 is reached for the first time in the year 2098. An ultimate rate of 4.30% for the medical trend after age 65 is reached for the first time in 2083.

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

Age	Retirees		Spouses	
	Males	Females	Males	Females
50	$ 9,064	$ 10,324	$ 9,846	$ 11,048
55	$ 9,660	$ 10,173	$ 11,085	$ 11,936
60	$ 11,855	$ 11,575	$ 12,870	$ 13,288
64	$ 14,884	$ 13,434	$ 15,276	$ 14,834
65	$ 5,211	$ 5,102	$ 5,211	$ 5,102
66	$ 5,346	$ 5,231	$ 5,346	$ 5,231
70	$ 5,922	$ 5,782	$ 5,922	$ 5,782

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

10. Administrative Cost: Included in the 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, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Factor
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

NOTE 9 – RISK MANAGEMENT

The City is exposed to risk of loss related: to torts, 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	$65,281,618	Buildings and Personal Property
	Not Included	Electronic data processing
	5,000,000	Flood per occurrence
	6,596,152	Radio equipment
	Not Included	Valuable papers
	250,000	A/R per location to a maximum of $250,000
	50,000,000	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 construction
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	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/Employers Liability	1,000,000	Each accident, disease, aggregate by disease

There have been no significant reductions in insurance coverage during fiscal year 2013-2014. Settled claims have not exceeded the commercial excess coverage in any of the past three years.

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, 2014:

The General Fund actual expenses exceeded the budgeted expenses in the amount of $1,224,872. This is primarily due to the issuance of debt to refinance notes.

NOTE 11 – 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, 2014 there were uncompleted construction contracts as follows:

Vendor	Commitment Remaining
Vogel Brothers Building Co.	$11,600,000
Garney Companies, Inc.	4,326,105
Allstate Paving	67,562
Guardian Fueling Technologies	103,681
Masci Corporation	22,165
Total	**$16,119,513**

NOTE 12 – RESTATEMENT OF BEGINNING NET POSITION

The following prior period adjustments were made in the current year affecting beginning net position of the City's governmental and pension trust fund activities:

With the implementation of GASB 65 – *Items Previously Reported as Assets and Liabilities*, prior year's bond issuance costs were restated. This transaction reduced beginning net position in the amount of $42,500.

Restatements related to corrections of accounting errors related to prior year activities and are listed below:

The General Fund's deferred inflows of resources was reclassified to beginning fund balance in the Statement of Net Position as this deferred inflow is recognized as revenue when accounted for under the economic resources measurement focus and the accrual basis of accounting. This transaction increased beginning net position in the amount of $1,060,000.

The General Fund had an adjustment made related to unearned grant revenue. It was determined that the project related to the grant had been completed in prior years and the unearned grant revenue should be recognized as earned revenue when accounted for under the economic resources measurement focus and the accrual basis of accounting. This transaction increased beginning net position in the amount of $594,137.

Below is a schedule that shows the cumulative effect of the restatements on Governmental Activities Net Position:

Beginning Governmental Activities Net Position	$ 100,586,581
GASB 65 Restatement	(42,500)
Correction of accounting errors:	
Deferred Inflows	1,114,000
Unearned Revenue	594,137
Governmental Activities Net Position, as Restated	$ 102,252,218

The Pension Trust Funds participate in a Guaranteed Deposit Account ("GDA") that was not accounted for in the prior year's Comprehensive Annual Financial Report. This cumulative effect of accounting for these accounts decreased beginning net position in the amount of $446,169.

Below is a schedule that shows the cumulative effect of the restatements on Pension Trust Funds Net Position:

Beginning Governmental Activities Net Position	$ 99,025,293
Correction of accounting errors:	
GDA Correction	(446,169)
Governmental Activities Net Position, as Restated	$ 98,579,124

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF APOPKA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
GENERAL EMPLOYEES' PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets (1) (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
10/1/2014	$ 41,715,492	$ 47,927,749	$ 6,212,257	87.04%	$ 9,817,061	63.28%
10/1/2013	36,687,734	44,786,454	8,098,720	81.92%	9,682,597	83.64%
10/1/2012	30,681,963	40,485,839	9,803,876	75.78%	9,358,654	104.76%
10/1/2011	28,297,728	37,692,945	9,395,217	75.07%	8,445,046	111.25%
10/1/2010	27,898,852	34,328,465	6,429,613	81.27%	8,530,307	75.37%
10/1/2009	26,854,527	31,994,213	5,139,686	83.94%	8,630,755	59.55%
10/1/2008	24,939,067	29,619,921	4,680,854	84.20%	9,394,149	49.83%
10/1/2007	22,491,821	26,420,066	3,928,245	85.13%	8,878,865	44.24%
10/1/2006	19,697,220	24,360,126	4,662,906	80.86%	8,620,338	54.09%
10/1/2005	17,117,598	22,235,124	5,117,526	76.98%	7,440,116	68.78%

(1) Beginning with the October 1, 2008 Acturial Valuation, the Accumulated DROP Account Value is included with the Liability of the Plan

CITY OF APOPKA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
POLICE OFFICERS' PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
10/1/2014	$ 39,668,376	$ 41,316,716	$ 1,648,340	96.01%	$ 5,463,618	30.17%
10/1/2013	34,680,042	37,839,348	3,159,306	91.65%	5,200,868	60.75%
10/1/2012	29,111,823	33,238,719	4,126,896	87.58%	4,893,755	84.33%
10/1/2011	26,787,695	31,182,216	4,394,521	85.91%	4,332,162	101.44%
10/1/2010	26,525,820	28,860,892	2,335,072	91.91%	4,619,039	50.55%
10/1/2009	25,378,656	26,804,543	1,425,887	94.68%	4,569,611	31.20%
10/1/2008	23,504,901	23,834,202	329,301	98.62%	4,368,508	7.54%
10/1/2007	21,489,030	21,500,596	11,566	99.95%	4,091,218	0.28%
10/1/2006	18,484,173	19,032,984	548,811	97.12%	4,005,508	13.70%
10/1/2005	15,898,811	16,926,976	1,028,165	93.93%	3,147,298	32.67%

CITY OF APOPKA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets (1) (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
10/1/2014	$ 31,308,243	$ 32,832,608	$ 1,524,365	95.36%	$ 4,701,480	32.42%
10/1/2013	27,657,517	31,080,526	3,423,009	88.99%	4,606,154	74.31%
10/1/2012	23,480,216	27,895,903	4,415,687	84.17%	4,621,781	95.54%
10/1/2011	22,017,631	26,022,103	4,004,472	84.61%	4,164,301	96.16%
10/1/2010	21,780,927	24,494,656	2,713,729	88.92%	4,115,944	65.93%
10/1/2009	21,389,797	24,332,139	2,942,342	87.91%	4,115,814	71.49%
10/1/2008	20,086,629	22,199,137	2,112,508	90.48%	4,313,003	48.98%
10/1/2007	18,028,112	20,825,418	2,797,306	86.57%	3,895,788	71.80%
10/1/2006	16,059,007	19,437,972	3,378,965	82.62%	3,746,757	90.18%
10/1/2005	14,227,281	17,563,335	3,336,054	81.01%	3,544,477	94.12%

(1) Beginning with the October 1, 2008 Acturial Valuation, the Accumulated DROP Account Value is included with the Liability of the Plan

CITY OF APOPKA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN

Year Ended September 30	Annual Required Contribution	City Contribution	Percentage Contributed
2014	$ 1,767,282	$ 1,837,620	103.98%
2013	1,527,489	1,706,074	111.69%
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%

CITY OF APOPKA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' PENSION PLAN

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution (1)	Percentage Contributed
2014	$ 1,742,146	$ 1,603,429	$ 252,841	106.55%
2013	1,463,944	1,481,729	252,841	118.49%
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	103.48%

(1) Frozen per Chapters 175 & 185, F.S., as amended.

CITY OF APOPKA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution (1)	Percentage Contributed
2014	$ 1,072,495	$ 932,939	$ 165,010	102.37%
2013	882,011	788,822	165,010	108.14%
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	103.48%

(1) Frozen per Chapters 175 & 185, F.S., as amended.

