

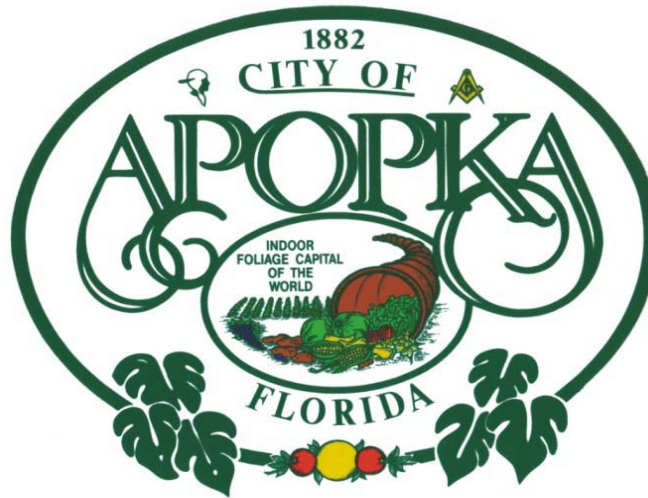


City of

APOPKA

**2017
Comprehensive
Annual
Financial
Report**

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2017**

**Prepared by:
Department of Finance**

Photo featured on the cover was taken by Robert Sargent, Public Information Officer.

CITY OF APOPKA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
Year Ended September 30, 2017

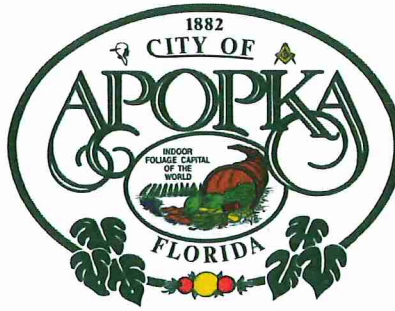
	<u>Page Number</u>
INTRODUCTORY SECTION	
TRANSMITTAL LETTER OF THE CITY OF APOPKA	i - vi
LIST OF PRINCIPAL OFFICIALS	vii
ORGANIZATIONAL CHART	viii
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	ix
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	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	33-64
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Contributions - General Employees’, Police Officers’ and Firefighters’ Pension Plans	65
Schedule of Changes in the Net Position Liability and Related Ratios - General Employees’, Police Officers’ and Firefighters’ Pension Plans - Last 10 Fiscal Years	66
Schedule of Investment Returns - General Employees’, Police Officers’ and Firefighters’ Pension Plans - Last 10 Fiscal Years	67
Schedule of Funding Progress - Other Postemployment Benefits Plan	68
Schedule of Employer Contributions - Other Postemployment Benefits Plan	68

CITY OF APOPKA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS – Continued
 Year Ended September 30, 2017

	<u>Page Number</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Combining Balance Sheet – Nonmajor Governmental Funds	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	70
Budgetary Comparison Schedule - Special Revenue Funds:	
Streets Improvement	71
Law Enforcement Trust.....	72
Transportation Impact Fees	73
Recreation Impact Fees	74
Stormwater	75
Grants	76
Special Assessment	77
Police Discretionary	78
Fire Impact Fees	79
Police Impact Fees	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, 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 Direct and Overlapping Governmental Activities Debt	92
Schedule 12 Demographic and Economic Statistics, Last Ten Calendar Years	93
Schedule 13 Principal Employers, Current Year and Nine Years Ago	94
Schedule 14 Full-time Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	95
Schedule 15 Operating Indicators by Function/Program, Last Ten Fiscal Years	96
Schedule 16 Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	97
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 <i>Government Auditing Standards</i>	98-99
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>	100-101
Schedule of Expenditures of State Financial Assistance	102
Schedule of Findings and Questioned Costs	103
Schedule of Findings and Recommendations	104
Independent Accountant’s Report	105
Independent Auditor’s Management Letter	106-107
Schedule of Observations and Recommendations	108-109
Management’s Response to Findings and Observations	110-111

INTRODUCTORY SECTION

This Page Intentionally Left Blank



120 E MAIN STREET · APOPKA, FLORIDA 32703
PHONE (407) 703-1700

April 13, 2018

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, 2017, 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, 2017, 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, 2017, 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, 2017 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 50,107. 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 city administrator (CA). 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 the fuel sales at the 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 administrator, 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 during workshops held during the month of 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. Transfer of appropriated funds may be made within personnel services, operating expenses or capital outlay object codes after conferring with the finance director. Transfer of funds between personnel services, operating expenses or capital outlay must be authorized by the CA. Transfers between funds or departments require the approval of the mayor or his/her designee. Budget revisions that alter the total revenues, expenses or reserves of any fund must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

For the General Fund, this comparison is presented on page 23, as part of the basic financial statements. For other governmental funds, this comparison is presented in the combining and individual fund statements and schedules section on pages 75-80.

Factors Affecting Financial Condition

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

Local economy. The City has been experiencing 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 2017 unemployment rate for the Apopka area was 3.9% compared to 4.4% for the State of Florida and 4.8% 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 continue to provide expansion of the City's revenue base.

Currently, the City has approximately 813 platted lots available for construction. There are numerous builders and developers who are in the process of developing those lots or in the process of developing them in the near future.

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

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

In the 2016-17 fiscal year, the City undertook steps necessary to ensure that it could continue to meet critical infrastructure needs to accommodate future growth. These steps included: A) A \$50 million+ initiative to plan and begin construction on an expansion of the City's wastewater treatment plant. The wastewater treatment plant expansion project is now approximately 55% complete. Phase 1 of the project is on schedule to be completed and brought on line on or before September 2018. This phase includes the new 5 MGD (million gallons per day) biological nutrient removal plant. Phase 2 of the project involves taking the existing plant out of service and improvements performed on it to make it a biological nutrient removal plant, as well. The existing plant is being de-rated to 3 MGD and will be completed in March 2019. Upon completion, the wastewater treatment plant will have a total treatment capacity of 8 MGD. (This will give the City the ability to produce up to 8 million gallons a day of reclaimed water).

On Friday, February 23, 2018, the City held the grand opening for Fire Station No. 5, located off Jason Dwelley Parkway. This new station enables the Apopka Fire Department to maintain superior response times on the north side of the City.

Additionally, a new emergency radio communications tower is being constructed on the north side of the City. When completed in the fall of 2018, the City will be leasing it for ten years from Motorola at a cost of about \$2.75M.

The Apopka City Council undertook initiatives to ensure that future growth will pay for itself. In 2016, the Council adopted impact fees for public safety and for recreation. Impact fee revenues help address expenses needed for the future construction of facilities to accommodate police officers, firefighters and the future recreational needs of Apopka residents. Impact fees collected for the year ended September 30, 2017 totaled \$412,485.

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 which will complete Central Florida's beltway around northwest metropolitan Orlando. Sections 1A and 1B – providing a direct connection to the Kelly Park Road interchange – opened in July 2017. Sections 2A, 2B and 2C – providing a direct connection to Mount Dora – opened in April 2018. The completion of construction for the entire Wekiva Parkway project is scheduled to be completed in the fourth quarter of 2021. The parkway will provide an alternative to Interstate 4, and will relieve US 441, SR 46 and other congested roads in Orange, Lake, and Osceola counties. 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 April 2016, the City completed a visioning initiative designed to solicit the input from residents, businesses and other stakeholders to help shape the City's future. The plan was 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.

During FY2016, the City entered into a cost sharing agreement for the construction of the Marden Road Interchange, which is anticipated to provide economic benefits to the City. Through the construction of the interchange at Marden Road on SR 414 (the John Land Apopka Expressway), improved access to and from Apopka benefits and promotes the development of businesses within the City limits.

In an effort to support the budding potential for eco-tourism, the City continues to lead an initiative to establish a nature-based tourism industry in the vicinity of the Lake Apopka North Shore Area. Transportation improvements such as the Wekiva Parkway, and the impending development of a Coast-to-Coast Connector bike trail by the state of Florida, are destined to bring more visitors to Apopka. The City has assets that including parcels of ground immediately adjacent to the North Shore that could be used to support this initiative.

The City's vision for a 33-acre Town Center Project situated on land at the intersection of State Road 436 and US Highway 441 is proceeding. In 2016, the City signed a sale-and-purchase agreement and a separate development agreement with a qualified private development partner.

As of April 2018, the development partner, Taurus Southern Investments, has submitted final engineering plans for needed roadway improvements – many of which will be reimbursed by the City through impact fees. The FDOT is expected to sign off on improvements at the intersection of US 441 and SR436 and directly in front of the City Center properties. The improvements likely will include new traffic signals. Construction of the City Center will coincide somewhat with the beginning of roadway improvements. That possibly could be as early as third quarter of 2018. The 200,000 square foot mixed use project is tentatively set to include shopping, residential and public park areas as well as such as a 110-room Hilton Garden Inn hotel, a sit-down deli and more. The existing Highland Manor banquet facility is also located there. The developer is actively seeking tenants to occupy retail, lodging and dining facilities within the City Center parcel. This project is expected to have a positive impact on the economic future of the City with an anticipated capital investment in excess of \$100 million.

The new Florida Hospital Apopka opened December 13, 2017 following two years of construction. The \$203 million, 320,000 square-foot, 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. Additionally, the hospital is providing on-site space for the City's Fire Station No. 6.

Relevant financial policies. The City has established a comprehensive set of financial policies which it uses to achieve and maintain a long-term stable and positive financial condition. More specifically it provides guidelines for planning and directing the financial affairs of the City. A part of this policy requires the City to annually review its utility rates to ensure that sufficient revenues are generated to cover operating expenses, meet the legal restrictions of all applicable bond covenants and provide for an adequate level of working capital.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Apopka for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016. This was the seventeenth 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 generally accepted accounting principles (GAAP) and applicable program requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2017. 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
City Administrator



Terri L. Bucy, CPA
Interim Director of Finance

PRINCIPAL CITY OFFICIALS

FISCAL YEAR ENDED 2017

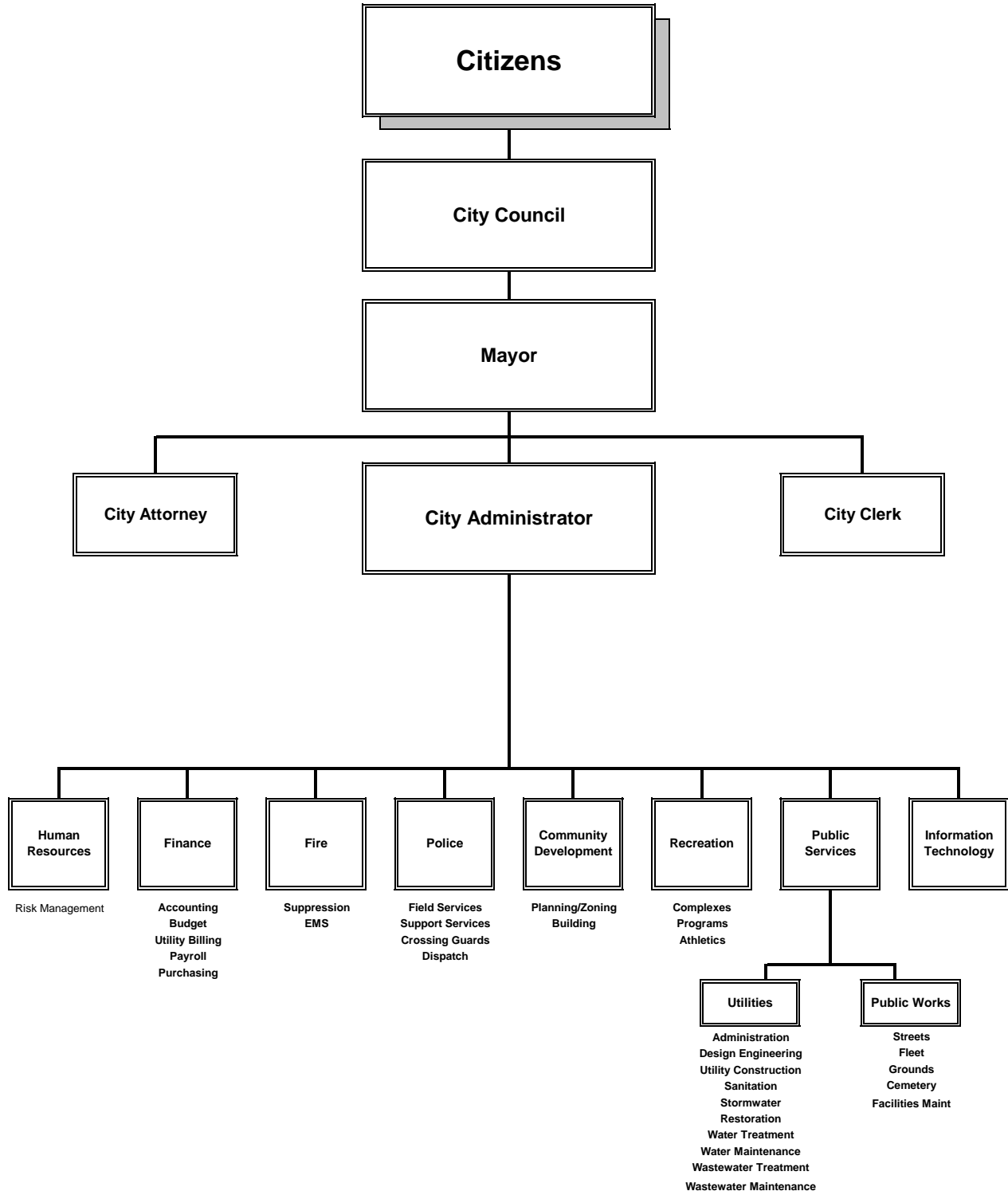
ELECTED OFFICIALS

Mayor	Joseph E. Kilsheimer
Vice-Mayor	Billie L. Dean
Commissioner	Diane Velazquez
Commissioner	Doug Bankson
Commissioner	Kyle Becker

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	Charles (Chuck) Carnesale
Community Development Director	James K. Hitt
Human Resources Director	Sharon P. Thornton
Information Technology Director	Robert E. Hippler
Public Services Director	R. Jay Davoll
Recreation Director	Mariah McCullough

**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, 2016

Christopher P. Morill

Executive Director/CEO

This Page Intentionally Left Blank

FINANCIAL SECTION

This Page Intentionally Left Blank



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Apopka, Florida (the "City") as of and for the fiscal year ended September 30, 2017, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Community Redevelopment Fund 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)

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 April 13, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
April 13, 2018

Management's Discussion and Analysis

As management of the City of Apopka, Florida (the "City"), we offer the readers of these basic financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2017. 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 financial 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 vi, the City's basic financial statements which begin on page 18, and the Required Supplementary Information ("RSI"), which can be found on pages 65 to 68.

HIGHLIGHTS

Financial Highlights

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

Fiscal Year 2017			Fiscal Year <u>2016</u>	Increase <u>(Decrease)</u>	%
Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>			
\$81,394,691	\$127,666,427	\$209,061,118	\$200,817,681	\$8,243,437	4.10%

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

Fiscal Year 2017			Fiscal Year <u>2016</u>	Increase <u>(Decrease)</u>	%
Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>			
\$45,889,279	\$29,674,593	\$75,563,872	\$66,394,988	\$9,168,884	13.8%

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

Fiscal Year 2017			Fiscal Year <u>2016</u>	Increase <u>(Decrease)</u>	%
Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>			
\$50,514,782	\$16,805,653	\$67,320,435	\$74,303,767	(\$6,983,332)	-9.4%

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 vi).

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis – (Continued)

The Government-wide Statement of Activities can be found on page 19 of this report.

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

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The City maintains ten 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. The Community Redevelopment Agency Fund is also 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 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 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 Fuel 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 the City Charter.

The Enterprise Fund Financial Statements can be found on pages 24 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 64 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain RSI concerning the City's budgetary compliance and the City's progress in funding its obligation to provide pension benefits to its employees.

RSI can be found on pages 65 to 68 of this report.

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

Combining and Individual Fund Statements can be found on pages 69 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 \$209,061,118 at September 30, 2017.

Approximately 100.0% of the City's net position 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 increased by \$1,217,443 and totaled \$81,394,691 at the end of the fiscal year. Of this amount, the majority is either restricted as to the purposes it can be used for or is invested in capital assets (land, buildings and equipment). Consequently, unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraint established by debt covenants, enabling legislation, or other legal requirements, totaled (\$10,749,809) at the end of 2017. This negative balance is a result of the impact of reporting the City's pension and OPEB expense and related liability. See Notes 7 and 8 of the Financial Statements for further details.

Net position of the City's business-type activities increased by \$7,025,994 and totaled \$127,666,427 at the end of the fiscal year. Of this amount, approximately 96.2% is either restricted as to the purposes it can be used for or is invested in capital assets (land, buildings and equipment). Consequently, unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraint established by debt covenants, enabling legislation, or other legal requirements, totaled \$4,846,807 at the end of 2017.

Management's Discussion and Analysis – (Continued)

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

STATEMENT OF NET POSITION As of September 30

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$33,178,881	\$30,174,318	\$25,025,392	\$27,847,405	\$58,204,273	\$58,021,723
Capital assets	103,429,865	97,956,587	138,724,774	120,412,813	242,154,639	218,369,400
Total assets	136,608,746	128,130,905	163,750,166	148,260,218	300,358,912	276,391,123
Total Deferred Outflows of Resources	4,951,121	5,533,452	461,895	949,945	5,413,016	6,483,397
Current and other liabilities	9,865,015	7,933,321	7,322,930	3,169,009	17,187,945	11,102,330
Long-term Liabilities Outstanding	45,639,517	45,069,763	28,824,845	25,221,353	74,464,362	70,291,116
Total liabilities	55,504,532	53,003,084	36,147,775	28,390,362	91,652,307	81,393,446
Total Deferred Inflows of Resources	4,660,644	484,025	397,859	179,368	5,058,503	663,393
Net position:						
Net Investment in Capital Assets	89,746,404	87,116,986	122,538,179	103,140,729	212,284,583	190,257,715
Restricted	2,398,096	2,482,323	281,441	481,441	2,679,537	2,963,764
Unrestricted	(10,749,809)	(9,422,061)	4,846,807	17,018,263	(5,903,002)	7,596,202
Total net position	\$81,394,691	\$80,177,248	\$127,666,427	\$120,640,433	\$209,061,118	\$200,817,681

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, 2017, the City's combined net position totaled \$209,061,118, which is an increase of \$8,243,437 over last year's reported \$200,817,681. During this same period, the City's total revenues increased by \$9,168,884 to a total of \$75,563,872.

