



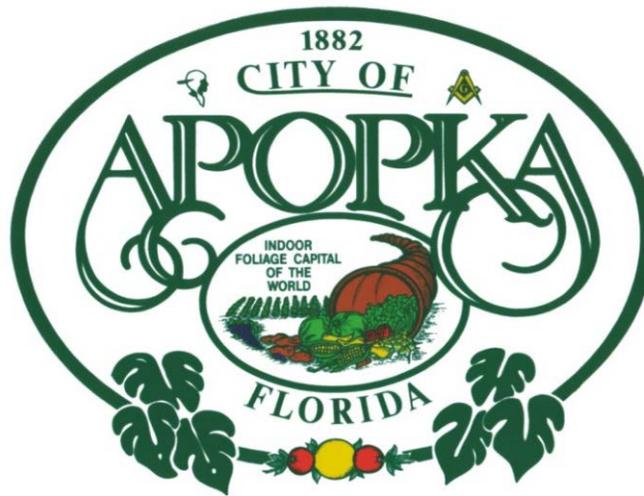
City of
APOPKA



2015 Comprehensive Annual Financial Report

**For the Fiscal Year Ended
September 30, 2015**

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2015**

**Prepared by:
Department of Finance**

Featured on the cover is a photo of the Lake Apopka North Shore taken by Robert Sargent, Public Information Officer.

CITY OF APOPKA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Year Ended September 30, 2015

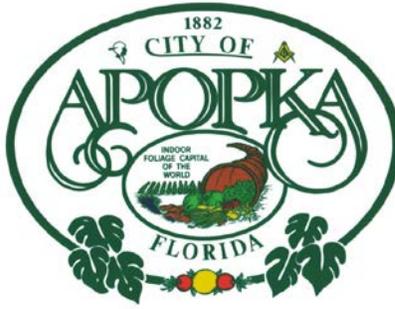
	<u>Page Number</u>
INTRODUCTORY SECTION	
TRANSMITTAL LETTER OF THE CITY OF APOPKA	i - v
LIST OF PRINCIPAL OFFICIALS	vi
ORGANIZATIONAL CHART	vii
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Community Redevelopment (CRA)	25
Statement of Net Position – Proprietary Funds	26-27
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29-30
Statement of Fiduciary Net Position – Pension Trust Fund	31
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	32
Notes to the Financial Statements	33-67
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Contributions - General Employees, Police Officers’ and Firefighters’ Pension Plans	68
Schedule of Changes in the Net Position Liability and Related Ratios - General Employees’, Police Officers’ and Firefighters’ Pension Plans - Last 10 Fiscal Years	69
Schedule of Investment Returns - General Employees’, Police Officers’ and Firefighters’ Pension Plans - Last 10 Fiscal Years	70
Schedule of Funding Progress - Other Postemployment Benefits Plan	71
Schedule of Employer Contributions - Other Postemployment Benefits Plan	71

CITY OF AOPKA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS – Continued
 Year Ended September 30, 2014

	<u>Page Number</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Combining Balance Sheet – Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	73
Budgetary Comparison Schedule - Special Revenue Funds:	
Streets Improvement	74
Law Enforcement Trust.....	75
Transportation Impact Fees	76
Recreation Impact Fees	77
Stormwater	78
Grants	79
Special Assessment	80
 STATISTICAL SECTION	
Schedule 1 Net Position by Component, Last Ten Fiscal Years	81
Schedule 2 Changes in Net Position, Last Ten Fiscal Years	82-83
Schedule 3 Fund Balances and Governmental Funds, Last Ten Fiscal Years	84
Schedule 4 Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	85
Schedule 5 Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	86
Schedule 6 Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	87
Schedule 7 Principal Property Taxpayers, Current Year and Nine Years Ago	88
Schedule 8 Property Tax Levies and Collections, Last Ten Fiscal Years	89
Schedule 9 Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	90
Schedule 10 Pledged-Revenue Coverage, Last Ten Fiscal Years	91
Schedule 11 Demographic and Economic Statistics, Last Ten Calendar Years	92
Schedule 12 Principal Employers, Current Year and Nine Years Ago	93
Schedule 13 Full-time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years.....	94
Schedule 14 Operating Indicators by Function/Program, Last Ten Fiscal Years	95
Schedule 15 Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	96
 COMPLIANCE SECTION	
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	97-98
Schedule of Findings and Recommendations	99-104
Independent Auditor’s Report on Compliance for Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550, <i>Rules of the Auditor General</i>	105-106
Schedule of Expenditures of State Financial Assistance	107
Schedule of Findings and Questioned Costs	108
Independent Accountant’s Report	109
Independent Auditor’s Management Letter	110-111
Schedule of Observations and Recommendations	112-114
Management’s Response to Findings and Observations	115-116

INTRODUCTORY SECTION

This Page Intentionally Left Blank



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

June 21, 2016

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, 2015, 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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The financial section also includes a narrative introduction, overview and analysis of the September 30, 2015 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 46,354. 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 22, 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 74-80.

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 2015 unemployment rate for the Apopka area was 4.2% compared to 5.3% for the State of Florida and 5.1% Nationwide.

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.

Thanks to a collaborative effort between the Florida Department of Transportation ("FDOT") and the Central Florida Expressway Authority, construction began on the \$1.7 billion Wekiva Parkway (SR 429) in June 2015. The Wekiva Parkway is a 25-mile toll road that will complete Central Florida's beltway around northwest metropolitan Orlando. Construction is scheduled to be completed in the fourth quarter of 2021. The parkway will provide an alternative to Interstate 4, and relieve US 441, SR 46 and other area roads of traffic congestion resulting from growth and travel between Orange, Lake, and Osceola counties. The completion of the Wekiva Parkway will have a significant impact on the future growth of northwest Orange County.

The City has worked extensively to become a major player in Orange County by focusing on economic development. In 2015-16, the City conducted a visioning initiative designed to solicit the input from residents, businesses and other stakeholders to help shape the City's future. The plan, accepted in April 2016, is titled "Grow Apopka 2025 Vision." The 198-page document lays out the vision expressed by participants for Apopka's four quadrants and establishes a framework for future planning and economic development initiatives. The study further contains a series of goals and timelines for consideration of future implementation.

In an effort to support eco-tourism in and around Lake Apopka, the City is leading an initiative to establish a nature-based tourism facility on City-owned property in the vicinity of the Lake Apopka North Shore Area. This initiative follows up on a 2012-13 initiative by the City, which led the preparation of a strategic plan through a collaborative effort involving other interested local governments and environmental groups. The strategic plan outlined recommended actions that bring Lake Apopka closer to being a desired destination for tourists and local residents seeking outdoor recreation opportunities.

The City continues its vision for a 33-acre Town Center Project situated on land the City owns at the intersection of State Road 436 and US Highway 441. In 2015, the City issued a Request for Proposals to develop the property and selected a qualified development partner. As of late May 2016, the City was engaged in negotiating a development agreement with the selected partner. This project would have a positive impact on the economic future of the City with an anticipated capital investment in excess of \$100 million.

Construction of the new Florida Hospital Apopka began in 2015 and is scheduled to be completed in 2017. The \$200+ million, 200-bed facility is located at the intersection of Harmon Road and Ocoee-Apopka Road. The City believes planning initiatives that addressed the urbanization of the area surrounding the hospital will provide for new commercial, office and residential development that will follow the completion of the facility.

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 CAFR for the fiscal year ended September 30, 2014. This was the fifteenth 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 satisfies both 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, 2014. 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 AOPKA

PRINCIPAL CITY OFFICIALS

FISCAL YEAR ENDED 2015

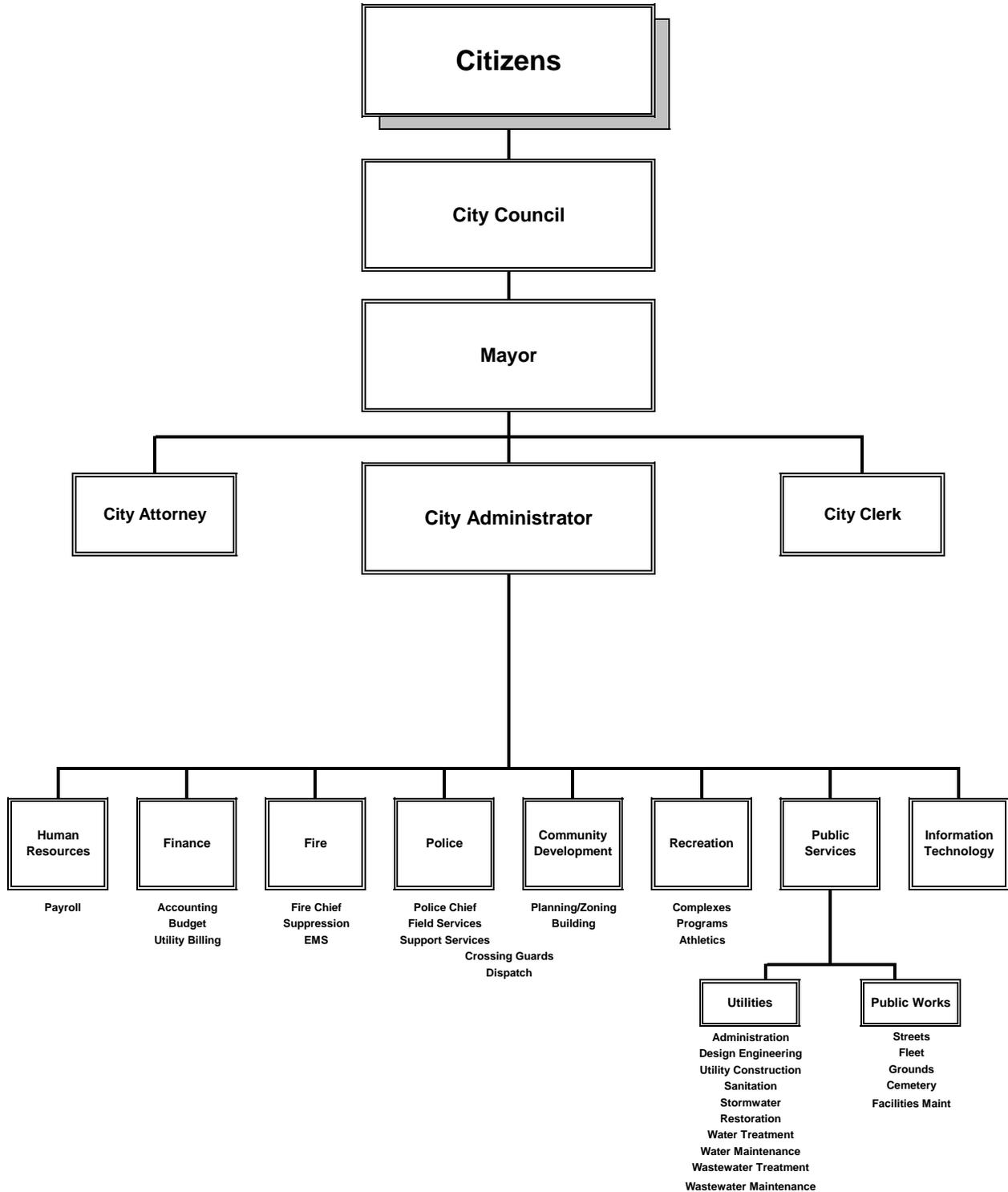
ELECTED OFFICIALS

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	Michael McKinley
Fire Chief	George Lee Bronson
Community Development Director	Vacant
Human Resources Director	Sharon P. Thornton
Information Technology Director	Robert E. Hippler, Interim
Public Services Director	R. Jay Davoll

**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, 2014

Executive Director/CEO

FINANCIAL SECTION

This Page Intentionally Left Blank

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2015, 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
(Continued)

Emphasis-of-Matter

Change in Accounting Principle

As discussed in Note 12 to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 68, *Accounting and Financial Reporting for Pensions* and GASBS 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2016, 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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A." The signature is written in a cursive style and is positioned above the printed name of the firm.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 21, 2016

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 that ended on September 30, 2015. 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 18, and the Required Supplementary Information ("RSI"), which can be found on pages 68 to 71.

HIGHLIGHTS

Financial Highlights

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

Fiscal Year 2015			Fiscal Year <u>2014</u>	Increase <u>(Decrease)</u>	% <u>Change</u>
Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>			
\$90,266,531	\$118,459,929	\$208,726,460	\$215,046,795	(\$6,320,335)	-2.9%

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

Fiscal Year 2015			Fiscal Year <u>2014</u>	Increase <u>(Decrease)</u>	% <u>Change</u>
Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>			
\$42,317,118	\$26,757,295	\$69,074,413	\$62,460,220	\$6,614,193	10.6%

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

Fiscal Year 2015			Fiscal Year <u>2014</u>	Increase <u>(Decrease)</u>	% <u>Change</u>
Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>			
\$44,757,350	\$20,217,484	\$64,974,834	\$63,507,789	\$1,467,045	2.3%

*Also see Note 12 for additional impact from restatement of beginning fund balance for implementation of GASB 68.

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.

Management's Discussion and Analysis – (Continued)

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, Combining and Individual Fund Statements and Schedules, 3) the Statistical Section, consisting of selected financial and demographic information, generally presented on a multi-year basis and 4) the Single Audit and Other Reports Section consisting of supplemental reports pertaining to federal and state single audit requirements.

The 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 types 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, the Sanitation operations and the Airport Fuel. 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 and an Other Post-Employment Benefit Trust ("OPEB").

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 18 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 the 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 19 of this report.

Management's Discussion and Analysis – (Continued)

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 are 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 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 nine 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 eight 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 23 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 governmental-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 lives 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 three proprietary funds, all 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's enterprise funds account for its water, wastewater, reclaimed water, sanitation operations and airport fuel. The water, wastewater and reclaimed water enterprise fund is collectively referred to as the Utility Systems Fund, while the Sanitation Fund and the Airport Fund are the other enterprise funds.

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

The Enterprise Fund Financial Statements can be found on pages 26 to 30 of this report.

Management's Discussion and Analysis – (Continued)

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 31 to 32 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 33 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 71 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 72 to 80 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 \$208,726,460 at September 30, 2015.

Approximately 90.7% 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 \$10,081,809 (\$2,440,232 decrease, in addition to the restatement for GASB 68) and totaled \$90,266,531 at the end of the fiscal year. Of this amount, approximately 100.2% is either restricted as to the purposes for which they can be used 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 (\$214,724) at the end of 2015 as a result of the newly implemented GASB 68. See Note 12 of the Financial Statements for further details.

Net position of the City's business-type activities increased by \$3,761,474 (\$6,539,811 increase, net of restatement for GASB 68) and totaled \$118,459,929 at the end of the fiscal year. Of this amount, approximately 85.6% is either restricted as to the purposes for which they can be used 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 \$17,057,907 at the end of 2015.

Management's Discussion and Analysis – (Continued)

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

STATEMENT OF NET POSITION As of September 30

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$27,580,504	\$26,457,984	\$27,073,767	\$34,187,422	\$54,654,271	\$60,645,406
Capital assets	99,128,378	100,567,790	119,501,201	103,784,583	218,629,579	204,352,373
Noncurrent assets	-	2,453,970	-	565,230	-	3,019,200
Total assets	126,708,882	129,479,744	146,574,968	138,537,235	273,283,850	268,016,979
Total Deferred Outflows of Resources	12,682,456	-	2,591,542	-	15,273,998	-
Current and other liabilities	6,434,911	6,617,617	4,467,256	2,598,178	10,902,167	9,215,795
Long-term Liabilities Outstanding	42,062,225	22,513,787	25,820,877	21,240,602	67,883,102	43,754,389
Total liabilities	48,497,136	29,131,404	30,288,133	23,838,780	78,785,269	52,970,184
Total Deferred Inflows of Resources	627,671	-	418,448	-	1,046,119	-
Net position:						
Invested in Capital Assets, net of related debt	88,573,433	89,327,168	100,656,361	84,626,587	189,229,794	173,953,755
Restricted	1,907,822	2,156,922	745,661	10,762,602	2,653,483	12,919,524
Unrestricted	(214,724)	8,864,250	17,057,907	19,309,266	16,843,183	28,173,516
Total net position	\$90,266,531	\$100,348,340	\$118,459,929	\$114,698,455	\$208,726,460	\$215,046,795

For more detailed information, see the Statement of Net Position on page 18.

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, 2015, the City's combined net assets totaled \$208,726,460, which is a decrease of \$6,320,335 (\$4,099,579 increase, net of restatement for GASB 68) over last year's reported \$215,046,795. During this same period, the City's total revenues increased by \$6,614,193 to a total of \$69,074,413.