CITY OF APOPKA, FLORIDA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES', POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
LAST 10 FISCAL YEARS

	2014		
	GENERAL EMPLOYEES	POLICE OFFICERS	FIREFIGHTERS
Total Pension Liability			
Service Cost	$ 1,564,998	$ 1,885,080	$ 1,107,888
Interest	3,294,972	2,787,119	2,284,005
Change in Excess State Money	-	61,888	115,677
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience and Changes in Assumptions	(54,827)	146,571	(461,117)
Benefit Payments, Including Refunds of Member Contributions	(1,663,848)	(1,403,290)	(1,294,371)
Net Change in Total Pension Liability	3,141,295	3,477,368	1,752,082
Total Pension Liability - Beginning	44,786,454	37,839,348	31,080,526
Total Pension Liability - Ending (a)	$ 47,927,749	$ 41,316,716	$ 32,832,608
Plan Fiduciary Net Position			
Contributions - City	$ 1,837,620	$ 1,603,429	$ 1,036,623
Contributions - State	-	314,729	280,687
Contributions - Employees	535,334	399,320	423,662
Net Investment Income	3,532,600	3,332,967	2,642,236
Benefit Payments, Including Refunds of Member Contributions	(1,663,848)	(1,403,290)	(1,294,391)
Administrative Expense	(31,923)	(31,542)	(28,402)
Net Change in Plan Fiduciary Net Position	4,209,783	4,215,613	3,060,415
Plan Fiduciary Net Position - Beginning, as restated	36,519,321	34,526,817	27,532,986
Plan Fiduciary Net Position - Ending (b)	$ 40,729,104	$ 38,742,430	$ 30,593,401
City's Net Pension Liability/(Asset) - ending (a) - (b)	$ 7,198,645	$ 2,574,286	$ 2,239,207
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.98%	93.77%	93.18%
Covered Employee Payroll	9,817,067	5,463,618	4,701,480
Net Pension Liability as a Percentage of Covered Employee Payroll	73.33%	47.12%	47.63%

Note to the Schedule:
Plan information is only available for 2014. Subsequent years will be added for a full ten-year trend to be presented.

CITY OF APOPKA, FLORIDA
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES', POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
LAST 10 FISCAL YEARS

	2014		
	GENERAL EMPLOYEES	**POLICE OFFICERS**	**FIREFIGHTERS**
Actuarially Determined Contribution	$ 1,767,282	$ 1,471,305	$ 907,485
Contributions in Relation to the Actuarially Determined Contribution	(1,837,620)	(1,603,429)	(932,939)
Contribution Deficiency (Excess)	$ (70,338)	$ (132,124)	$ (25,454)
Covered Employee Payroll	$ 19,982,165	$ 9,817,067	$ 5,463,618
Contributions as a Percentage of Covered Employee Payroll	8.84%	14.99%	16.61%
Valuation Date	10/1/2012	10/1/2012	10/1/2012
Funding 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 Years	30 Years	30 Years
Asset Valuation Method	4-Year Smoothed Market Value	4-Year Smoothed Market Value	4-Year Smoothed Market Value
Inflation	3.00%	3.00%	3.00%
Salary Increases	Salary is assumed to increase at the rate of 5.50%	Salary is assumed to increase at the rate of 5.50%. Projected salary at retirement is increased 20% to account for non-regular compensation	Salary is assumed to increase at the rate of 5.50%. Projected salary at retirement is increased 20% to account for non-regular compensation
Interest Rate	7.50% per year	7.50% per year	7.50% per year
Retirement Age	Age 57	Earlier of attainment of age 45 with 10 years of credited service, or 20 years of service regardless of age.	Earlier of attainment of age 55 with 10 years of credited service, or 22 years of service regardless of age.
Early Retirement	Commencing with attainment of Early Retirement Status (age 47 with 10 years of service), members are assumed to retire with an immediate subsized benefit at the rate of 2% per year.	Commencing with attainment of Early Retirement Status (age 40 with 10 years of service), members are assumed to retire with an immediate subsized benefit at the rate of 5% per year.	Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsized benefit at the rate of 5% per year.
Termination Rates	See table below.	See table below.	See table below.
Disability Rates	See table below.	See table below.	See table below.
Mortality	RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 yrs	RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.	RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.
Other Information	Termination and Disability Rate Table	Termination and Disability Rate Table	Termination and Disability Rate Table

Age	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year
20	38.6%	0.07%	6.0%	0.09%	6.0%	0.09%
30	19.4%	0.11%	5.0%	0.12%	5.0%	0.12%
40	7.3%	0.19%	2.6%	0.21%	2.6%	0.21%
50	2.7%	0.51%	0.8%	0.54%	0.8%	0.54%
60	1.2%	1.70%	0.2%	2.70%	0.2%	2.70%

Note to the Schedule:
Plan information is only available for 2014. Subsequent years will be added for a full ten-year trend to be presented.

CITY OF APOPKA, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES', POLICE OFFICERS' AND FIREFIGHTERS' PENSION PLANS
LAST 10 FISCAL YEARS

	2014
General Employees	
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.10%
Police Officers	
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.10%
Firefighters	
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.00%

Note to the Schedule:
Plan information is only available for 2014. Subsequent years will be added for a full ten-year trend to be presented.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
10/1/2014	$ -	$ 26,060,861	$ 26,060,861	0.00%	$ 19,291,933	135.1%
10/1/2013	-	24,124,054	24,124,054	0.00%	18,549,936	130.0%
10/1/2011	-	27,060,537	27,060,537	0.00%	18,874,190	143.4%
10/1/2010	-	24,289,582	24,289,582	0.00%	16,941,501	143.4%

CITY OF APOPKA, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Year Ended September 30	Annual Required Contribution	Annual OPEB Cost	City Contribution	Percentage Contributed	Net OPEB Obligation
2014	$ 3,220,673	$ 2,996,457	$ 830,437	27.7%	$ 14,741,210
2013	3,042,760	2,857,680	662,693	23.2%	12,575,190
2012	3,609,416	3,471,325	836,000	24.1%	10,380,203
2011	3,239,818	3,144,565	742,000	23.6%	7,744,878

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF APOPKA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014

	SPECIAL REVENUE FUNDS						
	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees	Stormwater	Community Redevelopment (CRA)	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and Cash Equivalents	$ 1,040,356	$ 144,058	$ 6,019,944	$ 254,847	$ 1,765,288	$ 2,506,956	$ 11,731,449
Accounts Receivable	33,322	-	-	-	-	-	33,322
Due from Other Governments	129,185	-	-	-	-	-	129,185
Total Assets	$ 1,202,863	$ 144,058	$ 6,019,944	$ 254,847	$ 1,765,288	$ 2,506,956	$ 11,893,956
LIABILITIES							
Accounts Payable	$ 197,720	$ -	$ 302,783	$ -	$ 41,544	$ -	$ 542,047
Accrued Liabilities	3,449	-	-	-	-	-	3,449
Retainage Payable	-	-	207,563	-	-	-	207,563
Due to Pension Beneficiaries	3,285	-	-	-	-	-	3,285
Due to Other Funds	-	-	-	-	-	434,466	434,466
Deposits	3,294	-	-	-	-	-	3,294
Total Liabilities	207,748	-	510,346	-	41,544	434,466	1,194,104
FUND BALANCES							
Restricted	995,115	144,058	-	-	-	-	1,139,173
Committed	-	-	5,509,598	254,847	1,723,744	2,072,490	9,560,679
Total Fund Balances	995,115	144,058	5,509,598	254,847	1,723,744	2,072,490	10,699,852
Total Liabilities and Fund Balances	$ 1,202,863	$ 144,058	$ 6,019,944	$ 254,847	$ 1,765,288	$ 2,506,956	$ 11,893,956

CITY OF APOPKA, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	SPECIAL REVENUE FUNDS						
	Streets Improvement Fund	**Law Enforcement Trust**	**Transportation Impact Fees**	**Recreation Impact Fees**	**Stormwater**	**Community Redevelopment (CRA)**	**Total Nonmajor Special Revenue Funds**
REVENUES							
Taxes	$ 1,433,900	$ -	$ -	$ -	$ -	$ 86,629	$ 1,520,529
Intergovernmental Revenues	-	-	-	-	-	108,784	108,784
Charges for Services	544,966	-	489	-	400,488	-	945,943
Fines and Forfeitures	-	135,527	-	-	-	-	135,527
Impact Fees	-	-	2,117,946	83,885	-	-	2,201,831
Investment Earnings	3,264	359	21,397	742	8,949	8,383	43,094
Miscellaneous Revenues	10,830	-	31,104	-	-	-	41,934
Total Revenues	1,992,960	135,886	2,170,936	84,627	409,437	203,796	4,997,642
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	221,389	221,389
Public Safety	-	10,000	-	-	-	-	10,000
Transportation	2,411,855	-	29,938	-	-	-	2,441,793
Economic Environment	-	-	-	-	100,742	-	100,742
Culture and Recreation	-	-	-	1,025	-	-	1,025
Capital Outlay	114,140	119,263	2,931,041	-	1,001,936	-	4,166,380
Total Expenditures	2,525,995	129,263	2,960,979	1,025	1,102,678	221,389	6,941,329
Excess (Deficiency) of Revenues Over (Under) Expenditures	(533,035)	6,623	(790,043)	83,602	(693,241)	(17,593)	(1,943,687)
OTHER FINANCING SOURCES AND (USES)							
Transfers In	569,483	-	-	-	49,900	-	619,383
Transfers (Out)	(113,620)	-	(105,879)	-	(140,150)	-	(359,649)
Total Other Financing Sources and (Uses)	455,863	-	(105,879)	-	(90,250)	-	259,734
Net Change in Fund Balances	(77,172)	6,623	(895,922)	83,602	(783,491)	(17,593)	(1,683,953)
Fund Balances at Beginning of Year							
Restricted	1,072,287	137,435	-	-	-	-	1,209,722
Committed	-	-	6,405,520	171,245	2,507,235	2,090,083	11,174,083
Fund Balances - Beginning	1,072,287	137,435	6,405,520	171,245	2,507,235	2,090,083	12,383,805
Fund Balances at End of Year							
Restricted	995,115	144,058	-	-	-	-	1,139,173
Committed	-	-	5,509,598	254,847	1,723,744	2,072,490	9,560,679
Fund Balances - End	$ 995,115	$ 144,058	$ 5,509,598	$ 254,847	$ 1,723,744	$ 2,072,490	$ 10,699,852