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

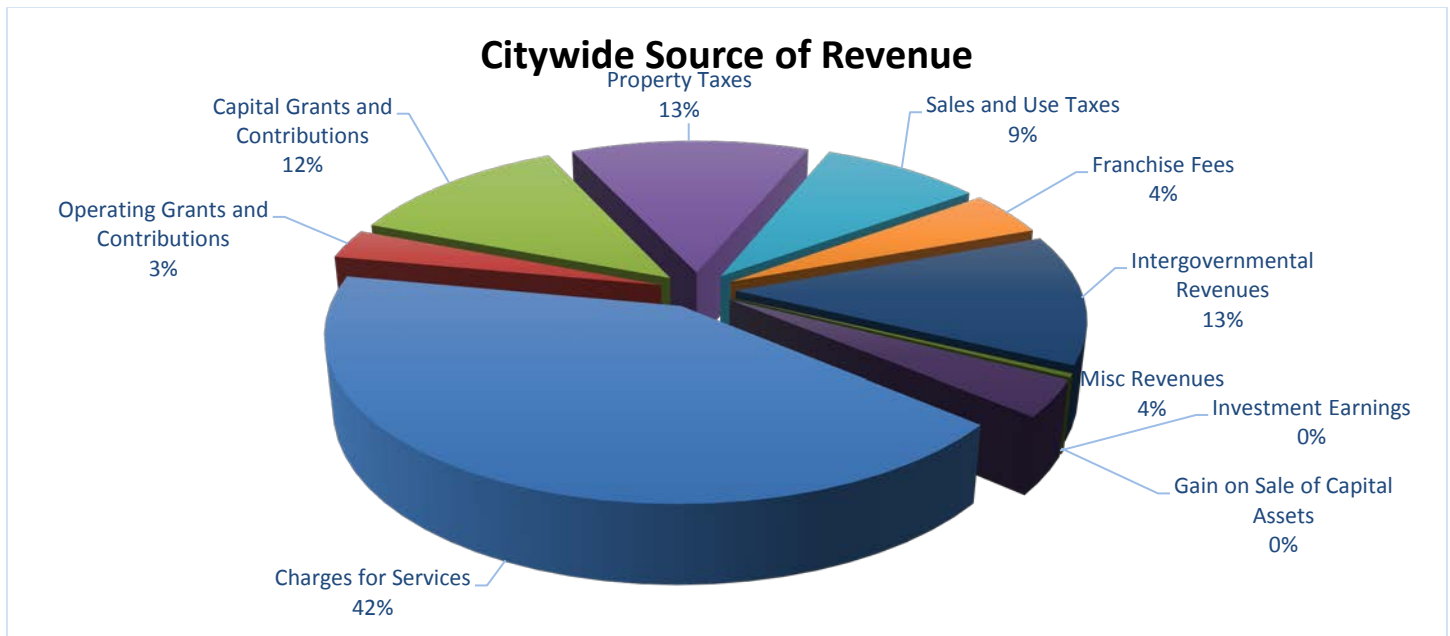
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$10,026,575	\$9,327,191	\$21,606,680	\$19,723,021	\$31,633,255	\$29,050,212
Operating grants and contributions	1,444,573	1,510,310	764,302	1,020,976	2,208,875	2,531,286
Capital grants and contributions	3,526,959	2,026,202	5,678,396	5,395,043	9,205,355	7,421,245
General revenues:					-	-
Property taxes	9,880,495	7,874,031	-	-	9,880,495	7,874,031
Fuel taxes	1,623,250	1,448,906	-	-	1,623,250	1,448,906
Communication services taxes	1,488,595	1,419,756	-	-	1,488,595	1,419,756
½ Cent sales tax	7,372,446	6,472,492	-	-	7,372,446	6,472,492
State shared revenues	2,321,583	2,154,294	-	-	2,321,583	2,154,294
Franchise fees and utility taxes	6,795,550	6,100,757	63,538	47,338	6,859,088	6,148,095
Sale of capital assets	-	-	-	-	-	-
Unrestricted investment earnings	155,322	129,577	113,538	112,761	268,860	242,338
Miscellaneous revenues	1,253,931	246,351	1,448,139	1,385,982	2,702,070	1,632,333
Total revenues	45,889,279	38,709,867	29,674,593	27,685,121	75,563,872	66,394,988
Expenses:						
General government	10,450,176	10,551,924	-	-	10,450,176	10,551,924
Public safety	29,189,880	33,942,557	-	-	29,189,880	33,942,557
Physical Environment	335,011	152,252	-	-	335,011	152,252
Transportation	6,129,087	5,661,534	-	-	6,129,087	5,661,534
Economic Environment	283,246	241,467	-	-	283,246	241,467
Culture and recreation	3,899,524	3,973,536	-	-	3,899,524	3,973,536
Interest on long-term debt	227,858	260,543	-	-	227,858	260,543
Utility system	-	-	13,309,805	15,312,542	13,309,805	15,312,542
Sanitation	-	-	3,165,186	3,884,273	3,165,186	3,884,273
Airport Fuel	-	-	330,662	323,139	330,662	323,139
Total expenses	50,514,782	54,783,813	16,805,653	19,519,954	67,320,435	74,303,767
Increase (decrease) in net position before transfers	(4,625,503)	(16,073,946)	12,868,940	8,165,167	8,243,437	(7,908,779)
Transfers	5,842,946	5,984,663	(5,842,946)	(5,984,663)	-	-
Increase (decrease) in net position	1,217,443	(10,089,283)	7,025,994	2,180,504	8,243,437	(7,908,779)
Net position– beginning	80,177,248	90,266,531	120,640,433	118,459,929	200,817,681	208,726,460
Net position – September 30	\$81,394,691	\$80,177,248	\$127,666,427	\$120,640,433	\$209,061,118	\$200,817,681

Management's Discussion and Analysis – (Continued)

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

Citywide Source of Revenue

	FY 17		FY 16	
	Revenues	% Of Total	Revenues	% Of Total
Charges for Services	\$ 31,633,255	41.9%	\$ 29,050,212	43.8%
Operating Grants and Contributions	2,208,875	2.9%	2,531,286	3.8%
Capital Grants and Contributions	9,205,355	12.2%	7,421,245	11.2%
Property Taxes	9,880,495	13.1%	7,874,031	11.9%
Sales and Use Taxes	6,639,790	8.8%	6,023,518	9.1%
Franchise Fees	3,331,143	4.4%	2,993,239	4.5%
Intergovernmental Revenues	9,694,029	12.8%	8,626,786	13.0%
Gain on Sale of Capital Assets	-	0.0%	-	0.0%
Investment Earnings	268,860	0.4%	242,338	0.4%
Misc Revenues	2,702,070	3.5%	1,632,333	2.5%
Total Revenues	\$ 75,563,872	100.0%	\$ 66,394,988	100.0%



Governmental Activities - Governmental activities increased the City's net position by \$1,217,443.

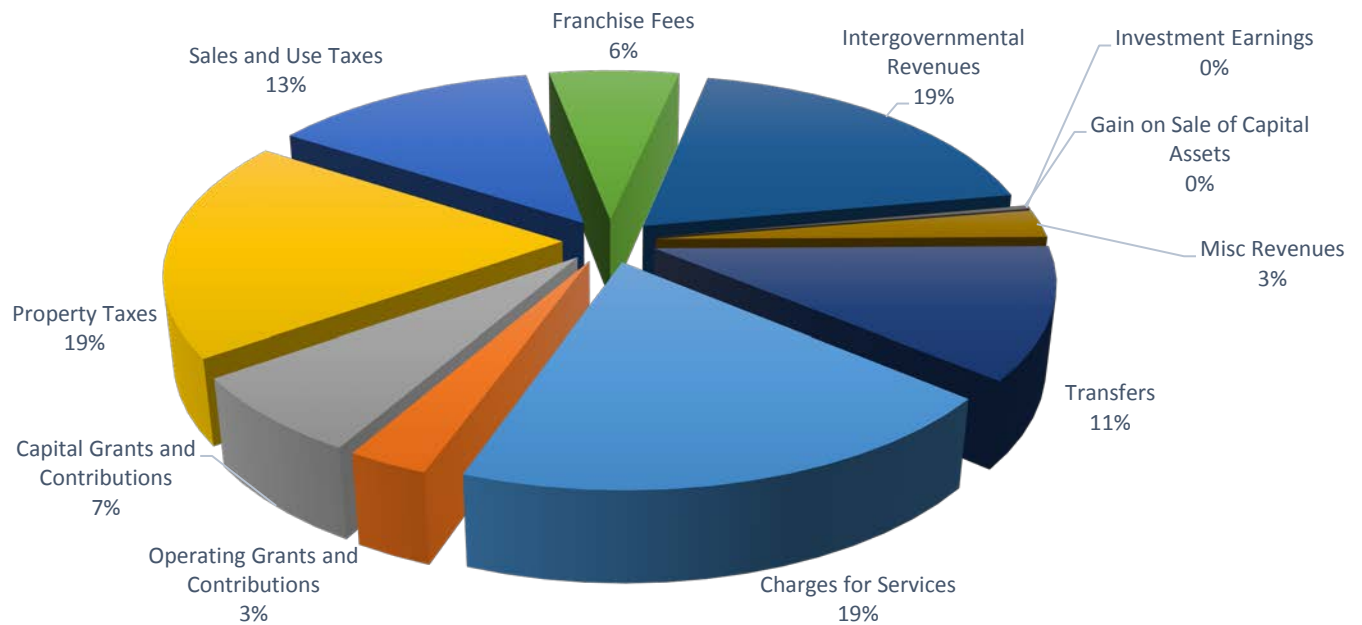
Management's Discussion and Analysis – (Continued)

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

Revenues by Source – Governmental Activities

	<u>FY 17</u> <u>Revenues</u>	<u>% Of</u> <u>Total</u>	<u>FY 16</u> <u>Revenues</u>	<u>% Of</u> <u>Total</u>
Charges for Services	\$ 10,026,575	19.4%	\$ 9,327,191	20.9%
Operating Grants and Contributions	1,444,573	2.8%	1,510,310	3.4%
Capital Grants and Contributions	3,526,959	6.8%	2,026,202	4.5%
Property Taxes	9,880,495	19.1%	7,874,031	17.6%
Sales and Use Taxes	6,639,790	12.8%	6,023,518	13.5%
Franchise Fees	3,267,605	6.3%	2,945,901	6.6%
Intergovernmental Revenues	9,694,029	18.7%	8,626,786	19.3%
Gain on Sale of Capital Assets	-	0.0%	-	0.0%
Investment Earnings	155,322	0.3%	129,577	0.3%
Misc Revenues	1,253,931	2.4%	246,351	0.6%
Transfers	5,842,946	11.3%	5,984,663	13.4%
Total Revenues	<u>\$ 51,732,225</u>	<u>100.0%</u>	<u>\$ 44,694,530</u>	<u>100.0%</u>

Governmental Activities Source of Revenue



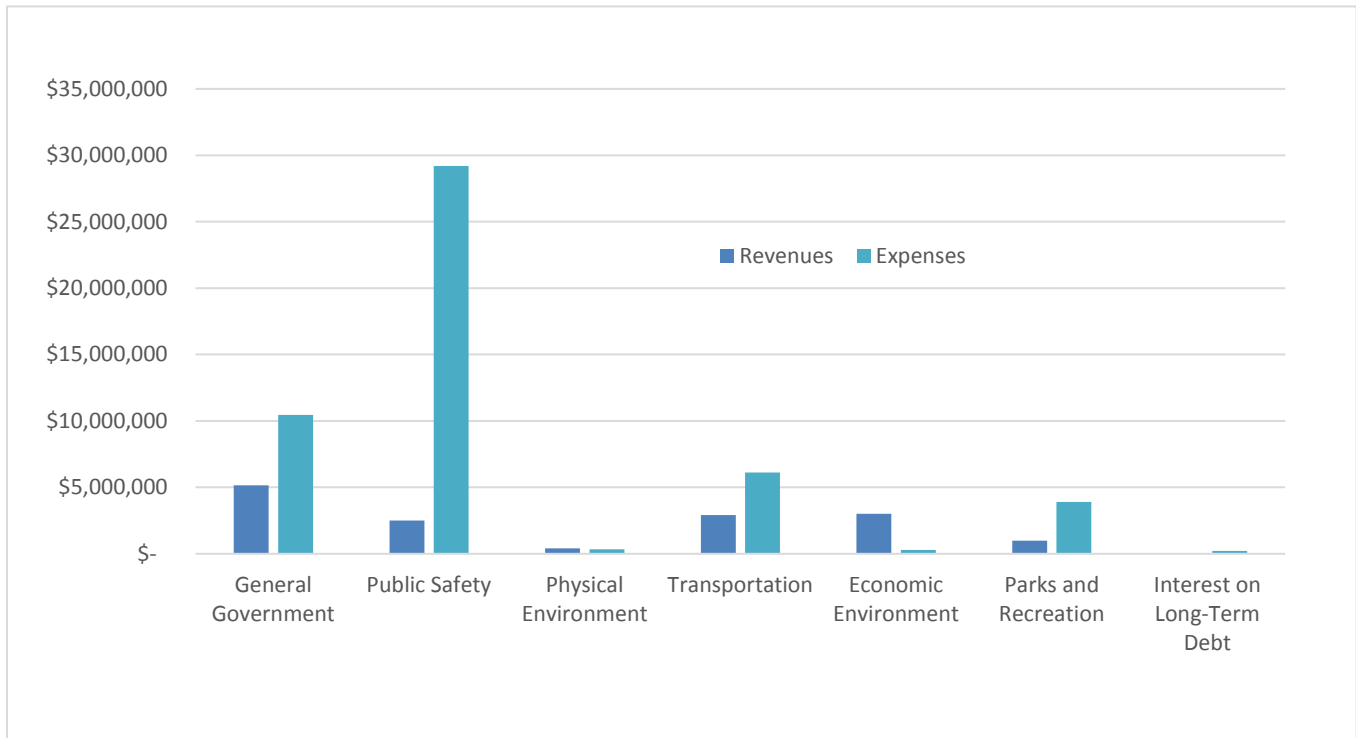
Management's Discussion and Analysis – (Continued)

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

Program Expenses and Program Revenues - Governmental Activities

	<u>FY 17</u> <u>Revenues</u>	<u>% of</u> <u>Total</u>	<u>FY 17</u> <u>Expenses</u>	<u>% of</u> <u>Total</u>
General Government	\$ 5,167,241	34.5%	\$ 10,450,176	20.7%
Public Safety	2,506,292	16.7%	29,189,880	57.8%
Physical Environment	420,852	2.8%	335,011	0.7%
Transportation	2,907,430	19.4%	6,129,087	12.1%
Economic Environment	3,008,658	20.1%	283,246	0.6%
Parks and Recreation	987,634	6.5%	3,899,524	7.7%
Interest on Long-Term Debt	-	0.0%	227,858	0.5%
Totals	<u>\$14,998,107</u>	<u>100.0%</u>	<u>\$ 50,514,782</u>	<u>100.0%</u>

Program Revenues and Program Expenses - Governmental Activities



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

Operating expenses of the governmental-type activities decreased in 2017 to \$50,514,782 as compared to \$54,783,813 in 2016. 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 is dependent on taxes and other non-exchange revenues to subsidize their program operations.

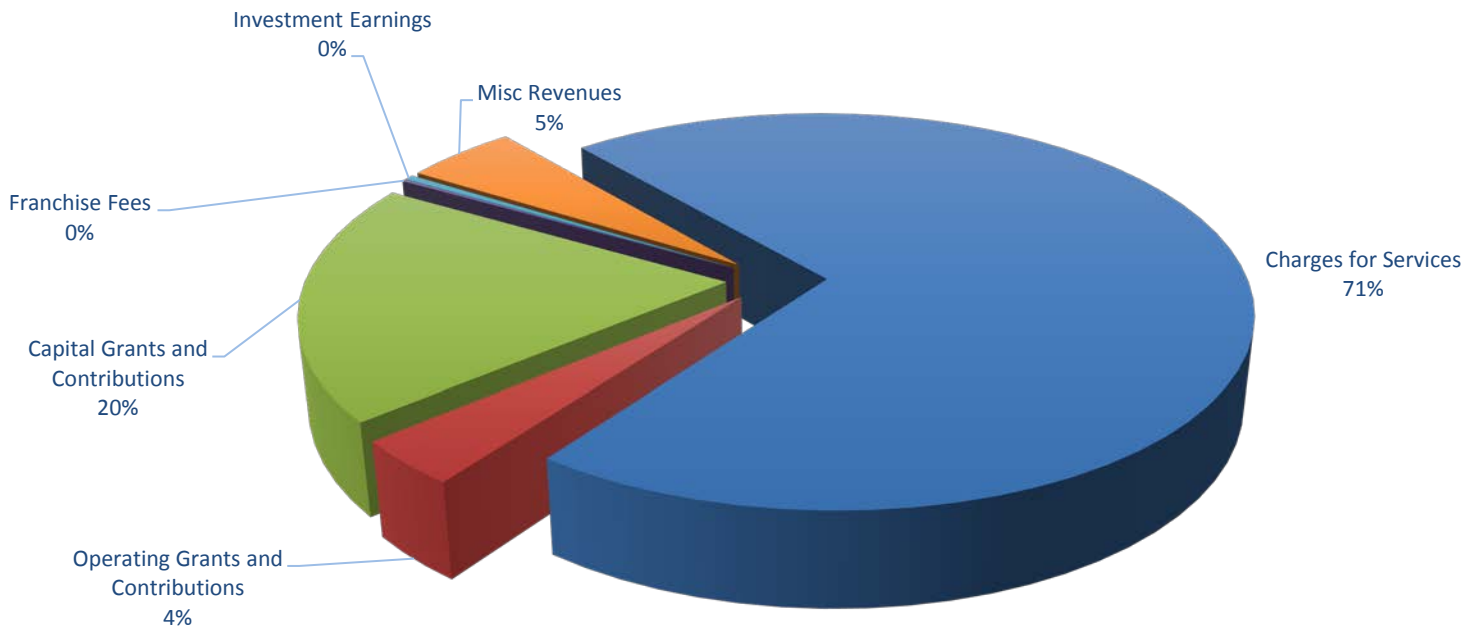
Management's Discussion and Analysis – (Continued)

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

Revenues by Source - Business-type Activities

	FY 17 Revenues	% Of Total	FY 16 Revenues	% Of Total
Charges for Services	\$ 21,606,680	72.8%	\$ 19,723,021	71.2%
Operating Grants and Contributions	764,302	2.6%	1,020,976	3.7%
Capital Grants and Contributions	5,678,396	19.1%	5,395,043	19.5%
Franchise Fees	63,538	0.2%	47,338	0.2%
Investment Earnings	113,538	0.4%	112,761	0.4%
Misc Revenues	1,448,139	4.9%	1,385,982	5.0%
Total Revenues	\$ 29,674,593	100.0%	\$ 27,685,121	100.0%

Business-type Activities Source of Revenue



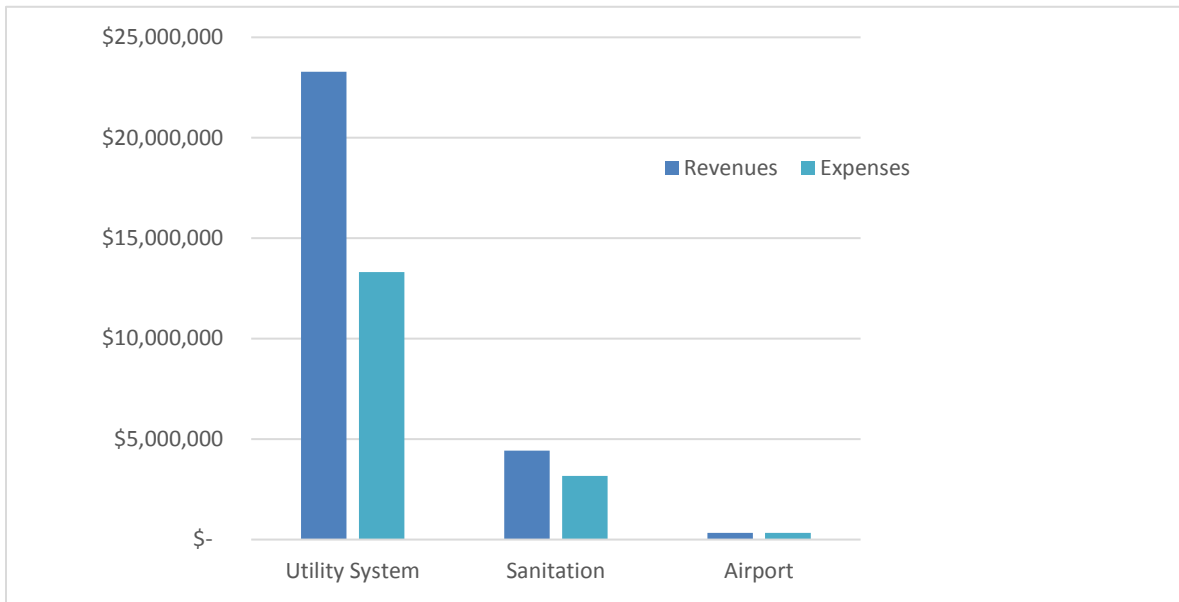
The primary sources of revenues for business-type activities are through charges for services and capital grants and contributions and are useful in identifying how revenues are generated to operate its programs.

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

	<u>FY 17</u> <u>Revenues</u>	<u>% of</u> <u>Total</u>	<u>FY 17</u> <u>Expenses</u>	<u>% of</u> <u>Total</u>
Utility System	\$23,289,989	83.0%	\$ 13,309,805	79.2%
Sanitation	4,422,879	15.8%	3,165,186	18.8%
Airport	336,510	1.2%	330,662	2.0%
Totals	<u>\$28,049,378</u>	<u>100.0%</u>	<u>\$ 16,805,653</u>	<u>100.0%</u>



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, decreased in 2017 to \$22,648,599 as compared to \$25,504,617 in 2016.

Financial Analysis of the City's Funds

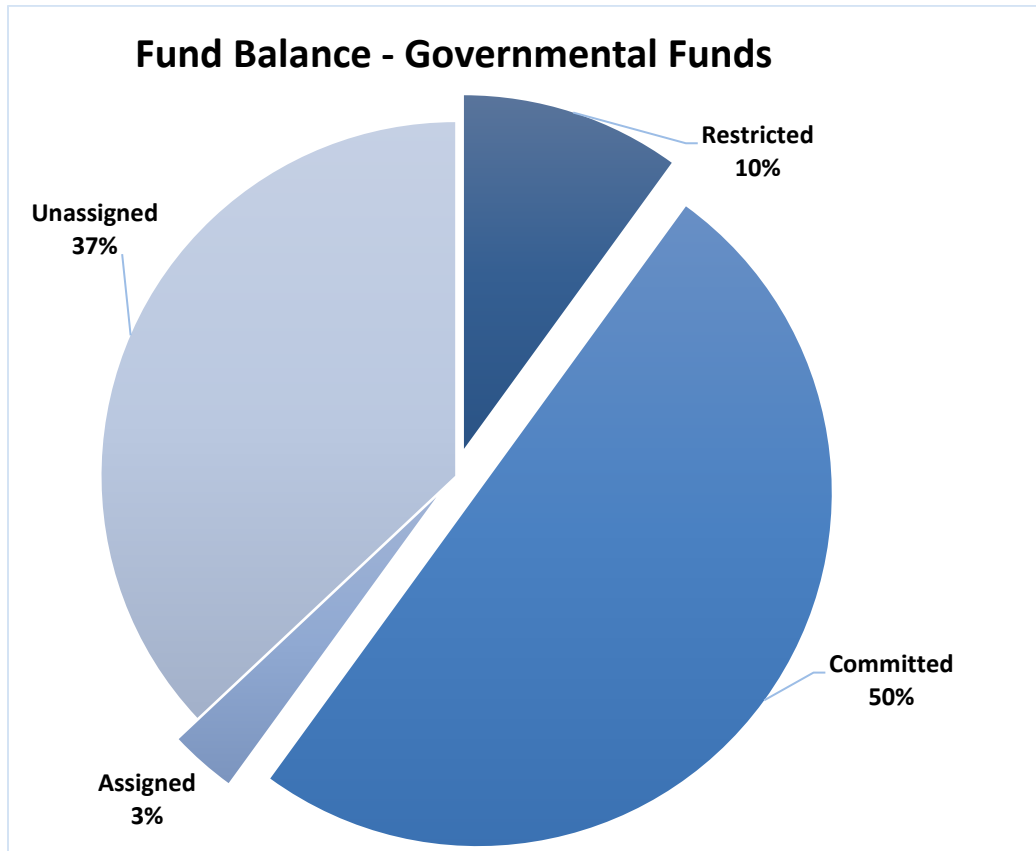
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 \$26,386,933, which was \$1,754,838 more than the \$24,632,095 reported last year. Of the total fund balance, \$2,398,096 or 9.0% is restricted for specific purposes by bond ordinance, action of law, accounting standard requirements or other factors outside management of the City. 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 2017, 50.0% or \$13,248,804 of the fund balance was committed.