Management's Discussion and Analysis – (Continued)

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

CHANGES IN NET POSITION As of September 30

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 8,389,757	\$ 10,810,877	\$ 18,930,728	\$ 17,720,899	\$ 27,320,485	\$ 28,531,776
Operating grants & contributions	993,788	1,283,718	4,693,320	105,512	5,687,108	1,389,230
Capital grants & contributions	2,345,941	1,855,694	5,831,362	4,021,117	8,177,303	5,876,811
General revenues:						
Property taxes	6,994,987	6,789,004	-	-	6,994,987	6,789,004
Fuel taxes	1,497,364	1,433,900	-	-	1,497,364	1,433,900
Communication services taxes	1,652,964	1,698,804	-	-	1,652,964	1,698,804
½ Cent sales tax	6,663,887	6,180,303	-	-	6,663,887	6,180,303
State shared revenues	2,033,469	1,781,391	-	-	2,033,469	1,781,391
Franchise fees and utility taxes	7,295,442	7,052,673	37,729	36,636	7,333,171	7,089,309
Sale of capital assets	5,845	11,444	-	12,287	5,845	23,731
Unrestricted investment earnings	102,482	98,712	99,269	104,448	201,751	203,160
Miscellaneous revenues	208,132	235,911	1,297,947	1,226,892	1,506,079	1,462,803
Total revenues	38,184,058	39,232,431	30,890,355	23,227,791	69,074,413	62,460,222
Expenses:						
General government	6,511,974	6,377,892	-	-	6,511,974	6,377,892
Public safety	27,864,802	25,985,190	-	-	27,864,802	25,985,190
Physical Environment	305,767	-	-	-	305,767	-
Transportation	5,595,625	8,093,858	-	-	5,595,625	8,093,858
Economic Environment	228,422	251,577	-	-	228,422	251,577
Culture and recreation	3,971,409	3,985,137	-	-	3,971,409	3,985,137
Interest on long-term debt	279,351	341,785	-	-	279,351	341,785
Utility system	-	-	16,036,573	15,019,098	16,036,573	15,019,098
Sanitation	-	-	3,642,605	3,453,253	3,642,605	3,453,253
Airport fuel	-	-	538,306	-	538,306	-
Total expenses	44,757,350	45,035,439	20,217,484	18,472,351	64,974,834	63,507,790
Increase (decrease) in net position before transfers	(6,573,292)	(5,803,008)	10,672,871	4,755,440	4,099,579	(1,047,568)
Transfers	4,133,060	3,899,130	-4,133,060	-3,899,130	-	-
Increase (decrease) in net position	(2,440,232)	(1,903,878)	6,539,811	856,310	4,099,579	(1,047,568)
Net position– beginning as restated	92,706,763	102,252,218	111,920,118	113,842,146	204,626,881	216,094,364
Net position – September 30	\$90,266,531	\$100,348,340	\$118,459,929	\$114,698,456	\$208,726,460	\$215,046,796

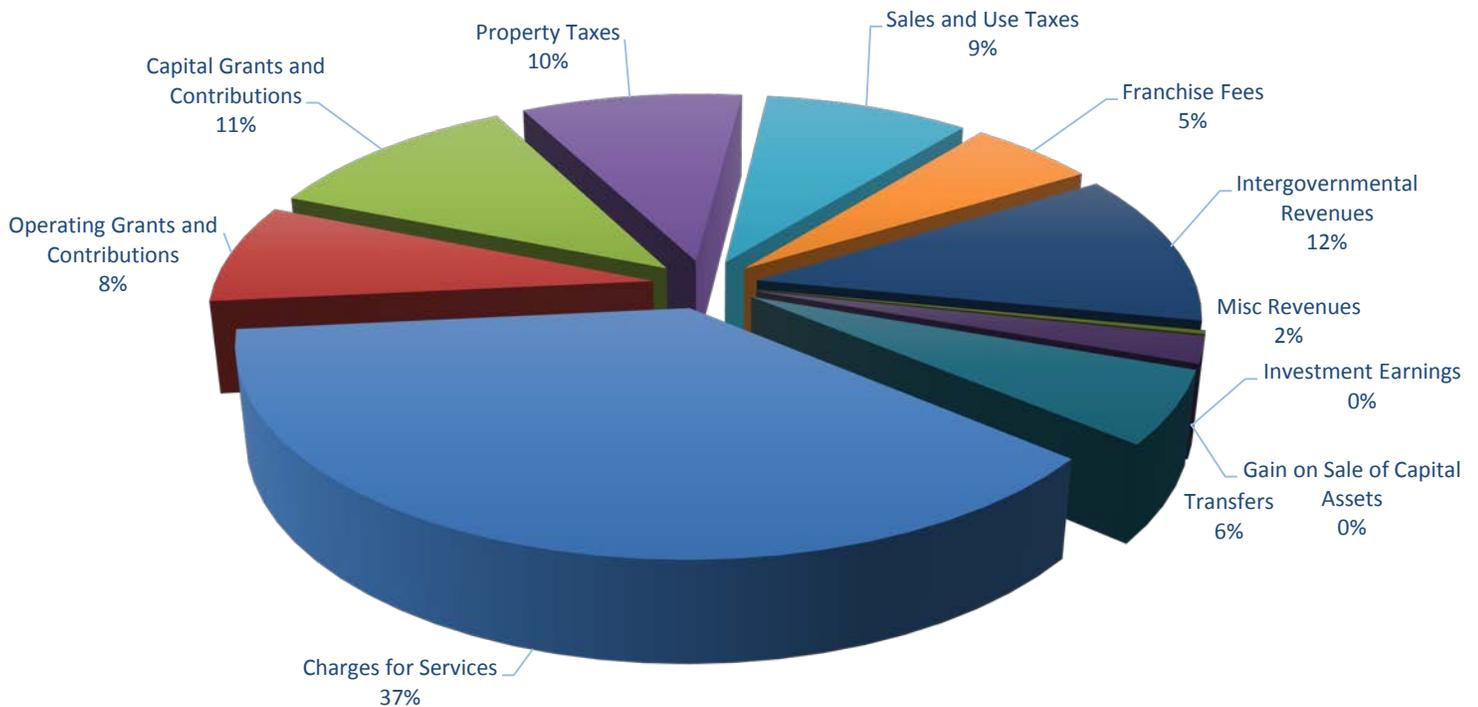
Management’s Discussion and Analysis – (Continued)

The following is a summary of source of revenue for the City:

Citywide Source of Revenue

	FY 15	% of	FY 14	% of
	Revenues	Total	Revenues	Total
Charges for Services	\$ 27,320,485	37.3%	\$ 28,531,774	43.0%
Operating Grants & Contributions	5,687,108	7.8%	1,389,230	2.1%
Capital Grants & Contributions	8,177,303	11.2%	5,876,811	8.9%
Property Taxes	6,994,987	9.6%	6,789,004	10.2%
Sales and Use Taxes	6,474,442	8.8%	6,359,256	9.6%
Franchise Fees	4,009,057	5.5%	3,862,757	5.8%
Intergovernmental Revenues	8,697,356	11.9%	7,961,693	12.0%
Gain on Sale of Capital Assets	5,845	0.0%	23,731	0.0%
Investment Earnings	201,751	0.3%	203,160	0.3%
Miscellaneous Revenues	1,506,079	2.0%	1,462,803	2.2%
Transfers	4,133,060	5.6%	3,899,130	5.9%
Total Revenues	\$ 73,207,473	100.0%	\$ 66,359,349	100.0%

Citywide Source of Revenue



Governmental Activities - Governmental activities decreased the City’s net assets by \$2,440,232.

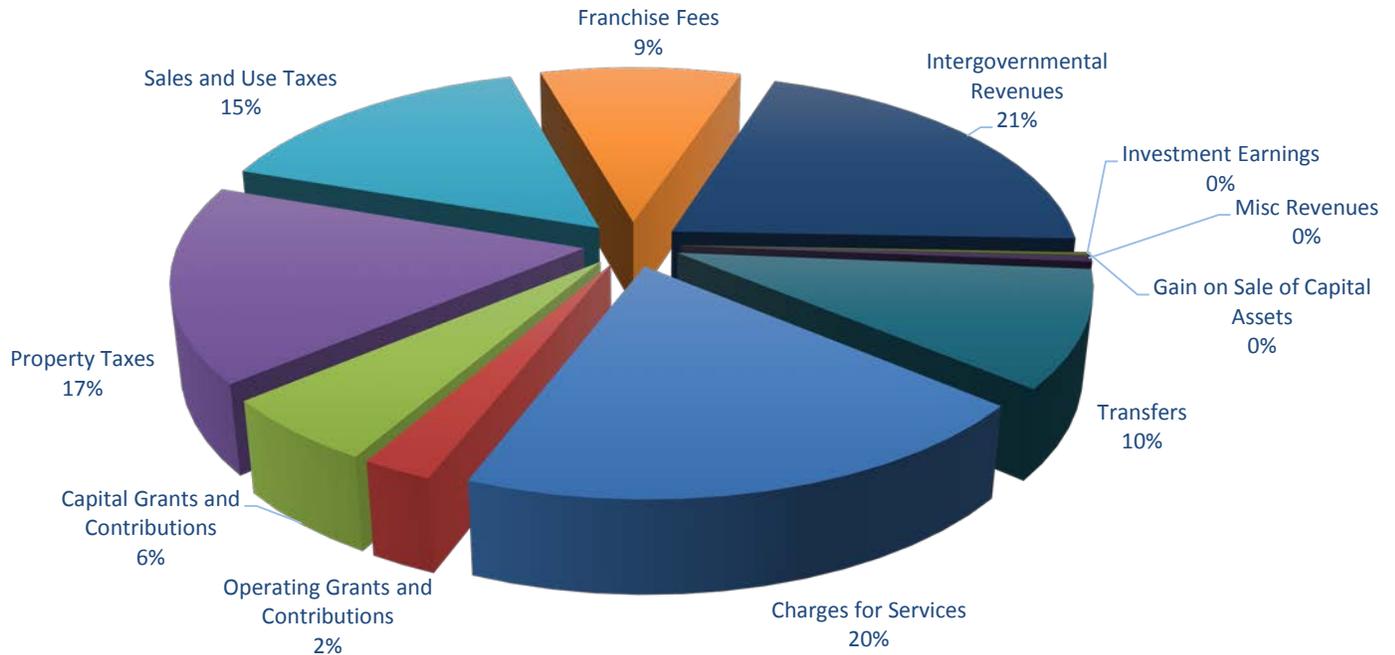
Management’s Discussion and Analysis – (Continued)

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

Revenues by Source – Governmental Activities

	FY 15	% of	FY 14	% of
	Revenues	Total	Revenues	Total
Charges for Services	\$ 8,389,757	19.8%	\$ 10,810,876	25.1%
Operating Grants & Contributions	993,788	2.4%	1,283,718	3.0%
Capital Grants & Contributions	2,345,941	5.5%	1,855,694	4.3%
Property Taxes	6,994,987	16.5%	6,789,004	15.7%
Sales and Use Taxes	6,474,442	15.3%	6,359,256	14.7%
Franchise Fees	3,971,328	9.4%	3,826,121	8.9%
Intergovernmental Revenues	8,697,356	20.6%	7,961,693	18.5%
Gain on Sale of Capital Assets	5,845	0.0%	11,444	0.0%
Investment Earnings	102,482	0.2%	98,712	0.2%
Miscellaneous Revenues	208,132	0.5%	235,911	0.6%
Transfers	4,133,060	9.8%	3,899,130	9.0%
Total Revenues	\$ 42,317,118	100.0%	\$ 43,131,559	100.0%

Governmental Activities Source of Revenue



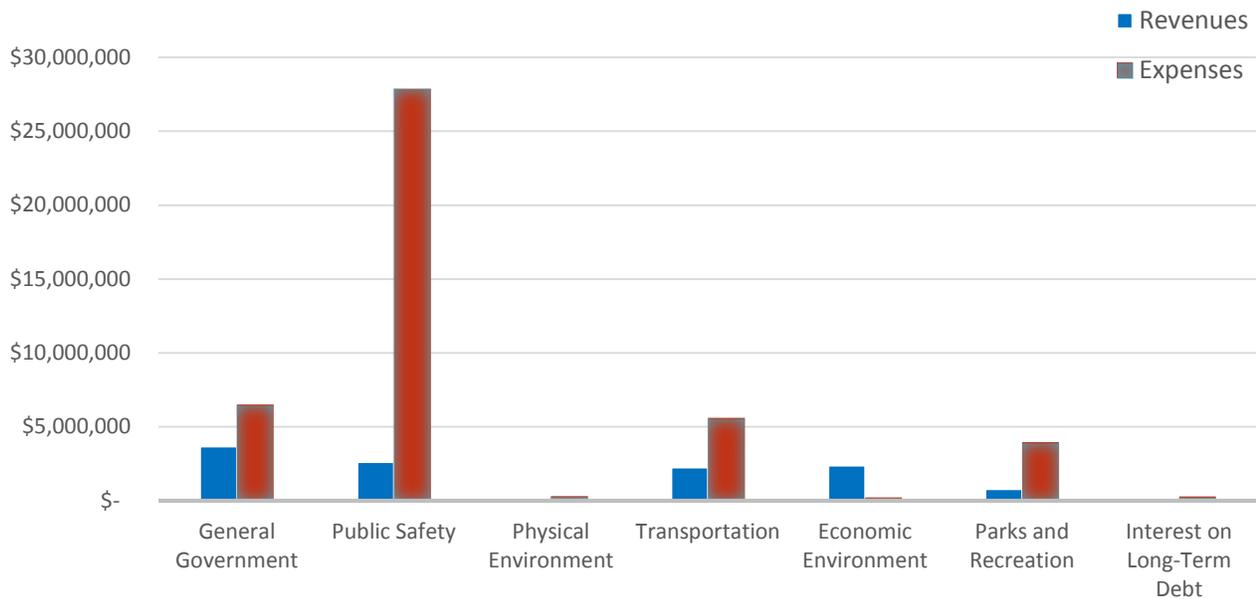
Management's Discussion and Analysis – (Continued)

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

Program Expenses and Program Revenues - Governmental Activities

	<u>FY 15</u> <u>Revenues</u>	<u>% of</u> <u>Total</u>	<u>FY 15</u> <u>Expenses</u>	<u>% of</u> <u>Total</u>
General Government	\$ 3,656,488	31.2%	\$ 6,511,974	14.5%
Public Safety	2,613,802	22.2%	27,864,802	62.3%
Physical Environment	65,148	0.6%	305,767	0.7%
Transportation	2,247,321	19.2%	5,595,625	12.5%
Economic Environment	2,377,976	20.3%	228,422	0.5%
Parks and Recreation	768,751	6.5%	3,971,409	8.9%
Interest on Long-Term Debt	-	0.0%	279,351	0.6%
Totals	<u>\$ 11,729,486</u>	<u>100.0%</u>	<u>\$ 44,757,350</u>	<u>100.0%</u>

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 their programs.

Operating expenses of the governmental-type activities decreased in 2015 to \$44,757,350 as compared to \$45,035,438 in 2014. The City has remained constant in its efforts to maintain and control 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 to which each are dependent on taxes and other non-exchange revenues to subsidize their program operations.

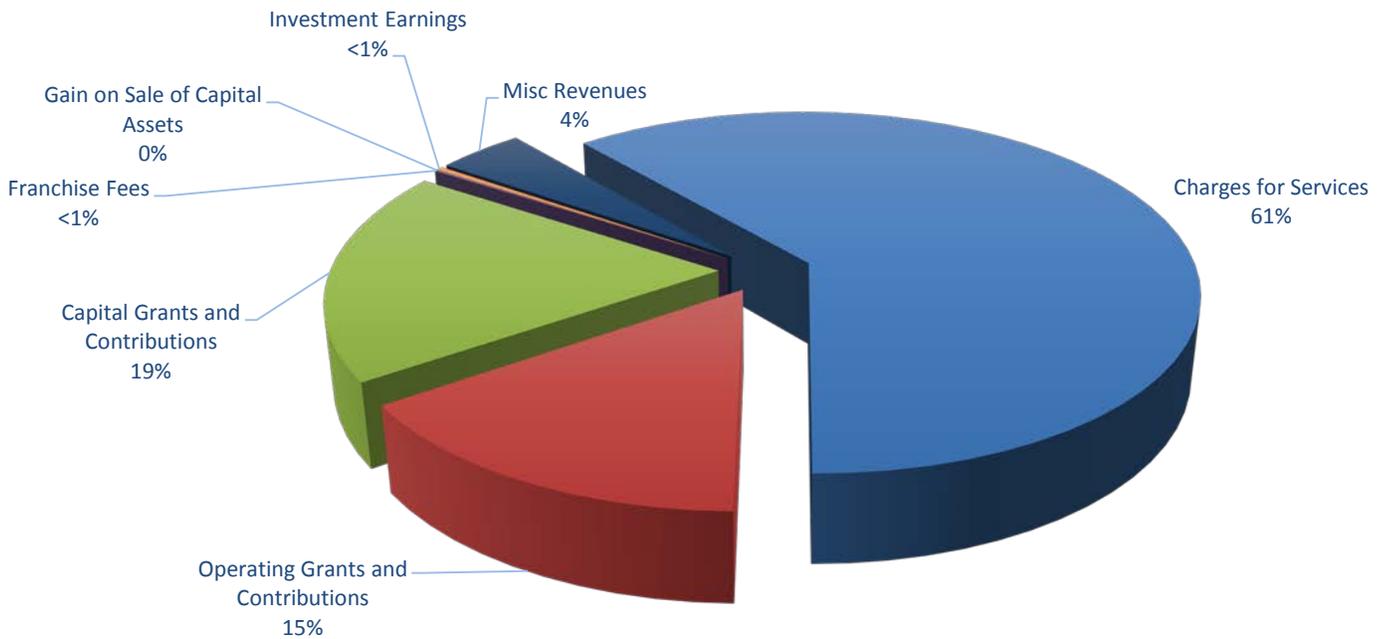
Management’s Discussion and Analysis – (Continued)

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

Revenues by Source - Business-Type Activities

	FY 15	% of	FY 14	% of
	Revenues	Total	Revenues	Total
Charges for Services	\$ 18,930,728	61.3%	\$ 17,720,898	76.3%
Operating Grants & Contributions	4,693,320	15.2%	105,512	0.4%
Capital Grants & Contributions	5,831,362	18.9%	4,021,117	17.3%
Franchise Fees	37,729	0.1%	36,636	0.2%
Gain on Sale of Capital Assets	-	0.0%	12,287	0.1%
Investment Earnings	99,269	0.3%	104,448	0.4%
Miscellaneous Revenues	1,297,947	4.2%	1,226,892	5.3%
Total Revenues	\$ 30,890,355	100.0%	\$ 23,227,790	100.0%

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.