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STREETS IMPROVEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 1,348,420	$ 1,348,420	$ 1,433,900	$ 85,480
Charges for Services	520,000	520,000	544,966	24,966
Investment Earnings	5,000	5,000	3,264	(1,736)
Miscellaneous	12,000	12,000	10,830	(1,170)
Total Revenues	1,885,420	1,885,420	1,992,960	107,540
EXPENDITURES				
Current:				
Transportation	2,402,505	2,667,676	2,411,855	255,821
Capital Outlay	50,000	164,914	114,140	50,774
Total Expenditures	2,452,505	2,832,590	2,525,995	306,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	(567,085)	(947,170)	(533,035)	414,135
OTHER FINANCING SOURCES (USES)				
Transfers In	486,150	486,150	569,483	83,333
Transfers (Out)	(113,620)	(113,620)	(113,620)	-
Total Other Financing Sources and (Uses)	372,530	372,530	455,863	83,333
Net Change in Fund Balance	(194,555)	(574,640)	(77,172)	497,468
Fund Balance - Beginning	1,072,287	1,072,287	1,072,287	-
Fund Balance - Ending	$ 877,732	$ 497,647	$ 995,115	$ 497,468

CITY OF APOPKA, FLORIDA

BUDGETARY COMPARISON SCHEDULE

LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND

For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines and Forfeitures	$ -	$ 12,500	$ 135,527	$ 123,027
Interest	-	-	359	359
Total Revenues	-	12,500	135,886	123,386
EXPENDITURES				
Current:				
Public Safety	-	12,500	10,000	2,500
Capital Outlay	-	135,750	119,263	16,487
Total Expenditures	-	148,250	129,263	18,987
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(135,750)	6,623	142,373
Net Change in Fund Balance	-	(135,750)	6,623	142,373
Fund Balance - Beginning	137,435	137,435	137,435	-
Fund Balance - Ending	$ 137,435	$ 1,685	$ 144,058	$ 142,373

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEES FUND
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Impact Fees	$ 950,000	$ 950,000	$ 2,117,946	$ 1,167,946
Charges for Services	-	-	489	489
Investment Earnings	20,000	20,000	21,397	1,397
Total Revenues	970,000	970,000	2,139,832	1,169,832
EXPENDITURES				
Current:				
Transportation	131,800	131,800	29,938	101,862
Capital Outlay	1,550,000	4,818,577	2,931,041	1,887,536
Total Expenditures	1,681,800	4,950,377	2,960,979	1,989,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	(711,800)	(3,980,377)	(821,147)	3,159,230
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(38,000)	(38,000)	(105,879)	(67,879)
Total Other Financing Sources and (Uses)	(38,000)	(38,000)	(105,879)	(67,879)
Net Change in Fund Balance	(749,800)	(4,018,377)	(927,026)	3,091,351
Fund Balance - Beginning	6,405,520	6,405,520	6,405,520	-
Fund Balance - Ending	$ 5,655,720	$ 2,387,143	$ 5,478,494	$ 3,091,351

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Impact Fees	$ 60,000	$ 60,000	$ 83,885	$ 23,885
Investment Earnings	100	100	742	642
Miscellaneous	-	-	-	-
Total Revenues	60,100	60,100	84,627	24,527
EXPENDITURES				
Current:				
Culture/Recreation	1,025	1,025	1,025	-
Debt Service	59,075	59,075	-	59,075
Total Expenditures	60,100	60,100	1,025	59,075
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	83,602	83,602
Net Change in Fund Balance	-	-	83,602	83,602
Fund Balance - Beginning	171,245	171,245	171,245	-
Fund Balance - Ending	$ 171,245	$ 171,245	$ 254,847	$ 83,602

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STORMWATER SPECIAL REVENUE FUND
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	$ 416,750	$ 415,750	$ 400,488	$ (15,262)
Investment Earnings	9,500	9,500	8,949	(551)
Total Revenues	426,250	425,250	409,437	(15,813)
EXPENDITURES				
Current:				
Environmental	112,350	112,350	100,742	11,608
Capital Outlay	348,750	1,103,770	1,001,936	101,834
Total Expenditures	461,100	1,216,120	1,102,678	113,442
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,850)	(790,870)	(693,241)	97,629
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(140,150)	(140,150)	(140,150)	-
Total Other Financing Sources and (Uses)	(140,150)	(140,150)	(140,150)	-
Net Change in Fund Balance	(175,000)	(931,020)	(833,391)	97,629
Fund Balance - Beginning	2,507,235	2,507,235	2,507,235	-
Fund Balance - Ending	$ 2,332,235	$ 1,576,215	$ 1,673,844	$ 97,629

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 87,200	$ 87,200	$ 86,629	$ (571)
Intergovernmental	126,250	126,250	108,784	(17,466)
Investment Earnings	8,000	8,000	8,383	383
Total Revenues	221,450	221,450	203,796	(17,654)
EXPENDITURES				
Current:				
General Government	221,450	221,450	221,389	61
Total Expenditures	221,450	221,450	221,389	61
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(17,593)	(17,593)
Net Change in Fund Balance	-	-	(17,593)	(17,593)
Fund Balance - Beginning	2,090,083	2,090,083	2,090,083	-
Fund Balance - Ending	$ 2,090,083	$ 2,090,083	$ 2,072,490	$ (17,593)

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STATISTICAL

SECTION

TAB

STATISTICAL SECTION

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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.

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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. 82-86

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 87-90

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. 91-92

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. 93-94

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. 95-97

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	Fiscal Year									
Net Assets	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013***	**2014**
Governmental activities										
Invested in capital assets, net of related debt	$ 44,328,638	$ 68,474,549	$ 75,019,777	$ 81,867,799	$ 84,640,436	$ 89,506,866	$ 89,626,466	$ 87,869,626	$ 86,764,954	$ 89,327,168
Restricted	-	-	-	-	-	-	2,173,455	2,032,131	2,174,523	2,156,922
Unrestricted	19,636,150	14,170,095	21,352,609	19,096,607	17,563,034	15,338,837	11,595,902	12,831,110	13,312,741	8,864,250
Total governmental activities net assets	$ 63,964,788	$ 82,644,644	$ 96,372,386	$ 100,964,406	$ 102,203,470	$ 104,845,703	$ 103,395,823	$ 102,732,867	$ 102,252,218	$ 100,348,340
Business-type activities										
Invested in capital assets, net of related debt	$ 45,754,924	$ 63,315,809	$ 83,421,942	$ 84,651,808	$ 85,287,785	$ 85,405,361	$ 87,624,978	$ 86,015,227	$ 85,141,627	$ 84,626,587
Restricted	15,868,060	16,351,539	15,441,099	13,703,960	12,571,761	12,347,388	9,301,564	9,842,130	10,337,621	10,762,602
Unrestricted	14,631,214	15,837,829	13,101,802	12,822,079	12,589,992	13,569,652	15,640,402	17,283,878	18,362,898	19,309,266
Total business-type activities net assets	$ 76,254,198	$ 95,505,177	$ 111,964,843	$ 111,177,847	$ 110,449,538	$ 111,322,401	$ 112,566,944	$ 113,141,235	$ 113,842,146	$ 114,698,455
Total Net Assets										
Primary government										
Invested in capital assets, net of related debt	$ 90,083,562	$ 131,790,358	$ 158,441,719	$ 166,519,607	$ 169,928,221	$ 174,912,227	$ 177,251,444	$ 173,884,853	$ 171,906,581	$ 173,953,755
Restricted	15,868,060	16,351,539	15,441,099	13,703,960	12,571,761	12,347,388	11,475,019	11,874,261	12,512,144	12,919,524
Unrestricted	34,267,364	30,007,924	34,454,411	31,918,686	30,153,026	28,908,489	27,236,304	30,114,988	31,675,639	28,173,516
Total primary government net assets	$ 140,218,986	$ 178,149,821	$ 208,337,229	$ 212,142,253	$ 212,653,008	$ 216,168,104	$ 215,962,767	$ 215,874,102	$ 216,094,364	$ 215,046,795

* For year ended 2013, Unrestriced Net Posistion was restated, see Note 12 for further information.