Approximately 37.0% or \$9,784,896 of the combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. Another 3.0% or \$855,809 of this amount is assigned to indicate that it is not available for new spending unless management designates it as unassigned.



The General Fund is the chief operating fund of the City. As of September 30, 2017, the unassigned fund balance in the General Fund totaled \$9,913,103. 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 20.7% of total General Fund expenditures of \$47,941,437. Total net position in the General Fund increased by \$1,837,080 during the current fiscal year.

An operating reserve equal to two months' operating expenses in the General Fund should be maintained. At September 30, 2017, the operating reserve calculates to \$7,990,240 and the unassigned fund balance exceeds this reserve amount by \$1,922,863.

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 position in all Proprietary Funds at the end of the current fiscal year as shown on the Proprietary Fund statements amounted to \$4,846,807 compared to \$17,018,263 in the prior year, which is a decrease of \$12,171,456 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, 2017, the operating reserve calculates to \$4,017,997 and the unrestricted net position available equals \$4,846,807 resulting in a surplus of \$828,810 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 Department Directors and 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.

Variances in General Fund Revenues compared to Final Budget

General Fund revenues in the current year were \$2,880,588 more than budgeted, with all categories coming in over budget.

Variances in General Fund Expenditures compared to Final Budget

General Fund expenditures in the current year were \$2,635,853 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, 2017, the City's investment in capital assets for its governmental and business-type activities totaled \$242,154,639. This investment in capital assets, net of depreciation, for all activities is reflected at September 30, 2017 as follows:

Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	\$ 27,784,782	\$ 7,924,275	\$ 35,709,057
Buildings	13,471,860	21,530,530	35,002,390
Improvements	101,447,796	133,777,981	235,225,777
Machinery and Equipment	24,739,667	10,746,084	35,485,751
Automotive Equipment	14,098,812	7,607,849	21,706,661
Construction in Progress	3,666,963	23,559,235	27,226,198
Intangibles	469,838	-	469,838
Total Capital Assets	185,679,718	205,145,954	390,825,672
Less: Accumulated Depreciation	(82,249,853)	(66,421,180)	(148,671,033)
Total Capital Assets - Net	\$ 103,429,865	\$ 138,724,774	\$ 242,154,639

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 \$30,820,648 in notes and bonds outstanding. 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 Orange County Economic Development Department. Their estimated unemployment rates are as follows:

	<u>Apopka</u>	<u>Orange County</u>	<u>State of Florida</u>
September 2017	3.9%	3.5%	4.4
September 2016	4.0%	4.3%	4.7%
Percentage Change	-0.1%	-0.8%	- 0.3%

- For 2017, the U.S. Census Bureau estimated the City's population at 50,000.
- Inflationary trends for Orange County compare favorably to 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, 120 E Main Street, 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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 29,165,383	\$ 18,567,164	\$ 47,732,547
Cash with Fiscal Agent	-	1,052,475	1,052,475
Restricted Cash and Cash Equivalents	1,736,575	1,322,965	3,059,540
Investments	80,585	-	80,585
Accounts Receivable (Net)	1,063,056	3,383,751	4,446,807
Due from Other Governments	1,023,954	224,311	1,248,265
Inventories	99,328	474,726	574,054
Deposits	10,000	-	10,000
Capital Assets, not Being Depreciated	31,451,745	31,483,509	62,935,254
Capital Assets Being Depreciated, Net of Depreciation	71,978,120	107,241,265	179,219,385
Total Assets	136,608,746	163,750,166	300,358,912
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows for Refunding	-	171,427	171,427
Deferred Outflows for Pensions	4,951,121	290,468	5,241,589
Total Deferred Outflows of Resources	4,951,121	461,895	5,413,016
LIABILITIES			
Accounts Payable	2,836,507	4,722,379	7,558,886
Due to Other Governments	1,585,102	-	1,585,102
Accrued Liabilities	689,489	116,261	805,750
Accrued Interest Payable	81,832	-	81,832
Customer Utility Deposits	-	1,041,524	1,041,524
Unearned Revenue	615,480	152,421	767,901
Deposits	34,175	-	34,175
Long-term Liabilities:			
Due Within One Year			
Bonds Payable	165,000	800,000	965,000
Notes Payable	2,413,298	247,000	2,660,298
Capital Lease	423,601	-	423,601
Compensated Absences	1,020,531	243,345	1,263,876
Due in More Than One Year			
Bonds Payable	179,761	15,062,022	15,241,783
Notes Payable	7,735,592	7,843,273	15,578,865
Capital Lease	2,766,209	-	2,766,209
Compensated Absences	942,029	224,626	1,166,655
Net Pension Liability	19,326,666	1,790,184	21,116,850
Other Postemployment Benefits	14,689,260	3,904,740	18,594,000
Total Liabilities	55,504,532	36,147,775	91,652,307
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows for Pensions	4,660,644	397,859	5,058,503
Total Deferred Inflows of Resources	4,660,644	397,859	5,058,503
NET POSITION			
Net Investment in Capital Assets	89,746,404	122,538,179	212,284,583
Restricted For:			
Capital Improvements	-	281,441	281,441
Street Improvements	1,400,041	-	1,400,041
Law Enforcement	336,534	-	336,534
Public Safety	42,755	-	42,755
Culture and Recreation	2,717	-	2,717
Capital Projects	616,049	-	616,049
Unrestricted (Deficit)	(10,749,809)	4,846,807	(5,903,002)
Total Net Position	\$ 81,394,691	\$ 127,666,427	\$ 209,061,118

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, 2017

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	\$ 10,450,176	\$ 5,035,980	\$ 131,261	\$ -	\$ (5,282,935)	\$ -	\$ (5,282,935)
Public Safety	29,189,880	1,309,862	1,196,430	-	(26,683,588)	-	(26,683,588)
Physical Environment	335,011	-	-	420,852	85,841	-	85,841
Transportation	6,129,087	-	32,059	2,875,371	(3,221,657)	-	(3,221,657)
Economic Environment	283,246	3,003,569	-	5,089	2,725,412	-	2,725,412
Culture and Recreation	3,899,524	677,164	84,823	225,647	(2,911,890)	-	(2,911,890)
Interest on Long-Term Debt	227,858	-	-	-	(227,858)	-	(227,858)
Total Governmental Activities	<u>50,514,782</u>	<u>10,026,575</u>	<u>1,444,573</u>	<u>3,526,959</u>	<u>(35,516,675)</u>	<u>-</u>	<u>(35,516,675)</u>
Business-Type Activities:							
Utility System	13,309,805	16,847,291	764,302	5,678,396	-	9,980,184	9,980,184
Sanitation	3,165,186	4,422,879	-	-	-	1,257,693	1,257,693
Airport Fuel	330,662	336,510	-	-	-	5,848	5,848
Total Business-Type Activities	<u>16,805,653</u>	<u>21,606,680</u>	<u>764,302</u>	<u>5,678,396</u>	<u>-</u>	<u>11,243,725</u>	<u>11,243,725</u>
Total Primary Government	<u>\$ 67,320,435</u>	<u>\$ 31,633,255</u>	<u>\$ 2,208,875</u>	<u>\$ 9,205,355</u>	<u>(35,516,675)</u>	<u>11,243,725</u>	<u>(24,272,950)</u>
General Revenues:							
Property Tax					9,880,495	-	9,880,495
Gas Tax					1,623,250	-	1,623,250
Utility Tax					3,527,945	-	3,527,945
Communication Services Tax					1,488,595	-	1,488,595
1/2 Cent Sales Tax					7,372,446	-	7,372,446
State Shared Revenues					2,321,583	-	2,321,583
Franchise Fees					3,267,605	63,538	3,331,143
Investment Earnings					155,322	113,538	268,860
Miscellaneous					1,253,931	1,448,139	2,702,070
Transfers					5,842,946	(5,842,946)	-
Total General Revenues/Transfers					<u>36,734,118</u>	<u>(4,217,731)</u>	<u>32,516,387</u>
Change in Net Position					1,217,443	7,025,994	8,243,437
Net Position - Beginning					80,177,248	120,640,433	200,817,681
Net Position - Ending					<u>\$ 81,394,691</u>	<u>\$ 127,666,427</u>	<u>\$ 209,061,118</u>

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

CITY OF AOPKA, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2017

		Community Redevelopment (CRA)	Nonmajor Governmental Funds	Total Governmental Funds
	General			
ASSETS				
Cash and Cash Equivalents	\$ 16,448,145	\$ 2,091,524	\$ 10,625,714	\$ 29,165,383
Restricted Assets:				
Cash and Cash Equivalents	-	-	1,736,575	1,736,575
Investments	80,585	-	-	80,585
Accounts Receivable	1,026,556	-	36,500	1,063,056
Due from Other Governments	749,590	-	274,364	1,023,954
Inventories	99,328	-	-	99,328
Other Assets - Deposit	10,000	-	-	10,000
Total Assets	<u>\$ 18,414,204</u>	<u>\$ 2,091,524</u>	<u>\$ 12,673,153</u>	<u>\$ 33,178,881</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,362,304	\$ -	\$ 474,203	\$ 2,836,507
Due to Other Governments	1,585,102	-	-	1,585,102
Accrued Liabilities	642,242	-	47,247	689,489
Deposits	30,385	-	3,790	34,175
Unearned Revenues	615,480	-	-	615,480
Total Liabilities	<u>5,235,513</u>	<u>-</u>	<u>525,240</u>	<u>5,760,753</u>
Deferred Inflows of Resources				
Unavailable Revenues	898,000	-	133,195	1,031,195
Total Deferred Inflows of Resources	<u>898,000</u>	<u>-</u>	<u>133,195</u>	<u>1,031,195</u>
FUND BALANCES				
Nonspendable:				
Inventory	99,328	-	-	99,328
Restricted:				
Street Improvements	-	-	1,400,041	1,400,041
Law Enforcement	-	-	336,534	336,534
Pension Beneficiaries	-	-	-	-
Fire	42,755	-	-	42,755
Culture and Recreation	2,717	-	-	2,717
Capital Projects	616,049	-	-	616,049
Committed:				
Transportation Improvements	-	-	7,099,522	7,099,522
Recreation Improvements	-	-	590,838	590,838
Stormwater Improvements	-	-	2,172,797	2,172,797
Community Redevelopment	-	2,091,524	-	2,091,524
Law Enforcement	-	-	303,217	303,217
Impact Fees	-	-	239,976	239,976
Storage Retention	229,963	-	-	229,963
Tree Bank	520,967	-	-	520,967
Assigned:				
Culture and Recreation	555,809	-	-	555,809
Insurance	300,000	-	-	300,000
Unassigned	9,913,103	-	(128,207)	9,784,896
Total Fund Balances	<u>12,280,691</u>	<u>2,091,524</u>	<u>12,014,718</u>	<u>26,386,933</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 18,414,204</u>	<u>\$ 2,091,524</u>	<u>\$ 12,673,153</u>	<u>\$ 33,178,881</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, 2017

Total fund balances of governmental funds		\$ 26,386,933
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.		103,429,865
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	\$ 4,951,121	
Deferred inflows of resources for pensions	<u>(4,660,644)</u>	290,477
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	(335,000)	
Notes payable	(10,148,890)	
Capital lease	(3,189,810)	
Accrued interest payable	(81,832)	
Other postemployment benefits	(14,689,260)	
Net pension liability	(19,326,666)	
Compensated absences	<u>(1,962,560)</u>	(49,734,018)
Note premiums are reported in the governmental funds when first issued, whereas these amounts are deferred and amortized in the government-wide statements.		(9,761)
Deferred inflows from federal and state grants recognized as revenue of the current period.		<u>1,031,195</u>
Total net position of governmental activities		<u>\$ 81,394,691</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, 2017

	General	Community Redevelopment (CRA)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 15,567,049	\$ 309,301	\$ 1,623,250	\$ 17,499,600
Licenses, Fees and Permits	6,855,004	-	-	6,855,004
Special Assessments	-	-	65,094	65,094
Impact Fees	-	-	3,331,797	3,331,797
Intergovernmental Revenues	10,134,502	-	372,498	10,507,000
Charges for Services	2,326,003	-	1,108,858	3,434,861
Fines and Forfeitures	2,261,681	-	25,709	2,287,390
Investment Earnings	89,060	10,397	55,865	155,322
Miscellaneous Revenues	1,737,424	-	13,655	1,751,079
Total Revenues	<u>38,970,723</u>	<u>319,698</u>	<u>6,596,726</u>	<u>45,887,147</u>
EXPENDITURES				
Current:				
General Government	8,377,008	-	14,312	8,391,320
Public Safety	32,203,539	-	360,343	32,563,882
Physical Environment	139,200	-	215,647	354,847
Transportation	946,284	-	6,317,889	7,264,173
Economic Environment	-	283,246	-	283,246
Culture and Recreation	3,502,929	-	210,369	3,713,298
Debt Service:				
Principal Payments	2,520,917	-	-	2,520,917
Interest and Fiscal Charges	251,560	-	-	251,560
Total Expenditures	<u>47,941,437</u>	<u>283,246</u>	<u>7,118,560</u>	<u>55,343,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,970,714)</u>	<u>36,452</u>	<u>(521,834)</u>	<u>(9,456,096)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,102,742	-	821,590	6,924,332
Transfers (Out)	(785,965)	-	(295,421)	(1,081,386)
Capital Lease Proceeds	2,967,988	-	-	2,967,988
Note Proceeds	2,400,000	-	-	2,400,000
Total Other Financing Sources (Uses)	<u>10,684,765</u>	<u>-</u>	<u>526,169</u>	<u>11,210,934</u>
Net Change in Fund Balances	1,714,051	36,452	4,335	1,754,838
Fund Balances - Beginning	<u>10,566,640</u>	<u>2,055,072</u>	<u>12,010,383</u>	<u>24,632,095</u>
Fund Balances - Ending	<u>\$ 12,280,691</u>	<u>\$ 2,091,524</u>	<u>\$ 12,014,718</u>	<u>\$ 26,386,933</u>

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

CITY OF AOPKA, 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, 2017

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

Net change in fund balances - total governmental funds	\$	1,754,838
<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	\$ 10,794,071	
Contributions of capital assets	-	
Less current year depreciation	<u>(5,320,793)</u>	5,473,278
<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	(2,400,000)	
Issuance of capital lease	(2,967,988)	
<p>Principal repayments:</p>		
Notes payable	<u>2,520,917</u>	(2,847,071)
<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	(260,988)	
Other postemployment benefits	(126,123)	
Accrued interest on long-term debt	<u>20,490</u>	(366,621)
<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		(2,802,325)
<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>		
		<u>2,132</u>
Change in net position of governmental activities	\$	<u>1,217,443</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
GENERAL FUND
For the Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 14,747,525	\$ 14,747,525	\$ 15,567,049	\$ 819,524
Licenses, Fees and Permits	5,817,000	5,817,000	6,855,004	1,038,004
Intergovernmental Revenues	10,011,750	10,011,750	10,134,502	122,752
Charges for Services	2,412,360	2,412,360	2,326,003	(86,357)
Fines and Forfeitures	2,149,500	2,149,500	2,261,681	112,181
Investment Earnings	57,500	57,500	89,060	31,560
Miscellaneous Revenues	837,000	894,500	1,737,424	842,924
Total Revenues	<u>36,032,635</u>	<u>36,090,135</u>	<u>38,970,723</u>	<u>2,880,588</u>
EXPENDITURES				
Current:				
General Government	6,363,001	6,548,896	8,377,008	(1,828,112)
Public Safety	31,566,627	32,858,027	32,203,539	654,488
Physical Environment	2,277,522	2,397,879	139,200	2,258,679
Transportation	2,846,677	3,067,345	946,284	2,121,061
Culture and Recreation	2,701,591	2,761,086	3,502,929	(741,843)
Debt Service:				
Principal Payments	2,703,026	2,703,026	2,520,917	182,109
Interest and Fiscal Charges	241,031	241,031	251,560	(10,529)
Total Expenditures	<u>48,699,475</u>	<u>50,577,290</u>	<u>47,941,437</u>	<u>2,635,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,666,840)</u>	<u>(14,487,155)</u>	<u>(8,970,714)</u>	<u>5,516,441</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,357,867	6,357,867	6,102,742	(255,125)
Transfers (Out)	(596,102)	(596,102)	(785,965)	(189,863)
Other Financing Sources	5,110,245	5,110,245	5,367,988	257,743
Total Other Financing Sources (Uses)	<u>10,872,010</u>	<u>10,872,010</u>	<u>10,684,765</u>	<u>(187,245)</u>
Net Change in Fund Balances	(1,794,830)	(3,615,145)	1,714,051	5,329,196
Fund Balances - Beginning	<u>10,630,726</u>	<u>10,630,726</u>	<u>10,566,640</u>	<u>(64,086)</u>
Fund Balance - Ending	<u>\$ 8,835,896</u>	<u>\$ 7,015,581</u>	<u>\$ 12,280,691</u>	<u>\$ 5,265,110</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 309,301	\$ 219,301
Intergovernmental Revenues	140,000	140,000	-	(140,000)
Investment Earnings	<u>5,000</u>	<u>5,000</u>	<u>10,397</u>	<u>5,397</u>
Total Revenues	<u>235,000</u>	<u>235,000</u>	<u>319,698</u>	<u>84,698</u>
EXPENDITURES				
Current:				
Economic Environment	<u>2,285,439</u>	<u>2,285,439</u>	<u>283,246</u>	<u>2,002,193</u>
Total Expenditures	<u>2,285,439</u>	<u>2,285,439</u>	<u>283,246</u>	<u>2,002,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,050,439)</u>	<u>(2,050,439)</u>	<u>36,452</u>	<u>2,086,891</u>
Net Change in Fund Balances	(2,050,439)	(2,050,439)	36,452	2,086,891
Fund Balances - Beginning	<u>2,055,072</u>	<u>2,055,072</u>	<u>2,055,072</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,633</u>	<u>\$ 4,633</u>	<u>\$ 2,091,524</u>	<u>\$ 2,086,891</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, 2017

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Utility System	Sanitation	Airport Fuel	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 17,595,570	\$ 915,170	\$ 56,424	\$ 18,567,164
Cash with Fiscal Agent	1,052,475	-	-	1,052,475
Restricted Cash and Cash Equivalents:				
Customer Utility Deposits	1,041,524	-	-	1,041,524
Capital Improvements	281,441	-	-	281,441
Accounts Receivable, Net	2,740,905	642,846	-	3,383,751
Inventories	446,798	-	27,928	474,726
Due from Other Governments	224,311	-	-	224,311
Total Current Assets	<u>23,383,024</u>	<u>1,558,016</u>	<u>84,352</u>	<u>25,025,392</u>
Noncurrent Assets:				
Capital Assets:				
Land	7,924,275	-	-	7,924,275
Buildings	21,505,680	-	-	21,505,680
Infrastructure	133,802,832	-	-	133,802,832
Equipment and Machinery	9,538,631	1,207,453	-	10,746,084
Vehicles	2,871,306	4,736,543	-	7,607,849
Construction in Progress	23,559,234	-	-	23,559,234
Less: Accumulated Depreciation	(62,286,617)	(4,134,563)	-	(66,421,180)
Total Capital Assets (Net)	<u>136,915,341</u>	<u>1,809,433</u>	<u>-</u>	<u>138,724,774</u>
Total Noncurrent Assets	<u>136,915,341</u>	<u>1,809,433</u>	<u>-</u>	<u>138,724,774</u>
Total Assets	<u>160,298,365</u>	<u>3,367,449</u>	<u>84,352</u>	<u>163,750,166</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	171,427	-	-	171,427
Deferred Outflows for Pensions	235,141	55,327	-	290,468
Total Deferred Outflows of Resources	<u>406,568</u>	<u>55,327</u>	<u>-</u>	<u>461,895</u>