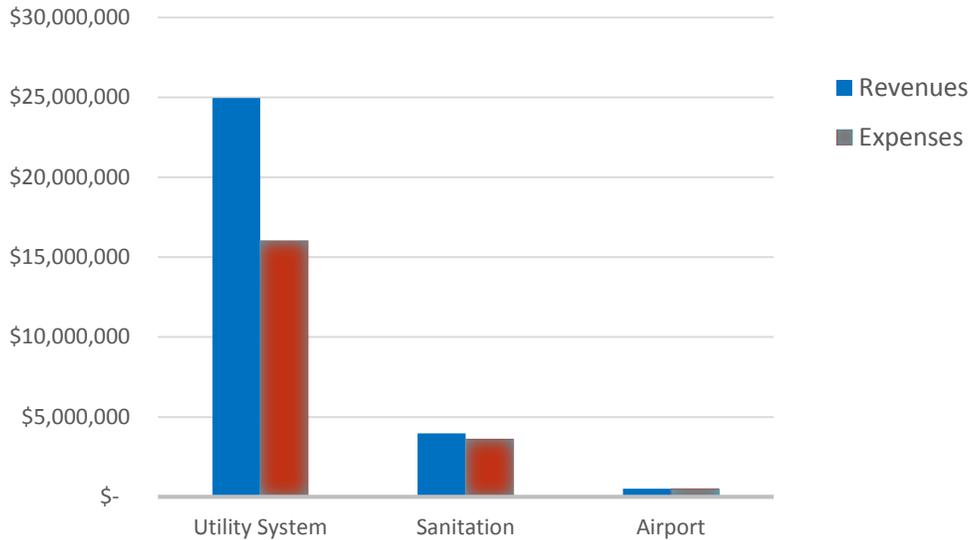
Management’s Discussion and Analysis – (Continued)

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

Program Expenses and Program Revenues - Business-Type Activities

	FY 15 Revenues	% of Total	FY 15 Expenses	% of Total
Utility System	\$ 24,964,121	84.8%	\$ 16,036,573	79.3%
Sanitation	3,983,825	13.5%	3,642,605	18.0%
Airport	507,464	1.7%	538,306	2.7%
Totals	\$ 29,455,410	100.0%	\$ 20,217,484	100.0%

Program Revenues and Program Expenses – Business-Type Activities



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, including transfers, increased in 2015 to \$24,826,254 as compared to \$22,371,481 in 2014.

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.

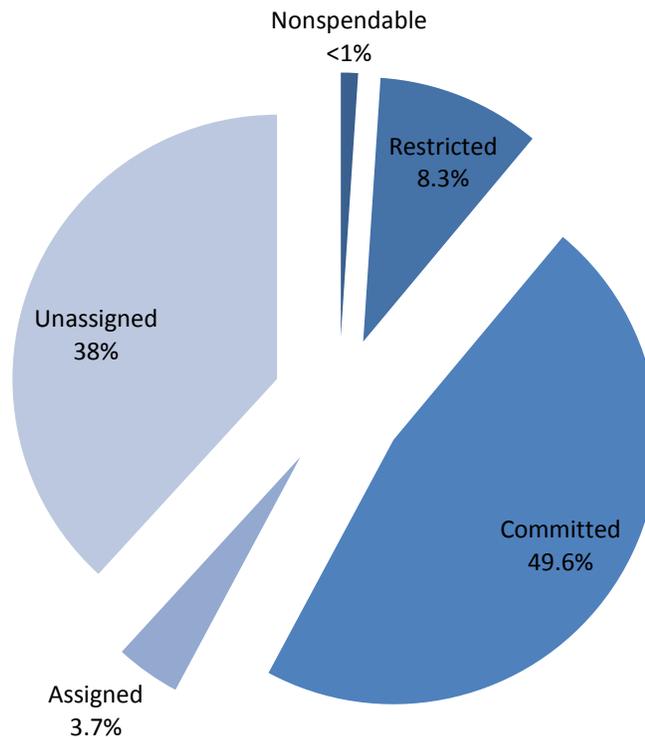
Governmental Funds - The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unreserved fund balance may serve as a useful measure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

Management's Discussion and Analysis – (Continued)

As the City completed the current fiscal year, its governmental funds reported a combined fund balance of \$23,098,779, which was \$1,560,353 more than the \$21,538,426, reported last year. Of the total fund balance, \$1,907,822 or 8.3% 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 2015, 49.6% (\$11,452,064) of the fund balance was committed.

Approximately 38.0% or \$8,793,663 of the combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. Another 3.7% or \$855,809 of this amount is assigned to indicate that it is not available for new spending unless a policy change is made by the City Commission.

Fund Balance - Governmental Funds



The General Fund is the chief operating fund of the City. As of September 30, 2015, the unassigned fund balance in the General Fund totaled \$8,993,373, while total fund balance reached \$11,874,001. 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 24.3% of total General Fund expenditures of \$36,976,307, while total fund balance represents 32.1% of that same amount.

Total fund balance in the General Fund increased by \$1,035,427 during the current fiscal year, while non-spendable fund balance decreased by \$136,105, restricted fund balance decreased by \$61,497, committed fund balance increased by \$466,555, assigned fund balance increased by \$1,268, and unassigned fund balance increased by \$765,206.

An operating reserve equal to two months' operating expenses in the General Fund should be maintained. At September 30, 2015, the operating reserve calculates to \$6,162,718 and the unassigned fund balance exceeds this reserve amount by \$2,830,655.

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 \$17,057,907 compared to \$19,309,266 in the prior year, which is a decrease of \$2,251,359 over the prior year.

Management's Discussion and Analysis – (Continued)

An operating reserve equal to three months' operating expenses in the Proprietary Funds should be maintained. At September 30, 2015, the operating reserve calculates to \$4,888,109 and the unrestricted net assets available equals \$17,057,907 resulting in a surplus of \$12,169,798 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 on 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.

Variations in General Fund Revenues compared to Final Budget

General Fund revenues in the current year were \$699,302 more than budgeted, with Taxes and Licenses, Fees and Permits showing significant positive variances while Intergovernmental Revenues and Miscellaneous Revenues resulted with negative variances.

Variations in General Fund Expenditures compared to Final Budget

General Fund expenditures in the current year were \$2,008,772 less than budgeted. This is primarily due to the combined efforts of the City departments to control expenditures in light of minimal increases in property taxes and state supported revenues. A portion of this excess will be used to cover carryover purchase orders and capital expenditures.

Capital Assets and Debt Administration

Capital Assets - At September 30, 2015, the City's investment in capital assets for its governmental and business type activities, net of related debt, totaled \$189,583,819. This investment in capital assets, net of depreciation, for all activities is reflected at September 30, 2015 as follows:

	Capital Assets		
	Governmental Activities	Business-type Activities	Total
Land	\$ 27,751,106	\$ 7,924,275	\$ 35,675,381
Buildings	13,230,893	21,480,830	34,711,723
Improvements	101,174,695	112,338,584	213,513,279
Machinery and Equipment	18,059,824	9,294,415	27,354,239
Automotive Equipment	10,929,254	6,239,485	17,168,739
Construction in Progress	<u>443,529</u>	<u>20,392,498</u>	<u>20,836,027</u>
Total Capital Assets	171,589,301	177,670,087	349,259,388
Less: Accumulated Depreciation	<u>(72,460,923)</u>	<u>(58,168,886)</u>	<u>(130,629,809)</u>
Total Capital Assets - Net	<u>\$ 99,128,378</u>	<u>\$ 119,501,201</u>	<u>\$ 218,629,579</u>

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 \$27,520,760 in notes and bonds outstanding, the majority of which is secured by utility revenues (\$16.9 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 long-term debt is presented in Note 6 to the financial statements.

Management's Discussion and Analysis – (Continued)

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 2015	4.2%	4.7%	5.3%
September 2014	5.1%	5.6%	6.1%
Percentage Change	-0.9%	- .9%	- 0.8%

- For 2015, the U.S. Census Bureau estimated the City's population at 48,382.
- 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.

This Page Intentionally Left Blank

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

CITY OF AOPKA, FLORIDA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
September 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 21,884,996	\$ 21,145,431	\$ 43,030,427
Restricted Cash and Cash Equivalents	1,796,724	1,548,916	3,345,640
Investments	79,247	-	79,247
Accounts Receivable (Net)	2,523,057	2,898,815	5,421,872
Due from Other Governments	920,403	1,069,509	1,989,912
Internal Balances	36,656	(36,656)	-
Inventories	89,421	447,752	537,173
Deposits	250,000	-	250,000
Capital Assets not Being Depreciated	28,194,635	28,316,773	56,511,408
Capital Assets Being Depreciated, Net of Depreciation	70,933,743	91,184,428	162,118,171
Total Assets	126,708,882	146,574,968	273,283,850
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows for Refunding	-	216,264	216,264
Deferred Outflows for Pensions	12,682,456	2,375,278	15,057,734
Total Deferred Outflows of Resources	12,682,456	2,591,542	15,273,998
LIABILITIES			
Accounts Payable	1,119,369	1,706,901	2,826,270
Due to Other Governments	201,106	8,708	209,814
Accrued Liabilities	818,397	63,929	882,326
Retainage Payable	-	554,104	554,104
Accrued Interest Payable	115,108	-	115,108
Due to Pension Beneficiaries	922,589	103,871	1,026,460
Customer Utility Deposits	-	689,185	689,185
Unearned Revenue	330,049	114,070	444,119
Deposits	77,106	-	77,106
Long-term Liabilities:			
Due Within One Year			
Bonds Payable	150,000	992,000	1,142,000
Notes Payable	1,797,388	-	1,797,388
Compensated Absences	903,799	234,488	1,138,287
Due in More Than One Year			
Notes Payable	8,101,372	-	8,101,372
Bonds Payable	506,185	17,515,000	18,021,185
Compensated Absences	834,276	216,450	1,050,726
Net Pension Liability	19,666,333	4,154,230	23,820,563
Other Postemployment Benefits	12,954,059	3,935,197	16,889,256
Total Liabilities	48,497,136	30,288,133	78,785,269
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for Pensions	627,671	418,448	1,046,119
Total Deferred Inflows of Resources	627,671	418,448	1,046,119
NET POSITION			
Net Investment in Capital Assets	88,573,433	100,656,361	189,229,794
Restricted For:			
Capital Improvements	-	545,661	545,661
Renewal, Replacements, & Improvements	-	200,000	200,000
Street Improvement	836,957	-	836,957
Law Enforcement	244,337	-	244,337
Public Safety	62,606	-	62,606
Culture & Recreation	104,322	-	104,322
Pension Beneficiaries	43,551	-	43,551
Capital Projects	616,049	-	616,049
Unrestricted (Deficit)	(214,724)	17,057,907	16,843,183
Total Net Position	\$ 90,266,531	\$ 118,459,929	\$ 208,726,460

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

CITY OF AOPKA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 6,511,974	\$ 3,539,928	\$ 116,560	\$ -	\$ (2,855,486)	\$ -	\$ (2,855,486)
Public Safety	27,864,802	1,775,398	838,404	-	(25,251,000)	-	(25,251,000)
Physical Environment	305,767	-	-	65,148	(240,619)	-	(240,619)
Transportation	5,595,625	-	38,120	2,209,201	(3,348,304)	-	(3,348,304)
Economic Environment	228,422	2,377,976	-	-	2,149,554	-	2,149,554
Culture and Recreation	3,971,409	696,455	704	71,592	(3,202,658)	-	(3,202,658)
Interest on Long-Term Debt	279,351	-	-	-	(279,351)	-	(279,351)
Total Governmental Activities	44,757,350	8,389,757	993,788	2,345,941	(33,027,864)	-	(33,027,864)
Business-type Activities:							
Utility System	16,036,573	14,439,439	4,693,320	5,831,362	-	8,927,548	8,927,548
Sanitation	3,642,605	3,983,825	-	-	-	341,220	341,220
Airport Fuel	538,306	507,464	-	-	-	(30,842)	(30,842)
Total Business-type Activities	20,217,484	18,930,728	4,693,320	5,831,362	-	9,237,926	9,237,926
Total Primary Government	\$ 64,974,834	\$ 27,320,485	\$ 5,687,108	\$ 8,177,303	(33,027,864)	9,237,926	(23,789,938)
General Revenues:							
Property Tax					6,994,987	-	6,994,987
Gas Tax					1,497,364	-	1,497,364
Utility Tax					3,324,114	-	3,324,114
Communication Services Tax					1,652,964	-	1,652,964
1/2 Cent Sales Tax					6,663,887	-	6,663,887
State Shared Revenues					2,033,469	-	2,033,469
Franchise Fees					3,971,328	37,729	4,009,057
Gain on Sale of Capital Assets					5,845	-	5,845
Investment Earnings					102,482	99,269	201,751
Miscellaneous					208,132	1,297,947	1,506,079
Transfers					4,133,060	(4,133,060)	-
Total General Revenues/Transfers					30,587,632	(2,698,115)	27,889,517
Change in Net Position					(2,440,232)	6,539,811	4,099,579
Net Position - Beginning, as restated					92,706,763	111,920,118	204,626,881
Net Position - Ending					\$ 90,266,531	\$ 118,459,929	\$ 208,726,460

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

CITY OF AOPKA, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2015

	<u>General</u>	<u>Community Redevelopment (CRA)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 11,404,858	\$ 2,047,543	\$ 8,432,595	\$ 21,884,996
Restricted Assets:				
Cash and Cash Equivalents	956,252	-	840,472	1,796,724
Accounts Receivable	-	-	38,978	38,978
Due from Other Governments	-	-	3,510	3,510
Investments	79,247	-	-	79,247
Accounts Receivable	2,484,079	-	-	2,484,079
Due from Other Governments	782,217	-	134,676	916,893
Inventories	89,421	-	-	89,421
Due from Other Funds	236,366	-	-	236,366
Other Assets - Deposit	250,000	-	-	250,000
Total Assets	<u>\$ 16,282,440</u>	<u>\$ 2,047,543</u>	<u>\$ 9,450,231</u>	<u>\$ 27,780,214</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
LIABILITIES				
Liabilities:				
Accounts Payable	\$ 1,068,976	\$ -	\$ 50,393	\$ 1,119,369
Due to Other Governments	201,106	-	-	201,106
Accrued Liabilities	813,702	-	4,695	818,397
Retainage Payable	-	-	-	-
Due to Pension Beneficiaries	914,794	-	7,795	922,589
Due to Other Funds	-	-	199,710	199,710
Deposits	73,812	-	3,294	77,106
Unearned Revenues	330,049	-	-	330,049
Total Liabilities	<u>3,402,439</u>	<u>-</u>	<u>265,887</u>	<u>3,668,326</u>
Deferred Inflows of Resources				
Unavailable Revenues	1,006,000	-	7,109	1,013,109
Total Deferred Inflows of Resources	<u>1,006,000</u>	<u>-</u>	<u>7,109</u>	<u>1,013,109</u>
FUND BALANCES				
Nonspendable:				
Inventory	89,421	-	-	89,421
Restricted:				
Street Improvements	-	-	836,957	836,957
Law Enforcement	129,724	-	114,613	244,337
Pension Beneficiaries	43,551	-	-	43,551
Fire	62,606	-	-	62,606
Culture and Recreation	104,322	-	-	104,322
Capital Projects	616,049	-	-	616,049
Committed:				
Transportation Improvements	-	-	6,236,767	6,236,767
Recreation Improvements	14,780	-	325,959	340,739
Stormwater Improvements	-	-	1,862,649	1,862,649
Community Redevelopment	-	2,047,543	-	2,047,543
Law Enforcement	194,707	-	-	194,707
Storage Retention	229,963	-	-	229,963
Tree Bank	539,696	-	-	539,696
Assigned:				
Culture and Recreation	555,809	-	-	555,809
Insurance	300,000	-	-	300,000
Unassigned	8,993,373	-	(199,710)	8,793,663
Total Fund Balances	<u>11,874,001</u>	<u>2,047,543</u>	<u>9,177,235</u>	<u>23,098,779</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 16,282,440</u>	<u>\$ 2,047,543</u>	<u>\$ 9,450,231</u>	<u>\$ 27,780,214</u>

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

CITY OF AOPKA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2015

Total fund balances of governmental funds		\$ 23,098,779
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.		99,128,378
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for pensions	\$ 12,682,456	
Deferred inflows of resources for pensions	<u>(627,671)</u>	12,054,785
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:		
Bonds payable	640,000	
Notes payable	9,898,760	
Accrued interest payable	115,108	
Other postemployment benefits	12,954,059	
Net pension liability	19,666,333	
Compensated absences	<u>1,738,075</u>	(45,012,335)
Note premiums are reported in the governmental funds when first issued, whereas these amounts are deferred and amortized in the government-wide statements.		(16,185)
Deferred inflows from federal and state grants recognized as revenue of the current period.		<u>1,013,109</u>
Total net position of governmental activities		<u>\$ 90,266,531</u>

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

CITY OF AOPKA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

	General	Community Redevelopment (CRA)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 12,573,936	\$ 194,677	\$ 1,497,364	\$ 14,265,977
Licenses, Fees and Permits	5,925,542	-	-	5,925,542
Special Assessments	-	-	65,148	65,148
Impact Fees	45,600	-	1,155,711	1,201,311
Intergovernmental Revenues	9,017,563	-	33,285	9,050,848
Charges for Services	2,936,946	-	903,799	3,840,745
Fines and Forfeitures	1,916,667	-	40,591	1,957,258
Investment Earnings	59,455	8,798	34,229	102,482
Miscellaneous Revenues	690,270	-	441	690,711
Total Revenues	<u>33,165,979</u>	<u>203,475</u>	<u>3,730,568</u>	<u>37,100,022</u>
EXPENDITURES				
Current:				
General Government	5,828,865	-	444	5,829,309
Public Safety	24,688,116	-	103,767	24,791,883
Physical Environment	114,294	-	395,320	509,614
Transportation	1,112,284	-	2,985,087	4,097,371
Economic Environment	-	228,422	-	228,422
Culture and Recreation	3,271,512	-	1,447	3,272,959
Debt Service:				
Principal Payments	1,661,862	-	-	1,661,862
Interest and Fiscal Charges	299,374	-	-	299,374
Total Expenditures	<u>36,976,307</u>	<u>228,422</u>	<u>3,486,065</u>	<u>40,690,794</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,810,328)</u>	<u>(24,947)</u>	<u>244,503</u>	<u>(3,590,772)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers In	4,438,756	-	627,126	5,065,882
Transfers (Out)	(611,066)	-	(321,756)	(932,822)
Proceeds from Sale of Capital Assets	58,065	-	-	58,065
Debt Issuance	960,000	-	-	960,000
Total Other Financing Sources and (Uses)	<u>4,845,755</u>	<u>-</u>	<u>305,370</u>	<u>5,151,125</u>
Net Change in Fund Balances	1,035,427	(24,947)	549,873	1,560,353
Fund Balances - Beginning	<u>10,838,574</u>	<u>2,072,490</u>	<u>8,627,362</u>	<u>21,538,426</u>
Fund Balances - Ending	<u>\$ 11,874,001</u>	<u>\$ 2,047,543</u>	<u>\$ 9,177,235</u>	<u>\$ 23,098,779</u>