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Expenses										
Governmental activities:										
General government	$ 3,116,233	$ 3,551,953	$ 4,935,306	$ 5,305,919	$ 5,489,298	$ 7,066,267	$ 6,042,003	$ 6,995,371	$ 6,148,920	$ 6,377,891
Public safety	16,711,993	17,580,932	16,689,550	18,164,762	20,734,113	20,687,224	22,686,115	23,502,477	26,038,039	25,985,190
Transportation	4,300,499	3,867,445	5,249,964	5,201,553	4,963,392	5,309,419	5,016,376	5,440,391	5,781,288	8,093,858
Environmental	73,077	53,249	210,749	247,288	181,210	189,307	479,130	203,250	236,843	251,577
Culture and recreation	2,265,884	2,514,450	2,795,810	2,983,580	2,987,478	2,744,468	3,197,661	2,699,130	3,802,962	3,985,137
Interest on long-term debt	207,561	193,573	391,093	443,330	611,994	609,818	557,059	501,906	440,843	341,785
Total governmental activities expenses	26,675,247	27,761,602	30,272,472	32,346,432	34,967,485	36,606,503	37,978,344	39,342,525	42,448,895	45,035,438
Business-type activities:										
Utility system	10,568,410	10,872,355	12,386,827	13,305,265	13,471,277	13,483,200	13,633,236	13,793,770	15,066,790	15,019,098
Sanitation	2,441,539	2,581,418	2,753,466	3,072,999	3,043,158	3,087,328	3,260,503	3,397,041	3,397,745	3,453,253
Total business-type activities expenses	13,009,949	13,453,773	15,140,293	16,378,264	16,514,435	16,570,528	16,893,739	17,190,811	18,464,535	18,472,351
Total primary government expenses	$ 39,685,196	$ 41,215,375	$ 45,412,765	$ 48,724,696	$ 51,481,920	$ 53,177,031	$ 54,872,083	$ 56,533,336	$ 60,913,430	$ 63,507,789
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,679,288	$ 2,201,272	$ 1,926,447	$ 1,507,285	$ 1,098,254	$ 1,257,853	$ 1,308,182	$ 1,835,687	$ 1,935,229	$ 3,922,155
Public safety	1,558,218	1,956,359	1,962,364	1,725,278	2,398,293	3,330,192	3,647,620	4,664,249	4,989,182	1,937,810
Transportation	285,492	310,633	355,561	415,322	457,683	579,970	475,389	576,498	959,100	2,117,946
Environmental	294,090	332,965	366,632	387,902	393,675	398,607	400,948	409,741	401,239	2,019,389
Culture and recreation	466,333	524,306	621,851	568,682	491,736	501,540	516,993	731,740	891,315	813,576
Miscellaneous revenues	857,500	544,450	765,159	-	-	-	-	-	-	-
Operating grants and contributions	6,137,258	7,082,427	7,740,575	7,243,988	6,767,072	6,777,070	7,616,070	7,658,910	8,468,829	1,283,718
Capital grants and contributions	4,156,091	14,083,048	8,875,440	2,671,242	2,258,090	4,364,266	1,570,734	2,474,554	1,904,213	1,855,694
Total governmental activities program revenues	15,434,270	27,035,460	22,614,029	14,519,699	13,864,803	17,209,498	15,535,936	18,351,379	19,549,107	13,950,288
Business-type activities:										
Charges for services:										
Utility System:										
Water sales	4,327,472	4,828,172	4,749,889	4,410,791	4,478,286	4,766,796	5,371,826	5,765,969	5,548,701	5,541,172
Sewer sales	4,238,536	4,534,005	4,602,238	4,611,793	4,773,408	4,926,149	5,167,002	5,479,371	5,537,939	5,691,201
Reclaimed water sales	758,221	1,494,097	1,858,668	1,660,928	2,295,690	2,329,372	2,836,583	2,821,403	2,491,136	2,661,176
Miscellaneous revenues	970,203	1,031,958	1,023,591	863,154	884,454	1,052,384	834,899	886,674	1,201,537	1,085,243
Sanitation:										
Sanitation fees	2,768,191	3,034,873	3,587,192	3,645,799	3,555,180	3,571,548	3,603,016	3,624,241	3,707,525	3,827,349
Fines	-	-	-	-	-	-	151	-	-	-
Miscellaneous revenues	113,099	159,102	196,972	160,625	205,438	156,106	169,273	174,701	154,416	179,494
Operating grants and contributions	536,784	695,798	143,800	-	-	-	-	-	-	-
Capital grants and contributions	8,186,092	18,348,214	12,276,114	2,296,960	2,329,512	3,549,287	3,282,439	2,313,259	4,059,847	4,088,784
Total business-type activities program revenues	21,898,598	34,126,219	28,438,464	17,650,050	18,521,968	20,351,642	21,265,189	21,065,618	22,701,101	23,074,419
Total primary government program revenues	$ 37,332,868	$ 61,161,679	$ 51,052,493	$ 32,169,749	$ 32,386,771	$ 37,561,140	$ 36,801,125	$ 39,416,997	$ 42,250,208	$ 37,024,707

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Net (Expense)/Revenue										
Governmental activities	$ (11,240,977)	$ (726,142)	$ (7,658,443)	$ (17,826,733)	$ (21,102,682)	$ (19,397,005)	$ (22,442,408)	$ (20,991,146)	$ (22,899,788)	$ (31,085,150)
Business-type activities	8,888,649	20,672,446	13,298,171	1,271,786	2,007,533	3,781,114	4,371,450	3,874,807	4,236,566	4,602,068
Total primary government net expense	$ (2,352,328)	$ 19,946,304	$ 5,639,728	$ (16,554,947)	$ (19,095,149)	$ (15,615,891)	$ (18,070,958)	$ (17,116,339)	$ (18,663,222)	$ (26,483,082)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 5,197,868	$ 6,471,344	$ 8,231,638	$ 8,481,780	$ 9,045,565	$ 8,032,965	$ 6,967,591	$ 6,708,582	$ 6,473,486	$ 6,789,004
Franchise taxes, utility taxes and communication service tax	6,382,981	8,054,282	7,845,792	7,964,942	8,266,402	8,910,570	8,731,059	8,328,612	8,450,604	16,713,171
Gasoline taxes	1,254,216	1,263,340	1,285,046	1,317,758	1,308,117	1,325,623	1,319,668	1,308,220	1,412,722	1,433,900
Sale of capital assets	704,354	(174,682)	108,193	59,491	24,024	33,154	70,046	(100,645)	81,374	11,444
Miscellaneous revenues	-	-	-	920,771	604,493	509,462	503,969	490,664	561,578	235,911
Investment earnings	679,287	1,076,933	1,125,816	752,842	189,145	129,714	120,395	122,567	95,308	98,712
Transfers	2,650,000	2,714,781	2,789,700	2,921,169	2,904,000	3,097,750	3,279,800	3,470,190	3,678,430	3,899,130
Total governmental activities	16,868,706	19,405,998	21,386,185	22,418,753	22,341,746	22,039,238	20,992,528	20,328,190	20,753,502	29,181,272
Business-type activities:										
Sale of capital assets	32,525	-	4,442,648	28,921	3,800	27,453	12,099	41,647	16,238	12,287
Investment earnings	857,962	1,293,314	1,508,547	833,466	164,358	111,290	108,952	93,332	84,191	104,448
Franchise taxes	-	-	-	-	-	36,999	31,839	34,695	42,346	36,636
Miscellaneous revenue	-	-	-	-	-	13,757	-	-	-	-
Transfers	(2,650,000)	(2,714,781)	(2,789,700)	(2,921,169)	(2,904,000)	(3,097,750)	(3,279,800)	(3,470,190)	(3,678,430)	(3,899,130)
Total business-type activities	(1,759,513)	(1,421,467)	3,161,495	(2,058,782)	(2,735,842)	(2,908,251)	(3,126,910)	(3,300,516)	(3,535,655)	(3,745,759)
Total primary government	$ 15,109,193	$ 17,984,531	$ 24,547,680	$ 20,359,971	$ 19,605,904	$ 19,130,987	$ 17,865,618	$ 17,027,674	$ 17,217,847	$ 25,435,513
Change in Net Assets										
Governmental activities	$ 5,627,729	$ 18,679,856	$ 13,727,742	$ 4,592,020	$ 1,239,064	$ 2,642,233	$ (1,449,880)	$ (662,956)	$ (2,146,286)	$ (1,903,878)
Business-type activities	7,129,136	19,250,979	16,459,666	(786,996)	(728,309)	872,863	1,244,543	574,291	700,911	856,309
Total primary government	$ 12,756,865	$ 37,930,835	$ 30,187,408	$ 3,805,024	$ 510,755	$ 3,515,096	$ (205,337)	$ (88,665)	$ (1,445,375)	$ (1,047,569)