Continued

CITY OF APOPKA, FLORIDA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
September 30, 2017

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Utility System	Sanitation	Airport Fuel	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 4,580,316	\$ 141,255	\$ 808	\$ 4,722,379
Accrued Liabilities	94,970	21,291	-	116,261
Compensated Absences	212,422	30,923	-	243,345
Customer Utility Deposits	1,041,524	-	-	1,041,524
Current Portion of Bonds Payable	800,000	-	-	800,000
Current Portion of Notes Payable	-	247,000	-	247,000
Unearned Revenue	152,421	-	-	152,421
Total Current Liabilities	6,881,653	440,469	808	7,322,930
Noncurrent Liabilities:				
Compensated Absences	196,082	28,544	-	224,626
Bonds Payable	15,062,022	-	-	15,062,022
Notes Payable	7,594,273	249,000	-	7,843,273
Other Postemployment Benefits Liability	3,160,980	743,760	-	3,904,740
Net Pension Liability	1,449,197	340,987	-	1,790,184
Total Noncurrent Liabilities	27,462,554	1,362,291	-	28,824,845
Total Liabilities	34,344,207	1,802,760	808	36,147,775
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for Pensions	322,076	75,783	-	397,859
Total Deferred Inflows of Resources	322,076	75,783	-	397,859
NET POSITION				
Net Investment in Capital Assets	121,224,746	1,313,433	-	122,538,179
Restricted:				
Capital Improvements	281,441	-	-	281,441
Renewal, Replacements, and Improvements	-	-	-	-
Unrestricted (Deficit)	4,532,463	230,800	83,544	4,846,807
Total Net Position	\$ 126,038,650	\$ 1,544,233	\$ 83,544	\$ 127,666,427

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, 2017

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Utility System	Sanitation	Airport Fuel	Totals
Operating Revenues:				
Water Sales	\$ 8,762,951	\$ -	\$ -	\$ 8,762,951
Sewer Charges	6,648,905	-	-	6,648,905
Reclaimed Water Sales	1,435,435	-	-	1,435,435
Sanitation Fees	-	4,422,879	-	4,422,879
Fuel Sales	-	-	336,510	336,510
Miscellaneous Revenues	1,300,935	109,166	38,038	1,448,139
Total Operating Revenues	18,148,226	4,532,045	374,548	23,054,819
Operating Expenses:				
Utility Administration	620,661	-	-	620,661
Water Plant Operations	899,361	-	-	899,361
Wastewater Treatment Plant Operations	2,257,829	-	-	2,257,829
Utility Construction Operations	565,963	-	-	565,963
Water Maintenance	1,343,696	-	-	1,343,696
Utility Billing	692,329	-	-	692,329
Wastewater Maintenance	1,154,349	-	-	1,154,349
Operating Charges	-	2,728,378	-	2,728,378
Fueling Operations	-	-	330,662	330,662
Utility Restoration	232,903	-	-	232,903
Design Engineering	655,412	-	-	655,412
Depreciation	4,160,251	430,195	-	4,590,446
Total Operating Expenses	12,582,754	3,158,573	330,662	16,071,989
Operating Income (Loss)	5,565,472	1,373,472	43,886	6,982,830
Nonoperating Revenues (Expenses):				
Interest Income	109,293	3,798	447	113,538
Interest Expense	(727,051)	(6,613)	-	(733,664)
Franchise Fees	-	63,538	-	63,538
Total Nonoperating Revenues (Expenses)	(617,758)	60,723	447	(556,588)
Income (Loss) Before Contributions and Transfers	4,947,714	1,434,195	44,333	6,426,242
Transfers In	-	-	-	-
Transfers (Out)	(5,303,150)	(539,796)	-	(5,842,946)
Capital Contributions - Impact Fees	5,678,396	-	-	5,678,396
Capital Contributions - Grant	764,302	-	-	764,302
Change in Net Position	6,087,262	894,399	44,333	7,025,994
Total Net Position (Deficit) - Beginning	119,951,388	649,834	39,211	120,640,433
Total Net Position - Ending	\$ 126,038,650	\$ 1,544,233	\$ 83,544	\$ 127,666,427

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, 2017

	Business-Type Activities - Enterprise Funds			
	Major		Nonmajor	
	Utility System	Sanitation	Airport Fuel	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 17,800,196	\$ 4,378,672	\$ 374,548	\$ 22,553,416
Payments to Suppliers	717,813	(1,469,509)	(325,304)	(1,077,000)
Payments to Employees	(6,860,860)	(1,716,111)	-	(8,576,971)
Net Cash Provided (Used) by Operating Activities	<u>11,657,149</u>	<u>1,193,052</u>	<u>49,244</u>	<u>12,899,445</u>
Cash Flows from Noncapital Financing Activities				
Transfers to Other Funds	(5,303,150)	(539,796)	-	(5,842,946)
Franchise Fees	-	63,538	-	63,538
Net Cash (Used) by Noncapital Financing Activities	<u>(5,303,150)</u>	<u>(476,258)</u>	<u>-</u>	<u>(5,779,408)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(22,567,244)	(101,160)	-	(22,668,404)
Proceeds from Note Issued	7,594,273	-	-	7,594,273
Principal Paid on Capital Debt	(725,000)	(244,000)	-	(969,000)
Interest Paid on Capital Debt	(727,051)	(6,613)	-	(733,664)
Capital Contributions - Impact Fees	5,678,396	-	-	5,678,396
Capital Contributions - Grant	764,302	-	-	764,302
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(9,982,324)</u>	<u>(351,773)</u>	<u>-</u>	<u>(10,334,097)</u>
Cash Flows from Investing Activities				
Interest Income Received	109,293	3,798	447	113,538
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(3,519,032)</u>	<u>368,819</u>	<u>49,691</u>	<u>(3,100,522)</u>
Cash and Cash Equivalents at Beginning of Year	<u>23,490,042</u>	<u>546,351</u>	<u>6,733</u>	<u>24,043,126</u>
Cash and Cash Equivalents at End of Year	<u>\$ 19,971,010</u>	<u>\$ 915,170</u>	<u>\$ 56,424</u>	<u>\$ 20,942,604</u>
Cash and Cash Equivalents Classified As:				
Unrestricted Assets	\$ 18,648,045	\$ 915,170	\$ 56,424	\$ 19,619,639
Restricted Assets	1,322,965	-	-	1,322,965
Total Cash and Cash Equivalents	<u>\$ 19,971,010</u>	<u>\$ 915,170</u>	<u>\$ 56,424</u>	<u>\$ 20,942,604</u>

Continued

CITY OF AOPKA, FLORIDA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For The Year Ended September 30, 2017

	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)	\$ 5,565,472	\$ 1,373,472	\$ 43,886	\$ 6,982,830
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	4,160,251	430,195	-	4,590,446
(Increase) Decrease In -				
Accounts receivable	(497,827)	(153,373)	-	(651,200)
Deferred outflows of resources for pensions	387,674	100,376	-	488,050
Inventories	17,649	-	4,550	22,199
Increase (Decrease) In -				
Accounts payable	3,858,861	(9,601)	808	3,850,068
Due to other funds	-	-	-	-
Accrued liabilities	85,068	21,291	-	106,359
Unearned revenue	17,413	-	-	17,413
Compensated absences	36,179	(7,916)	-	28,263
OPEB	(399,762)	(108,791)	-	(508,553)
Net pension liability	(1,884,794)	(492,511)	-	(2,377,305)
Deferred inflows of resources for pensions	178,581	39,910	-	218,491
Customer utility deposits	132,384	-	-	132,384
Total Adjustments	6,091,677	(180,420)	5,358	5,916,615
Net Cash Provided (Used) by Operating Activities	\$ 11,657,149	\$ 1,193,052	\$ 49,244	\$ 12,899,445

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

CITY OF APOPKA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
September 30, 2017

ASSETS

Cash and Cash Equivalents	\$ 10,060,315
Investments:	
U.S. Corporate Stocks	67,158,775
International Corporate Stocks	16,628,898
U.S. Government Bonds & Treasury Bills	<u>42,256,961</u>
Total Investments	126,044,634
Contribution Receivable	<u>1,312,715</u>
Total Assets	<u><u>137,417,664</u></u>

Net Position Restricted for Pensions \$ 137,417,664

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, 2017

ADDITIONS

Contributions:	
Employer	\$ 4,882,863
State	662,485
Members	1,840,481
Total Contributions	7,385,829
Investment Income:	
Interest, Dividends and Other Income	1,873,193
Net Increase (Decrease) in Fair Value of Investments	9,540,335
Gain (Loss) on Sales of Investments	4,042,341
Net Investment Income	15,455,869
Total Additions	22,841,698

DEDUCTIONS

Benefits Paid to Participants	6,137,014
Termination Payments	145,713
Administrative Expense	114,905
Total Deductions	6,397,632

Net Increase in Net Position	16,444,066
-------------------------------------	------------

Net Position Restricted for Pensions

Beginning of Year	120,973,598
End of Year	\$ 137,417,664

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 position 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 governmental 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 (Nonmajor) – 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 and cash equivalents deposits was \$51,844,562 and the depository balances were \$52,730,097 of that balance, \$52,730,097 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 \$10,060,315 in uninsured and uncollateralized cash deposits at September 30, 2017.

3. Investments

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Pension Trust Fund Investments:		
U.S. Government Bonds and Bills	\$42,256,961	3.24
U.S. Corporate Stocks	67,158,775	N/A
International Corporate Stocks	<u>16,628,898</u>	N/A
Total Investments	<u>\$126,044,634</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 limiting maturity terms to one year or less on bank certificates of deposit and to five years or less on U.S. Treasury Bills, Notes, and Bonds. Further, management 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	A1
Standard & Poor’s	AA-
A.M. Best	A+
Fitch	AA-

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, F.S.
- 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 U.S. 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 U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. 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 a 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.

Fair Value of Investments – Investments are stated at fair value with the exception of investments in State Board of Administration’s Local Government Surplus Funds Trust Fund (SBA – an external 2a7-like fund) which is presented at share price.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The level in fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

- U.S Corporate and International Stocks are valued using quoted prices in an active market for identical assets (Level 1 inputs).
- U.S. Government Bonds and Treasury Bills are valued using quoted prices in an active market for identical assets (Level 1 inputs).
- Fixed Income Bonds are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices (Level 2).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Cash, Cash Equivalents, and Investments – continued

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, 2017 and during the year, Deferred Compensation Plan assets were invested in various mutual funds under a custodial account. The City has no fiduciary responsibility for these accounts.

E. Budgets and Budgetary Accounting

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

1. The Mayor submits a proposed operating budget to the City Council for the fiscal year beginning October 1.
2. Public hearings are held to obtain taxpayers' comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds. The budgets adopted for the Enterprise Funds are to comply with bond covenants. The Pension Trust 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 3.7876 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, 2017. 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., roads, 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. 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 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 have 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 one item that qualifies as deferred outflows of resources on its government-wide and proprietary statements of net position, 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, 2017:

Description	General	Special Revenue	Enterprise
Receivables:			
Utility Accounts Billed	\$ 36,663	\$ 36,500	\$ 2,547,915
Utility Unbilled Receivables	-	-	1,121,269
Other:			
Settlement - Duke Energy	898,000	-	-
Taxes - Franchise and Utility	91,893	-	-
Miscellaneous	-	-	24,781
Gross Receivables	1,026,556	36,500	3,693,965
Less: Allowance for Uncollectibles	-	-	(310,214)
Net Total Receivables	\$ 1,026,556	\$ 36,500	\$ 3,383,751

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual interfund transfers for the fiscal year ended September 30, 2017 were:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 6,102,742	\$ 785,965
Enterprise Funds:		
Utility System	-	5,303,150
Sanitation Fund	-	539,796
Special Revenue:		
Streets Improvement Fund*	590,102	-
Law Enforcement Trust*	-	-
Transportation Impact Fees*	158,321	55,800
Stormwater*	-	214,121
Grants Fund*	73,167	-
Special Assessment Fund*	-	25,500
Total Interfund Transfers	<u>\$ 6,924,332</u>	<u>\$ 6,924,332</u>

*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, 2017 are as follows:

Customer utility deposits	1,041,524
Capital improvements	<u>281,441</u>
Total Restricted Assets	<u>\$ 1,322,956</u>

CITY OF AOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS – Continued
September 30, 2017

NOTE 5 – CAPITAL ASSETS

Governmental Activities:	Beginning Balance	Reclassifications and Increases	Reclassifications and Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 27,784,782	\$ -	\$ -	\$ 27,784,782
Construction In Progress	347,821	3,943,796	(624,654)	3,666,963
Total Capital Assets, Not Being Depreciated	28,132,603	3,943,796	(624,654)	31,451,745
Capital Assets, Being Depreciated:				
Buildings	13,247,176	224,684	-	13,471,860
Improvements Other than Buildings	101,174,695	291,168	(18,067)	101,447,796
Machinery and Equipment	20,096,576	4,650,633	(7,542)	24,739,667
Automotive Equipment	12,266,729	2,288,044	(455,961)	14,098,812
Intangibles	449,438	20,400	-	469,838
Total Capital Assets, Being Depreciated	147,234,614	7,474,929	(481,570)	154,227,973
Less Accumulated Depreciation For:				
Buildings	(5,516,162)	(288,489)	-	(5,804,651)
Improvements Other than Buildings	(46,364,513)	(2,863,937)	18,067	(49,210,383)
Machinery and Equipment	(16,534,654)	(1,310,176)	7,542	(17,837,288)
Automotive Equipment	(8,986,613)	(829,156)	455,961	(9,359,808)
Intangibles	(8,688)	(29,035)	-	(37,723)
Total Accumulated Depreciation	(77,410,630)	(5,320,793)	481,570	(82,249,853)
Total Capital Assets, Being Depreciated, Net	69,823,984	(2,154,136)	-	71,978,120
Governmental Activities Capital Assets, Net	\$ 97,956,587	\$ 6,097,932	\$ (624,654)	\$ 103,429,865

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

General Government	\$ 994,092
Public Safety	1,116,309
Transportation	2,483,598
Culture/Recreation	726,794
Total Governmental Activities	\$ 5,320,793

CITY OF APOPKA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS – Continued
September 30, 2017

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	<u>8,199,196</u>	<u>20,312,397</u>	<u>(4,952,358)</u>	<u>23,559,235</u>
Total Capital Assets, Not Being Depreciated	<u>16,123,471</u>	<u>20,312,397</u>	<u>(4,952,358)</u>	<u>31,483,510</u>
Capital Assets, Being Depreciated:				
Buildings	21,480,830	49,700	-	21,530,530
Improvements Other than Buildings	128,115,809	5,662,174	-	133,777,983
Machinery and Equipment	9,618,688	1,349,330	(221,934)	10,746,084
Automotive Equipment	<u>7,332,796</u>	<u>481,165</u>	<u>(206,112)</u>	<u>7,607,849</u>
Total Capital Assets Being Depreciated	<u>166,548,123</u>	<u>7,542,369</u>	<u>(428,046)</u>	<u>173,662,446</u>
Less Accumulated Depreciation For:				
Buildings	(13,941,665)	(698,628)	-	(14,640,293)
Improvements Other than Buildings	(35,684,688)	(2,715,204)	-	(38,399,892)
Machinery and Equipment	(7,587,474)	(757,252)	221,934	(8,122,792)
Automotive Equipment	<u>(5,044,953)</u>	<u>(419,362)</u>	<u>206,112</u>	<u>(5,258,203)</u>
Total Accumulated Depreciation	<u>(62,258,780)</u>	<u>(4,590,446)</u>	<u>428,046</u>	<u>(66,421,180)</u>
Total Capital Assets, Being Depreciated, Net	<u>104,289,343</u>	<u>2,951,923</u>	<u>-</u>	<u>107,241,266</u>
Business-type Activities Capital Assets, Net	<u>\$ 120,412,814</u>	<u>\$ 23,264,320</u>	<u>\$ (4,952,358)</u>	<u>\$ 138,724,776</u>

Depreciation was charged to business-type activities as follows:

Utility System Fund	\$ 4,160,251
Sanitation System Fund	<u>430,195</u>
	<u>\$ 4,590,446</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, 2017:

	Balance			Balance	Balance Due
	Sep. 30, 2016	Additions	Deductions	Sep. 30, 2017	Due Within
					One Year
Governmental Activities:					
Revenue Notes	\$9,926,372	\$2,400,000	\$(2,177,482)	\$10,148,890	\$2,413,298
Add unamortized premium	12,973	-	(3,212)	9,761	-
Bond Payable	490,000	-	(155,000)	335,000	165,000
Capital Lease	410,256	2,967,988	(188,434)	3,189,810	423,601
Other Postemployment Benefits	14,563,137	126,123	-	14,689,260	-
Net Pension Liability	21,283,291	-	(1,956,625)	19,326,666	-
Compensated Absences	1,701,573	1,823,093	(1,562,106)	1,962,560	1,020,531
Total	48,387,602	7,317,204	(6,042,859)	49,661,947	4,022,430
Business-Type Activities:					
Utility Revenue Bonds	15,250,000	-	(770,000)	14,480,000	800,000
Add unamortized premium	1,453,511	-	(206,823)	1,246,688	-
Sanitation Revenue Note	740,000	-	(244,000)	496,000	247,000
SRF Loan - 2017	-	7,594,273	-	7,594,273	-
Other Postemployment Benefits	4,413,293	-	(508,553)	3,904,740	-
Net Pension Liability	4,167,489	-	(2,377,305)	1,790,184	-
Compensated Absences	439,708	778,992	(750,729)	467,971	243,345
Total	26,464,001	8,373,265	(4,857,410)	29,979,856	1,290,345
Total Long-Term Debt	\$74,851,603	\$15,690,469	\$(10,900,269)	\$79,641,803	\$5,239,273

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.

New Debt Issuances

The City issued a note in the amount of \$2,400,000 with Zion Bank, with an interest rate of 1.87%. The proceeds were used to purchase vehicles and associated equipment.

The City also entered into a loan agreement with the Florida Environmental Protection Agency - State Revolving Fund for the City's treatment facilities project. The maximum amount of the loan is \$25,162,100, including capitalized interest. A final repayment schedule will be established upon project completion. Current draws for the loan totaled \$7,594,273 in the fiscal year.

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.

NOTE 6 – LONG-TERM LIABILITIES – continued

Governmental Activities:

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.	\$ 335,000
Capital Improvement Revenue Note, Series 1999A. Non-Ad-Valorem Revenues are pledged monies budgeted and appropriated pursuant to the loan agreement. Principal and interest are due in annual installments of \$30,750, plus interest at 4.870% through January 29, 2019.	61,500
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).	2,820,000
Note payable to Branch Banking and Trust Company (Special Obligation Improvement Revenue Note, Series 2013A), payable from the Non-Ad-Valorem Revenues of the City. Interest is due 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.	690,000
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.	572,000
Note payable to Hancock Bank (Special Obligation Refunding Revenue Note, Series 2016), payable from the Non-Ad-Valorem Revenues of the City. Interest is due semiannually at 1.34% and principal installments are due annually ranging from \$325,000 to \$383,000 through March 1, 2021. This note is serviced by the General Fund.	1,500,000
Note payable to Iberia Bank (Special Obligation Refunding Revenue Note, Series 2013C), payable from the Non-Ad-Valorem Revenues of the City. Interest is due semiannually at 1.20% and principal installments are due annually ranging from \$582,550 to \$603,775 through December 1, 2019. This note is serviced by the General Fund.	1,200,390
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.	905,000
Note payable to Zion Bank (Special Obligation Refunding Revenue Note, Series 2017), payable from the Non-Ad-Valorem Revenues of the City. Interest is due semiannually at 1.87% and principal installments are due annually ranging from \$229,000 to \$249,000 through August 1, 2022. This note is serviced by the General Fund.	2,400,000
	10,483,890
Add: Unamortized premium	9,761
Total Governmental Activities Debt	<u>\$ 10,493,651</u>

NOTE 6 – LONG-TERM LIABILITIES – continued

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 \$18,714,300, and total debt service for 2017 was \$1,319,550. Pledged revenues of the water, reuse, and wastewater system for 2017 amounted to \$21,270,170.