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, 2015

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

Net change in fund balances - total governmental funds	\$	1,560,353
<p>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.</p>		
Expenditures for capital assets	\$ 2,306,565	
Contributions of capital assets	1,125,082	
Less current year depreciation	(4,818,839)	
		(1,387,192)
<p>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:</p>		
<p>Issuance of debt:</p>		
Issuance of notes payable	(960,000)	
<p>Principal repayments:</p>		
Notes payable	1,661,862	701,862
<p>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:</p>		
Compensated absences	114,475	
Other postemployment benefits	(926,701)	
Accrued interest on long-term debt	16,811	(795,415)
<p>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.</p>		
		(52,220)
<p>Governmental funds report City pension contributions as expenditures. In the Statement of Activities, the cost of pension benefits earned net of contributions is reported as pension expense.</p>		
Difference between pension contributions and net pension expense		(2,423,941)
<p>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.</p>		
		3,212
<p>Under the modified accrual basis of accounting, revenues are recognized when both the measurable and available criteria have been met. Under full accrual accounting, the revenues would be recognized when earned.</p>		
		(46,891)
Change in net position of governmental activities	\$	(2,440,232)

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 11,879,650	\$ 11,879,650	\$ 12,573,936	\$ 694,286
Licenses, Fees and Permits	5,393,700	5,393,700	5,925,542	531,842
Impact Fees	30,000	30,000	45,600	15,600
Intergovernmental Revenues	8,728,100	8,728,100	9,017,563	289,463
Charges for Services	2,964,150	2,975,722	2,936,946	(38,776)
Fines and Forfeitures	2,319,100	2,329,118	1,916,667	(412,451)
Investment Earnings	95,000	95,000	59,455	(35,545)
Miscellaneous Revenues	954,300	1,035,387	690,270	(345,117)
Total Revenues	<u>32,364,000</u>	<u>32,466,677</u>	<u>33,165,979</u>	<u>699,302</u>
EXPENDITURES				
Current:				
General Government	5,873,500	6,397,515	5,828,865	568,650
Public Safety	25,432,810	25,771,197	24,688,116	1,083,081
Physical Environment	130,745	142,745	114,294	28,451
Transportation	1,002,315	1,146,642	1,112,284	34,358
Culture and Recreation	3,341,285	3,563,885	3,271,512	292,373
Debt Service:				
Principal Payments	1,661,862	1,661,862	1,661,862	-
Interest and Fiscal Charges	301,173	301,173	299,374	1,799
Total Expenditures	<u>37,743,690</u>	<u>38,985,019</u>	<u>36,976,307</u>	<u>2,008,712</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,379,690)</u>	<u>(6,518,342)</u>	<u>(3,810,328)</u>	<u>2,708,014</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers In	4,439,550	5,644,202	4,438,756	(1,205,446)
Transfers (Out)	(528,860)	(528,860)	(611,066)	(82,206)
Proceeds from Sale of Capital Assets	3,000	3,000	58,065	55,065
Debt Issuance	1,066,000	1,000,000	960,000	(40,000)
Total Other Financing Sources and (Uses)	<u>4,979,690</u>	<u>6,118,342</u>	<u>4,845,755</u>	<u>(1,272,587)</u>
Net Change in Fund Balances	(400,000)	(400,000)	1,035,427	1,435,427
Fund Balances - Beginning	<u>400,000</u>	<u>400,000</u>	<u>10,838,574</u>	<u>10,438,574</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,874,001</u>	<u>\$ 11,874,001</u>

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
COMMUNITY REDEVELOPMENT (CRA)
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 87,500	\$ 197,500	\$ 194,677	\$ (2,823)
Intergovernmental Revenues	110,000	-	-	-
Investment Earnings	<u>7,500</u>	<u>7,500</u>	<u>8,798</u>	<u>1,298</u>
Total Revenues	<u>205,000</u>	<u>205,000</u>	<u>203,475</u>	<u>(1,525)</u>
EXPENDITURES				
Current:				
Economic Environment	<u>228,040</u>	<u>228,040</u>	<u>228,422</u>	<u>(382)</u>
Total Expenditures	<u>228,040</u>	<u>228,040</u>	<u>228,422</u>	<u>(382)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,040)</u>	<u>(23,040)</u>	<u>(24,947)</u>	<u>(1,907)</u>
Net Change in Fund Balances	(23,040)	(23,040)	(24,947)	(1,907)
Fund Balances - Beginning	<u>23,040</u>	<u>23,040</u>	<u>2,072,490</u>	<u>2,049,450</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,047,543</u>	<u>\$ 2,047,543</u>

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

CITY OF APOPKA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	
	Utility System	Sanitation	Airport Fuel	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 19,785,402	\$ 1,360,029	\$ -	\$ 21,145,431
Restricted Cash and Cash Equivalents:				
Customer Utility Deposits	689,185	-	-	689,185
Repair and Maintenance Escrows	114,070	-	-	114,070
Renewal, Replacement, and Improvement	200,000	-	-	200,000
Capital Improvements	545,661	-	-	545,661
Accounts Receivable, Net	2,354,679	544,136	-	2,898,815
Inventories	417,800	-	29,952	447,752
Due From Other Governments	1,069,509	-	-	1,069,509
Total Current Assets	<u>25,176,306</u>	<u>1,904,165</u>	<u>29,952</u>	<u>27,110,423</u>
Noncurrent Assets:				
Capital Assets:				
Land	7,924,275	-	-	7,924,275
Buildings	21,480,830	-	-	21,480,830
Infrastructure	112,338,584	-	-	112,338,584
Equipment and Machinery	8,089,845	1,204,570	-	9,294,415
Vehicles	2,555,858	3,683,627	-	6,239,485
Construction in Progress	20,392,498	-	-	20,392,498
Less: Accumulated Depreciation	(54,847,424)	(3,321,462)	-	(58,168,886)
Total Capital Assets (Net)	<u>117,934,466</u>	<u>1,566,735</u>	<u>-</u>	<u>119,501,201</u>
Total Noncurrent Assets	<u>117,934,466</u>	<u>1,566,735</u>	<u>-</u>	<u>119,501,201</u>
Total Assets	<u>143,110,772</u>	<u>3,470,900</u>	<u>29,952</u>	<u>146,611,624</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	216,264	-	-	216,264
Deferred Outflows Pension Contributions	533,086	133,272	-	666,358
Deferred Outflows for Pensions	1,367,136	341,784	-	1,708,920
Total Deferred Outflows of Resources	<u>2,116,486</u>	<u>475,056</u>	<u>-</u>	<u>2,591,542</u>

Continued

CITY OF APOPKA, FLORIDA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Utility System	Sanitation	Airport Fuel	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 1,579,916	\$ 125,932	\$ 1,053	\$ 1,706,901
Accrued Liabilities	52,254	11,675	-	63,929
Retainage Payable	554,104	-	-	554,104
Due to Pension Beneficiaries	83,742	20,129	-	103,871
Due to Other Funds	-	-	36,656	36,656
Compensated Absences	192,456	42,032	-	234,488
Customer Utility Deposits	689,185	-	-	689,185
Current Portion of Bonds Payable	750,000	242,000	-	992,000
Due to Other Governments	8,708	-	-	8,708
Unearned Revenue	114,070	-	-	114,070
Total Current Liabilities	<u>4,024,435</u>	<u>441,768</u>	<u>37,709</u>	<u>4,503,912</u>
Noncurrent Liabilities:				
Compensated Absences	177,652	38,798	-	216,450
Bonds Payable	16,775,000	740,000	-	17,515,000
Other Postemployment Benefits Liability	3,175,180	760,017	-	3,935,197
Net Pension Liability	3,323,384	830,846	-	4,154,230
Total Noncurrent Liabilities	<u>23,451,216</u>	<u>2,369,661</u>	<u>-</u>	<u>25,820,877</u>
Total Liabilities	<u>27,475,651</u>	<u>2,811,429</u>	<u>37,709</u>	<u>30,324,789</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for Pensions	334,758	83,690	-	418,448
Total Deferred Inflows of Resources	<u>334,758</u>	<u>83,690</u>	<u>-</u>	<u>418,448</u>
NET POSITION				
Net Investment in Capital Assets	100,071,626	584,735	-	100,656,361
Restricted:				
Capital Improvements	545,661	-	-	545,661
Renewal, Replacement and Improvement	200,000	-	-	200,000
Unrestricted (Deficit)	16,599,562	466,102	(7,757)	17,057,907
Total Net Position	<u>\$ 117,416,849</u>	<u>\$ 1,050,837</u>	<u>\$ (7,757)</u>	<u>\$ 118,459,929</u>

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

CITY OF AOPKA, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Utility System	Sanitation	Airport Fuel	
Operating Revenues:				
Water Sales	\$ 5,749,002	\$ -	\$ -	\$ 5,749,002
Sewer Charges	5,984,903	-	-	5,984,903
Reclaimed Water Sales	2,705,534	-	-	2,705,534
Sanitation Fees	-	3,983,825	-	3,983,825
Fuel Sales	-	-	507,464	507,464
Miscellaneous Revenues	1,096,054	178,818	23,075	1,297,947
Total Operating Revenues	15,535,493	4,162,643	530,539	20,228,675
Operating Expenses:				
Utility Administration	1,345,381	-	-	1,345,381
Water Plant Operations	1,856,756	-	-	1,856,756
Wastewater Treatment Plant Operations	2,940,662	-	-	2,940,662
Utility Construction Operations	723,962	-	-	723,962
Water Maintenance	1,597,497	-	-	1,597,497
Utility Billing	857,592	-	-	857,592
Wastewater Maintenance	1,311,657	-	-	1,311,657
Operating Charges	-	3,217,972	-	3,217,972
Fueling Operations	-	-	538,306	538,306
Utility Restoration	282,179	-	-	282,179
Design Engineering	757,562	-	-	757,562
Depreciation	3,709,287	413,625	-	4,122,912
Total Operating Expenses	15,382,535	3,631,597	538,306	19,552,438
Operating Income (Loss)	152,958	531,046	(7,767)	676,237
Nonoperating Revenues (Expenses):				
Interest Income	94,844	4,415	10	99,269
Interest Expense	(609,201)	(11,008)	-	(620,209)
Franchise Fees	-	37,729	-	37,729
Bond Issuance Costs	(44,837)	-	-	(44,837)
Total Nonoperating Revenues (Expense)	(559,194)	31,136	10	(528,048)
Income (Loss) Before Contributions and Transfers	(406,236)	562,182	(7,757)	148,189
Transfers In	475,710	-	-	475,710
Transfers Out	(3,759,110)	(849,660)	-	(4,608,770)
Developers Contributions	1,181,097	-	-	1,181,097
Capital Contributions - Impact Fees	4,650,265	-	-	4,650,265
Capital Contributions - Grant	4,693,320	-	-	4,693,320
Change in Net Position	6,835,046	(287,478)	(7,757)	6,539,811
Total Net Position - Beginning, as Restated	110,581,803	1,338,315	-	111,920,118
Total Net Position (Deficit) - Ending	\$ 117,416,849	\$ 1,050,837	\$ (7,757)	\$ 118,459,929

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

CITY OF AOPKA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Utility System	Sanitation	Airport Fuel	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 15,325,963	\$ 4,102,423	\$ 530,539	\$ 19,958,925
Payments to Suppliers	(4,143,201)	(1,832,629)	(530,549)	(6,506,379)
Payments to Employees	(5,258,166)	(1,166,914)	-	(6,425,080)
Net Cash Provided (Used) by Operating Activities	<u>5,924,596</u>	<u>1,102,880</u>	<u>(10)</u>	<u>7,027,466</u>
Cash Flows from Noncapital Financing Activities				
Transfers to Other Funds	(3,759,110)	(849,660)	-	(4,608,770)
Transfers from Other Funds	475,710	-	-	475,710
Franchise Fees	-	37,729	-	37,729
Net Cash (Used) by Noncapital Financing Activities	<u>(3,283,400)</u>	<u>(811,931)</u>	<u>-</u>	<u>(4,095,331)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(19,234,702)	(28,580)	-	(19,263,282)
Proceeds from Sale of Capital Assets	-	-	-	-
Principal Paid on Capital Debt	(725,000)	(118,000)	-	(843,000)
Interest Paid on Capital Debt	(564,365)	(11,008)	-	(575,373)
Capital Contributions - Impact Fees	4,650,265	-	-	4,650,265
Capital Contributions - Grant	4,693,320	-	-	4,693,320
Bond Issue Costs	(44,837)	-	-	(44,837)
Proceeds from Notes Payable	-	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	<u>(11,225,319)</u>	<u>(157,588)</u>	<u>-</u>	<u>(11,382,907)</u>
Cash Flows from Investing Activities				
Interest Income Received	94,844	4,415	10	99,269
Net Cash Provided by Investing Activities	<u>94,844</u>	<u>4,415</u>	<u>10</u>	<u>99,269</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,489,279)	137,776	-	(8,351,503)
Cash and Cash Equivalents at Beginning of Year	<u>29,823,597</u>	<u>1,222,253</u>	<u>-</u>	<u>31,045,850</u>
Cash and Cash Equivalents at End of Year	<u>\$ 21,334,318</u>	<u>\$ 1,360,029</u>	<u>\$ -</u>	<u>\$ 22,694,347</u>
Cash and Cash Equivalents Classified As:				
Unrestricted Assets	\$ 19,785,402	\$ 1,360,029	\$ -	\$ 21,145,431
Restricted Assets	<u>1,548,916</u>	<u>-</u>	<u>-</u>	<u>1,548,916</u>
Total Cash and Cash Equivalents	<u>\$ 21,334,318</u>	<u>\$ 1,360,029</u>	<u>\$ -</u>	<u>\$ 22,694,347</u>

Continued

CITY OF AOPKA, FLORIDA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For The Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	
	Utility System	Sanitation	Airport Fuel	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 152,958	\$ 531,046	\$ (7,767)	\$ 676,237
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	3,709,287	413,625	-	4,122,912
(Increase) Decrease In -				
Accounts receivable	(141,574)	(62,333)	-	(203,907)
Prepays	-	-	-	-
Due from other governments	-	2,113	-	2,113
Deferred outflows of resources for pensions	(1,367,136)	(341,784)	-	(1,708,920)
Inventories	20,732	-	(29,952)	(9,220)
Increase (Decrease) In -				
Accounts payable	1,171,631	45,665	1,053	1,218,349
Due to other funds	-	-	36,656	36,656
Accrued liabilities	(8,548)	392	-	(8,156)
Unearned revenue	(74,307)	-	-	(74,307)
Compensated absences	1,497	(6,348)	-	(4,851)
OPEB	1,049,711	171,634	-	1,221,345
Net pension liability	1,019,812	254,953	-	1,274,765
Deferred inflows of resources for pensions	334,758	83,690	-	418,448
Due to pension beneficiaries	40,716	10,227	-	50,943
Due to other governments	8,708	-	-	8,708
Customer utility deposits	6,351	-	-	6,351
Total Adjustments	5,771,638	571,834	7,757	6,351,229
Net Cash Provided (Used) by Operating Activities	\$ 5,924,596	\$ 1,102,880	\$ (10)	\$ 7,027,466
Noncash Investing, Capital and Financing Activities				
Contribution of water, sewer, and water reuse lines by developers	\$ 1,181,097	\$ -	\$ -	\$ 1,181,097

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

CITY OF AOPKA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
September 30, 2015

ASSETS

Cash and Cash Equivalents	\$ 9,367,165
Investments:	
U.S. Corporate Stocks	51,491,962
International Corporate Stocks	12,862,164
U.S. Government Bonds & Treasury Bills	<u>36,302,699</u>
Total Investments	<u>100,656,825</u>
Contribution Receivable	1,627,228
Total Assets	<u><u>111,651,218</u></u>

Net Position Restricted for Pensions \$ 111,651,218

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, 2015

ADDITIONS

Contributions:

Employees	\$ 1,398,438
State	600,767
City	4,193,571
Total Contributions	6,192,776

Investment Income:

Interest, Dividends and Other Income	1,575,666
Net (Decrease) in Fair Value of Investments	(4,054,869)
Gain (Loss) on Sales of Investments	3,247,244
Net Investment Income	768,041
Total Additions	6,960,817

DEDUCTIONS

Benefits Paid to Participants	4,331,531
Lump-sum DROP Payments	734,973
Termination Payments	143,466
Administrative Expense	164,566
Total Deductions	5,374,536

Net Increase in Net Position	1,586,281
-------------------------------------	-----------

Net Position Restricted for Pensions

Beginning of Year	110,064,937
End of Year	\$ 111,651,218

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

This Page Intentionally Left Blank

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 follows.

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 61, *The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34*, 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 plus deferred outflows of resources less liabilities and deferred inflows of resources equal net position) and shown with three components: net investment in capital assets, 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 GAAP, 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 expenses 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 measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The following are reported as major governmental funds:

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

Community Redevelopment (CRA) Fund – The CRA Fund is used to account for the restricted incremental ad-valorem tax revenues and expenditures for designated redevelopment areas within the City.