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013***	**2014**
General Fund										
Reserved	$ 205,705	$ 631,354	$ 412,662	$ 237,122	$ 244,048	$ 426,277	$ -	$ -	$ -	$ -
Unreserved	12,438,793	6,119,251	7,969,146	6,509,322	7,244,322	8,496,573	-	-	-	-
Nonspendable	-	-	-	-	-	-	1,303,054	204,074	215,035	225,526
Restricted	-	-	-	-	-	-	913,180	974,665	964,801	1,017,749
Committed	-	-	-	-	-	-	861,940	940,180	703,445	512,591
Assigned	-	-	-	-	-	-	844,546	852,908	854,823	854,541
Unassigned	-	-	-	-	-	-	5,505,322	8,812,311	9,382,385	8,228,167
Total general fund	$ 12,644,498	$ 6,750,605	$ 8,381,808	$ 6,746,444	$ 7,488,370	$ 8,922,850	$ 9,428,042	$ 11,784,138	$ 12,120,489	$ 10,838,574
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	7,754,692	7,891,973	12,850,794	12,387,121	12,144,203	10,521,223	-	-	-	-
Capital projects funds	333,988	350,120	369,588	381,532	384,063	-	-	-	-	-
Restricted	-	-	-	-	-	-	1,260,275	1,057,476	1,209,722	1,139,173
Committed	-	-	-	-	-	-	9,864,959	10,808,015	11,174,083	9,560,679
Total all other governmental funds	$ 8,088,680	$ 8,242,093	$ 13,220,382	$ 12,768,653	$ 12,528,266	$ 10,521,223	$ 11,125,234	$ 11,865,491	$ 12,383,805	$ 10,699,852

* For year ended 2013, Unrestriced Net Position was restated, see Note 12 for further information.

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Revenues										
Taxes	$ 13,078,155	$ 16,624,047	$ 18,350,790	$ 15,633,703	$ 16,237,692	$ 15,199,281	$ 14,322,374	$ 13,548,609	$ 13,656,428	$ 13,821,953
Licenses, fees and permits	1,492,522	2,110,855	1,865,371	4,551,440	4,390,989	4,885,499	4,917,670	5,622,483	5,346,169	5,689,506
Intergovernmental revenues	5,770,224	6,436,594	7,741,708	6,639,760	6,159,652	6,753,008	7,025,456	7,125,242	7,908,753	8,432,322
Charges for services	2,188,213	2,510,617	2,464,173	2,298,587	2,350,133	3,075,549	3,133,490	3,592,856	4,295,677	4,645,228
Fines and forfeitures	233,087	338,352	471,299	449,315	1,086,028	1,492,899	1,670,414	2,288,933	2,588,781	1,597,545
Impact fees	-	-	3,959,782	1,358,314	686,402	620,555	830,036	2,083,405	1,425,055	2,252,481
Investment earnings	679,287	1,076,932	1,125,816	752,841	189,144	128,497	120,394	122,566	95,309	98,712
Miscellaneous revenues	4,033,488	3,421,797	1,514,021	1,584,136	1,148,004	1,120,841	870,854	841,424	1,070,763	892,989
Total revenues	27,474,976	32,519,194	37,492,960	33,268,096	32,248,044	33,276,129	32,890,688	35,225,518	36,386,935	37,430,736
Expenditures										
General government	2,973,073	3,271,693	5,011,669	5,028,209	4,797,013	5,337,598	5,345,545	6,003,034	5,008,060	7,702,765
Public safety	15,519,528	16,738,459	16,175,993	17,346,392	18,330,239	18,344,956	19,187,180	20,184,386	23,071,274	24,219,905
Transportation	2,539,258	2,033,508	3,285,954	3,306,893	2,919,198	3,037,602	3,015,783	3,293,003	3,669,943	3,969,041
Environmental	51,854	31,528	188,977	207,368	142,369	141,063	153,360	159,094	199,791	208,436
Culture and recreation	2,050,963	2,308,470	2,578,367	2,785,184	2,590,285	2,342,587	2,469,829	2,161,492	3,057,061	3,314,348
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,395,538	15,650,711	15,166,435	8,017,009	9,542,830	5,654,441	2,941,263	1,850,400	4,011,144	4,166,380
Debt service:										
Interest	207,561	193,573	169,984	463,423	460,974	637,342	590,511	536,680	499,535	431,184
Bond costs	-	-	-	-	-	-	-	-	42,500	-
Principal	699,005	698,619	662,789	1,121,880	1,208,584	1,450,853	1,357,814	1,411,275	2,506,019	4,431,604
Grants and aids	17,317	47,894	3,000	-	-	-	-	-	-	-
Total expenditures	26,454,097	40,974,455	43,243,168	38,276,358	39,991,492	36,946,442	35,061,285	35,599,364	42,065,327	48,443,663
Excess of revenues over (under) expenditures	1,020,879	(8,455,261)	(5,750,208)	(5,008,262)	(7,743,448)	(3,670,313)	(2,170,597)	(373,846)	(5,678,392)	(11,012,927)
Other Financing Sources (Uses)										
Sale of capital assets	-	-	-	-	24,024	-	-	-	-	-
Capital leases proceeds	-	-	-	-	5,316,963	-	-	-	-	-
Note proceeds	-	-	9,570,000	-	-	-	-	-	2,260,500	4,147,929
Transfers in	3,264,961	4,115,231	4,075,440	3,948,047	4,074,407	4,990,969	4,328,103	5,630,730	5,013,804	4,863,012
Transfers out	(614,961)	(1,400,450)	(1,285,740)	(1,026,878)	(1,170,407)	(1,893,219)	(1,048,303)	(2,160,541)	(1,335,374)	(963,882)
Total other financing sources (uses)	2,650,000	2,714,781	12,359,700	2,921,169	8,244,987	3,097,750	3,279,800	3,470,189	5,938,930	8,047,059
Net change in fund balances	$ 3,670,879	$ (5,740,480)	$ 6,609,492	$ (2,087,093)	$ 501,539	$ (572,563)	$ 1,109,203	$ 3,096,343	$ 260,538	$ (2,965,868)
Debt service as a percentage of non-capital expenditures	3.8%	3.5%	3.0%	5.2%	5.5%	6.7%	6.1%	5.8%	7.9%	11.0%

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
2005	$ 1,051,996	$ 427,552	$ 74,021	$ 1,553,569	$ 324,671	$ 1,228,898	3.7619
2006	1,185,063	471,310	78,705	1,735,078	350,244	1,384,834	3.7619
2007	1,429,082	532,100	85,898	2,047,080	367,553	1,679,527	3.7619
2008	1,865,789	575,106	102,077	2,542,972	385,550	2,157,422	3.7619
2009	2,307,557	673,468	118,556	3,099,581	425,626	2,673,955	3.1738
2010	2,406,309	794,122	124,550	3,324,981	737,387	2,587,594	3.5168
2011	2,125,229	768,370	132,755	3,026,354	757,036	2,269,318	5.5166
2012	1,872,903	708,303	116,618	2,697,824	757,328	1,940,496	3.5164
2013	1,803,977	762,590	166,731	2,733,298	801,139	1,932,159	3.5161
2014	2,005,159	776,287	215,802	2,997,248	825,329	2,171,919	3.4727

Source: Orange County Property Appraiser Annual Report.

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)

	City Direct Rates		Overlapping Rates			
Fiscal Year	**Basic Rate**	**Total Direct**	**Orange County**	**Orange County School Board**	**St. John's Water Management District**	**Library**
2005	3.7619	3.7619	5.1639	7.5400	0.4620	0.4352
2006	3.7619	3.7619	5.1639	7.7610	0.4620	0.4325
2007	3.7619	3.7619	5.1639	7.1690	0.4620	0.4325
2008	3.7619	3.7619	5.1639	7.1690	0.4620	0.4325
2009	3.1738	3.1738	4.4347	7.1210	0.4158	0.3748
2010	3.5168	3.5168	4.4347	7.6730	0.4158	0.3748
2011	5.5166	5.5166	4.4347	7.8940	0.4158	0.3748
2012	3.5164	3.5164	4.4347	7.8940	0.4158	0.3748
2013	3.5161	3.5161	4.4347	8.4780	0.3313	0.3748
2014	3.4727	3.4727	4.4347	8.3620	0.3283	0.3748

Source: Orange County Property Appraiser's Office – Rick Singh, CFA 407-836-5044.

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

	2014			2005		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Coca Cola	$ 36,181,154	1	1.59%	$ -		
TriQuint, Inc.	34,845,021	2	1.54%	-		
Progress Energy	29,491,051	3	1.30%	-		
Embarq (Sprint United Mgmt Co.)	25,907,997	4	1.14%	18,045,044	1	1.47%
Woolbright Wekiva LLC	13,150,913	5	0.58%	-		0.00%
TWC Ninety-One LTD	12,837,982	6	0.57%	14,636,855	3	1.19%
Oakmont Apopka Road LLC	11,154,422	7	0.49%	-		0.00%
Apopka Associates 2006 LLC	10,448,432	8	0.46%	-		0.00%
Wal-Mart Stores East LP	9,629,859	9	0.42%	9,894,805	8	0.81%
Palm Key II	9,312,706	10	0.41%	-		0.00%
Colonial Realty LP	-			16,344,717	2	1.33%
Strategic Capital Resources Inc.	-			13,554,299	4	1.10%
Apopka Regional Shopping Center	-			10,820,018	5	0.88%
QRS 10-18 FL Inc	-			10,502,971	6	0.85%
Lakewood at Piedmont LP	-			10,059,825	7	0.82%
MI Homes of Orlando	-			8,096,159	9	0.66%
Home Depot USA #8926	-			7,433,012	10	0.60%
Total	$ 192,959,537		8.50%	$ 119,387,705		9.71%

Source: Orange County Property Appraiser's Office Annual Report.