This debt is serviced by the Utility System Fund. \$ 14,480,000

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. 496,000

Loan payable to Florida Water Pollution Control Financing Corporation, payable from the Gross Revenues derived yearly from the operation of the Water and Sewer Systems after payment of the Operation and Maintenance Expense and satisfaction of all yearly payment of the Utility System Refunding Revenue Bonds, Series 2012. Interest is due semiannually at 0.66% and principal installments are due semiannually in the amount of \$685,883 beginning September 15, 2019. This note is serviced by the Utility System Fund. 7,594,273

22,570,273

Add: Unamortized premium 1,246,688

Total Business-Type Activities Debt \$ 23,816,961

The debt service required payments to maturity on the City’s outstanding revenue bonds and notes at September 30, 2017 is as follows:

<u>Fiscal Year</u>	<u>Governmental-Type Activities</u>			<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,578,298	\$ 225,962	\$ 2,804,260	\$ 1,047,000	\$ 538,136	\$ 1,585,136
2019	2,513,436	170,000	2,683,436	1,084,000	503,482	1,587,482
2020	1,752,926	120,352	1,873,278	860,000	477,100	1,337,100
2021	1,793,977	82,210	1,876,187	885,000	451,300	1,336,300
2022	1,450,064	41,322	1,491,386	920,000	415,900	1,335,900
2023-2027	395,189	6,694	401,883	5,210,000	1,475,250	6,685,250
2028-2031	-	-	-	4,970,000	378,450	5,348,450
	<u>\$ 10,483,890</u>	<u>\$ 646,540</u>	<u>\$ 11,130,430</u>	<u>\$ 14,976,000</u>	<u>\$ 4,239,618</u>	<u>\$ 19,215,618</u>

NOTE 6 – LONG-TERM LIABILITIES – continued

Capital Lease Obligations

In fiscal year 2017, the City has four capital lease agreements outstanding. The four capital leases are related to new financial software, new gurneys for the City’s Public Safety Division and two related to various operating equipment for City operations. The future minimum lease obligations are as follows:

<u>Fiscal Year</u>	<u>Governmental-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 427,919	\$ 52,041
2019	428,327	51,633
2020	435,564	44,396
2021	321,403	36,985
2022	272,078	31,990
2023-2027	1,438,637	81,706
	<u>\$ 3,323,928</u>	<u>\$ 298,751</u>

Operating Lease Obligations

The City entered into an agreement with Motorola for them to provide services for the upgrade of the City’s emergency radio system. The future minimum lease obligations are as follows:

<u>Fiscal Year</u>	<u>Lease Payment</u>
	2018
2019	261,340
2020	261,340
2021	261,340
2022	261,340
2023-2025	784,020
	<u>\$ 2,090,720</u>

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.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

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, 2017 is \$1,006,666.

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. The DROP balance as of September 30, 2017 is \$64,390.

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 birthday.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

A. Plan Description and Membership – continued

3. The Municipal Firefighters’ Retirement Plan

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

Employees attaining the age of 55 who have completed 10 or more credited years of service or with 22 years of credited service are entitled to annual benefits of 3.0% of their average final compensation for the best 5 of the last 10 years times years of credited service. The Plan permits early retirement at the completion of 10 years of credited service and attaining the age of 50 years. 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, 2017 is \$1,116,715.

Active employees who retired disabled with disability that occurred in the line of duty shall receive the greater of monthly benefits of 3.6% 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 birthday.

Plan membership for all three City retirement plans as of September 30, 2017 was as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	125	47	37
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	69	5	17
Active Plan Members	<u>209</u>	<u>103</u>	<u>93</u>
	<u>403</u>	<u>155</u>	<u>147</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, 2017 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%
Stable Value	8%
Total	<u>100%</u>

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

B. Pension Plan Investments – continued

For the year ended September 30, 2017, the annual money-weighted rate of return on the Plans’ investments, net of pension investment expense, was 12.7% for all three plans. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The total pension liability was determined by an actuarial valuation as of October 1, 2017 using the following actuarial assumptions applied to all measurement periods:

	General Employees	Police Officers	Firefighters
Inflation	2.5%	2.5%	2.5%
Salary Increases	5.50%	5.50%	5.50%
Investment Rate of Return	7.25%	7.25%	7.25%

Mortality rates were based on the RP-2000 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 allocations as of September 30, 2017 are summarized as follows:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Equity	8.00%
Small Cap Equity	8.75%
Mid Cap Equity	8.50%
International Equity	7.50%
Fixed Income	4.50%
Real Estate	6.75%
Stable Value	4.60%

The discount rate used to measure the total pension liability was 7.25%. 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.

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

General Employees		
1% Decrease to 6.25%	Current Discount Rate of 7.25%	1% Increase to 8.25%
\$15,598,859	\$8,524,687	\$2,668,747
Police Officers		
1% Decrease to 6.25%	Current Discount Rate of 7.25%	1% Increase to 8.25%
\$13,793,613	\$6,714,807	\$890,275
Firefighters		
1% Decrease to 6.25%	Current Discount Rate of 7.25%	1% Increase to 8.25%
\$11,654,862	\$5,877,356	\$1,119,978

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

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/State contributed \$2,081,290 for the year ended September 30, 2017.

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 9% 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 27% of annual covered payroll, subject to a minimum of 4%. Any unfunded accrued liability is amortized over no more than 30 years. The City/State contributed \$2,191,388 for the year ended September 30, 2017.

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 9.3% 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/State contributed \$1,272,669 for the year ended September 30, 2017.

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 \$266,644 and \$395,841, respectively, for the year ended September 30, 2017.

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." There were no applicable "frozen" amounts for the City's Plans for the year ended September 30, 2017.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

D. Actuarial Methods and Significant Assumptions

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Contribution rates:			
Employer	18%	27%	17%
Employee	4.90%	9.00%	9.30%
Actuarial valuation date	10/1/2016	10/1/2017	10/1/2017
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	7.25%	7.25%	7.25%
Projected salary increase	5.5%	5.5%	5.5%
(includes inflation at)	2.5%	2.5%	2.5%

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 at September 30, 2017:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Total Pension Liability			
Service Cost	\$ 1,775,984	\$ 2,422,832	\$ 1,438,974
Interest	3,996,514	3,809,955	2,940,396
Differences Between Expected and Actual			
Experience and Changes in Assumptions	561,919	504,898	941,126
Benefit Payments, Including Refunds of Contrib.	<u>(3,149,475)</u>	<u>(1,975,939)</u>	<u>(1,157,613)</u>
Net Change in Total Pension Liability	3,184,942	4,761,746	4,162,883
Total Pension Liability - Beginning	<u>54,613,386</u>	<u>51,808,728</u>	<u>40,002,533</u>
Total Pension Liability - Ending (a)	<u>\$ 57,798,328</u>	<u>\$ 56,570,474</u>	<u>\$ 44,165,416</u>
Plan Fiduciary Net Position			
Contributions - City	\$ 2,081,290	\$ 2,191,388	\$ 1,272,669
Contributions - Employees	576,071	613,880	650,530
Net Investment Income	5,610,806	5,565,273	4,279,794
Benefit Payments, Including Refunds of Contrib.	(3,149,175)	(1,975,939)	(1,157,613)
Administrative Expense	<u>(39,716)</u>	<u>(39,142)</u>	<u>(36,316)</u>
Net Change in Plan Fiduciary Net Position	5,079,276	6,355,460	5,009,064
Plan Fiduciary Net Position - Beginning	<u>44,194,665</u>	<u>43,500,207</u>	<u>33,278,996</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 49,273,941</u>	<u>\$ 49,855,667</u>	<u>\$ 38,288,060</u>
City's Net Pension Liability - ending (a) - (b)	\$ 8,524,387	\$ 6,714,807	\$ 5,877,356
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.3%	88.1%	86.7%

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

E. Net Pension Liability and Pension Expense - continued

As of September 30, 2015, the City’s total net pension liability amounted to \$25,450,780 for all three defined-benefit pension plans. For the year ended September 30, 2016, the City recognized pension expense of \$1,777,353 related to the General Employees’ Retirement Plan, \$1,864,064 related to the Police Officers’ Retirement Plan, and \$936,800 related to the Firefighters’ Retirement Plan.

F. Deferred Outflows and Deferred Inflows of Resources

At September 30, 2017, 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>
Net difference between projected and actual earnings on plan investments	\$ -	\$ (1,022,529)
Difference between expected and actual experience	57,729	(929,765)
Difference for changes in assumptions	<u>1,383,187</u>	<u>-</u>
Total	<u>1,440,916</u>	<u>(1,952,294)</u>
	<u>Police Officers'</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net difference between projected and actual earnings on plan investments	-	(994,257)
Difference between expected and actual experience	600,486	(851,432)
Difference for changes in assumptions	<u>1,410,652</u>	<u>-</u>
Total	<u>2,011,138</u>	<u>(1,845,689)</u>
	<u>Firefighters'</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net difference between projected and actual earnings on plan investments	-	(767,222)
Difference between expected and actual experience	384,488	(505,421)
Difference for changes in assumptions	<u>1,417,172</u>	<u>-</u>
Total	<u>1,801,660</u>	<u>(1,272,643)</u>
Total All City Plans	<u>\$ 5,253,714</u>	<u>\$ (5,070,626)</u>

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>
2018	\$191,118	\$542,408	\$236,896	\$970,422
2019	219,827	404,870	353,673	978,370
2020	(459,165)	(362,318)	(89,157)	(910,640)
2021	(463,158)	(419,511)	(147,133)	(1,029,802)
2022	-	-	153,278	153,278
After	-	-	21,460	21,460
	<u>\$(511,378)</u>	<u>\$165,449</u>	<u>\$529,017</u>	<u>\$183,088</u>

G. Combining Fiduciary Statements

The Combining Statement of Fiduciary Net Position at September 30, 2017 is stated as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 3,398,553	\$ 3,647,508	\$ 3,014,254	\$ 10,060,315
Investments at fair value	45,522,514	45,527,552	34,994,568	126,044,634
Contributions receivable	<u>352,873</u>	<u>680,606</u>	<u>279,236</u>	<u>1,312,715</u>
Total Assets	<u>49,273,940</u>	<u>49,855,666</u>	<u>38,288,058</u>	<u>137,417,664</u>
Total Net Position	<u>49,273,940</u>	<u>49,855,666</u>	<u>38,288,058</u>	<u>137,417,664</u>

NOTE 7 – EMPLOYEE RETIREMENT SYSTEMS – continued

G. Combining Fiduciary Statements - continued

The Combining Statement of Changes in Fiduciary Net Position at September 30, 2017 is stated as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer Contributions	\$ 2,081,290	\$ 1,795,547	\$ 1,006,026	\$ 4,882,863
State Contributions	-	395,841	266,644	662,485
Member Contributions	576,071	613,880	650,530	1,840,481
Total Contributions	<u>2,657,361</u>	<u>2,805,268</u>	<u>1,923,200</u>	<u>7,385,829</u>
Investment Income (Loss):				
Interest, dividends and other income	674,724	672,749	525,720	1,873,193
Net appreciation (depreciation) in fair value of investments	3,384,727	3,476,552	2,679,056	9,540,335
Gains (losses) on sales of investments	<u>1,551,354</u>	<u>1,415,971</u>	<u>1,075,016</u>	<u>4,042,341</u>
Net Investment Income (Loss)	<u>5,610,805</u>	<u>5,565,272</u>	<u>4,279,792</u>	<u>15,455,869</u>
Total Additions	<u>8,268,166</u>	<u>8,370,540</u>	<u>6,202,992</u>	<u>22,841,698</u>
DEDUCTIONS				
Benefit payments	3,065,039	1,945,630	1,126,345	6,137,014
Termination payments	84,136	30,309	31,268	145,713
Administrative expense	<u>39,716</u>	<u>39,142</u>	<u>36,047</u>	<u>114,905</u>
Total Deductions	<u>3,188,891</u>	<u>2,015,081</u>	<u>1,193,660</u>	<u>6,397,632</u>
CHANGE IN NET POSITION	5,079,275	6,355,459	5,009,332	16,444,066
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year	<u>44,194,665</u>	<u>43,500,207</u>	<u>33,278,726</u>	<u>120,973,598</u>
End of year	<u>\$ 49,273,940</u>	<u>\$ 49,855,666</u>	<u>\$ 38,288,058</u>	<u>\$ 137,417,664</u>

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.

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.

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 POSTEMPLOYMENT BENEFITS (“OPEB”) – continued

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

Membership of each plan consisted of the following:

Date of Actuarial Valuation:	10/01/2016
Retirees and Beneficiaries Receiving Benefits	52
Active Plan Members	<u>419</u>
Total	<u>471</u>

Annual OPEB Cost 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, 2016
Normal Cost (Service cost for one year)	\$ 1,369,120
Amortization of Unfunded Actuarial Accrued Liability	<u>1,631,021</u>
Annual Required Contribution (ARC)	3,000,141
Interest on ARC	708,224
Adjustment to ARC	<u>(1,740,700)</u>
Annual OPEB Cost (Expense)	1,967,665
Employer Contributions Made	<u>(2,350,095)</u>
Decrease in Net OPEB Obligation	(382,430)
Net OPEB Obligation at Beginning of Year	<u>18,976,430</u>
Net OPEB Obligation at End of Year	<u>\$ 18,594,000</u>

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase (Decrease) in Net OPEB Obligation	Net OPEB Obligation
9/30/2017	\$ 1,967,665	31.20%	\$ (382,730)	\$ 18,594,000
9/30/2016	2,754,828	24.24%	2,087,174	18,976,430
9/30/2015	2,793,126	23.10%	2,148,046	16,889,256

NOTE 8 – OTHER POSTEMPLOYMENT 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
10/1/2016	\$ -	\$29,331,799	\$29,331,799	0%	\$23,146,823	127%
10/1/2014	-	27,003,172	27,003,172	0%	21,803,323	124%
10/1/2014	-	24,915,998	24,915,998	0%	21,965,004	113%

- (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 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 **Entry Age Normal**, 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”).

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.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) – continued

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 10/1/2016), the actuarial assumptions used for the calculation of cost and liabilities are as follows:

- 1. Discount Rate: 3.06% per annum
- 2. Mortality Rates: RP-2014 generational table
- 3. Withdrawal Rates: Sample rates of withdrawal for employees:

Age	General	Police & Fire
20	38.6%	6.0%
30	19.4%	5.0%
40	7.3%	2.6%
50	2.7%	0.8%
60	1.2%	0.2%

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

Age	General	Police & Fire
20	0.07%	0.09%
30	0.11%	0.12%
40	0.19%	0.21%
50	0.51%	0.54%
60	1.70%	2.70%

- 5. Plan Participation: The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 60% of all pre-65 employees and 6% of all post-65 employees, and their dependents, who are eligible for early retiree benefits will participate in the retiree medical plan. 100% of pre-65 employees who are eligible for the subsidy are assumed to participate in the medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.

- 6. Health Care Cost Trend Rate: The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study, and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Medical and Rx Benefits	7.0%	4.5%
Stop Loss Fees	7.0%	4.5%
Administrative Fees	4.5%	4.5%

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) - continued

Actuarial Methods and Assumptions

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

Valuation Date	October 1, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Factor
Remaining Amortization Period	12 years closed
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	3.06%
Projected Salary Increases	3.50%
Inflation Rate	2.50%

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	\$96,293,205	Buildings and Personal Property	
	Not Included	Electronic Data Processing	
	\$50,000,000	Flood, per occurrence	
	Included	Radio equipment	
	Not Included	Valuable papers	
	\$250,000	A/R, per location to a maximum of \$250,000	
	\$50,000,000	Boiler and Machinery	
	\$700,000	Business income with extra expense	
	Automobile	\$2,000,000	Liability combined single limit, per occurrence
		Statutory	Personal Injury protection
Excluded		Uninsured/Underinsured motorists bodily injury liability	
Included		Hired and Non-Owned Physical damage	
Included		Hired and Non-Owned Auto Liability	
Crime	\$500,000	Employee Dishonesty	
	\$500,000	Money & Securities inside and outside	
	\$500,000	Forgery or Alteration	
General Liability	\$2,000,000	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	\$2,000,000	Per occurrence	
Cyber Liability	\$1,000,000	Per member	
	\$5,000,000	Per pool aggregate	
Public Employee Position Bond	\$1,000,000	Per person	
Public Officials Errors and Omissions Liability	\$2,000,000	Each occurrence	
	\$2,000,000	Sexual Harassment	
Law Enforcement Officers Liability	\$2,000,000	Each occurrence	
Statutory Death Benefit (Police, Fire, General)	\$60,000	Per covered person	
Fiduciary Responsibility	\$1,000,000	For all claims	
Pollution Liability	\$1,000,000	Each occurrence and aggregate	
Underground Storage Tank Pollution Liability	\$1,000,000	Each incident and policy aggregate	
Employee Benefits Liability	\$2,000,000	Each occurrence	

NOTE 9 – RISK MANAGEMENT - continued

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Limitations</u>
Umbrella Liability	\$3,000,000	Each occurrence excess \$2,000,000 underlying CGL, Law Enforcement, Auto, E&O, Employee Benefits Liability
Workers' Compensation	Statutory	
Employers' Liability	\$3,000,000	Each accident, disease, aggregate by disease
Business Travel Accident	Varies	Varies

There have been no significant reductions in insurance coverage during fiscal year 2016-2017. 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, 2017:

The Transportation Impact Fees Fund actual expenditures exceeded the budgeted expenditures in the amount of \$753,170 primarily due to actual impact fees being higher than budgeted, which increased spending and under-budgeted expenditures.

B. Deficit Ending Fund Balance / Net Position

The Special Assessment Fund had a deficit ending fund balance at September 30, 2017. This deficit will be remedied in future periods from special assessment receipts and additional transfers from the General Fund for project overruns.

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 governments. 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, 2017, there were uncompleted construction contracts as follows:

<u>Vendor</u>	<u>Commitment Remaining</u>
Garney Construction	<u>\$17,136,000</u>
Total	<u><u>\$17,136,000</u></u>

This Page Intentionally Left Blank

REQUIRED SUPPLEMENTARY INFORMATION

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

	GENERAL EMPLOYEES					POLICE OFFICERS					FIREFIGHTERS				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013	2017	2016	2015	2014	
Actuarially Determined Contribution	\$ 1,826,874	\$ 1,674,255	\$ 1,691,531	\$ 1,767,282	\$ 1,908,003	\$ 1,684,763	\$ 1,714,708	\$ 1,724,146	\$ 1,724,146	\$ 1,093,683	\$ 761,586	\$ 974,234	\$ 1,072,495		
Contributions in Relation to the Actuarially Determined Contribution	(2,081,290)	(1,777,353)	(1,665,895)	(1,837,650)	(2,191,388)	(1,864,064)	(1,902,126)	(1,856,270)	(1,856,270)	(1,272,669)	(936,800)	(1,043,401)	(1,097,949)		
Contribution Deficiency (Excess)	\$ (254,416)	\$ (103,098)	\$ 25,636	\$ (70,338)	\$ (283,385)	\$ (179,301)	\$ (187,418)	\$ (132,124)	\$ (132,124)	\$ (178,986)	\$ (175,214)	\$ (69,167)	\$ (25,454)		
Covered Employee Payroll	\$ 11,041,275	\$ 10,237,697	\$ 9,772,660	\$ 9,817,061	\$ 6,759,969	\$ 6,232,611	\$ 5,592,025	\$ 5,463,618	\$ 5,463,618	\$ 6,167,707	\$ 5,333,015	\$ 4,960,180	\$ 4,701,480		
Contributions as a Percentage of Covered Employee Payroll	18.85%	17.36%	17.05%	18.72%	32.42%	29.91%	34.01%	33.98%	33.98%	20.63%	17.57%	21.04%	23.35%		
Valuation Date	10/1/2016	10/1/2015	10/1/2014	10/1/2012	10/1/2016	10/1/2015	10/1/2014	10/1/2012	10/1/2012	10/1/2016	10/1/2015	10/1/2014	10/1/2012		
Funding Method			Entry Age Normal			Entry Age Normal					Entry Age Normal				
Amortization Method			Level % of Pay Closed			Level % of Pay Closed					Level % of Pay Closed				
Remaining Amortization Period			30 Years			30 Years					30 Years				
Asset Valuation Method			4-Year Smoothed Market Value			4-Year Smoothed Market Value					4-Year Smoothed Market Value				
Inflation			3.00%			3.00%					3.00%				
Salary Increases			Salary is assumed to increase at the rate of 5.50%			Salary is assumed to increase at the rate of 5.50%					Salary is assumed to increase at the rate of 5.50%				
Interest Rate	7.25% per year		7.50% per year			7.25% per year					7.25% per year				
Retirement Age			Age 57			Earlier of attainment of age 45 with 10 years of credited service, or 20 years of service regardless of age.					Earlier of attainment of age 55 with 10 years of credited service, or 22 years of service regardless of age.				
Early Retirement			Commencing with attainment of Early Retirement Status (age 47 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.			Commencing with attainment of Early Retirement Status (age 40 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.					Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.				
Termination Rates			See table below.			See table below.					See table below.				
Disability Rates			See table below.			See table below.					See table below.				
Mortality			RP-2000 Male Disabled set back 4 yrs, Female Disabled set forward 2 yrs			RP-2000 Male Disabled set forward 5 yrs					RP-2000 Generational Scale BB				
Other Information			Termination and Disability Rate Table			Termination and Disability Rate Table					Termination and Disability Rate Table				
Age			% Terminating During the Year			% Terminating During the Year					% Terminating During the Year				
20			38.6%			6.0%					6.0%				
30			19.4%			5.0%					5.0%				
40			7.3%			2.6%					2.6%				
50			2.7%			0.8%					0.8%				
60			1.2%			0.2%					0.2%				
													% Becoming Disabled During the Year		
														0.09%	
														0.12%	
														0.21%	
														0.54%	
														2.70%	

Note to the Schedule:
Plan information is only available for years 2014 through 2017. Subsequent years will be added for a full ten-year trend to be presented.