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.

The City also reported the following fund types:

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

Proprietary Fund – The Airport Fuel Fund accounts for the operations of the City’s airport fuel services to residents and businesses.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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 \$46,376,067 and the depository balances were \$46,988,262 of that balance, \$46,988,262 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 \$9,367,165 in uninsured and uncollateralized cash deposits at September 30, 2015.

3. Investments

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Pension Trust Fund Investments:		
U.S. Government Bonds and Bills	\$36,302,699	3.24
U.S. Corporate Stocks	51,491,962	N/A
International Corporate Stocks	<u>12,862,164</u>	N/A
Total Investments	<u>\$100,656,825</u>	

Interest Rate Risk – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The City’s mutual bond funds, at the Florida Municipal Investment Trust have weighted average maturities of one-and-one-half years (1-3 year bond fund) and 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – continued

Credit Ratings for Florida Municipal Investment Trust Investments –

Credit Risk for FMIvT Funds

<u>Fixed Income Funds:</u>	<u>Fitch Rating</u>
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+

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – continued

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 investment 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.

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 Employees’ 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, 2015 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 Fund is not budgeted.
5. Budgets for the governmental fund types are adopted on a basis consistent with 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 of 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 of Florida 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 rate is 3.2876 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 of the General Fund are stated at cost (determined on the "weighted average" method), and the Utility System Enterprise Fund inventories are stated at the lower of cost or market (determined on the "weighted average" method). Inventories are accounted for by the consumption method, wherein inventories are charged as expenditures/expenses when used. Inventories of the General Fund consist of fuel and motor vehicle parts and supplies. Inventories of the Utility System Fund consist primarily of meters, meter boxes, pipes and maintenance supplies held for use in maintaining and expanding the system. Obsolete and unusable items have been reduced to estimated salvage values.

H. Prepaid Items

Prepays represent payments made to vendors for services that will benefit beyond September 30, 2015. 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:

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

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

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

L. 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 with 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 records compensated absences in its Governmental Fund Types as an expenditure when the amount is for reimbursable unused paid time off (vacation or sick leave) payable to employees who has 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. Net Pension Liability

In the government-wide and proprietary statements, net pension liability represents the present value of projected benefit payments to be provided through the single-employer, defined-benefit pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension plans, pension expense, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The City allocated the net pension liability, deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans during the measurement year.

O. Deferred Outflows of Resources / Deferred Inflows of Resources

In addition to assets and liabilities, the City reports the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The City reports two items that qualify as deferred outflows of resources on its government-wide and proprietary statements of net position, deferred outflows for refunding and deferred outflows for pensions. The deferred amount on refunding resulted from a debt refinancing whereby the reacquisition price of the refunding debt instruments exceeded their net carrying amount. This deferred amount on refunding will be systematically charged to interest expense over the life of the refunding debt. The deferred outflows for pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows for pensions will be recognized as pension expense or a reduction of the net pension liability in future reporting years.

The City reports one item that qualifies as deferred inflows of resources on its government-wide and proprietary statements of net position, deferred inflows for pensions. The deferred inflows for pension are an aggregate of items related to pensions as calculated under the same principles as deferred outflows for pensions, and will be recognized as a reduction to pension expense in future reporting years.

The City also reports deferred inflows of resources on applicable governmental fund statements that represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. These deferred inflows will be recognized as revenue in the fiscal year they are earned and become available. The majority of these deferred inflows of resources represent intergovernmental receipts and reimbursements, and a deferred inflow for a settlement arrangement with Duke Energy earned but not received during the modified accrual availability period.

P. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

P. Fund Equity - continued

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 nor committed. These constraints are imposed internally. These constraints are established by the Mayor and City Council. The Mayor and City Council 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.

Q. Grants

Grants received or used for purposes normally financed through governmental fund types are accounted for within the City’s existing governmental funds. Revenues received or used from grants for governmental fund types are recognized as intergovernmental revenues when they become susceptible to accrual, that is both 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, 2015:

Description	General	Special Revenue	Enterprise
Receivables:			
Utility Accounts Billed	\$ 94,284	\$ 38,978	\$ 1,994,650
Utility Unbilled Receivables	-	-	1,066,488
Other:			
Settlement - Duke Energy	1,006,000	-	-
Taxes - Franchise and Utility	1,387,172	-	-
Miscellaneous	-	-	26,879
Total Other	2,393,172	-	26,879
Gross Receivables	2,487,456	38,978	3,088,017
Less: Allowance for Uncollectibles	(3,377)	-	(189,202)
Net Total Receivables	\$ 2,484,079	\$ 38,978	\$ 2,898,815

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Special Revenue Funds	\$199,710
General Fund	Nonmajor Airport Fuel Fund	<u>36,656</u>
		<u>\$236,366</u>

Interfund payables to the General Fund are to cover cash timing of vendor payments.

Individual interfund transfers for the fiscal year ended at September 30, 2015 were:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,438,756	\$ 611,066
Enterprise Funds:		
Utility System Fund	475,710	3,759,110
Sanitation Fund	-	849,660
Special Revenue:		
Streets Improvement Fund*	627,126	120,430
Transportation Impact Fees*	-	54,206
Stormwater*	-	147,120
	<u>\$ 5,441,592</u>	<u>\$ 5,441,592</u>
Total Interfund Transfers		

*Nonmajor 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, 2015 are as follows:

Repair and maintenance escrows	\$ 114,070
Renewal, replacement and improvement	200,000
Customer utility deposits	689,185
Capital improvements	<u>545,661</u>
Total Restricted Assets	<u>\$ 1,548,916</u>

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS – Continued
September 30, 2015

NOTE 5 – CAPITAL ASSETS

Governmental Activities:	Beginning Balance	Reclassifications and Increases	Reclassifications and Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 27,509,080	\$ 242,026	\$ -	\$ 27,751,106
Construction in Progress	5,733,456	926,487	(6,216,414)	443,529
Total Capital Assets, Not Being Depreciated	33,242,536	1,168,513	(6,216,414)	28,194,635
Capital Assets, Being Depreciated:				
Buildings	13,209,737	21,156	-	13,230,893
Improvements Other Than Buildings	93,647,412	7,539,235	(11,952)	101,174,695
Machinery and Equipment	18,370,625	570,300	(881,101)	18,059,824
Automotive Equipment	10,783,512	348,857	(203,115)	10,929,254
Total Capital Assets, Being Depreciated	136,011,286	8,479,548	(1,096,168)	143,394,666
Less Accumulated Depreciation For:				
Buildings	(4,931,970)	(292,046)	-	(5,224,016)
Improvements Other Than Buildings	(40,724,661)	(2,740,955)	11,952	(43,453,664)
Machinery and Equipment	(15,008,964)	(1,157,325)	828,881	(15,337,408)
Automotive Equipment	(8,020,437)	(628,513)	203,115	(8,445,835)
Total Accumulated Depreciation	(68,686,032)	(4,818,839)	1,043,948	(72,460,923)
Total Capital Assets, Being Depreciated, Net	67,325,254	3,660,709	(52,220)	70,933,743
Governmental Activities Capital Assets, Net	\$ 100,567,790	\$ 4,829,222	\$(6,268,634)	\$ 99,128,378

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

General Government	\$ 916,340
Public Safety	974,431
Transportation	2,180,910
Physical Environment	70,579
Culture/Recreation	676,579
Total Governmental Activities	\$ 4,818,839

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS – Continued
September 30, 2015

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	8,196,791	18,372,172	(6,176,465)	20,392,498
Total Capital Assets, Not Being Depreciated	16,121,066	18,372,172	(6,176,465)	28,316,773
Capital Assets, Being Depreciated:				
Buildings	21,480,830	-	-	21,480,830
Improvements Other Than Buildings	104,841,957	7,496,627	-	112,338,584
Machinery and Equipment	9,199,586	116,847	(22,018)	9,294,415
Automotive Equipment	6,209,136	30,349	-	6,239,485
Total Capital Assets, Being Depreciated	141,731,509	7,643,823	(22,018)	149,353,314
Less Accumulated Depreciation For:				
Buildings	(12,523,252)	(710,211)	-	(13,233,463)
Improvements Other Than Buildings	(31,145,772)	(2,237,504)	-	(33,383,276)
Machinery and Equipment	(6,048,589)	(787,191)	22,018	(6,813,762)
Automotive Equipment	(4,350,379)	(388,006)	-	(4,738,385)
Total Accumulated Depreciation	(54,067,992)	(4,122,912)	22,018	(58,168,886)
Total Capital Assets, Being Depreciated, Net	87,663,517	3,520,911	-	91,184,428
 Business-Type Activities Capital Assets, Net	 \$ 103,784,583	 \$ 21,893,083	 \$ (6,176,465)	 \$ 119,501,201

Depreciation was charged to business-type activities as follows:

Utility System Fund	\$ 3,709,287
Sanitation System Fund	413,625
	<u>\$ 4,122,912</u>

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions of the City for the year ended September 30, 2015:

	Balance			Balance	Balance Due
	Sep. 30, 2014*	Additions	Deductions	Sep. 30, 2015	Due Within
					One Year
Governmental Activities:					
Revenue Notes	\$ 10,460,622	\$ 960,000	\$ (1,521,862)	\$ 9,898,760	\$ 1,797,388
Bond Payable	780,000	-	(140,000)	640,000	150,000
Other Postemployment Benefits	12,027,358	926,701	-	12,954,059	-
Net Pension Liability	9,132,671	10,533,662	-	19,666,333	-
Compensated Absences	1,852,550	1,748,432	(1,862,907)	1,738,075	903,799
Total	34,253,201	14,168,795	(3,524,769)	44,897,227	2,851,187
Business-Type Activities:					
Utility Revenue Bonds	16,725,000	-	(725,000)	16,000,000	750,000
Sanitation Revenue Note	1,100,000	-	(118,000)	982,000	242,000
Other Postemployment Benefits	2,713,852	1,221,345	-	3,935,197	-
Net Pension Liability	2,879,465	1,274,765	-	4,154,230	-
Compensated Absences	455,789	545,979	(550,830)	450,938	234,488
Total	23,874,106	3,042,089	(1,393,830)	25,522,365	1,226,488
Total Long-Term Liabilities	\$ 58,127,307	\$ 17,210,884	\$ (4,918,599)	\$ 70,419,592	\$ 4,077,675

* The beginning balance has been restated by the inclusion of the net pension liability, as more fully described in Note 12.

For the governmental activities, claims and judgments, other postemployment benefits, and compensated absences are generally liquidated by the General Fund. The net pension liability will be liquidated through employer contributions by the funds where the current employees charge payroll costs.

Debt Discounts and Premiums

Governmental Activities:

The unamortized premium on the 2003B Revenue Bonds amounted to \$19,397 at September 30, 2014 and \$16,185 at September 30, 2015.

Business-Type Activities:

The unamortized discount amounted to \$135,334 at September 30, 2015 and the unamortized premium on the 2012 Utility System Refunding Revenue Bonds amounted to \$1,660,334 at September 30, 2015.

NOTE 6 – LONG-TERM LIABILITIES – continued

New Debt Issuance

The City issued the \$960,000 Series 2015 Special Obligation Refunding Revenue Note to Hancock Bank with an interest rate of 1.67%. The proceeds were used to purchase police and fire rescue vehicles.

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:

<p>Florida Municipal Loan Council Note, due in annual principal installments ranging from \$135,000 to \$170,000, plus semiannual 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.</p>	<p>\$ 640,000</p>
<p>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.</p>	<p>123,000</p>
<p>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).</p>	<p>3,810,000</p>
<p>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 semiannually 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.</p>	<p>904,068</p>
<p>Note payable to Hancock Bank (Special Obligation Refunding Revenue Note, Series 2015), payable from the Non-Ad-Valorem Revenues of the City. Interest is due semiannually at 1.67% and principal installments are due annually ranging from \$89,000 to \$208,000 through March 1, 2022. This note is serviced by the General Fund.</p>	<p>960,000</p>

NOTE 6 – LONG-TERM LIABILITIES – 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 semiannually 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.	\$ 586,211
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 semiannually 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.	2,372,481
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 semiannually 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.	<u>1,143,000</u>
Total Governmental Activities Debt	<u>\$ 10,538,760</u>

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. The total principal and interest remaining to be repaid on the bonds is \$21,386,700, and total debt service for 2015 was \$1,334,200. Pledged revenues of the water, reuse, and wastewater system for 2015 amounted to \$8,641,790. This debt is serviced by the Utility System Fund.	\$ 16,000,000
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 semiannually 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.	982,000
	16,982,000
Less: Deferred discount	(135,334)
Unamortized premium	<u>1,660,334</u>
Total Business-Type Activities Debt	<u>\$ 18,507,000</u>

NOTE 6 – LONG-TERM LIABILITIES – continued

The debt service required payments to maturity on the City's outstanding revenue bonds and notes at September 30, 2015 is as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$1,947,388	\$ 250,411	\$2,197,799	\$ 992,000	\$ 596,663	\$ 1,588,663
2017	2,007,482	207,378	2,214,860	1,014,000	571,563	1,585,563
2018	1,752,298	164,692	1,916,990	1,047,000	538,136	1,585,136
2019	1,669,436	122,561	1,791,997	1,084,000	503,482	1,587,482
2020	894,926	87,041	981,967	860,000	477,100	1,337,100
2021-2025	2,267,230	104,244	2,371,474	4,795,000	1,887,350	6,682,350
2026-2030	-	-	-	5,890,000	794,550	6,684,550
2031-2035	-	-	-	1,300,000	39,000	1,339,000
	\$10,538,760	\$ 936,327	\$11,475,087	\$16,982,000	\$ 5,407,844	\$22,389,844

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 and Membership

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.

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. Participation in the Deferred Retirement Option Plan ("DROP") may not exceed 96 months. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2015 is \$842,476.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

A. Plan Description and Membership – continued

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. Participation in DROP may not exceed 96 months. Each participant in the DROP has an account credited with benefits not received and investment earnings. There was no accumulated DROP balance as of September 30, 2015.

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.

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. Participation in DROP may not exceed 96 months. Each participant in the DROP has an account credited with benefits not received and investment earnings. The DROP balance as of September 30, 2015 is \$289,470.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

A. Plan Description and Membership – continued

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.

Plan membership for all three City retirement plans as of October 1, 2015 was as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	108	40	33
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	55	3	14
Active Plan Members	<u>193</u>	<u>89</u>	<u>74</u>
	<u>356</u>	<u>132</u>	<u>121</u>

B. Pension Plan Investments

The Plans’ investment policy is described in Note 1. The following table presents the adopted asset allocation policy as of September 30, 2015 for all plans:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Equity	32%
Small Cap Equity	9%
Mid Cap Equity	7%
International Equity	12%
Fixed Income	32%
Real Estate	0%
Stable Value	8%
Total	<u>100%</u>

For the year ended September 30, 2015, the annual money-weighted rate of return on the Plans’ investments, net of pension investment expense, was 0.7% for all three plans. 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, 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	7.50%	7.50%	7.50%

Mortality rates were based on the RP2000 Generational projected with Scale BB. Disabled lives are set back four years for males and forward two years for females.

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, 2015 are summarized as follows:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Equity	8.25%
Small Cap Equity	9.00%
Mid Cap Equity	8.75%
International Equity	8.00%
Fixed Income	4.75%
Real Estate	7.00%
Stable Value	4.50%

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 plans' 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 plans' 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 – EMPLOYEE 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%
\$16,743,630	\$10,385,576	\$5,120,546

Police Officers		
1% Decrease to 6.50%	Current Discount Rate of 7.50%	1% Increase to 8.50%
\$13,242,678	\$7,335,327	\$2,467,971

Firefighters		
1% Decrease to 6.50%	Current Discount Rate of 7.50%	1% Increase to 8.50%
\$10,971,106	\$6,099,660	\$2,085,386

C. Contribution Requirements

The Board of Trustees of each plan establishes and may amend the contribution requirements of plan members and the City.

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. The City contributed \$1,665,895 for the year ended September 30, 2015.

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. The City contributed \$1,649,285 for the year ended September 30, 2015.

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%. The City contributed \$878,391 for the year ended September 30, 2015.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

C. Contribution Requirements – continued

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, received in the City’s General Fund and expended as Public Safety activity, are \$267,261 and \$333,506, respectively, for the year ended September 30, 2015.

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 \$267,261 for the Firefighters’ Retirement Plan and \$333,506 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 \$102,251 for the Firefighters’ Retirement Plan and \$80,666 for the Police Officers’ Retirement Plan.