Contact: Rick Singh 407-836-5044.

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
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%
2013	6,800,777	6,648,428	97.76%	29,207	6,677,635	98.19%
2014	6,949,031	6,754,188	97.20%	34,816	6,789,003	97.70%

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
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities						
Fiscal Year	**Revenue Note**	**Notes Payable**	**Capital Leases**	**Compensated Absences**	**Utility Revenue Bonds**	**Notes Payable**	**Capital Leases**	**Compensated Absences**	**Total Primary Government**	**Percentage of Personal Income[a]**	**Per Capita[a]**
2005	$ 430,500	$ 3,434,000	$ 930,166	$ 1,051,190	$ 23,615,000	$ 471,000	$ 125,133	$ 261,667	$ 30,318,656	3.91%	871
2006	399,750	2,963,000	733,297	1,115,854	23,110,000	352,000	63,455	264,829	29,002,185	3.39%	779
2007	369,000	12,062,000	572,258	1,281,097	22,585,000	233,000	1,978,982	301,181	39,382,518	4.22%	997
2008	338,250	11,091,000	452,128	1,267,315	22,040,000	114,000	1,342,550	348,657	36,993,900	3.77%	918
2009	307,500	10,015,000	5,667,257	1,197,969	22,040,000	-	662,994	331,440	40,222,159	3.97%	995
2010	276,750	9,150,000	5,112,154	1,301,943	21,475,000	-	405,569	355,178	38,076,594	3.55%	917
2011	246,000	8,390,000	4,545,090	1,708,959	20,260,000	-	137,849	471,072	35,758,970	3.19%	850
2012	215,250	7,600,000	3,954,566	1,808,057	19,615,000	-	19,547	442,872	33,655,293	2.87%	786
2013	184,500	7,900,500	3,439,297	1,868,314	17,435,000	-	-	473,947	31,301,557	2.51%	709
2014	153,750	11,086,872	-	1,852,550	16,710,000	1,100,000	-	455,789	31,358,962	2.26%	687

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

[a] See Schedule 11 for personal income and population data.

Schedule 10
City of Apopka
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Utility Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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	1,040,693	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	16,492,461	9,273,523	7,218,938	645,000	938,793	4.56
2013	14,860,625	10,285,915	4,574,710	630,000	761,099	3.29
2014	15,079,948	10,421,678	4,658,270	710,000	623,400	3.49

Note: (1) For 2002-2013, 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 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 11
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
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	1,012,919	25,069	38.7	13.4	16,189	10.6%
2010	41,542	1,072,638	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%
2013	44,129	1,245,093	28,215	35.4	13.4	16,351	5.6%
2014	45,669	1,385,049	30,328	34.1	13.4	16,840	5.1%

Sources: US Census Bureau – 2010 Census.
Orlando Economic Development Commission.
Community Development Dept. for annually updated population figure from the University of Florida.
School Enrollment information www.ocps.net Enrollment Summaries (Monthly data tables per Year) for unemployment figures.

Schedule 12
City of Apopka
Principal Employers
Current Year and Nine Years Ago

	2014			2005		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Century Link (formerly Embarq & Sprint)	2,000	1	4.61%	705	1	2.08%
Orange County Schools	1,345	2	3.10%			
Wal-Mart Supercenter	604	3	1.39%	650	2	1.92%
TriQuint (formerly Sawtek)	423	4	0.98%	375	4	1.11%
City of Apopka	371	5	0.86%	363	5	1.07%
Florida Hospital - Apopka	274	6	0.63%	220	9	0.65%
Florida Living Nursing Center	272	7	0.63%	240	8	0.71%
Publix	205	8	0.47%			
Sunbelt Living Center	148	9	0.34%	147	10	0.43%
Home Depot	129	10	0.30%			
Energy Air Inc (relocated)				420	3	1.24%
Finfrock Construction Inc.				353	6	1.04%
Apopka High School				312	7	0.92%
Total	5,771		13.32%	3,785		20.94%
			43,340			33,827

Source: City of Apopka Finance Department survey of local businesses.

Schedule 13
City of Apopka
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General government										
Administration	7	14	15	15	14	13	14	13	11	10
Finance	16	15	13	10	9	9	9	8	9	8
Human resources	3	3	3	3	3	3	3	3	3	3
Planning	11	11	11	10	8	8	7	7	8	8
Building	9	8	7	7	7	7	7	6	6	6
IT		5	4	5	5	6	6	7	7	7
Police										
Officers	76	82	77	85	85	91	91	88	90	90
Civilians	11	10	10	9	8	32	32	35	35	31
Fire										
Firefighters and officers	77	77	80	81	81	80	80	80	75	78
Civilians	30	22	23	20	18	2	2	3	6	2
Sanitation	16	17	16	17	17	17	17	16	16	18
Other public works										
Administration	6	8	8	8	7	7	7	7	9	9
Engineering	7	5	5	5	4	4	4	3	6	7
Purchasing	4	-	-	-	-	-	-	-	-	-
Construction	8	13	14	10	8	7	6	6	7	7
Fleet	8	9	10	10	8	10	10	11	11	11
Streets	9	8	8	9	8	8	9	8	9	7
Cemetery	2	2	2	2	2	2	2	1	2	2
Parks and recreation	31	33	34	33	28	28	28	27	28	25
Water	15	19	18	22	22	21	21	22	22	21
Wastewater	17	21	22	26	22	23	22	21	20	21
Total	363	382	380	387	364	376	377	372	380	371

Source: City Human Resources Department.

Schedule 14
City of Apopka
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Police										
Physical arrests	1,676	1,530	1,556	1,897	2,374	2,147	1,523	1,414	1,011	1,505
Parking violations	217	124	104	39	11	117	32	157	424	152
Traffic violations	6,641	6,219	5,747	6,813	4,481	3,521	2,283	1,764	3,636	3,459
Red light violations	-	-	681	269	9,735	13,870	16,754	22,422	27,630	22,283
Fire										
Emergency responses	5,994	6,654	6,960	6,242	5,859	5,433	5,093	5,418	4,973	5,298
Fires extinguished	186	236	218	174	135	163	158	143	103	110
Inspections	6,889	4,365	5,782	5,669	5,451	2,324	2,614	2,444	2,120	2,740
Refuse collection										
Refuse collected (tons per day)	87.8	69.5	67.1	64.3	74.5	73.5	74.7	73.9	60.3	86.6
Recyclables collected (tons per day)	3.8	4.0	5.5	6.3	5.9	5.7	5.6	5.7	5.8	5.8
Other public works										
Street resurfacing (miles)	10.2	6.8	6.8	6.8	2.4	4.0	-	-	-	2.4
Parks and recreation										
Athletic leagues						8	9	10	10	7
Athletic leagues participants	180,660	253,565	344,064	529,140	436,622	4,062	3,201	2,175	2,375	2,415
Senior and Adult programs	169	378	397	373	281	9	14	10	10	13
Children's programs	-	-	-	-	-	4	4	5	5	6
Facility rental permits	1,423	347	321	1,002	2,048	2,861	666	3,269	3,327	3,423
Water										
New connections	751	2365*	638	278	246	270	239	333	405	427
Average daily consumption (millions of gallons)	7.06	7.85	8.53	8.27	7.57	7.54	7.35	7.01	6.79	6.82
Peak daily consumption (millions of gallons)	10.60	12.75	12.69	14.91	14.68	12.44	12.35	9.90	11.02	9.69
Wastewater										
Average daily sewage treatment (millions of gallons)	2.59	2.69	2.89	2.96	2.64	2.66	2.59	2.62	2.76	2.89
Reclaimed Water										
New connections	-	-	-	-	202	219	183	207	261	409
Average daily consumption (millions of gallons)	-	-	-	-	5.63	5.51	6.03	6.06	5.49	5.64
Peak daily consumption (millions of gallons)	-	-	-	-	9.31	9.61	10.61	9.85	9.39	9.62

Sources: Various city departments.
Note: Indicators are not available for the general government function.
This is the City's second year of implementation under GASB Statement 44.
*Includes connections from JPA

Schedule 15
City of Apopka
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	57	50	78	76	80	44	54	78	105	105
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection										
Collection trucks	16	16	12	12	16	16	16	17	15	19
Other public works										
Streets (miles)	170.5	184.85	186.7	193.05	194.68	202.54	202.54	202.97	202.97	266
Streetlights	134	134	134	134	134	134	134	134	134	134
Traffic signals	29	29	29	30	27	28	32	32	32	33
Parks and recreation										
Acreage	119.5	119.5	182.7	221.2	265.18	265.18	265.18	265.18	265.18	265.18
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/softball diamonds	15	14	14	14	14	14	14	14	14	14
Soccer/football fields	11	11	14	15	15	15	15	15	16	16
Community centers	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	179.8	228.3	242.24	250.99	259.11	266.33	267.91	267.91	269.77	313.45
Fire hydrants	1124	1220	1298	1348	1381	1403	1414	1429	1435	1961
Total system capacity (millions of gallons)	35.53	47.02	47.02	47.02	46.84	46.84	46.84	46.84	46.84	46.84
Wastewater										
Sanitary sewers (miles)	168.5	185.18	202.59	206.12	210.16	216.61	218.41	218.41	219.48	244.68
Storm sewers (miles)	10.06	16.53	21.23	24.12	25.86	96.37	96.37	96.38	96.44	125.23
Treatment capacity (millions of gallons)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Lift stations	-	-	104	111	108	111	112	112	113	115
Reclaimed Water										
Reclaimed water mains (miles)	-	-	-	-	104.04	113.29	116.53	118.33	125.79	129.66
Total system capacity (millions of gallons)	-	-	-	-	15.55	15.55	15.55	15.55	26.35	26.35

Sources: Various City departments.