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

	2017			2016			2015			2014		
	GENERAL EMPLOYEES	POLICE OFFICERS	FIREFIGHTERS	GENERAL EMPLOYEES	POLICE OFFICERS	FIREFIGHTERS	GENERAL EMPLOYEES	POLICE OFFICERS	FIREFIGHTERS	GENERAL EMPLOYEES	POLICE OFFICERS	FIREFIGHTERS
Total Pension Liability												
Service Cost	\$ 1,775,984	\$ 2,422,832	\$ 1,438,974	\$ 1,724,102	\$ 2,157,662	\$ 1,269,608	\$ 1,629,195	\$ 1,934,067	\$ 993,460	\$ 1,564,998	\$ 1,885,080	\$ 1,107,888
Interest	3,996,514	3,809,955	2,940,396	3,768,999	3,487,029	2,699,641	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	-	-	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	561,919	504,898	941,126	144,541	1,030,680	541,295	458,032	1,160,806	670,993	(54,827)	146,571	(461,117)
Net Change in Total Pension Liability	(3,149,475)	(1,975,939)	(1,157,613)	(2,461,778)	(2,183,366)	(1,225,547)	(2,094,964)	(1,386,946)	(1,728,061)	(1,663,848)	(1,403,290)	(1,294,371)
Total Pension Liability - Beginning	3,184,942	4,761,746	4,162,883	3,175,864	4,492,005	3,284,997	3,509,773	6,000,007	3,884,928	3,141,295	3,477,368	1,752,082
Total Pension Liability - Ending (a)	54,613,386	51,808,728	40,002,533	51,437,522	47,316,723	36,717,536	47,927,749	41,316,716	32,832,608	44,786,454	37,839,348	31,080,526
Total Pension Liability - Ending (b)	\$ 57,798,328	\$ 56,570,474	\$ 44,165,416	\$ 54,613,386	\$ 51,808,728	\$ 40,002,533	\$ 51,437,522	\$ 47,316,723	\$ 36,717,536	\$ 47,927,749	\$ 41,316,716	\$ 32,832,608
Plan Fiduciary Net Position												
Contributions - City	\$ 2,081,290	\$ 2,191,388	\$ 1,272,669	\$ 1,777,353	\$ 1,864,064	\$ 936,800	\$ 1,665,895	\$ 1,902,126	\$ 1,043,401	\$ 1,837,620	\$ 1,856,270	\$ 1,097,949
Contributions - State	576,071	613,880	650,530	531,041	640,046	505,327	512,745	431,461	454,232	555,334	399,320	527,346
Contributions - Employees	5,610,806	5,565,273	4,279,794	3,337,768	3,235,121	2,479,649	287,819	267,550	212,672	3,364,185	3,179,742	2,517,705
Net Investment Income	(3,149,175)	(1,975,939)	(1,157,613)	(2,461,778)	(2,183,366)	(1,225,547)	(2,094,964)	(1,386,946)	(1,728,061)	(1,663,848)	(1,403,290)	(1,294,371)
Administrative Expense	(39,716)	(39,142)	(36,316)	(41,665)	(37,054)	(35,109)	(48,632)	(55,891)	(60,040)	(31,939)	(31,542)	(28,402)
Net Change in Plan Fiduciary Net Position	5,079,276	6,355,460	5,009,064	3,142,719	3,518,811	2,661,120	322,860	1,238,966	24,455	4,041,352	4,062,388	2,935,904
Plan Fiduciary Net Position - Beginning, as restated	44,194,665	43,500,207	33,278,996	41,051,946	39,981,396	30,617,876	40,729,086	38,742,430	30,593,421	36,687,734	34,680,042	27,657,517
Plan Fiduciary Net Position - Ending (b)	\$ 49,273,941	\$ 49,855,667	\$ 38,288,060	\$ 44,194,665	\$ 43,500,207	\$ 33,278,996	\$ 41,051,946	\$ 39,981,396	\$ 30,617,876	\$ 40,729,086	\$ 38,742,430	\$ 30,593,421
City's Net Pension Liability/(Asset) - ending (a) - (b)	\$ 8,524,387	\$ 6,714,807	\$ 5,877,356	\$ 10,418,721	\$ 8,308,521	\$ 6,723,537	\$ 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	85.25%	88.13%	86.69%	80.92%	83.96%	83.19%	79.81%	84.50%	83.99%	84.98%	93.77%	93.18%
Covered Employee Payroll	11,041,275	6,167,707	6,759,969	10,237,967	6,232,611	5,333,015	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	77.20%	108.87%	86.94%	101.77%	133.31%	126.07%	106.27%	131.17%	122.97%	73.33%	47.12%	47.63%

Note to the Schedule:
Plan information is only available for years 2014 through 2017. 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**

	2017	2016	2015	2014
General Employees				
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.70%	8.20%	0.70%	9.10%
Police Officers				
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.70%	8.10%	0.70%	9.10%
Firefighters				
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.70%	8.10%	0.70%	9.00%

Note to the Schedule:

Plan information is only available for years 2014 through 2017. 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)			
10/1/2016	\$ -	\$ 29,331,799	29,331,799	0.00%	\$ 23,146,823	126.7%
10/1/2014	-	27,003,172	27,003,172	0.00%	21,803,323	123.8%
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
2017	\$ 3,000,141	\$ 1,967,665	\$ 2,350,395	119.5%	\$ 18,594,000
2016	3,176,666	2,754,828	667,654	24.2%	18,976,430
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

This Page Intentionally Left Blank

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF APOPKA, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2017

	SPECIAL REVENUE FUNDS										Total Nonmajor Special Revenue Funds
	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees	Stormwater	Grants Fund	Special Assessment Fund	Police Discretionary	Fire Impact Fees	Police Impact Fees	
ASSETS											
Cash and Cash Equivalents	\$ 1,399,276	\$ 336,534	\$ 7,281,799	\$ 617,771	\$ 2,175,807	\$ -	\$ -	\$ 311,126	\$ 116,860	\$ 123,116	\$ 12,362,289
Accounts Receivable	36,500	-	-	-	-	-	-	-	-	-	36,500
Due from Other Governments	33,440	-	-	-	1,419	239,505	-	-	-	-	274,364
Total Assets	<u>\$ 1,469,216</u>	<u>\$ 336,534</u>	<u>\$ 7,281,799</u>	<u>\$ 617,771</u>	<u>\$ 2,177,226</u>	<u>\$ 239,505</u>	<u>\$ -</u>	<u>\$ 311,126</u>	<u>\$ 116,860</u>	<u>\$ 123,116</u>	<u>\$ 12,673,153</u>
LIABILITIES											
Accounts Payable	\$ 59,083	\$ -	\$ 182,277	\$ -	\$ 4,429	\$ 100,207	\$ 128,207	\$ -	\$ -	\$ -	\$ 474,203
Accrued Liabilities	6,302	-	-	26,933	-	6,103	-	7,909	-	-	47,247
Retainage Payable	-	-	-	-	-	-	-	-	-	-	-
Due to Pension Beneficiaries	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
Deposits	3,790	-	-	-	-	-	-	-	-	-	3,790
Total Liabilities	<u>69,175</u>	<u>-</u>	<u>182,277</u>	<u>26,933</u>	<u>4,429</u>	<u>106,310</u>	<u>128,207</u>	<u>7,909</u>	<u>-</u>	<u>-</u>	<u>525,240</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenues	-	-	-	-	-	133,195	-	-	-	-	133,195
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,195</u>
FUND BALANCES											
Restricted	1,400,041	336,534	-	-	-	-	-	-	-	-	1,736,575
Committed	-	-	7,099,522	590,838	2,172,797	-	-	303,217	116,860	123,116	10,406,350
Unassigned (Deficit)	-	-	-	-	-	-	(128,207)	-	-	-	(128,207)
Total Fund Balances	<u>1,400,041</u>	<u>336,534</u>	<u>7,099,522</u>	<u>590,838</u>	<u>2,172,797</u>	<u>-</u>	<u>(128,207)</u>	<u>303,217</u>	<u>116,860</u>	<u>123,116</u>	<u>12,014,718</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,469,216</u>	<u>\$ 336,534</u>	<u>\$ 7,281,799</u>	<u>\$ 617,771</u>	<u>\$ 2,177,226</u>	<u>\$ 239,505</u>	<u>\$ -</u>	<u>\$ 311,126</u>	<u>\$ 116,860</u>	<u>\$ 123,116</u>	<u>\$ 12,673,153</u>

CITY OF APOPKA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2017

	SPECIAL REVENUE FUNDS										Total Nonmajor Special Revenue Funds
	Streets Improvement Fund	Law Enforcement Trust	Transportation Impact Fees	Recreation Impact Fees	Stormwater	Grants Fund	Special Assessment Fund	Police Discretionary	Fire Impact Fees	Police Impact Fees	
REVENUES											
Taxes	\$ 1,623,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,623,250
Special Assessments	-	-	-	-	-	-	65,094	-	-	-	65,094
Impact Fees	-	-	2,875,371	217,136	-	-	-	-	116,526	122,764	3,331,797
Intergovernmental Revenues	-	-	-	-	-	372,498	-	-	-	-	372,498
Charges for Services	652,266	-	-	-	416,222	-	-	40,370	-	-	1,108,858
Fines and Forfeitures	-	16,096	-	-	-	-	-	9,613	-	-	25,709
Investment Earnings	5,136	333	34,790	2,661	10,720	-	39	1,500	334	352	55,865
Miscellaneous Revenues	-	-	-	-	-	-	-	13,655	-	-	13,655
Total Revenues	2,280,652	16,429	2,910,161	219,797	426,942	372,498	65,133	65,138	116,860	123,116	6,596,726
EXPENDITURES											
Current:											
General Government	-	-	-	-	-	14,312	-	-	-	-	14,312
Public Safety	-	9,501	-	-	-	205,046	-	145,796	-	-	360,343
Physical Environment	-	-	-	-	91,540	116,469	7,638	-	-	-	215,647
Transportation	2,864,179	-	3,453,710	-	-	-	-	-	-	-	6,317,889
Culture and Recreation	-	-	-	100,531	-	109,838	-	-	-	-	210,369
Total Expenditures	2,864,179	9,501	3,453,710	100,531	91,540	445,665	7,638	145,796	-	-	7,118,560
Excess (Deficiency) of Revenues											
Over (Under) Expenditures	(583,527)	6,928	(543,549)	119,266	335,402	(73,167)	57,495	(80,658)	116,860	123,116	(521,834)
OTHER FINANCING SOURCES (USES)											
Transfers In	590,102	-	158,321	-	-	73,167	-	-	-	-	821,590
Transfers (Out)	-	-	(55,800)	-	(214,121)	-	(25,500)	-	-	-	(295,421)
Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	590,102	-	102,521	-	(214,121)	73,167	(25,500)	-	-	-	526,169
Net Change in Fund Balances	6,575	6,928	(441,028)	119,266	121,281	-	31,995	(80,658)	116,860	123,116	4,335
Fund Balances (Deficit) - Beginning	1,393,466	329,606	7,540,550	471,572	2,051,516	-	(160,202)	383,875	-	-	12,010,383
Fund Balances (Deficit) - Ending	\$ 1,400,041	\$ 336,534	\$ 7,099,522	\$ 590,838	\$ 2,172,797	\$ -	\$ (128,207)	\$ 303,217	\$ 116,860	\$ 123,116	\$ 12,014,718

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STREETS IMPROVEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 1,638,000	\$ 1,623,250	\$ (14,750)
Charges for Services	498,500	652,266	153,766
Investment Earnings	2,500	5,136	2,636
Miscellaneous	-	-	-
Total Revenues	<u>2,139,000</u>	<u>2,280,652</u>	<u>141,652</u>
EXPENDITURES			
Current:			
Transportation	3,263,246	2,697,860	565,386
Capital Outlay	255,000	166,319	88,681
Total Expenditures	<u>3,518,246</u>	<u>2,864,179</u>	<u>654,067</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,379,246)</u>	<u>(583,527)</u>	<u>795,719</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	748,423	590,102	(158,321)
Transfers (Out)	-	-	-
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	<u>748,423</u>	<u>590,102</u>	<u>(158,321)</u>
Net Change in Fund Balance	(630,823)	6,575	637,398
Fund Balance - Beginning	<u>1,393,466</u>	<u>1,393,466</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 762,643</u>	<u>\$ 1,400,041</u>	<u>\$ 637,398</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 30,000	\$ 16,096	\$ (13,904)
Interest	300	333	33
Total Revenues	30,300	16,429	(13,871)
EXPENDITURES			
Current:			
Public Safety	50,000	9,501	40,499
Capital Outlay	50,000	-	50,000
Total Expenditures	100,000	9,501	90,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,700)	6,928	76,628
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(69,700)	6,928	76,628
Fund Balance - Beginning	329,606	329,606	-
Fund Balance - Ending	\$ 259,906	\$ 336,534	\$ 76,628

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Impact Fees	\$ 1,500,000	\$ 2,875,371	\$ 1,375,371
Investment Earnings	22,000	34,790	12,790
Total Revenues	<u>1,522,000</u>	<u>2,910,161</u>	<u>1,388,161</u>
EXPENDITURES			
Current:			
Transportation	150,000	3,453,710	(3,303,710)
Capital Outlay	2,550,000	-	2,550,000
Total Expenditures	<u>2,700,000</u>	<u>3,453,710</u>	<u>(753,710)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,178,000)</u>	<u>(543,549)</u>	<u>634,451</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	158,321	(158,321)
Transfers (Out)	(55,800)	(55,800)	-
Total Other Financing Sources (Uses)	<u>(55,800)</u>	<u>102,521</u>	<u>-</u>
Net Change in Fund Balance	(1,233,800)	(441,028)	634,451
Fund Balance - Beginning	<u>7,540,550</u>	<u>7,540,550</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,306,750</u>	<u>\$ 7,099,522</u>	<u>\$ 634,451</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Impact Fees	\$ 160,000	\$ 217,136	\$ 57,136
Investment Earnings	1,000	2,661	1,661
Total Revenues	<u>161,000</u>	<u>219,797</u>	<u>58,797</u>
EXPENDITURES			
Current:			
Culture/Recreation	750,000	100,531	649,469
Total Expenditures	<u>750,000</u>	<u>100,531</u>	<u>649,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(589,000)</u>	<u>119,266</u>	<u>708,266</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	489,839	-	489,839
Total Other Financing Sources (Uses)	<u>489,839</u>	<u>-</u>	<u>489,839</u>
Net Change in Fund Balance	(99,161)	119,266	708,266
Fund Balance - Beginning	<u>471,572</u>	<u>471,572</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 372,411</u>	<u>\$ 590,838</u>	<u>\$ 708,266</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STORMWATER SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 415,000	\$ 416,222	\$ 1,222
Investment Earnings	8,000	10,720	2,720
Total Revenues	<u>423,000</u>	<u>426,942</u>	<u>3,942</u>
EXPENDITURES			
Current:			
Physical Environment	367,500	52,162	315,338
Capital Outlay	50,000	39,378	10,622
Total Expenditures	<u>417,500</u>	<u>91,540</u>	<u>325,960</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,500</u>	<u>335,402</u>	<u>329,902</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(214,121)	(214,121)	-
Total Other Financing Sources (Uses)	<u>(214,121)</u>	<u>(214,121)</u>	<u>-</u>
Net Change in Fund Balance	(208,621)	121,281	329,902
Fund Balance - Beginning	<u>2,051,516</u>	<u>2,051,516</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,842,895</u>	<u>\$ 2,172,797</u>	<u>\$ 329,902</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 351,791	\$ 372,498	\$ 20,707
Total Revenues	351,791	372,498	20,707
EXPENDITURES			
Current:			
General Government	520,246	14,312	505,934
Public Safety	-	205,046	(205,046)
Culture and Recreation	-	109,838	(109,838)
Total Expenditures	520,246	329,196	191,050
Excess (Deficiency) of Revenues Over Expenditures	(168,455)	43,302	211,757
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	6,000	73,167	67,167
Total Other Financing Sources (Uses)	6,000	73,167	67,167
Net Change in Fund Balance	(162,455)	116,469	278,924
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ (162,455)	\$ 116,469	\$ 278,924

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special Assessments	\$ 67,000	\$ 65,094	\$ (1,906)
Investment Earnings	150	39	(111)
Total Revenues	<u>67,150</u>	<u>65,133</u>	<u>(2,017)</u>
EXPENDITURES			
Current:			
Physical Environment	16,500	7,638	8,862
Total Expenditures	<u>16,500</u>	<u>7,638</u>	<u>8,862</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>50,650</u>	<u>57,495</u>	<u>6,845</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(25,500)	(25,500)	-
Total Other Financing Sources (Uses)	<u>(25,500)</u>	<u>(25,500)</u>	<u>-</u>
Net Change in Fund Balance	25,150	31,995	6,845
Fund Balance (Deficit) - Beginning	<u>(160,202)</u>	<u>(160,202)</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ (135,052)</u>	<u>\$ (128,207)</u>	<u>\$ 6,845</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE DISCRETIONARY SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ -	\$ 40,370	\$ 40,370
Fines and Forfeitures	-	9,613	9,613
Investment Earnings	-	1,500	1,500
Miscellaneous Revenues	-	13,655	13,655
Total Revenues	-	65,138	65,138
EXPENDITURES			
Current:			
Public Safety	-	137,803	(137,803)
Capital Outlay	-	7,993	(7,993)
Total Expenditures	-	145,796	(145,796)
Excess (Deficiency) of Revenues Over Expenditures	-	(80,658)	(80,658)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	(80,658)	(80,658)
Fund Balance - Beginning	383,875	383,875	-
Fund Balance - Ending	\$ 383,875	\$ 303,217	\$ (80,658)

CITY OF AOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Impact Fees	\$ -	\$ 116,526	\$ 116,526
Investment Earnings	-	334	334
Total Revenues	<u>-</u>	<u>116,860</u>	<u>116,860</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>116,860</u>	<u>116,860</u>
Net Change in Fund Balance	-	116,860	116,860
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 116,860</u>	<u>\$ 116,860</u>

CITY OF APOPKA, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended September 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Impact Fees	\$ -	\$ 122,764	\$ 122,764
Investment Earnings	-	352	352
Total Revenues	<u>-</u>	<u>123,116</u>	<u>123,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>123,116</u>	<u>123,116</u>
Net Change in Fund Balance	-	123,116	123,116
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 123,116</u>	<u>\$ 123,116</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.