D. Actuarial Methods and Significant Assumptions

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Contribution rates:			
Employer	18.00%	26.93%	19.30%
Employee	4.90%	7.00%	8.30%
Actuarial valuation date	10/1/2013	10/1/2013	10/1/2013
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

E. Net Pension Liability and Pension Expense

The following table presents the change in the Net Pension Liability of the City’s three pension plans as of the measurement date September 30, 2015:

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Total Pension Liability			
Service Cost	\$ 1,629,195	\$ 1,934,067	\$ 993,460
Interest	3,517,510	3,044,711	2,396,529
Change in Excess State Money	-	80,666	102,251
Changes of Benefit Terms	-	1,166,703	1,449,756
Differences Between Expected and Actual			
Experience and Changes in Assumptions	458,032	1,160,806	670,993
Benefit Payments, Including Refunds of Contrib.	<u>(2,094,964)</u>	<u>(1,386,946)</u>	<u>(1,728,061)</u>
Net Change in Total Pension Liability	3,509,773	6,000,007	3,884,928
Total Pension Liability - Beginning	<u>47,927,749</u>	<u>41,316,716</u>	<u>32,832,608</u>
Total Pension Liability - Ending (a)	<u>\$ 51,437,522</u>	<u>\$ 47,316,723</u>	<u>\$ 36,717,536</u>
 Plan Fiduciary Net Position			
Contributions - City	\$ 1,665,895	\$ 1,902,126	\$ 1,043,401
Contributions - State	-	80,666	102,251
Contributions - Employees	512,745	431,461	454,232
Net Investment Income	287,819	267,550	212,672
Benefit Payments, Including Refunds of Contrib.	(2,094,964)	(1,386,946)	(1,728,061)
Administrative Expense	<u>(48,635)</u>	<u>(55,891)</u>	<u>(60,040)</u>
Net Change in Plan Fiduciary Net Position	322,860	1,238,966	24,455
Plan Fiduciary Net Position - Beginning	<u>40,729,086</u>	<u>38,742,430</u>	<u>30,593,421</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 41,051,946</u>	<u>\$ 39,981,396</u>	<u>\$ 30,617,876</u>
 City's Net Pension Liability - ending (a) - (b)	 \$ 10,385,576	 \$ 7,335,327	 \$ 6,099,660
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 79.8%	 84.5%	 83.4%

As of September 30, 2015, the City’s total net pension liability amounted to \$23,820,563 for all three defined-benefit pension plans. For the year ended September 30, 2015, the City recognized pension expense of \$1,691,531 related to the General Employees’ Retirement Plan, \$1,714,708 related to the Police Officers’ Retirement Plan, and \$974,234 related to the Firefighters’ Retirement Plan.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

F. Deferred Outflows and Deferred Inflows of Resources

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>General Employees</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ -	\$ (1,046,119)
Difference for changes in assumptions	1,504,151	-
Net difference between projected and actual earnings on plan investments	2,768,153	-
Contributions after measurement date	1,665,895	-
	<u>Police Officers</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 352,992	\$ -
Difference for changes in assumptions	807,814	-
Net difference between projected and actual earnings on plan investments	2,673,902	-
Contributions after measurement date	1,649,285	-
	<u>Firefighters</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 89,077	\$ -
Difference for changes in assumptions	581,916	-
Net difference between projected and actual earnings on plan investments	2,074,905	-
Contributions after measurement date	<u>889,644</u>	<u>-</u>
Total All City Plans	<u>\$ 15,057,734</u>	<u>\$ (1,046,119)</u>

The amounts of \$1,665,895, \$1,649,285, and \$889,644 reported as deferred outflows of resources for contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

F. Deferred Outflows and Deferred Inflows of Resources - continued

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

<u>Year Ending</u>	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Net Amount</u>
2016	\$686,394	\$839,454	\$539,933	\$2,065,781
2017	686,394	839,454	539,933	2,065,781
2018	686,394	839,454	539,933	2,065,781
2019	613,374	781,564	539,933	1,934,871
2020	553,629	534,782	539,933	1,628,344
Thereafter	-	-	46,233	46,233
	<u>\$3,226,185</u>	<u>\$3,834,708</u>	<u>\$2,745,898</u>	<u>\$9,806,791</u>

G. Combining Fiduciary Statements

The Combining Statement of Fiduciary Net Position at September 30, 2015 is stated as follows:

<u>Assets</u>	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,387,844	\$ 3,710,743	\$ 2,268,578	\$ 9,367,165
Investments at fair value	37,287,840	35,528,725	27,840,260	100,656,825
Contributions receivable	376,262	741,928	509,038	1,627,228
Total Assets	<u>\$ 41,051,946</u>	<u>\$ 39,981,396</u>	<u>\$ 30,617,876</u>	<u>\$ 111,651,218</u>
Total Net Position Restricted for Pensions	<u>\$ 41,051,946</u>	<u>\$ 39,981,396</u>	<u>\$ 30,617,876</u>	<u>\$ 111,651,218</u>

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

G. Combining Fiduciary Statements - continued

The Combining Statement of Changes in Fiduciary Net Position at September 30, 2015 is stated as follows:

	General Employees	Police Officers	Firefighters	Total
ADDITIONS				
Contributions:				
Employee contributions	\$ 512,745	\$ 431,461	\$ 454,232	\$ 1,398,438
State contributions	-	333,506	267,261	600,767
City contributions	1,665,895	1,649,285	878,391	4,193,571
Total Contributions	2,178,640	2,414,252	1,599,884	6,192,776
Investment Income (Loss):				
Interest, dividend and other income	580,112	563,490	432,064	1,575,666
Net appreciation (depreciation) in fair value of investments	(1,548,602)	(1,404,859)	(1,101,408)	(4,054,869)
Gains on sales of investments	1,256,309	1,108,919	882,016	3,247,244
Net Investment Income (Loss)	287,819	267,550	212,672	768,041
Total Additions	2,466,459	2,681,802	1,812,556	6,960,817
DEDUCTIONS				
Benefit payments	1,854,219	1,372,367	1,104,945	4,331,531
Lump-sum DROP payments	169,975	-	564,998	734,973
Termination payments	70,770	14,578	58,118	143,466
Administrative expense	48,635	55,891	60,040	164,566
Total Deductions	2,143,599	1,442,836	1,788,101	5,374,536
CHANGE IN NET POSITION	322,860	1,238,966	24,455	1,586,281
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year	40,729,086	38,742,430	30,593,421	110,064,937
End of year	\$ 41,051,946	\$ 39,981,396	\$ 30,617,876	\$ 111,651,218

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (“OPEB”)

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 the 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:

<u>2015 Monthly Premium for Coverage</u>	<u>Medical</u>	<u>Dental High</u>	<u>Dental Low</u>
Retiree	\$475	\$31	\$21
Retiree and Spouse	948	67	46

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:	10/01/2014
Retirees and Beneficiaries Receiving Benefits	48
Active Plan Members	<u>370</u>
Total	<u>418</u>

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 Position.

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

	Valuation as of October 1, 2014
Normal Cost (Service cost for one year)	\$ 1,552,951
Amortization of Unfunded Actuarial Accrued Liability	1,440,895
Interest on Normal Cost and Amortization	<u>62,118</u>
Annual Required Contribution (ARC)	3,055,964
Interest on ARC	589,648
Adjustment to ARC	<u>(852,486)</u>
Annual OPEB Cost (Expense)	2,793,126
Employer Contributions Made	<u>(645,080)</u>
Increase in Net OPEB Obligation	2,148,046
Net OPEB Obligation at Beginning of Year	<u>14,741,210</u>
Net OPEB Obligation at End of Year	<u><u>\$ 16,889,256</u></u>

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase in Net OPEB Obligation	Net OPEB Obligation
9/30/2015	\$ 2,793,126	23.10%	\$2,148,046	\$ 16,889,256
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

NOTE 8 – OTHER POST EMPLOYMENT 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
9/30/2015	\$ -	\$24,915,998	\$24,915,998	0%	\$21,965,004	113%
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%

- (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 estimates of the true costs of the current OPEB arrangements.

Actuarial liabilities and comparative costs shown in the actuary 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 10/1/2014), 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:

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

4. Disability Rates: Sample rates of disability for employees:

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

NOTE 8 – OTHER POST EMPLOYMENT 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 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.

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.

<u>Year</u>	<u>Prior to Age 65</u>	<u>Age 65+</u>
2014	6.20%	8.30%
2015	5.80%	7.40%
2016	5.60%	6.40%
2017	5.30%	5.40%
2018	5.20%	5.20%
2019	5.20%	5.20%
2020	5.20%	5.20%
2021	5.20%	5.20%
2022	5.20%	5.20%
2023	5.20%	5.20%
2024	5.20%	5.20%
2025	5.20%	5.20%
2026	5.20%	5.20%

NOTE 8 – OTHER POST EMPLOYMENT 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 2082. An ultimate rate of 4.40% for the medical trend after age 65 is reached for the first time in 2093.

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

<u>Age</u>	<u>Retirees</u>		<u>Spouses</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	\$9,931	\$11,273	\$10,596	\$11,885
55	10,582	11,113	11,952	12,858
60	12,973	12,640	13,896	14,331
64	16,264	14,650	16,508	16,002
65	5,211	5,349	5,211	5,349
70	5,843	5,796	5,843	5,796

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, 2014
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	2.50%
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:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Limitations</u>
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 2014-2015. 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, 2015:

The CRA Fund actual expenditures exceeded the budgeted expenditures in the amount of \$382 primarily due to unbudgeted project overruns. The Grants Special Revenue Fund actual expenditures exceeded the budgeted expenditures in the amount of \$3,511 primarily due to additional grant project expenditures. The Improvements Special Revenue Fund actual expenditures exceeded the budgeted expenditures in the amount of \$198,088 primarily due to additional capital outlay costs for improvements.

B. Deficit Ending Fund Balance / Net Position

The Improvements Fund had a deficit ending fund balance at September 30, 2015. This deficit will be remedied in future periods from special assessment receipts and additional transfers from the General Fund for project overruns.

The Airport Fuel Fund had a deficit ending net position at September 30, 2015. This deficit will be remedied by future fuel sales revenues.

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, 2015, there were uncompleted construction contracts as follows:

<u>Vendor</u>	<u>Commitment Remaining</u>
Vogel Brothers Building Co.	\$894,152
Collage Design and Construction	1,058,286
Total	<u><u>\$1,952,438</u></u>

NOTE 12 – RESTATEMENT OF BEGINNING NET POSITION

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an Amendment of GASB Statement No. 27, resulting in a restatement of net position for governmental and proprietary funds. The elements of this restatement are as follows:

	<u>Governmental</u>	<u>Business-Type Activities</u>		
	<u>Activities</u>	<u>Utility</u>	<u>Sanitation</u>	<u>Total</u>
		<u>Fund</u>	<u>Fund</u>	
Beginning Net Position, Originally Reported	\$100,348,340	\$112,815,023	\$1,883,432	\$215,046,795
Removal of GASB 27 Accounting	(2,453,970)	(462,734)	(102,496)	(3,019,200)
GASB 68 Change in Accounting				
Addition - Deferred Outflows	3,945,064	533,086	133,272	4,611,422
Addition - Net Pension Liability	<u>(9,132,671)</u>	<u>(2,303,572)</u>	<u>(575,893)</u>	<u>(12,012,136)</u>
Ending Net Position, as Restated	<u>\$92,706,763</u>	<u>\$110,581,803</u>	<u>\$1,338,315</u>	<u>\$204,626,881</u>

REQUIRED SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

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

	GENERAL EMPLOYEES		POLICE OFFICERS		FIREFIGHTERS	
	2015	2014	2015	2014	2015	2014
Actuarially Determined Contribution	\$ 1,691,531	\$ 1,767,282	\$ 1,714,708	\$ 1,724,146	\$ 974,234	\$ 1,072,495
Contributions in Relation to the Actuarially Determined Contribution	(1,665,895)	(1,837,620)	(1,902,126)	(1,856,270)	(1,043,401)	(1,097,949)
Contribution Deficiency (Excess)	\$ 25,636	\$ (70,338)	\$ (187,418)	\$ (132,124)	\$ (69,167)	\$ (25,454)
Covered Employee Payroll	\$ 9,772,660	\$ 9,817,061	\$ 5,592,025	\$ 5,463,618	\$ 4,960,180	\$ 4,701,480
Contributions as a Percentage of Covered Employee Payroll	17.05%	18.72%	34.01%	33.98%	21.04%	23.35%
Valuation Date	10/1/2014	10/1/2012	10/1/2014	10/1/2012	10/1/2014	10/1/2012
Funding Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Pay Closed	Level % of Pay Closed	Level % of Pay Closed	Level % of Pay Closed	Level % of Pay Closed	Level % of Pay Closed
Remaining Amortization period	30 Years	30 Years	30 Years	30 Years	30 Years	30 Years
Asset Valuation Method	4-Year Smoothed Market Value	4-Year Smoothed Market Value	4-Year Smoothed Market Value	4-Year Smoothed Market Value	4-Year Smoothed Market Value	4-Year Smoothed Market Value
Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary Increases	Salary is assumed to increase at the rate of 5.50%.					
Interest Rate	7.50% per year					
Retirement Age	Age 57					
Early Retirement	Commencing with attainment of Early Retirement Status (age 47 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.					
Termination Rates	See table below.					
Disability Rates	See table below.					
Mortality	RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 yrs					
Other Information	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
	20	38.6%	0.07%	6.0%	0.09%	6.0%
	30	19.4%	0.11%	5.0%	0.12%	5.0%
	40	7.3%	0.19%	2.6%	0.21%	2.6%
	50	2.7%	0.51%	0.8%	0.54%	0.8%
	60	1.2%	1.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%
		RP-2000 projected to 2012 by Projection Scale AA. Disabled lives set forward 5 years.				
		Termination and Disability Rate Table				
		% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year	% Becoming Disabled During the Year	% Terminating During the Year
		6.0%	0.09%	6.0%	0.09%	6.0%
		5.0%	0.12%	5.0%	0.12%	5.0%
		2.6%	0.21%	2.6%	0.21%	2.6%
		0.8%	0.54%	0.8%	0.54%	0.8%
		0.2%	2.70%	0.2%	2.70%	0.2%

Note to the Schedule:
Plan information is only available for 2015 and 2014. Subsequent years will be added for a full ten-year trend to be presented.

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

	<u>2015</u>			<u>2014</u>		
	<u>GENERAL EMPLOYEES</u>	<u>POLICE OFFICERS</u>	<u>FIRE FIIGHTERS</u>	<u>GENERAL EMPLOYEES</u>	<u>POLICE OFFICERS</u>	<u>FIRE FIIGHTERS</u>
Total Pension Liability						
Service Cost	\$ 1,629,195	\$ 1,934,067	\$ 993,460	\$ 1,564,998	\$ 1,885,080	\$ 1,107,888
Interest	3,517,510	3,044,711	2,396,529	3,294,972	2,787,119	2,284,005
Change in Excess State Money	-	80,666	102,251	-	61,888	115,677
Changes of Benefit Terms	-	1,166,703	1,449,756	-	-	-
Differences Between Expected and Actual Experience and Changes in Assumptions	458,032	1,160,806	670,993	(54,827)	146,571	(461,117)
Benefit Payments, Including Refunds of Member Contributions	<u>(2,094,964)</u>	<u>(1,386,946)</u>	<u>(1,728,061)</u>	<u>(1,663,848)</u>	<u>(1,403,290)</u>	<u>(1,294,371)</u>
Net Change in Total Pension Liability	3,509,773	6,000,007	3,884,928	3,141,295	3,477,368	1,752,082
Total Pension Liability - Beginning	<u>47,927,749</u>	<u>41,316,716</u>	<u>32,832,608</u>	<u>44,786,454</u>	<u>37,839,348</u>	<u>31,080,526</u>
Total Pension Liability - Ending (a)	<u>\$ 51,437,522</u>	<u>\$ 47,316,723</u>	<u>\$ 36,717,536</u>	<u>\$ 47,927,749</u>	<u>\$ 41,316,716</u>	<u>\$ 32,832,608</u>
Plan Fiduciary Net Position						
Contributions - City	\$ 1,665,895	\$ 1,902,126	\$ 1,043,401	\$ 1,837,620	\$ 1,856,270	\$ 1,097,949
Contributions - State	-	80,666	102,251	-	61,888	115,677
Contributions - Employees	512,745	431,461	454,232	535,334	399,320	527,346
Net Investment Income	287,819	267,550	212,672	3,364,185	3,179,742	2,517,705
Benefit Payments, Including Refunds of Member Contributions	(2,094,964)	(1,386,946)	(1,728,061)	(1,663,848)	(1,403,290)	(1,294,371)
Administrative Expense	<u>(48,635)</u>	<u>(55,891)</u>	<u>(60,040)</u>	<u>(31,939)</u>	<u>(31,542)</u>	<u>(28,402)</u>
Net Change in Plan Fiduciary Net Position	322,860	1,238,966	24,455	4,041,352	4,062,388	2,935,904
Plan Fiduciary Net Position - Beginning, as restated	<u>40,729,086</u>	<u>38,742,430</u>	<u>30,593,421</u>	<u>36,687,734</u>	<u>34,680,042</u>	<u>27,657,517</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 41,051,946</u>	<u>\$ 39,981,396</u>	<u>\$ 30,617,876</u>	<u>\$ 40,729,086</u>	<u>\$ 38,742,430</u>	<u>\$ 30,593,421</u>
City's Net Pension Liability/(Asset) - ending (a) - (b)	\$ 10,385,576	\$ 7,335,327	\$ 6,099,660	\$ 7,198,663	\$ 2,574,286	\$ 2,239,187
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.81%	84.50%	83.39%	84.98%	93.77%	93.18%
Covered Employee Payroll	9,772,660	5,592,025	4,960,180	9,817,067	5,463,618	4,701,480
Net Pension Liability as a Percentage of Covered Employee Payroll	106.27%	131.17%	122.97%	73.33%	47.12%	47.63%

Note to the Schedule:

Plan information is only available for 2015 and 2014. Subsequent years will be added for a full ten-year trend to be presented.

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

	2015	2014
General Employees		
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	9.10%
Police Officers		
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	9.10%
Firefighters		
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.70%	9.00%

Note to the Schedule:

Plan information is only available for 2015 and 2014. Subsequent years will be added for a full ten-year trend to be presented.