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COMPLIANCE

SECTION

TAB

COMPLIANCE SECTION

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MOORE STEPHENS LOVELACE, P.A.
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*

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Apopka, Florida, (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Recommendations to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies.

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

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 10, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 10, 2015

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2014

Current Year Findings

Type: Material Weakness

2014-001 UNEARNED GRANT REVENUE

Finding:
During our audit, we noted an unearned revenue balance that should have been recognized, as the project related to the grant had been fully completed by the City in prior periods. This amount was material to the City's General Fund.

Criteria:
To ensure accurate and complete information is being captured, the City should review all account balances at year end.

Cause:
Due to several changes in management positions during the year, year end procedures were not prepared or reviewed timely.

Effect:
A material misstatement occurred in the City's General Fund.

Recommendation:
We recommend that the City to review all year end account balances to ensure timely and accurate closing of the City's trial balance.

Type: Material Weakness

2014-002 APPROVE AND REVIEW JOURNAL ENTRIES

Finding:
During our audit, it was noted that journal entries were not being reviewed and approved prior to posting.

Criteria:
All entries should be initialed by a preparer and the individual approving them in order to attribute responsibility to the appropriate individuals.

Cause:
Due to management turnover in the current year, journal entries were not being reviewed.

Effect:
Absence of an adequate review process could lead to improper posting, or misleading information reported in the City's financial statements.

Recommendation:
We recommend that the City implement procedures to ensure that all journal entries are reviewed and proper approval has been documented.

Current Year Findings *(Continued)*

Type: Material Weakness

2014-003 BUDGET AMENDMENTS

Finding:
During our audit, it was noted that a budget amendment was not properly brought forth and approved by the City Council.

Criteria:
Per the City's budget amendment policy, amendments to the original budget that alter the total revenues, expenses, or reserves of any fund must be approved by the City Council.

Cause:
Budget amendments were not properly reviewed to determine the overall effect on the original budget.

Effect:
The City amended its budget without appropriate approval set forth by its budget amendment policy.

Recommendation:
We recommend that the City review all amendments that alter the original budget amounts to determine the appropriate approval process for its budget amendments.

Type: Significant Deficiency

2014-004 BANK RECONCILIATIONS

Finding:
During our current year audit of the City's financial statements, it was noted that bank reconciliations were not reviewed and approved after completion. Furthermore, some items on the reconciliation were from prior accounting periods.

Criteria:
Monitoring of accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Cause:
Due to several changes in management positions during the year, cash reconciliations were not reviewed and approved.

Effect:
Without monitoring of the City's bank reconciliations, accurate information may not be appropriately captured and reflected in the City's trial balance.

Current Year Findings *(Continued)*

Recommendation:
We recommend that the bank reconciliations be reviewed and approved for accuracy and completeness on a timely basis. This process should include tests of mathematical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled and reconciled differences should be determined and followed up on, and any journal entries deemed necessary should be recorded. It should be noted that the City has already began implementing procedures to address the finding above.

Type: Significant Deficiency

2014-005 ACCOUNTS PAYABLE – VENDORS

Finding:
The Accounts Payable Clerk has access to enter vendors into the accounting system, and does as part of their job duties.

Criteria:
Internal control over purchases, accounts payable, and cash disbursements is most effective when there is a clear separation of duties between the Purchasing Department and the Accounts Payable Department.

Cause:
Management has not evaluated its current policies and procedures and identified areas of improvement.

Effect:
Since the Accounts Payable Clerk has access to enter vendors into the system, the risk exists for the Accounts Payable Clerk to potentially enter a fictitious vendor and issue a payment to the fictitious vendor.

Recommendation:
We recommend that the Accounts Payable Clerk not have access to enter vendors into the accounting system or add compensating controls to mitigate the risk noted above. We also recommend that management review the current assignment of accounting functions.

Type: Significant Deficiency

2014-006 CASH RECEIPTS – SEGREGATION OF DUTIES

Finding:
The City's Accounting Manager receives payments, prepares the bank deposit, makes the bank deposit and has access to post journal entries to both accounts receivables and cash accounts in the City's trial balance.

Criteria:
A good system of internal control provides for a proper segregation of the accounting functions. Proper internal controls require that no one person handle all elements of a single transaction.

Cause:
Management has not evaluated its current policies and procedures and identified areas of improvement.

Current Year Findings *(Continued)*

Effect:
Without proper segregation of duties, the City's internal control may be susceptible to the risk of errors and fraud.

Recommendation:
We recommend that City management review the current assignment of accounting functions. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Type: Significant Deficiency

2014-007 UTILITY DEPOSITS

Finding:
During our testing of the City's cash receipts process, we noted that the Utility Department does not verify its bank deposit for accuracy and completeness after its daily deposits are made.

Criteria:
Internal control over cash receipts is most effective when there are controls in place to help ensure accuracy and completeness. Implementing monitoring procedures over cash receipts improves internal controls.

Cause:
Management has not evaluated its current procedures and identified areas of improvement.

Effect:
Lack of monitoring over cash receipts may lead to inaccurate deposits in the City's bank accounts.

Recommendation:
We recommend that the City's Utility Department verify its deposit after the deposit has been made and posted to the City's account.

MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida

We have examined the City of Apopka, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 10, 2015

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MOORE STEPHENS LOVELACE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Apopka, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 10, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our 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*, and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 10, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Financial Condition *(Cont.)*

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

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. These recommendations are listed in the attached Schedule of Observations and Recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Commission, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 10, 2015

CITY OF APOPKA, FLORIDA
SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2014

Current Year Observations

MLO-2014-001 CHECK LOGS – ACCOUNTS PAYABLE

Observation:
The City does not maintain a check log when check stock is taken from the safe during its cash disbursement check print runs.

Criteria:
Internal control over cash disbursements is most effective when there are controls in place to maintain an inventory or tracking log over all check stock.

Cause:
Management has not evaluated its current policies and procedures and identified areas of improvement.

Effect:
Lack of a check log for all check stock could potentially lead to a misappropriation of checks used by the City if not properly monitored.

Recommendation:
We recommend that the City maintain a check log that tracks the first and last check numbers taken from its safe. The log should be initialed by the individual responsible for maintaining the check stock, as well as the individual removing the stock from the safe.

MLO-2014-002 PAYROLL - SEGREGATION OF DUTIES

Observation:
Our review of the City's payroll system disclosed that the person responsible for preparing the payroll also performs human resources functions, such as entering new employees and changing pay rates.

Criteria:
A good system of internal control provides for a proper segregation of the accounting functions. Proper internal controls require that no one person handle all elements of a single transaction.

Cause:
Management has not evaluated its current policies and procedures and identified areas of improvement.

Effect:
Without proper segregation of duties, the City's internal control may be susceptible to the risk of errors and fraud.

Recommendation:
According to best practices in internal control, we recommend that the City's management review the current assignment of accounting functions and evaluate whether individuals should have access to both payroll and human resources systems. Management should also identify any mitigating controls to address the risk noted above.

Current Year Observations *(Continued)*

MLO-2014-003 PAYROLL APPROVAL

Observation:
Our review of the City's payroll system disclosed that the City does not have documented policies and procedures over departmental payroll review and approval.

Criteria:
The City should have written policies and procedures over their departmental payroll review and approval.

Cause:
Management has not evaluated its current policies and procedures and identified areas of improvement.

Effect:
Without written policies and procedures, internal control over information and communication may be affected.

Recommendation:
We recommend that the City create written policies and procedures over their departmental payroll review and approval process.