90-92

Demographic and Economic Information

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

93-94

Operating Information

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

95-97

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. 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
(accural basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Position										
Governmental activities										
Net investment in capital assets	\$ 81,867,799	\$ 84,640,436	\$ 89,506,866	\$ 89,626,466	\$ 87,869,626	\$ 86,764,954	\$ 89,327,168	\$ 88,573,433	\$ 87,116,986	\$ 89,746,404
Restricted	-	-	-	2,173,455	2,032,131	2,174,523	2,156,922	1,907,822	2,482,323	2,398,096
Unrestricted	19,096,607	17,563,034	15,338,837	11,595,902	12,831,110	11,647,104	8,864,250	(214,724)	(9,422,061)	(10,749,809)
Total governmental activities net assets	\$ 100,964,406	\$ 102,203,470	\$ 104,845,703	\$ 103,395,823	\$ 102,732,867	\$ 100,586,581	\$ 100,348,340	\$ 90,266,531	\$ 80,177,248	\$ 81,394,691
Business-type activities										
Net investment in capital assets	\$ 84,651,808	\$ 85,287,785	\$ 85,405,361	\$ 87,624,978	\$ 86,015,227	\$ 85,141,627	\$ 84,626,587	\$ 100,656,361	\$ 103,140,729	\$ 122,538,179
Restricted	13,703,960	12,571,761	12,347,388	9,301,564	9,842,130	10,337,621	10,762,602	745,661	481,441	281,441
Unrestricted	12,822,079	12,589,992	13,569,652	15,640,402	17,283,878	18,362,898	19,309,266	17,057,907	17,018,263	4,846,807
Total business-type activities net assets	\$ 111,177,847	\$ 110,449,538	\$ 111,322,401	\$ 112,566,944	\$ 113,141,235	\$ 113,842,146	\$ 114,698,455	\$ 118,459,929	\$ 120,640,433	\$ 127,666,427
Total Net Assets										
Primary government	\$ 166,519,607	\$ 169,928,221	\$ 174,912,227	\$ 177,251,444	\$ 173,884,853	\$ 171,906,581	\$ 173,953,755	\$ 189,229,794	\$ 190,257,715	\$ 212,284,583
Restricted	13,703,960	12,571,761	12,347,388	11,475,019	11,874,261	12,512,144	12,919,524	2,653,483	2,963,764	2,679,537
Unrestricted	31,918,686	30,153,026	28,908,489	27,236,304	30,114,988	30,010,002	28,173,516	16,843,183	7,596,202	(5,903,002)
Total primary government net assets	\$ 212,142,253	\$ 212,653,008	\$ 216,168,104	\$ 215,962,767	\$ 215,874,102	\$ 214,428,727	\$ 215,046,795	\$ 208,726,460	\$ 200,817,681	\$ 209,061,118

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 5,305,919	\$ 5,489,298	\$ 7,066,267	\$ 6,042,003	\$ 6,995,371	\$ 6,148,920	\$ 6,377,891	\$ 6,511,974	\$ 10,551,924	\$ 10,450,176
Public safety	18,164,762	20,734,113	20,687,224	22,686,115	23,502,477	26,038,039	25,985,190	27,864,802	33,942,557	29,189,880
Physical environment	-	-	-	-	-	-	-	305,767	152,252	335,011
Transportation	5,201,553	4,963,392	5,309,419	5,016,376	5,440,391	5,781,288	8,093,858	5,595,625	5,661,534	6,129,087
Environmental	247,288	181,210	189,307	479,130	203,250	236,843	251,577	228,422	241,467	283,246
Culture and recreation	2,983,580	2,987,478	2,744,468	3,197,661	2,699,130	3,802,962	3,985,137	3,971,409	3,973,536	3,899,524
Interest on long-term debt	443,330	611,994	609,818	557,059	501,906	440,843	341,785	279,351	260,543	227,858
Total governmental activities expenses	32,346,432	34,967,485	36,606,503	37,978,344	39,342,525	42,448,895	45,035,438	44,757,350	54,783,813	50,514,782
Business-type activities:										
Utility system	13,305,265	13,471,277	13,483,200	13,633,236	13,793,770	15,066,790	15,019,098	16,036,573	15,312,542	13,309,805
Sanitation	3,072,999	3,043,158	3,087,328	3,260,503	3,397,041	3,397,745	3,453,253	3,642,605	3,884,273	3,165,186
Airport fuel	-	-	-	-	-	-	-	538,306	323,139	330,662
Total business-type activities expenses	16,378,264	16,514,435	16,570,528	16,893,739	17,190,811	18,464,535	18,472,351	20,217,484	19,519,954	16,805,653
Total primary government expenses	\$ 48,724,696	\$ 51,481,920	\$ 53,177,031	\$ 54,872,083	\$ 56,533,336	\$ 60,913,430	\$ 63,507,789	\$ 64,974,834	\$ 74,303,767	\$ 67,320,435
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,507,285	\$ 1,098,254	\$ 1,257,853	\$ 1,308,182	\$ 1,835,687	\$ 1,935,229	\$ 3,922,155	\$ 3,539,928	\$ 4,312,503	\$ 5,035,980
Public safety	1,725,278	2,398,293	3,330,192	3,647,620	4,664,249	4,989,182	1,937,810	1,775,398	1,249,905	1,309,862
Transportation	415,322	457,683	579,970	475,389	576,498	959,100	2,117,946	-	-	-
Environmental	387,902	393,675	398,607	400,948	409,741	401,239	2,019,389	2,377,976	2,950,407	3,003,569
Culture and recreation	568,682	491,736	501,540	516,993	731,740	891,315	813,576	696,455	814,376	677,164
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	7,243,988	6,767,072	6,777,070	7,616,070	7,658,910	8,468,829	1,283,718	993,788	1,510,310	1,444,573
Capital grants and contributions	2,671,242	2,258,090	4,364,266	1,570,734	2,474,554	1,904,213	1,855,694	2,345,941	2,026,202	3,526,959
Total governmental activities program revenues	14,519,699	13,864,803	17,209,498	15,535,936	18,351,379	19,549,107	13,950,288	11,729,486	12,863,703	14,998,107
Business-type activities:										
Charges for services:										
Utility system:										
Water sales	4,410,791	4,478,286	4,766,796	5,371,826	5,765,969	5,548,701	5,541,172	5,749,002	5,991,860	8,762,951
Sewer sales	4,611,793	4,773,408	4,926,149	5,167,002	5,479,371	5,537,939	5,691,201	5,984,903	6,116,096	6,648,905
Reclaimed water sales	1,660,928	2,295,690	2,329,372	2,836,583	2,821,403	2,491,136	2,661,176	2,705,534	3,124,269	1,435,435
Miscellaneous revenues	863,154	884,454	1,052,384	834,899	886,674	1,201,537	1,085,243	1,096,054	1,175,843	1,300,935
Sanitation:										
Sanitation fees	3,645,799	3,555,180	3,571,548	3,603,016	3,624,241	3,707,525	3,827,349	3,983,825	4,153,099	4,422,879
Fines	-	-	-	151	-	-	-	-	-	-
Miscellaneous revenues	160,625	205,438	156,106	169,273	174,701	154,416	179,494	178,818	177,742	109,166

Schedule 2

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Airport Fuel										
Fuel Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507,464	\$ 337,697	\$ 336,510
Miscellaneous revenues	-	-	-	-	-	-	-	23,075	32,397	38,038
Operating grants and contributions	-	-	-	-	-	-	-	4,693,320	1,020,976	764,302
Capital grants and contributions	2,296,960	2,329,512	3,549,287	3,282,439	2,313,259	4,059,847	4,088,784	5,831,362	5,395,043	5,678,396
Total business-type activities program revenues	\$ 17,650,050	\$ 18,521,968	\$ 20,351,642	\$ 21,265,189	\$ 21,065,618	\$ 22,701,101	\$ 23,074,419	\$ 30,753,357	\$ 27,525,022	\$ 29,497,517
Total primary government program revenues	\$ 32,169,749	\$ 32,386,771	\$ 37,561,140	\$ 36,801,125	\$ 39,416,997	\$ 42,250,208	\$ 37,024,707	\$ 42,482,843	\$ 40,388,725	\$ 44,495,624
Net (Expense)/Revenue										
Governmental activities	\$ (17,826,733)	\$ (21,102,682)	\$ (19,397,005)	\$ (22,442,408)	\$ (20,991,146)	\$ (22,899,788)	\$ (31,085,150)	\$ (33,027,864)	\$ (41,920,110)	\$ (35,516,675)
Business-type activities	1,271,786	2,007,533	3,781,114	4,371,450	3,874,807	4,236,566	4,602,068	10,535,873	8,005,068	12,691,864
Total primary government net expense	\$ (16,554,947)	\$ (19,095,149)	\$ (15,615,891)	\$ (18,070,958)	\$ (17,116,339)	\$ (18,663,222)	\$ (26,483,082)	\$ (22,491,991)	\$ (33,915,042)	\$ (22,824,811)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 8,481,780	\$ 9,045,565	\$ 8,032,965	\$ 6,967,591	\$ 6,708,582	\$ 6,473,486	\$ 6,789,004	\$ 6,994,987	\$ 7,874,031	\$ 9,880,495
Franchise taxes, utility taxes and communication services tax	7,964,942	8,266,402	8,910,570	8,731,059	8,328,612	8,450,604	16,713,171	17,645,762	16,147,299	17,978,174
Gasoline taxes	1,317,758	1,308,117	1,325,623	1,319,668	1,308,220	1,412,722	1,433,900	1,497,364	1,448,906	1,623,250
Sale of capital assets	59,491	24,024	33,154	70,046	(100,645)	81,374	11,444	5,845	-	-
Miscellaneous revenues	920,771	604,493	509,462	503,969	490,664	561,578	235,911	208,132	246,351	1,253,931
Investment earnings	752,842	189,145	129,714	120,395	122,567	95,308	98,712	102,482	129,577	155,322
Transfers	2,921,169	2,904,000	3,097,750	3,279,800	3,470,190	3,678,430	3,899,130	4,133,060	5,984,663	5,842,946
Total governmental activities	\$ 22,418,753	\$ 22,341,746	\$ 22,039,238	\$ 20,992,528	\$ 20,328,190	\$ 20,753,502	\$ 29,181,272	\$ 30,587,632	\$ 31,830,827	\$ 36,734,118
Business-type activities:										
Sale of capital assets	28,921	3,800	27,453	12,099	41,647	16,238	12,287	-	-	-
Investment earnings	833,466	164,358	111,290	108,952	93,332	84,191	104,448	99,269	112,761	113,538
Franchise taxes	-	-	36,999	31,839	34,695	42,346	36,636	37,729	47,338	63,538
Miscellaneous revenue	-	-	13,757	-	-	-	-	-	-	-
Transfers	(2,921,169)	(2,904,000)	(3,097,750)	(3,279,800)	(3,470,190)	(3,678,430)	(3,899,130)	(4,133,060)	(5,984,663)	(5,842,946)
Total business-type activities	(2,058,782)	(2,735,842)	(2,908,251)	(3,126,910)	(3,300,516)	(3,535,655)	(3,745,759)	(3,996,062)	(5,824,564)	(5,665,870)
Total primary government	\$ 20,359,971	\$ 19,605,904	\$ 19,130,987	\$ 17,865,618	\$ 17,027,674	\$ 17,217,847	\$ 25,435,513	\$ 26,591,570	\$ 26,006,263	\$ 31,068,248
Change in Net Position										
Governmental activities	\$ 4,592,020	\$ 1,239,064	\$ 2,642,233	\$ (1,449,880)	\$ (662,956)	\$ (2,146,286)	\$ (1,903,878)	\$ (2,440,232)	\$ (10,089,283)	\$ 1,217,443
Business-type activities	(786,996)	(728,309)	872,863	1,244,543	574,291	700,911	856,309	6,539,811	2,180,504	7,025,994
Total primary government	\$ 3,805,024	\$ 510,755	\$ 3,515,096	\$ (205,337)	\$ (88,665)	\$ (1,445,375)	\$ (1,047,569)	\$ 4,099,579	\$ (7,908,779)	\$ 8,243,437

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

	Fiscal Year									
	2007	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund	\$ 412,662	\$ 244,048	\$ 426,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	7,969,146	7,244,322	8,496,573	-	-	-	-	-	-	-
Unreserved	-	-	-	1,303,054	204,074	215,035	225,526	89,421	91,118	99,328
Nonspendable	-	-	-	913,180	974,665	964,801	1,017,749	956,252	759,251	661,521
Restricted	-	-	-	861,940	940,180	703,445	512,591	979,146	784,439	750,930
Committed	-	-	-	844,546	852,908	854,823	854,541	855,809	855,809	855,809
Assigned	-	-	-	5,505,322	8,812,311	8,788,248	8,228,167	8,993,373	8,076,023	9,913,103
Unassigned	-	-	-	9,428,042	11,784,138	11,526,352	10,838,574	11,874,001	10,566,640	12,280,691
Total general fund	\$ 8,381,808	\$ 7,488,370	\$ 8,922,850	\$ 9,428,042	\$ 11,784,138	\$ 11,526,352	\$ 10,838,574	\$ 11,874,001	\$ 10,566,640	\$ 12,280,691
All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	12,850,794	12,144,203	10,521,223	-	-	-	-	-	-	-
Capital projects funds	369,588	384,063	-	-	-	-	-	-	-	-
Restricted	-	-	-	1,260,275	1,057,476	1,209,722	1,139,173	951,570	1,723,072	1,736,575
Unrestricted	-	-	-	9,864,959	10,808,015	11,174,083	9,560,679	10,472,918	12,502,585	12,497,874
Unassigned	-	-	-	-	-	-	-	(199,710)	(160,202)	(128,207)
Total all other governmental funds	\$ 13,220,382	\$ 12,528,266	\$ 10,521,223	\$ 11,125,234	\$ 11,865,491	\$ 12,383,805	\$ 10,699,852	\$ 11,224,778	\$ 14,065,455	\$ 14,106,242

(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)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 15,633,703	\$ 16,237,692	\$ 15,199,281	\$ 14,322,374	\$ 13,548,609	\$ 13,650,428	\$ 13,821,953	\$ 14,265,977	\$ 14,720,245	\$ 17,499,600
Licenses, fees and permits	4,551,440	4,390,989	4,885,499	4,917,670	5,622,483	5,346,169	5,689,506	5,925,542	5,505,925	6,855,004
Special assessments	-	-	-	-	-	-	-	65,148	65,070	65,094
Intergovernmental revenues	6,639,760	6,159,652	6,753,008	7,025,456	7,125,242	7,908,753	8,432,322	9,050,848	9,313,030	3,331,797
Charges for services	2,298,587	2,350,133	3,075,549	3,133,490	3,592,856	4,295,677	4,645,228	3,840,745	3,679,022	10,507,000
Fines and forfeitures	449,315	1,086,028	1,492,899	1,670,414	2,288,933	2,888,781	1,597,545	1,957,258	2,386,499	3,434,861
Impact fees	1,358,314	686,402	620,555	830,036	2,083,405	1,425,055	2,252,481	1,201,311	1,550,869	2,287,390
Investment earnings	752,841	189,144	128,497	120,394	122,566	95,309	98,712	102,482	129,577	155,322
Miscellaneous revenues	1,584,136	1,148,004	1,120,841	870,854	841,424	1,070,763	892,989	690,711	933,413	1,751,079
Total revenues	33,268,096	32,248,044	33,276,129	32,890,688	35,225,518	36,386,935	37,430,736	37,100,022	38,283,650	45,887,147
Expenditures										
General government	5,028,209	4,797,013	5,337,598	5,345,545	6,003,034	5,008,060	7,702,765	5,829,309	7,921,687	8,391,320
Public safety	17,346,392	18,330,239	18,344,956	19,187,180	20,184,386	23,071,274	24,219,905	24,791,883	27,370,853	32,563,882
Physical environment	-	-	-	-	-	-	-	509,614	195,367	354,847
Transportation	3,306,893	2,919,198	3,037,602	3,015,783	3,293,003	3,669,943	3,969,041	4,097,371	3,377,495	7,264,173
Environmental	207,368	142,369	141,063	153,360	159,094	199,791	208,436	228,422	241,467	283,246
Culture and recreation	2,785,184	2,590,285	2,342,587	2,469,829	2,161,492	3,057,061	3,314,348	3,272,959	3,639,456	3,713,298
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	8,017,009	9,542,830	5,654,441	2,941,263	1,850,400	4,011,144	4,166,380	-	-	-
Debt service:										
Interest	463,423	460,974	637,342	590,511	536,680	499,535	431,184	299,374	276,541	251,560
Insurance costs	-	-	-	-	-	42,500	-	-	-	-
Principal	1,121,880	1,208,584	1,450,853	1,357,814	1,411,275	2,506,019	4,431,604	1,661,862	2,047,926	2,520,917
Grants and aids	-	-	-	-	-	-	-	-	-	-
Total expenditures	38,276,358	39,991,492	36,946,442	35,061,285	35,599,364	42,065,327	48,443,663	40,690,794	45,070,792	55,343,243
Excess of revenues over (under) expenditures	(5,008,262)	(7,743,448)	(3,670,313)	(2,170,597)	(373,846)	(5,678,392)	(11,012,927)	(3,590,772)	(6,787,142)	(9,456,096)
Other Financing Sources (Uses)										
Sale of capital assets	-	24,024	-	-	-	-	-	58,065	-	-
Capital leases proceeds	-	5,316,963	-	-	-	-	-	-	510,795	2,967,988
Note proceeds	-	-	-	-	-	2,260,500	4,147,929	960,000	1,825,000	2,400,000
Transfers in	3,948,047	4,074,407	4,990,969	4,328,103	5,630,730	5,013,804	4,863,012	5,065,882	7,378,888	6,924,332
Transfers out	(1,026,878)	(1,170,407)	(1,893,219)	(1,048,303)	(2,160,541)	(1,335,374)	(963,882)	(932,822)	(1,394,225)	(1,081,386)
Total other financing sources (uses)	2,921,169	8,244,987	3,097,750	3,279,800	3,470,189	5,938,930	8,047,059	5,151,125	8,320,458	11,210,934
Net change in fund balances	\$ (2,087,093)	\$ 501,539	\$ (572,563)	\$ 1,109,203	\$ 3,096,343	\$ 260,538	\$ (2,965,868)	\$ 1,560,353	\$ 1,533,316	\$ 1,754,838
Debt service as a percentage of non-capital expenditures	5.2%	5.5%	6.7%	6.1%	5.8%	7.9%	11.0%	4.8%	5.2%	5.0%

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

Fiscal Year Ended Sept. 30,	Residential Property	Commercial Property	Industrial Property	Total Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2008	\$ 1,865,789	\$ 575,106	\$ 102,077	\$ 2,542,972	\$ 385,550	\$ 2,157,422	3.1738
2009	2,307,557	673,468	118,556	3,099,581	425,626	2,673,955	3.5168
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	3.5166
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
2016	2,334,436	923,975	241,493	3,499,904	841,688	2,658,217	3.2876
2017	2,554,544	1,011,094	264,263	3,829,901	876,280	2,953,621	3.7876

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
2008	3.1738	3.1738	5.1639	7.1690	0.4620	0.4325
2009	3.5168	3.5168	4.4347	7.1210	0.4158	0.3748
2010	3.5168	3.5168	4.4347	7.6730	0.4158	0.3748
2011	3.5166	3.5166	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	8.4740	0.3164	0.3748
2016	3.2876	3.2876	4.4347	8.2180	0.3023	0.3748
2017	3.7876	3.7876	4.4347	7.8110	0.2724	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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Qorvo (Triquint)	\$ 122,623,454	1	4.61%	-		
Coca Cola	80,734,909	2	3.04%	-		
Duke Energy	48,663,931	3	1.83%	-		
Embarq (Sprint United Mgmt Co.)	36,419,969	4	1.37%	-		
Woolbright Wekiva LLC	18,101,400	5	0.68%	20,750,887	2	1.24%
SPT WAH Willow Lake LLC	17,922,532	6	0.67%	-		
Oakmont Apopka Road LLC	13,176,192	7	0.50%	-		
Palm Key II Limited Partnership	12,712,526	8	0.48%	12,554,132	6	0.75%
Apopka Associates 2006 LLC	11,855,618	9	0.45%	-		
Wal-Mart Stores East LP	11,572,787	10	0.44%	10,845,075	9	0.65%
Total	\$ 373,783,318		14.07%	\$ 44,150,094		2.64%

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 Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
	Fiscal Year	Amount	Amount	Percentage of Levy	Years	Amount	Amount	Percentage of Levy
2008	\$ 9,311,996	\$ 8,903,340	\$ 8,903,340	95.61%	16,290	\$ 8,919,629	\$ 8,919,629	95.79%
2009	9,944,988	9,527,653	9,527,653	95.80%	5,119	9,532,772	9,532,772	95.86%
2010	8,785,190	8,429,895	8,429,895	95.96%	15,192	8,445,087	8,445,087	96.13%
2011	7,557,782	7,254,684	7,254,684	95.99%	23,115	7,277,799	7,277,799	96.30%
2012	7,175,940	6,881,747	6,881,747	95.90%	73,339	6,955,086	6,955,086	96.92%
2013	6,800,777	6,648,428	6,648,428	97.76%	29,207	6,677,635	6,677,635	98.19%
2014	6,949,031	6,754,188	6,754,188	97.20%	34,816	6,789,003	6,789,003	97.70%
2015	7,129,637	6,754,188	6,754,188	94.73%	34,816	6,789,003	6,789,003	95.22%
2016	8,003,262	7,833,130	7,833,130	97.87%	40,901	7,874,031	7,874,031	98.39%
2017	10,070,026	9,873,451	9,873,451	98.05%	7,044	9,880,495	9,880,495	98.12%

Source: Orange County Tax Collector's Office

* Years 2007 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				Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Bonds Payable	Notes Payable	Capital Leases	Utility Revenue Bonds	Notes Payable	Capital Leases	Capital Leases				
2008	\$ 338,250	\$ 11,091,000	\$ 452,128	\$ 22,040,000	\$ 114,000	\$ 1,342,550	\$ -	\$ 34,847,061	3.55%	865	
2009	307,500	10,015,000	5,667,257	22,040,000	-	662,994	-	38,203,028	3.77%	945	
2010	276,750	9,150,000	5,112,154	21,475,000	-	405,569	-	35,971,178	3.35%	866	
2011	246,000	8,390,000	4,545,090	20,260,000	-	137,849	-	33,172,311	2.96%	788	
2012	215,250	7,600,000	3,954,566	19,615,000	-	19,547	-	31,046,526	2.65%	725	
2013	184,500	7,900,500	3,439,297	17,435,000	-	-	-	30,315,123	2.43%	687	
2014	153,750	11,086,872	-	16,725,000	1,100,000	-	-	30,398,618	2.19%	666	
2015	656,185	10,460,622	-	17,660,334	982,000	-	-	31,284,141	2.15%	672	
2016	502,973	9,926,372	410,256	16,703,511	740,000	-	-	29,736,623	2.28%	615	
2017	335,000	10,148,890	3,189,810	15,062,022	7,843,273	-	-	36,578,995	2.77%	717	

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 (1)	Less: Operating Expenses (2)	Net Available Revenue		Debt Service		
			Principal	Interest	Principal	Interest	
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	
2016	20,627,268	10,988,999	9,638,269	750,000	576,200	7.27	
2017	23,830,106	12,582,754	11,247,352	770,000	564,950	8.43	

Note: (1) Gross Pledged Revenues include operating revenues, connection fees (Fund 401), and impact fees (Fund 403) Contributions from grants and disposal of fixed assets are not included.

(2) Direct operating expenses include all personnel expenses and operating expenses (less depreciation) as per the Statement of Revenue and Expenditures (Fund 401).