**CITY OF AOPKA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued		Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
		Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (a-b)			
10/1/2014	\$ -	\$ 24,915,998	\$ 24,915,998	0.00%	\$ 21,965,004	113.4%
10/1/2013	-	26,060,861	26,060,861	0.00%	19,291,933	135.1%
10/1/2012	-	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 AOPKA, 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
2015	\$ 3,055,964	\$ 2,793,126	\$ 645,080	23.1%	\$ 16,889,256
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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

This Page Intentionally Left Blank

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

SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS						Special Assesment Fund	Total Nonmajor Special Revenue Funds
	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees	Stormwater	Grants Fund		
ASSETS								
Cash and Cash Equivalents	\$ -	\$ -	\$ 6,239,177	\$ 325,959	\$ 1,862,882	\$ 4,577	\$ -	\$ 8,432,595
Restricted Cash and Cash Equivalents	725,859	114,613	-	-	-	-	-	840,472
Accounts Receivable, Restricted	38,978	-	-	-	-	-	-	38,978
Due from Other Governments	-	-	-	-	-	3,510	-	3,510
Due from Other Governments, Restricted	134,676	-	-	-	-	-	-	134,676
Total Assets	\$ 899,513	\$ 114,613	\$ 6,239,177	\$ 325,959	\$ 1,862,882	\$ 8,087	\$ -	\$ 9,450,231
LIABILITIES								
Accounts Payable	\$ 46,772	\$ -	\$ 2,410	\$ -	\$ 233	\$ 978	\$ -	\$ 50,393
Accrued Liabilities	4,695	-	-	-	-	-	-	4,695
Due to Pension Beneficiaries	7,795	-	-	-	-	-	-	7,795
Due to Other Funds	-	-	-	-	-	-	199,710	199,710
Deposits	3,294	-	-	-	-	-	-	3,294
Total Liabilities	62,556	-	2,410	-	233	978	199,710	265,887
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues	-	-	-	-	-	7,109	-	7,109
Total Deferred Inflows of Resources	-	-	-	-	-	7,109	-	7,109
FUND BALANCES								
Restricted	836,957	114,613	-	-	-	-	-	951,570
Committed	-	-	6,236,767	325,959	1,862,649	-	-	8,425,375
Unassigned (Deficit)	-	-	-	-	-	-	(199,710)	(199,710)
Total Fund Balances	836,957	114,613	6,236,767	325,959	1,862,649	-	(199,710)	9,177,235
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 899,513	\$ 114,613	\$ 6,239,177	\$ 325,959	\$ 1,862,882	\$ 8,087	\$ -	\$ 9,450,231

CITY OF AOPKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2015

SPECIAL REVENUE FUNDS

	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees	Stormwater	Grants Fund	Special Assessment Fund	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes	\$ 1,497,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,497,364
Special Assessments	-	-	-	-	-	-	65,148	65,148
Impact Fees	-	-	1,084,119	71,592	-	-	-	1,155,711
Intergovernmental Revenues	-	-	-	-	-	33,285	-	33,285
Charges for Services	495,521	-	100	-	408,178	-	-	903,799
Fines and Forfeitures	-	40,591	-	-	-	-	-	40,591
Investment Earnings	2,767	446	21,737	967	8,139	3	170	34,229
Miscellaneous Revenues	-	-	-	-	-	441	-	441
Total Revenues	1,995,652	41,037	1,105,956	72,559	416,317	33,729	65,318	3,730,568
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	444	-	444
Public Safety	-	70,482	-	-	-	33,285	-	103,767
Physical Environment	-	-	-	-	130,292	-	265,028	395,320
Transportation	2,660,506	-	324,581	-	-	-	-	2,985,087
Culture and Recreation	-	-	-	1,447	-	-	-	1,447
Total Expenditures	2,660,506	70,482	324,581	1,447	130,292	33,729	265,028	3,486,065
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	(664,854)	(29,445)	781,375	71,112	286,025	-	(199,710)	244,503
OTHER FINANCING SOURCES								
AND (USES)								
Transfers In	627,126	-	-	-	-	-	-	627,126
Transfers (Out)	(120,430)	-	(54,206)	-	(147,120)	-	-	(321,756)
Total Other Financing Sources	506,696	-	(54,206)	-	(147,120)	-	-	305,370
and (Uses)								
Net Change in Fund Balances	(158,158)	(29,445)	727,169	71,112	138,905	-	(199,710)	549,873
Fund Balances at Beginning of Year								
Fund Balances - Beginning	995,115	144,058	5,509,598	254,847	1,723,744	-	-	8,627,362
Fund Balances (Deficit) - Ending	\$ 836,957	\$ 114,613	\$ 6,236,767	\$ 325,959	\$ 1,862,649	\$ -	\$ (199,710)	\$ 9,177,235

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STREETS IMPROVEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 1,504,500	\$ 1,497,364	\$ (7,136)
Charges for Services	538,500	495,521	(42,979)
Investment Earnings	4,000	2,767	(1,233)
Miscellaneous	12,000	-	(12,000)
Total Revenues	<u>2,059,000</u>	<u>1,995,652</u>	<u>(63,348)</u>
EXPENDITURES			
Current:			
Transportation	2,983,190	2,413,219	569,971
Capital Outlay	498,570	247,287	251,283
Total Expenditures	<u>3,481,760</u>	<u>2,660,506</u>	<u>821,254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,422,760)</u>	<u>(664,854)</u>	<u>757,906</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	630,000	627,126	(2,874)
Transfers (Out)	(120,430)	(120,430)	-
Total Other Financing Sources and (Uses)	<u>509,570</u>	<u>506,696</u>	<u>(2,874)</u>
Net Change in Fund Balance	(913,190)	(158,158)	755,032
Fund Balance - Beginning	<u>913,190</u>	<u>995,115</u>	<u>81,925</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 836,957</u>	<u>\$ 836,957</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
For the Year Ended September 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 12,500	\$ 40,591	\$ 28,091
Interest	-	446	446
Total Revenues	<u>12,500</u>	<u>41,037</u>	<u>28,537</u>
EXPENDITURES			
Current:			
Public Safety	77,187	55,187	22,000
Capital Outlay	151,045	15,295	135,750
Total Expenditures	<u>228,232</u>	<u>70,482</u>	<u>157,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(215,732)</u>	<u>(29,445)</u>	<u>186,287</u>
Net Change in Fund Balance	(215,732)	(29,445)	186,287
Fund Balance - Beginning	<u>215,732</u>	<u>144,058</u>	<u>(71,674)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 114,613</u>	<u>\$ 114,613</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEES FUND
For the Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Impact Fees	\$ 1,050,000	\$ 1,084,119	\$ 34,119
Charges for Services	-	100	100
Investment Earnings	20,000	21,737	1,737
Total Revenues	<u>1,070,000</u>	<u>1,105,956</u>	<u>35,956</u>
EXPENDITURES			
Current:			
Transportation	131,375	22,752	108,623
Capital Outlay	2,772,900	301,829	2,471,071
Total Expenditures	<u>2,904,275</u>	<u>324,581</u>	<u>2,579,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,834,275)</u>	<u>781,375</u>	<u>2,615,650</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(55,000)	(54,206)	794
Total Other Financing Sources and (Uses)	<u>(55,000)</u>	<u>(54,206)</u>	<u>794</u>
Net Change in Fund Balance	(1,889,275)	727,169	2,616,444
Fund Balance - Beginning	<u>1,889,275</u>	<u>5,509,598</u>	<u>3,620,323</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 6,236,767</u>	<u>\$ 6,236,767</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Impact Fees	\$ 72,250	\$ 71,592	\$ (658)
Investment Earnings	3,000	967	(2,033)
Total Revenues	<u>75,250</u>	<u>72,559</u>	<u>(2,691)</u>
EXPENDITURES			
Current:			
Culture/Recreation	1,065	1,447	(382)
Debt Service	265,150	-	265,150
Total Expenditures	<u>266,215</u>	<u>1,447</u>	<u>264,768</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(190,965)</u>	<u>71,112</u>	<u>262,077</u>
Net Change in Fund Balance	(190,965)	71,112	262,077
Fund Balance - Beginning	<u>190,965</u>	<u>254,847</u>	<u>63,882</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 325,959</u>	<u>\$ 325,959</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STORMWATER SPECIAL REVENUE FUND
For the Year Ended September 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 421,500	\$ 408,178	\$ (13,322)
Investment Earnings	8,000	8,139	139
Total Revenues	<u>429,500</u>	<u>416,317</u>	<u>(13,183)</u>
EXPENDITURES			
Current:			
Physical Environment	113,385	112,123	1,262
Capital Outlay	372,600	18,169	354,431
Total Expenditures	<u>485,985</u>	<u>130,292</u>	<u>355,693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56,485)</u>	<u>286,025</u>	<u>342,510</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(147,120)	(147,120)	-
Total Other Financing Sources and (Uses)	<u>(147,120)</u>	<u>(147,120)</u>	<u>-</u>
Net Change in Fund Balance	(203,605)	138,905	342,510
Fund Balance - Beginning	<u>203,605</u>	<u>1,723,744</u>	<u>1,520,139</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,862,649</u>	<u>\$ 1,862,649</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
For the Year Ended September 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 30,218	\$ 33,285	\$ 3,067
Investment Earnings	-	3	3
Miscellaneous Revenues	-	441	441
Total Revenues	30,218	33,729	3,511
EXPENDITURES			
Current:			
General Government	-	444	(444)
Public Safety	30,218	14,815	15,403
Capital Outlay	-	18,470	(18,470)
Total Expenditures	30,218	33,729	(3,511)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources and (Uses)	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT REVENUE FUND
For the Year Ended September 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special Assessments	\$ 66,940	\$ 65,148	\$ (1,792)
Intergovernmental Revenues	-	-	-
Investment Earnings	-	170	170
Total Revenues	<u>66,940</u>	<u>65,318</u>	<u>(1,622)</u>
EXPENDITURES			
Current:			
Physical Environment	66,940	3,462	63,478
Capital Outlay	-	261,566	(261,566)
Total Expenditures	<u>66,940</u>	<u>265,028</u>	<u>(198,088)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(199,710)</u>	<u>(199,710)</u>
Net Change in Fund Balance	-	(199,710)	(199,710)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ (199,710)</u>	<u>\$ (199,710)</u>

This Page Intentionally Left Blank

STATISTICAL SECTION

This Page Intentionally Left Blank

Statistical Section

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

Contents

Page

Financial Trends

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

81-85

Revenue Capacity

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

86-89

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.

90-91

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.

92-93

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.

94-96

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position										
Governmental activities										
Net Invested in capital assets, net of related debt	\$ 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	\$ 88,573,433
Restricted	-	-	-	-	-	2,173,455	2,032,131	2,174,523	2,156,922	1,907,822
Unrestricted	14,170,095	21,352,609	19,096,607	17,563,034	15,338,837	11,595,902	12,831,110	11,647,104	8,864,250	(214,724)
Total governmental activities net position	\$ 82,644,644	\$ 96,372,386	\$ 100,964,406	\$ 102,203,470	\$ 104,845,703	\$ 103,395,823	\$ 102,732,867	\$ 100,586,581	\$ 100,348,340	\$ 90,266,531
Business-type activities										
Net Invested in capital assets, net of related debt	\$ 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	\$ 100,656,361
Restricted	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	745,661
Unrestricted	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	17,057,907
Total business-type activities net position	\$ 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	\$ 118,459,929
Total Net Position										
Primary government	\$ 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	\$ 189,229,794
Net Invested in capital assets, net of related debt	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	2,653,483
Restricted	30,007,924	34,454,411	31,918,686	30,153,026	28,908,489	27,236,304	30,114,988	30,010,002	28,173,516	16,843,183
Unrestricted	\$ 178,149,821	\$ 208,337,229	\$ 212,142,253	\$ 212,653,008	\$ 216,168,104	\$ 215,962,767	\$ 215,874,102	\$ 214,428,727	\$ 215,046,795	\$ 208,726,460
Total primary government net position										

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 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	\$ 6,511,974
Public safety	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	27,864,802
Physical Environment	-	-	-	-	-	-	-	-	-	305,767
Transportation	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	5,595,625
Environmental	53,249	210,749	247,288	181,210	189,307	479,130	203,250	236,843	251,577	228,422
Culture and recreation	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	3,971,409
Interest on long-term debt	193,573	391,093	443,330	611,994	609,818	557,059	501,906	440,843	341,785	279,351
Total governmental activities expenses	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	44,757,350
Business-type activities:										
Utility system	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	16,036,573
Sanitation	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	3,642,605
Airport Fuel	-	-	-	-	-	-	-	-	-	538,306
Total business-type activities expenses	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	20,217,484
Total primary government expenses	\$ 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	\$ 64,974,834
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 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	\$ 3,539,928
Public Safety	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	1,775,398
Transportation	310,633	355,561	415,322	457,683	579,970	475,389	576,498	959,100	2,117,946	-
Environmental	332,965	366,632	387,902	393,675	398,607	400,948	409,741	401,239	2,019,389	2,377,976
Culture / Recreation	524,306	621,851	568,682	491,736	501,540	516,993	731,740	891,315	813,576	696,455
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	544,450	765,159	-	-	-	-	-	-	-	-
Operating grants and contributions	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	993,788
Capital grants and contributions	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	2,345,941
Total governmental activities program revenues	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	11,729,486
Business-type activities:										
Charges for services:										
Utility System:										
Water sales	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	5,749,002
Sewer sales	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	5,984,903
Reclaimed water sales	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	2,705,534
Miscellaneous revenues	1,031,958	1,023,591	863,154	884,454	1,052,384	834,899	886,674	1,201,537	1,085,243	1,096,054
Sanitation:										
Sanitation Fees	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	3,983,825
Fines	-	-	-	-	-	151	-	-	-	-
Miscellaneous revenues	159,102	196,972	160,625	205,438	156,106	169,273	174,701	154,416	179,494	178,818
Capital contributions	-	-	-	-	-	-	-	-	-	-

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Airport Fuel:										
Fuel sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507,464
Miscellaneous revenues										23,075
Operating grants and contributions	695,798	143,800	-	-	-	-	-	-	-	4,693,320
Capital grants and contributions	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	5,831,362
Total business-type activities program revenues	\$ 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	\$ 30,753,357
Total primary government program revenues	\$ 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	\$ 42,482,843
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (33,027,864)
Business-type activities	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	10,535,873
Total primary government net expense	\$ 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)	\$ (22,491,991)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 6,994,987
Franchise taxes, utility taxes and communication service tax	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	17,645,762
Gasoline taxes	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	1,497,364
Sale of capital assets	(174,682)	108,193	59,491	24,024	33,154	70,046	(100,645)	81,374	11,444	5,845
Miscellaneous revenues	1,076,933	1,125,816	920,771	604,493	509,462	503,969	490,664	561,578	235,911	208,132
Investment earnings	2,714,781	2,789,700	752,842	189,145	129,714	120,395	122,567	95,308	98,712	102,482
Transfers	19,405,998	21,386,185	22,418,753	22,341,746	22,039,238	20,992,528	20,328,190	3,678,430	3,899,130	4,133,060
Total governmental activities										
Business-type activities:										
Sale of capital assets	1,293,314	4,442,648	28,921	3,800	27,453	12,099	41,647	16,238	12,287	-
Investment earnings	-	1,508,547	833,466	164,358	111,290	108,952	93,332	84,191	104,448	99,269
Franchise taxes	-	-	-	-	36,999	31,839	34,695	42,346	36,636	37,729
Miscellaneous Revenue	(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)	(4,133,060)
Transfers	(1,421,467)	3,161,495	(2,058,782)	(2,735,842)	(2,908,251)	(3,126,910)	(3,300,516)	(3,555,655)	(3,745,759)	(3,996,062)
Total business-type activities	\$ 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	\$ 26,591,570
Change in Net Position										
Governmental activities	\$ 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)	\$ (2,440,232)
Business-type activities	19,250,979	16,459,666	(786,996)	(728,309)	872,863	1,244,543	574,291	700,911	856,309	6,539,811
Total primary government	\$ 37,930,835	\$ 30,187,408	\$ 3,805,024	\$ 510,755	\$ 3,515,096	\$ (205,337)	\$ (88,665)	\$ (1,445,375)	\$ (1,047,569)	\$ 4,099,579

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

	2006	2007	2008	2009	2010	2011 (a)	2012	2013	2014	2015
General fund										
Reserved	\$ 631,354	\$ 412,662	\$ 237,122	\$ 244,048	\$ 426,277	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	89,421
Restricted	-	-	-	-	-	913,180	974,665	964,801	1,017,749	956,252
Committed	-	-	-	-	-	861,940	940,180	703,445	512,591	979,146
Assigned	-	-	-	-	-	844,546	852,908	854,823	854,541	855,809
Unassigned	-	-	-	-	-	5,505,322	8,812,311	8,788,248	8,228,167	8,993,373
Total general fund	\$ 6,750,605	\$ 8,381,808	\$ 6,746,444	\$ 7,488,370	\$ 8,922,850	\$ 9,428,042	\$ 11,784,138	\$ 11,526,352	\$ 10,838,574	\$ 11,874,001
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	7,891,973	12,850,794	12,387,121	12,144,203	10,521,223	-	-	-	-	-
Capital projects funds	350,120	369,588	381,532	384,063	-	-	-	-	-	-
Restricted	-	-	-	-	-	1,260,275	1,057,476	1,209,722	1,139,173	951,570
Committed	-	-	-	-	-	9,864,959	10,808,015	11,174,083	9,560,679	10,472,918
Unassigned	-	-	-	-	-	-	-	-	-	(199,710)
Total all other governmental funds	\$ 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	\$ 11,224,778