MLO-2014-04 INFORMATION TECHNOLOGY (IT)

Observation:
During our evaluation of the City's IT processes, procedures were performed for the purpose of issuing our opinion on the City's financial statements. During our evaluation, we noted several areas which we believe could improve the City's data integrity, system security and business continuity. These issues where brought to the attention of the responsible personnel and management. Those findings were related to the following IT issues: IT policies, network security, physical security and controls, firewall and perimeter controls, vulnerability management controls, data backup and recovery, and user security awareness. Specifics of our findings were discussed in detail with the responsible personnel.

Criteria:
In order to keep the City's IT environment safe and secure, security must remain a key concern and function of a properly operating IT Department. As with any control, management must make the ultimate cost-benefit analysis to determine what risks to security the organization is willing to accept.

Cause:
Management has not evaluated its current policies and procedures and identified areas of improvement.

Recommendation:
We recommend that the IT Department and management evaluate each of the issues noted under our findings and consider the most efficient and effective way to address them.

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

June 10, 2015

Honorable Mayor, City Commissioners
City of Apopka
Apopka, Florida 32703

The City of Apopka strives to improve its financial performance. Eleven audit findings resulted from the FY2014 annual audit. Three material weaknesses of internal control were identified, four significant deficiencies were noticed and four management letter observations were reported. The first material weakness resulted in a material misstatement in the General Fund whereas the other two were identified by the newly appointed management team and corrective actions had been implemented prior to the performance of the audit. Staff continues to review areas of improvement and document policies and procedures to ensure proper controls are in place to reduce the inherent risks. Changes in procedures should prevent the likelihood of future findings.

The following auditor findings and management responses are provided:

2014-001 Unearned Grant Revenue (Material Weakness)

RECOMMENDATION: During the audit, it was noted an unearned revenue balance that should have been recognized as the project related to the grant had been fully completed by the City in prior periods. The amount was material to the City's General Fund. We recommend the City review all year end account balances to ensure timely and accurate closing of City's trial balance.

MANAGEMENT'S RESPONSE: Concur. This error went undetected by staff and auditors for more than a decade. Current management is working toward improving year end processes and procedures to ensure errors that like this do not occur.

2014-002 Approve and Review Journal Entries (Material Weakness)

RECOMMENDATION: During the audit, it was noted that journal entries were not being reviewed and approved prior to posting. We recommend that the City implement procedures to ensure that all journal entries are reviewed and proper approval has been documented.

MANAGEMENT'S RESPONSE: Concur. Current management discovered this weakness prior to the audit engagement and has implemented a policy whereby all journal entries are reviewed and initialed signifying approval.

Mayor: JOE KILSHEIMER Commissioners: J. WILLIAM ARROWSMITH BILLIE L. DEAN SAM RUTH DIANE VELAZQUEZ

2014-003 Budget Amendments (Material Weakness)

RECOMMENDATION: During the audit, it was noted that budget amendments were not brought forth and approved by the City Council. We recommend that the City Council review all amendments that alter the original budget amounts to determine the appropriate approval process for its budget amendments.

MANAGEMENT'S RESPONSE: Concur. Current management discovered this weakness prior to the audit engagement and has implemented a process whereby all changes to the budget resulting in an increase in the total appropriations of any fund be brought before the City Council in the form of a budget amendment for proper consideration and approval.

2014-004 Bank Reconciliations (Significant Deficiency)

RECOMMENDATION: During the audit, it was noted that bank reconciliations were not reviewed and approved after completion. Furthermore, some items on the reconciliations were from prior accounting periods. We recommend that the bank reconciliations be reviewed and approved for accuracy and completeness on a timely basis. This process should include tests of mathematical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled and reconciled differences should be determined and followed up on, and any journal entries deemed necessary, should be recorded.

MANAGEMENT'S RESPONSE: Concur. Current management discovered this weakness prior to the audit engagement and has implemented a process whereby all bank reconciliations are reviewed and approved by management. All reconciling items are investigated and corrective action is made to ensure items do not remain outstanding for long periods of time.

2014-005 Accounts Payable - Vendors

RECOMMENDATION: During the audit, it was noted that the Accounts Payable Clerk has access to enter vendors into the accounting system and routinely does as it is part of their job duties. We recommend that the Accounts Payable Clerk not have access to enter vendors into the accounting system or add compensating controls to mitigate the risk. We also recommend management review the current assignment of accounting functions.

MANAGEMENT'S RESPONSE: Concur. Minimal staffing in the Finance Department causes inherent internal control weaknesses like inadequate segregation of duties. However, additional processes are in place to mitigate these weaknesses to ensure improprieties are minimized. Management reviews all invoices and payable checks for propriety prior to mailing to ensure vendors appear legitimate and payment is correct and proper. In addition, management is determining a process/procedure for reviewing monthly vendor change activity to ensure all vendors are legitimate and proper.

2014-006 Cash Receipts – Segregation of Duties (Significant Deficiency)

RECOMMENDATION: During the audit, it was noted that the City Accounting Manager receives payments, prepares the bank deposit, makes the deposit to the bank and has access to post journal entries to both accounts receivable and cash accounts in the City's trial balance. We recommend that City management review the current assignment of accounting functions. Where possible, duties should be segregated to reduce the risk of errors or fraud.

Mayor: JOE KILSHEIMER Commissioners: J. WILLIAM ARROWSMITH BILLIE L. DEAN SAM RUTH DIANE VELAZQUEZ

MANAGEMENT'S RESPONSE: Concur. The limited staffing levels in the Finance Department do not allow for ideal segregation of duties, but management is evaluating the policies and procedures to ensure errors are detected and the potential for misappropriation is mitigated.

2014-007 Utility Deposits (Significant Deficiency)

RECOMMENDATION: During the testing of the City's cash receipts process, we noted the Utility Department does not verify its bank deposit for accuracy and completeness after their daily deposits are made. We recommend the City's Utility Department verify their deposit after the deposit has been deposited and posted to the City's account.

MANAGEMENT'S RESPONSE: Concur. Management has implemented a procedure whereby bank deposits are verified for correctness by the Utility Department and initialed to evidence the review.

MLO-2014-001 Check Logs – Accounts Payable

RECOMMENDATION: During the audit, it was noted that the City does not maintain a check log when check stock is taken from the safe during their cash disbursement check print runs. We recommend that the City maintain a check log that tracks the first and last check numbers taken from the safe. The log should be initialed by the individual responsible for maintaining the check stock, as well as the individual removing the stock from the safe.

MANAGEMENT'S RESPONSE: Concur. Management is evaluating its current policies and procedures and identifying areas for improvement. A check log will be established and maintained for the tracking of check stock removed from the safe in the near future.

MLO-2014-002 Payroll – Segregation of Duties

RECOMMENDATION: Our review of the City's payroll system disclosed that the person responsible for preparing the payroll also performs human resource functions, such as entering new employees and changing pay rates. According to best practices in internal control, we recommend that the City's management review the current assignment of accounting functions and evaluate whether individuals should have access to both payroll and human resources systems. Management should also identify any mitigating controls to address the risk above.

MANAGEMENT'S RESPONSE: Concur. Although the person responsible for preparing payroll also has the ability to enter employees and change pay rates, additional procedures and processes are in place to mitigate the risk for error and fraud to go undetected. Currently, management reviews payroll prior to processing and approves all new employee and changes in pay. This review and approval process should detect any errors or misappropriations prior to the processing of payroll to ensure all payroll disbursements are legitimate and proper.

MLO-2014-003 Payroll Approval

RECOMMENDATION: Our review of the City's payroll system disclosed that the City does not have documented policies and procedures over departmental payroll review and approval. We recommend that the City create written policies and procedures over their departmental payroll review and approval process.

Mayor: JOE KILSHEIMER Commissioners: J. WILLIAM ARROWSMITH BILLIE L. DEAN SAM RUTH DIANE VELAZQUEZ

MANAGEMENT'S RESPONSE: Concur. Management is evaluating its current policies and procedures and identifying areas for improvement. Management will consider inclusion of a policy that directly addresses payroll approval.

MLO-2014-004 Information Technology (IT)

RECOMMENDATION: During our evaluation of the City's IT processes, procedures were performed for the purpose of issuing our opinion on the City's financial statements. During our evaluation, we noted several areas which we believe could improve the City's data integrity, system security and business continuity. These issues were brought to the attention of the responsible personnel and management. Those findings were related to the following IT issues: IT policies, network security, physical security and controls, firewall and perimeter controls, vulnerability management controls, data backup and recovery, and user security awareness. We recommend that the IT Department and management evaluate each of the issues noted under our findings and consider the most efficient and effective way to address them.

MANAGEMENT'S RESPONSE: Concur. Management has hired a third party vendor to perform a detail information technology systems review and analysis study. Management will evaluate the results of this study and make the necessary changes as warranted in the near future.

We continue to strive to provide the highest level of financial services and reporting to the City of Apopka.

Respectfully submitted,

Glenn A. Irby, MPA
Chief Administrative Officer

Pamela N. Barclay, CPA
Finance Director

Mayor: JOE KILSHEIMER Commissioners: J. WILLIAM ARROWSMITH BILLIE L. DEAN SAM RUTH DIANE VELAZQUEZ

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