Source: City of Apopka Finance Department

Schedule 11
City of Apopka
Direct and Overlapping Governmental Activities Debt

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Orange County School District**	\$ 1,283,016,298	2.43%	\$ 31,170,865
City Direct Debt (Governmental Activities)		100%	<u>10,839,601</u>
Total Direct and Overlapping Debt			<u><u>\$ 42,010,466</u></u>

Source:

Assessed value data used to estimate applicable percentage provided by the Orange County Property Appraiser (Form DR-403V). Debt outstanding provided by each governmental unit.

Notes:

Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Apopka. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, is responsible for repaying the debt, of each overlapping government.

* For debt repaid with property taxes, the percentage of overlapping debt was determined by taking the City's assessed taxable value and dividing it by Orange County's assessed taxable value.

** Debt outstanding as of June 30, 2016

Schedule 12
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
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	1,454,473	31,238	34.1	13.4	16,922	4.2%
2016	48,382	1,306,846	27,011	36.6	13.4	17,512	4.0%
2017	51,007	1,320,826	25,895	36.6	13.4	18,101	3.9%

Sources: U.S. Census Bureau and www.bestplaces.net
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 13
City of Apopka
Principal Employers
Current Year and Nine Years Ago**

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Century Link (formerly Embarq & Sprint)	2,192	1	4.53%	518	3	2.87%
Northrop Grumman	819	2	1.69%	615	2	3.41%
Wal-Mart Supercenter	811	3	1.68%	935	1	5.19%
Florida Hospital - Apopka	671	4	1.39%	447	4	2.48%
Qorvo	590	5	1.22%			
Finfrock Construction Inc.	500	6	1.03%	248	10	1.38%
Publix	452	7	0.93%			
City of Apopka	438	8	0.91%			
Randall Mechanical	419	9	0.87%	418	5	2.32%
Orange County Schools	416	10	0.86%			
Triquint (formerly SawTek)				368	6	2.04%
Energy Air Inc (relocated)				305	7	1.69%
Florida Living Nursing Center				281	8	1.56%
Apopka High School				248	9	1.38%
Total	7,308		15.11%	4,383		24.32%
						18,024

Source: City of Apopka Finance Department survey of local businesses

Schedule 14
City of Apopka
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2016</u>	<u>2017</u>
General government										
Administration	15	14	13	14	13	11	10	11	11	10
Finance	10	9	9	9	8	9	8	9	11	11
Human resources	3	3	3	3	3	3	3	3	4	4
Planning	10	8	8	7	7	8	8	7	8	11
Building	7	7	7	7	6	6	6	6	7	7
IT	5	5	6	6	7	7	7	5	6	7
Police										
Officers	85	85	91	91	88	90	90	90	97	107
Civilians	9	8	32	32	35	35	31	32	37	37
Fire										
Firefighters and officers	81	81	80	80	80	75	78	77	81	100
Civilians	20	18	2	2	3	6	2	3	2	2
Sanitation	17	17	17	17	16	16	18	17	18	18
Other public works										
Administration	8	7	7	7	7	9	9	8	9	9
Engineering	5	4	4	4	3	6	7	7	8	7
Purchasing	-	-	-	-	-	-	-	-	-	-
Construction	10	8	7	6	6	7	7	7	13	9
Facilities maintenance	-	-	-	-	-	-	-	-	-	2
Restoration	-	-	-	-	-	-	-	-	-	4
Fleet	10	8	10	10	11	11	11	9	13	13
Streets	9	8	8	9	8	9	7	8	16	18
Cemetery	2	2	2	2	1	2	2	2	2	2
Parks and recreation	33	28	28	28	27	28	25	28	20	19
Water	22	22	21	21	22	22	21	19	17	18
Wastewater	26	22	23	22	21	20	21	19	20	23
Total	387	364	376	377	372	380	371	367	400	438

Source: City Finance Department

Schedule 15
City of Apopka
Operating Indicators by Function/Program

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	1,897	2,374	2,147	1,523	1,414	1,011	1,505	1,426	1,311	1,232
Parking violations	39	11	117	32	157	424	152	177	235	51
Traffic violations	6,813	4,481	3,521	2,283	1,764	3,636	3,459	3,522	2,058	2,786
Red Light Violations	269	9,735	13,870	16,754	22,422	27,630	22,283	23,204	31,773	26,602
Fire										
Emergency responses	6,242	5,859	5,433	5,093	5,418	4,973	5,298	5,563	6,523	7,532
Fires extinguished	174	135	163	158	143	103	110	107	138	137
Inspections	5,669	5,451	2,324	2,614	2,444	2,120	2,740	2,738	2,706	2,680
Refuse collection										
Refuse collected (tons per day)	64.3	74.5	73.5	74.7	73.9	60.3	86.6	91.2	96	100
Recyclables collected (tons per day)	6.3	5.9	5.7	5.6	5.7	5.8	5.8	5.2	4	6
Other public works										
Street resurfacing (miles)	6.8	2.4	4.0	-	-	-	2.4	-	2	4
Parks and recreation										
Athletic leagues			8	9	10	10	7	7	7	7
Athletic leagues participants	529,140	436,622	4,062	3,201	2,175	2,375	2,415	2,395	2,453	3,552
Senior and Adult programs	373	281	9	14	10	10	13	11	13	18
Children's programs	-	-	4	4	5	5	6	6	7	7
Facility rental permits	1,002	2,048	2,861	666	3,269	3,327	3,423	3,368	3,393	
Water										
New connections	278	246	270	239	333	405	427	356	670	198
Average daily consumption (millions of gallons)	8.27	7.57	7.54	7.35	7.01	6.79	6.82	7.16	8	8
Peak daily consumption (millions of gallons)	14.91	14.68	12.44	12.35	9.90	11.02	9.69	10.88	11	11
Wastewater										
Average daily sewage treatment (millions of gallons)	2.96	2.64	2.66	2.59	2.62	2.76	2.89	3.07	3	3
Reclaimed Water										
New connections	-	202	219	183	207	261	409	300	402	136
Average daily consumption (millions of gallons)	-	5.63	5.51	6.03	6.06	5.49	5.64	6.10	7	7
Peak daily consumption (millions of gallons)	-	9.31	9.61	10.61	9.85	9.39	9.62	11.00	11	14

Sources: Various City departments.
Note: Indicators are not available for the general government function.

Schedule 16
City of Apopka
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2016</u>	<u>2017</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	76	80	44	54	78	105	105	105	108	108
Fire stations	4	4	4	4	4	4	4	4	4	4
Refuse collection										
Collection trucks	12	16	16	16	17	15	19	19	19	19
Other public works										
Streets (miles)	193	195	203	203	203	203	266	300	303	306
Streetlights	134	134	134	134	134	134	134	134	134	134
Traffic signals	30	27	28	32	32	32	33	34	34	34
Parks and recreation										
Acreage	221.2	265.18	265.18	265.18	265.18	265.18	265.18	265.18	265	265
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	15	15	15	15	15	16	16	16	16	16
Community centers	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	251	259	266	268	268	270	313	337	341	346
Fire hydrants	1348	1381	1403	1414	1429	1435	1691	1781	1,813	1,840
Total system capacity (millions of gallons)	47.02	46.84	46.84	46.84	46.84	46.84	46.84	46.84	46.84	47
Wastewater										
Sanitary sewers (miles)	206	210	217	218	218	219	245	250	254	258
Storm sewers (miles)	24	26	96	96	96	96	125	109	111	114
Treatment capacity (millions of gallons)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	5	5
Lift stations	111	108	111	112	112	113	115	116	120	123
Reclaimed Water										
Reclaimed water mains (miles)	-	104	113	117	118	126	130	133	137	141
Total system capacity (millions of gallons)	-	15.55	15.55	15.55	15.55	26.35	26.35	26.35	26.35	31

Sources: Various City departments.

COMPLIANCE SECTION

This Page Intentionally Left Blank



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Apopka, Florida (the "City") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 13, 2018.

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 deficiency 2017-001, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness. Management's responses were not audited.

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 deficiency 2017-002, described in the accompanying Schedule of Findings and Questioned Costs, to be a significant deficiency. Management's responses were not audited.

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 April 13, 2018.

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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
April 13, 2018



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, 2017.

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, 2017.

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, 2017, and have issued our report thereon dated April 13, 2018. 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.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
April 13, 2018

CITY OF APOPKA, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Fiscal Year Ended September 30, 2017

<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>				
Florida Recreation Development Assistance Program	37.017	A7026		\$ 2,359
Florida Recreation Development Assistance Program	37.017	A7057		6,152
			Total	<u>8,511</u>
State Revolving Fund Loan	37.077	WW480211		<u>7,393,578</u>
<i>Pass-through Agency</i>				
<i>St. John's Water Management District</i>				
Florida Springs Grant Program	37.052	28145		5,297
Reclamation Water Main Extension	37.052	28455		723,964
Water Conservation Incentive Program	37.052	22848		33,349
			Total	<u>762,610</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				<u>\$ 8,164,699</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.

Note 2 - State Revolving Fund Loans

For State Revolving Fund loans listed on the Schedule of State Financial Assistance, the City had the following loan balances outstanding at September 30, 2017:

<u>Program Title</u>	<u>CSFA Number</u>	<u>Total Outstanding</u>
State Revolving Fund	37.077	\$ 7,594,273

CITY OF APOPKA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2017

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 No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

State Projects

Internal control over major projects:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes 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*?

Yes No

Identification of Major State Project(s):

<u>CSFA Number</u>	<u>Name of State Project</u>
37.077	State Revolving Loan

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

None reported.

CITY OF APOPKA, FLORIDA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2017

Current Year Findings

Type: Material Weakness

2017-001 ACCOUNTS PAYABLE

Finding:

During our audit, we noted an invoice that should have been expensed in fiscal year 2017, as the service occurred prior to fiscal year-end, the City recorded the transaction in fiscal year 2018.

Criteria:

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

Cause:

The City's year-end procedures were not adequately followed.

Effect:

This resulted in a material audit adjustment to the City's Utility System Fund.

Recommendation:

We recommend that the City ensure that all year-end closing procedures are properly performed and that the City reviews all year-end account balances to ensure timely and accurate closing of the City's trial balance.

Type: Significant Deficiency

2017-002 FIXED ASSETS

Finding:

During our audit, we noted discrepancies between recorded balances of fixed assets and the recorded amounts in the City's fixed assets subsidiary ledger. The amount of the discrepancies were not significant and correcting entries were made.

Criteria:

To ensure that accurate and complete information is being captured, the City should review all account balances at year-end and reconcile to available fixed asset subsidiary ledgers.

Cause:

During the current year, the City implemented a new fixed asset system which resulted in general ledger balances not being reconciled on a timely basis.

Effect:

Discrepancies in fixed asset balances and fixed asset subsidiary ledgers were noted during the period and audit adjustments were made to the City's general ledger.

Recommendation:

We recommend that the City review and reconcile all fixed asset account balances, at least annually, to ensure timely and accurate financial reporting.

This Page Intentionally Left Blank



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, 2017. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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, 2017.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
April 13, 2018

This Page Intentionally Left Blank



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, 2017, and have issued our report thereon dated April 13, 2018.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports and Schedule

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*, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 13, 2018, 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. The current year status of prior year findings 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 and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and 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 conditions 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.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

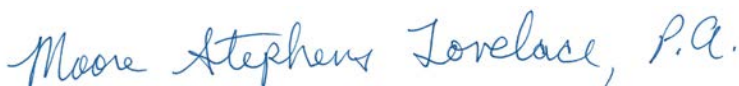
Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, 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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate 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
April 13, 2018

CITY OF APOPKA, FLORIDA
SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2017

Prior Year Observations

MLO-2016-001 EMPLOYEE TURNOVER

Observation:

During our current-year audit of the City's financial statements, it was noted that the City had not completed some of its bank reconciliations in a timely manner. Furthermore, some of its journal entries were not reviewed and approved in accordance with the City's existing policies and procedures.

Criteria:

Preparing bank reconciliations and reviewing and approving journal entries are essential in ensuring accurate financial operations and strong internal controls.

Cause:

The City had significant turnover of key Finance personnel in the current year. The City's Accountant II and Accounting Manager positions were vacant during a portion of the year. Bank reconciliations and journal entries are the job duties of these positions.

Effect:

Not reconciling bank accounts and reviewing journal entries on a consistent basis means that errors or other problems might not be recognized and resolved in a timely manner.

Recommendation:

We recommend that the City implement cross-training procedures within the Finance Department. This will ensure that essential accounting functions can be carried out by various employees in the event of key personnel turnover.

Current Year Status:

During our control testing in the current year, we found instances of the observation noted above. Therefore, the observation has not been fully resolved in the current year.

CITY OF APOPKA, FLORIDA
SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS (Continued)
Fiscal Year Ended September 30, 2017

Current Year Observations

MLO-2017-001 UTILITY BILLING

Observation:

During our audit, we noted that the new software system does not produce billing reports that reconcile to the City's revenue general ledger postings. The City's utility billing reports must be run periodically in order to reconcile to the general ledger posting on a particular day. Discrepancies between utility billing reports and the general ledger were small, however, in past audits, these reports were reconciled without exception.

Criteria:

To ensure that accurate and complete information is being captured, the City should review all utility billing reports when they are run and reconcile the reports to their general ledger.

Cause:

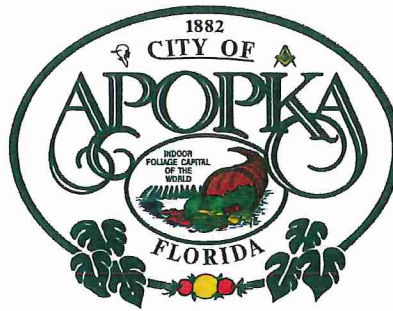
Due to changes in the City's financial software during the year, balances were not reconciled on a timely basis.

Effect:

Discrepancies in utility billing reports and general ledger postings were noted during the period.

Recommendation:

We recommend that the City review and reconcile its utility billing reports to the general ledger on a periodic basis.



120 East Main Street · APOPKA, FLORIDA 32704-1229
PHONE (407) 703-1700

April 13, 2018

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

The City of Apopka strives to improve its financial performance. Four Management Letter Observations (MLO) resulted from the FY2017 annual audit. Staff continues to review areas of improvement and document policies and procedures to ensure proper controls are in place to reduce the inherent risks. Changes in procedures should prevent the likelihood of future findings.

The following management letter observation and management's response is provided:

MLO 2016-001 EMPLOYEE TURNOVER

RECOMMENDATION:

During the audit, it was noted that the City had not completed some of its bank reconciliations in a timely manner. Further, some of their journal entries were not reviewed and approved in accordance with the City's existing policies and procedures. The City had significant turnover of key Finance personnel in the current year which was cause for the delays and lack of journal entry review. We recommend that the City implement cross training procedures within the Finance Department. This will ensure that essential accounting functions can be carried out by various employees in the event of key personnel turnover.

MANAGEMENT'S RESPONSE:

Concur. Both personnel vacancies in the Finance Department have been filled with competent and knowledgeable individuals. Finance implemented training and cross-training of all Finance Department personnel to ensure all financial functions, including journal entry review and bank reconciliations, are performed in a timely and accurate manner. Almost all Finance positions are cross-trained two or more deep.

MLO 2017-001 ACCOUNTS PAYABLE

RECOMMENDATION:

During the audit, it was noted that an invoice that should have been expenses in fiscal year 2017 was expenses in 2018. We recommend that the City review all year-end account balances to ensure timely and accurate closing of the City's trial balance.

MANAGEMENT'S RESPONSE:

Concur. Finance personnel will review all year-end account balances to ensure timely and accurate closing of the City's trial balance.

MLO 2017-002 FIXED ASSETS

RECOMMENDATION:

During the audit, it was noted that the City had discrepancies between recorded balances of fixed assets and recorded amounts in the City's fixed assets subsidiary ledger. The amount of the discrepancies were not significant and no correcting entries were made. We recommend that the City review and reconcile all fixed asset account balances, at least annually to ensure timely and accurate financial reporting.

MANAGEMENT'S RESPONSE:

Concur. The City implemented Edmunds software during the fiscal year. Edmunds made numerous code corrections to the software during the fiscal year and concede that the subsidiary ledger is not fully integrated with the general ledger. Finance personnel will verify on a bi-annual basis that the balances in the subsidiary ledger tie to those in the general ledger.

MLO 2017-003 UTILITY BILLING

RECOMMENDATION:

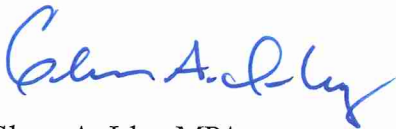
During the audit, it was noted that the City's new software system (Edmunds) does not produce billing reports that reconcile to the City's revenue general ledger postings. Discrepancies between utility billing reports and the general ledger were small, however in past audits, these reports were reconciled without exception.

MANAGEMENT'S RESPONSE:

Concur. The City implemented Edmunds software during the fiscal year. Edmunds made numerous code corrections to the software during the fiscal year. Utility Billing personnel will run and end of month bill register for everything that was billed during the month, reconcile it to the general ledger and save both reports to the common drive.

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
City Administrator



Terri L. Bucy, CPA
Interim Director of Finance



April 13, 2018

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

We have audited the financial statements of the City of Apopka, Florida (the "City") as of and for the year ended September 30, 2017, and have issued our report thereon, dated April 13, 2018. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS AND
GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter dated November 18, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida
April 13, 2018
Page 2

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The significant estimates affecting the City's financial statements include the following accounts: Useful Lives of Capital Assets, Pension Reporting, Compensated Absences, and Other Post-Employment Benefits.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The following disclosures are considered significant: Note 1 – Cash and Investments; Note 5 – Capital Assets; Note 6 – Long-term Debt; Note 7 – Employee Retirement Systems; Note 8 – Other Postemployment Benefits.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Please see the attached schedule of correcting entries made during the audit period.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated April 13, 2018.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

The Honorable Mayor and
Members of the City Commission
City of Apopka, Florida
April 13, 2018
Page 3

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We had multiple findings and observations during our current-year audit. The observations are provided for your review in the Schedule of Findings and Questioned Costs and our Independent Auditor's Management Letter. These letters are part of the City's Comprehensive Annual Financial Report (CAFR).

This information is intended solely for the use of the City Commissioners and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

rijt
Attachment

SCHEDULE OF CORRECTED ENTRIES

		DEBIT	CREDIT
Adjusting Journal Entries JE # 1			
To reclass prepaid item as cash with fiscal agent as City incorrectly classified item as prepaid			
	CASH W FISCAL AGENT	1,052,475.00	
	PREPAID EXPENSES		1,052,475.00
Total		1,052,475.00	1,052,475.00
Adjusting Journal Entries JE # 2			
R/C Negative Cash to AP for Non Major Funds 150 and 170			
150-101-0000	CASH	87,638.00	
170-101-0000	CASH	120,707.00	
150-202-1100	ACCOUNTS PAYABLE		87,638.00
170-202-1100	ACCOUNTS PAYABLE		120,707.00
Total		208,345.00	208,345.00
Adjusting Journal Entries JE # 3			
To consolidate Utility Bond LT payable, remove principal payment expense and split ST and LT payable for bond			
401-232-9010	01 SERIAL BONDS PAYABLE - LONG TERM	9,480,000.00	
401-232-9011	01 TERM BONDS PAYABLE - LONG TERM	770,000.00	
401-232-9011	01 TERM BONDS PAYABLE - LONG TERM		9,480,000.00
401-381-4030	TRANSFER FROM IMPACT FEES 403		770,000.00
Total		10,250,000.00	10,250,000.00
Adjusting Journal Entries JE # 4			
To reclass SRF Loan from other financing sources to liability			
403-384-0000	OTHER FINANCING SOURCES	7,594,273.00	
403-232-9012	SRF LOAN 17		7,594,273.00
Total		7,594,273.00	7,594,273.00

Adjusting Journal Entries JE # 5

To adjust Transfers in GF

001-4020-515-4900	OTHER CURRENT CHARGES	122,696.00	
001-381-4010	TRANSFER FROM WATER & SEWER 401		<u>122,696.00</u>
Total		<u>122,696.00</u>	<u>122,696.00</u>

Adjusting Journal Entries JE # 6

To adjust Capital Lease Proceeds to lease agreements

001-383-1000	CAPITAL LEASE PROCEEDS	37,656.00	
001-5110-519-6400	MACHINERY AND EQUIPMENT		<u>37,656.00</u>
Total		<u>37,656.00</u>	<u>37,656.00</u>

Adjusting Journal Entries JE # 7

To adjust AP for project 20160005 expenses in FY 2017

403-169-0000	CONSTRUCTION WORK IN PROGRESS	1,272,496.00	
403-202-1100	ACCOUNTS PAYABLE		<u>1,272,496.00</u>
Total		<u>37,656.00</u>	<u>37,656.00</u>

Adjusting Journal Entries JE # 8

To adjust SBA balance at 9/30/17

001-369-9000	MISC REVENUE	22,895.00	
001-101-0000	CASH		<u>22,895.00</u>
Total		<u>37,656.00</u>	<u>37,656.00</u>

2017 COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF APOPKA
120 E. MAIN ST.
APOPKA, FL
32778

www.apopka.net