(a) The City implemented GASB 54 beginning with fiscal year 2011 and has elected to display this change prospectively. Additional information can be found in the Notes to the Financial Statements.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (a)
Revenues										
Taxes	\$ 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	\$ 14,265,977
Licenses, fees and permits	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	5,925,542
Special Assessments	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	65,148
Intergovernmental Revenues	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	9,050,848
Charges for services	338,352	471,299	449,315	1,086,028	1,492,899	1,670,414	2,288,933	2,888,781	1,597,545	3,840,745
Fines and forfeitures	-	3,959,782	1,358,314	686,402	620,555	830,036	2,083,405	1,425,055	2,252,481	1,201,311
Impact Fees	1,076,932	1,125,816	752,841	189,144	128,497	120,394	122,566	95,309	98,712	102,482
Investment earnings	3,421,797	1,514,021	1,584,136	1,148,004	1,120,841	870,854	841,424	1,070,763	892,989	690,711
Miscellaneous revenues	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	37,100,022
Total revenues										
Expenditures										
General government	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	5,829,309
Public safety	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	24,791,883
Physical Environment	-	-	-	-	-	-	-	-	-	509,614
Transportation	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	4,097,371
Economic Environment	31,528	188,977	207,368	142,369	141,063	153,360	159,094	199,791	208,436	228,422
Culture / recreation	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	3,272,959
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	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	193,573	169,984	463,423	460,974	637,342	590,511	536,680	499,535	431,184	299,374
Insurance Costs	-	-	-	-	-	-	-	-	-	-
Principal	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	1,661,862
Grants and aids	47,894	3,000	-	-	-	-	-	-	-	-
Total expenditures	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	40,690,794
Excess of revenues over (under) expenditures	(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)	(3,590,772)
Other Financing Sources (Uses)										
Sale of Capital Assets	-	-	-	24,024	-	-	-	-	-	58,065
Capital leases proceeds	-	-	-	5,316,963	-	-	-	-	-	-
Note proceeds	-	9,570,000	-	-	-	-	-	2,260,500	4,147,929	960,000
Transfers in	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	5,065,882
Transfers out	(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)	(932,822)
Total other financing sources (uses)	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	5,151,125
Net change in fund balances	\$ (5,740,480)	\$ 6,609,492	\$ (2,087,093)	\$ 501,539	\$ (572,563)	\$ 1,109,203	\$ 3,096,343	\$ 260,538	\$ (2,965,868)	\$ 1,560,353
Debt service as a percentage of non-capital expenditures	3.5%	3.0%	5.2%	5.5%	6.7%	6.1%	5.8%	7.9%	11.5%	5.1%

(a) The City's capital outlay expenditures are included by function in fiscal year 2015. Capital outlay expenditures of \$2,306,565 can be found in the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

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
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
2015	2,113,495	893,438	248,369	3,255,302	821,435	2,433,867	3.2876

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

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

Fiscal Year	City Direct Rates		Overlapping Rates			
	Basic Rate	Total Direct	Orange County	Orange County School Board	St. John's Water Management District	Library
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
2015	3.2876	3.2876	4.4347	8.2180	0.3023	0.3748

Source: Orange County Property Appraiser's Office – Roger Ross 407-836.5074

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Coca Cola	\$ 81,807,486	1	3.36%	\$ -	-	0.00%
TriQuint, Inc.	57,982,921	2	2.38%	-	-	0.00%
Duke Energy	34,261,254	3	1.41%	-	-	0.00%
Embarq (Sprint United Mgmt Co.)	31,707,861	4	1.30%	18,832,727	1	1.36%
Woolbright Wekiva LLC	15,191,071	5	0.62%	-	-	0.00%
TWC Ninety-One LTD	14,423,125	6	0.59%	14,675,529	3	1.06%
Oakmont Apopka Road LLC	11,792,932	7	0.48%	-	-	0.00%
Apopka Associates 2006 LLC	11,231,313	8	0.46%	-	-	0.00%
Wal-Mart Stores East LP	10,847,199	9	0.45%	10,540,455	7	0.76%
Palm Key II	10,506,220	10	0.43%	-	-	0.00%
Colonial Realty LP	-	-	0.00%	17,960,350	2	1.30%
Stratigic Capital Resources Inc.	-	-	0.00%	14,297,175	4	1.03%
Apopka Regional Shopping Center	-	-	0.00%	11,184,293	5	0.81%
QRS 10-18 FL Inc	-	-	0.00%	10,863,551	6	0.78%
Lakewood at Piedmont LP	-	-	0.00%	9,918,000	8	0.72%
KB Home of Orlando	-	-	0.00%	9,414,040	9	0.68%
MaudeHelen LLC	-	-	0.00%	8,983,553	10	0.65%
Total	\$ 279,751,382		11.48%	\$ 126,669,673		9.15%

Source: Orange County Property Appraiser's Office Annual Report.
Contact: Roger Ross 407-836-5074

**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		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy			Amount
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%
2015	7,129,637	6,967,239	97.72%	27,748	6,994,987	98.11%

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

Fiscal Year	Governmental Activities						Business-Type Activities															
	Revenue		Notes Payable		Capital Leases		Compensated Absences		Utility Revenue		Notes Payable		Capital Leases		Compensated Absences		Total Primary Government		Percentage of Personal Income ^a		Per Capita ^a	
	Note								Bonds									Government	Income ^a		Capita ^a	
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											
2015	123,000	10,415,760	-	1,738,075	15,985,000	982,000	-	450,938	29,694,773	2.08%	638											

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

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

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

Fiscal Year	Utility Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Interest	
				Principal	Interest		
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	17,195,808	10,285,915	6,909,893	630,000	761,099	4.97	
2014	17,130,614	10,421,678	6,708,936	710,000	623,400	5.03	
2015	19,542,432	10,900,642	8,641,790	725,000	609,200	6.48	

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 disposal of fixed assets are not included.

(3) 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
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	1,245,100	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%
2015	46,561	1,426,601	31,238	34.1	13.4	16,922	4.2%

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

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Century Link (formerly Embarq & Sprint)	2,000	1	4.30%	666	2	1.85%
Orange County Schools	1,311	2	2.82%			
Wal-Mart Supercenter	598	3	1.28%	545	3	1.51%
TriQuint (formerly Sawtek)	431	4	0.93%	340	6	0.94%
City of Apopka	367	5	0.79%	382	4	1.06%
Florida Hospital - Apopka	278	6	0.60%	200	10	0.56%
Florida Living Nursing Center	269	7	0.58%	258	9	0.72%
Publix	203	8	0.44%			
Sunbelt Living Center	151	9	0.32%			0.00%
Home Depot	126	10	0.27%			
Northrop Grumman				850	1	2.36%
Finfrock Construction Inc.				371	5	1.03%
Apopka High School				316	7	0.88%
Energy Air Inc (relocated)				300	8	0.83%
Total	5,734		12.32%	4,228		20.94%
			46,561			36,024

Source: City of Apopka Finance Department survey of local businesses
Northrop is new on the list beginning 2006. Energy Air relocated out of City 2008

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
Administration	14	15	15	14	13	14	13	11	10	11
Finance	15	13	10	9	9	9	8	9	8	9
Human resources	3	3	3	3	3	3	3	3	3	3
Planning	11	11	10	8	8	7	7	8	8	7
Building	8	7	7	7	7	7	6	6	6	6
IT	5	4	5	5	6	6	7	7	7	5
Police										
Officers	82	77	85	85	91	91	88	90	90	90
Civilians	10	10	9	8	32	32	35	35	31	32
Fire										
Firefighters and officers	77	80	81	81	80	80	80	75	78	77
Civilians	22	23	20	18	2	2	3	6	2	3
Sanitation	17	16	17	17	17	17	16	16	18	17
Other public works										
Administration	8	8	8	7	7	7	7	9	9	8
Engineering	5	5	5	4	4	4	3	6	7	7
Purchasing	-	-	-	-	-	-	-	-	-	-
Construction	13	14	10	8	7	6	6	7	7	7
Fleet	9	10	10	8	10	10	11	11	11	9
Streets	8	8	9	8	8	9	8	9	7	8
Cemetery	2	2	2	2	2	2	1	2	2	2
Parks and recreation	33	34	33	28	28	28	27	28	25	28
Water	19	18	22	22	21	21	22	22	21	19
Wastewater	21	22	26	22	23	22	21	20	21	19
Total	382	380	387	364	376	377	372	380	371	367

Source: City Human Resources Department

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Physical arrests	1,530	1,556	1,897	2,374	2,147	1,523	1,414	1,011	1,505	1,426
Parking violations	124	104	39	11	117	32	157	424	152	177
Traffic violations	6,219	5,747	6,813	4,481	3,521	2,283	1,764	3,636	3,459	3,522
Red Light Violations	-	681	269	9,735	13,870	16,754	22,422	27,630	22,283	23,204
Fire										
Emergency responses	6,654	6,960	6,242	5,859	5,433	5,093	5,418	4,973	5,298	5,563
Fires extinguished	236	218	174	135	163	158	143	103	110	107
Inspections	4,365	5,782	5,669	5,451	2,324	2,614	2,444	2,120	2,740	2,738
Refuse collection										
Refuse collected (tons per day)	69.5	67.1	64.3	74.5	73.5	74.7	73.9	60.3	86.6	91.2
Recyclables collected (tons per day)	4.0	5.5	6.3	5.9	5.7	5.6	5.7	5.8	5.8	5.2
Other public works										
Street resurfacing (miles)	6.8	6.8	6.8	2.4	4.0	-	-	-	2.4	-
Parks and recreation										
Athletic leagues										
Athletic leagues participants	253,565	344,064	529,140	436,622	4,062	3,201	2,175	2,375	2,415	2,395
Senior and Adult programs	378	397	373	281	9	14	10	10	13	11
Children's programs										
Facility rental permits	347	321	1,002	2,048	4	4	5	5	6	6
Water										
New connections	2365*	638	278	246	270	239	333	405	427	356
Average daily consumption (millions of gallons)	7.85	8.53	8.27	7.57	7.54	7.35	7.01	6.79	6.82	7.16
Peak daily consumption (millions of gallons)	12.75	12.69	14.91	14.68	12.44	12.35	9.90	11.02	9.69	10.88
Wastewater										
Average daily sewage treatment (millions of gallons)	2.69	2.89	2.96	2.64	2.66	2.59	2.62	2.76	2.89	3.07
Reclaimed Water										
New connections			202		219	183	207	261	409	300
Average daily consumption (millions of gallons)			5.63		5.51	6.03	6.06	5.49	5.64	6.10
Peak daily consumption (millions of gallons)			9.31		9.61	10.61	9.85	9.39	9.62	11.00

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	50	78	76	80	44	54	78	105	105	105
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection										
Collection trucks	16	12	12	16	16	16	17	15	19	19
Other public works										
Streets (miles)	184.85	186.7	193	195	203	203	203	203	266	300
Streetlights	134	134	134	134	134	134	134	134	134	134
Traffic signals	29	29	30	27	28	32	32	32	33	34
Parks and recreation										
Acreage	119.5	182.7	221.2	265.18	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	14	14	14	14	14	14	14	14	14	14
Soccer/football fields	11	14	15	15	15	15	15	16	16	16
Community centers	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	228.3	242.24	251	259	266	268	268	270	313	337
Fire hydrants	1220	1298	1348	1381	1403	1414	1429	1435	1691	1781
Total system capacity (millions of gallons)	47.02	47.02	47.02	46.84	46.84	46.84	46.84	46.84	46.84	46.84
Wastewater										
Sanitary sewers (miles)	185.18	202.59	206	210	217	218	218	219	245	250
Storm sewers (miles)	16.53	21.23	24	26	96	96	96	96	125	109
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	116
Reclaimed Water										
Reclaimed Water mains (miles)				104	113	117	118	126	130	133
Total system capacity (millions of gallons)				15.55	15.55	15.55	15.55	26.35	26.35	26.35

Sources: Various city departments.

This Page Intentionally Left Blank

COMPLIANCE SECTION

This Page Intentionally Left Blank

**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, 2015, 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 21, 2016.

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 not 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 21, 2016.

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.

Certified Public Accountants

Orlando, Florida
June 21, 2016

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior 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 that 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 review all year-end account balances to ensure timely and accurate closing of the City's trial balance.

Current Year Status:

We consider this finding to be resolved.

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.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior Year Findings (*Continued*)

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

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.

Current Year Status:

We consider this finding to be resolved.

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.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior 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 begun to implement procedures to address this finding.

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

Type: Significant Deficiency

2014-005 ACCOUNTS PAYABLE – VENDORS

Finding:

The Accounts Payable Clerk has access to enter vendors into the accounting system, and does so 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.

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior Year Findings (*Continued*)

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 receivable 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.

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.

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

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.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior Year Findings (*Continued*)

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.

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Current Year Findings

Type: Significant Deficiency

2015-001 BANK RECONCILIATIONS – JOURNAL ENTRIES

Finding:

During our current-year audit of the City's financial statements, it was noted that bank reconciliations contained errors related to payroll accruals.

Criteria:

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

Cause:

Cash reconciliations were not properly prepared and compared to final GL accounts.

Effect:

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

Recommendation:

We recommend that the bank reconciliations be reviewed 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 begun to implement procedures to address this finding.



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major State Project

We have audited the compliance of the City of Apopka, Florida (the "City") with the types of compliance requirements described in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project identified in the accompanying Schedule of Findings and Questioned Costs for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on the major state project to determine auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the business-type activities of the City as of and for the year ended September 30, 2015, and have issued our report thereon dated June 21, 2016. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying Schedule of Expenditures of State Financial Assistance is presented for the purposes of additional analysis, as required by Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements referred to above. Accordingly, this report is not suitable for any other purpose.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 21, 2016

CITY OF APOPKA, FL

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Fiscal Year Ended September 30, 2015

<u>State Agency/Pass-Through Grantor/ Program Title or Cluster Title</u>	<u>State CSFA/ Number</u>	<u>Grant / Identifying Number</u>	<u>Amount Approved</u>	<u>State Expenditures</u>
<i>Florida Department of Environmental Protection</i>				
<i>Pass-through Agency</i>				
<i>St. John's Water Management District</i>				
Florida Springs Grant Program	37.052	27658	\$ 1,401,408	\$ 1,401,408
Water Protection and Sustainability Program	37.066	25373	2,450,000	<u>1,645,956</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				<u>\$ 3,047,364</u>

Note 1 - Basis of Presentation

The schedule of expenditures of state financial assistance (the "schedule") is a summary of the activity of the City's state financial assistance presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The information in the schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2015

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

State Projects

Internal control over major projects:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of report issued on compliance for major state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, *Rules of the Auditor General*?

 X Yes No

Identification of Major State Projects:

<u>CSFA Numbers</u>	<u>Name of State Projects</u>
37.052	Florida Springs Grant Program
37.066	Water Protection and Sustainability Program

Dollar threshold used to distinguish between Type A and Type B projects: \$300,000

SECTION II - FINANCIAL STATEMENT FINDINGS

Yes. See Schedule of Findings and Recommendations.

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

None Reported.

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

Yes. See Schedule of Findings and Recommendations.



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, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, 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, 2015.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
June 21, 2016

This Page Intentionally Left Blank



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, 2015, and have issued our report thereon dated June 21, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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*, Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of State Financial Assistance Required by Chapter 10.550, *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs, 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 21, 2016, 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. These recommendations are listed in the attached Schedule of Observations and Recommendations.

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.

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

Financial Condition

Section 10.554(1)(i)4.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.

Pursuant to Sections 10.554(1)(i)5.a. and 10.556(7), *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

Sections 10.554(1)(i)5.b. and 10.556(7) *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, 2015, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

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.
Certified Public Accountants

Orlando, Florida
June 21, 2016

CITY OF APOPKA, FLORIDA
SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior 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.

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

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 Status:

This finding has not been resolved in the current year.

CITY OF APOPKA, FLORIDA
SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Prior 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 its 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 its departmental payroll review and approval process.

Current Year Status:

The City has implemented procedures to address this finding. Since the procedures were not in place for the full fiscal year, this finding is not considered to be resolved in the current year. However, we expect this finding to be resolved in a future period.

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 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. 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.

Current Year Status:

We consider this finding to be resolved.

CITY OF APOPKA, FLORIDA
SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2015

Current Year Observations

MLO-2015-001 OTHER POSTEMPLOYMENT BENEFITS (OPEB) VALUATION

Finding:

During our current-year audit of the City's financial statements, it was noted that the City had not obtained a current valuation of its OPEB benefits. The City was using an out-of-date valuation for its OPEB liability valuation. While the City did eventually receive a current valuation, it was only after the auditor notified the City of its requirements to receive a new valuation.

Criteria:

Per GASB Codification P50.108, OPEB plans with a total membership of 200 or more, should obtain actuarial valuations at least biennially.

Cause:

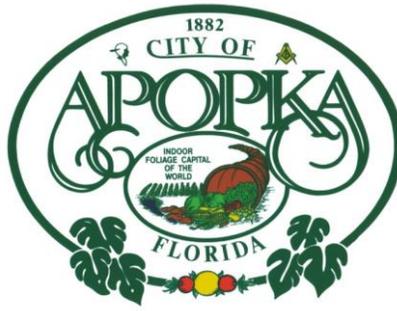
The City was not monitoring the requirements regarding the frequency of receiving its OPEB valuation.

Effect:

Without monitoring of the frequency of the City's OPEB valuation, accurate information may not be appropriately captured and reflected in the City's financial statements.

Recommendation:

We recommend that the City implement monitoring procedures regarding the frequency of obtaining its OPEB valuation.



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

June 17, 2016

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

The City of Apopka strives to improve its financial performance. Two audit findings resulted from the FY2015 annual audit. One significant deficiency was noticed and one management letter observation was reported. 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:

2015-001 Bank Reconciliations – Journal Entries (Significant Deficiency)

RECOMMENDATION: During the audit, it was noted that bank reconciliations contained errors related to payroll accruals. We recommend that the bank reconciliations be reviewed 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. Management has implemented a policy whereby bank reconciliations as well as journal entries are reviewed for accuracy.

MLO 2015-001 Other Postemployment Benefits (OPEB) Valuation

RECOMMENDATION: During the audit, it was noted that the City had not obtained a current valuation of its OPEB benefits. The City was using an out of date valuation for its OPEB liability valuation.

MANAGEMENT’S RESPONSE: Concur. Management provided the OPEB valuation to auditors during their interim field work and then again during their yearend field work. The auditor’s discovery of the incorrect valuation date did not occur until CAFR preparation began, which was very late in the audit process. Had the auditors noticed the incorrect valuation date upon receiving the OPEB documentation, management would have recognized their misunderstanding of the requirement and taken corrective action, thus avoiding the delays for completion of the audit and CAFR. Management will ensure the proper OPEB valuations will be obtained in the 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

This Page Intentionally Left Blank

