

# City of Parker, Florida

## Financial Statements

September 30, 2015



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September 30, 2015**

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the City Council  
City of Parker, 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 Parker, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 from 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 entity'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 entity'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 of Parker, Florida, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in note 17 to the financial statements, effective for the 2014-2015 fiscal year, implementation of Government Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*, resulted in a change in accounting principle. This matter affects the comparability of amounts reported for the 2014-2015 fiscal year with the amounts reported for the 2013-2014 fiscal year. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 9, the schedule of funding progress for the retirees' health insurance other postemployment benefits plan on page 49, the schedule of employer contributions for the retirees' health insurance other postemployment benefits plan on page 49, the schedule of the City's proportionate share of the net pension liability – Florida Retirement System on page 50, the schedule of the City's contributions – Florida Retirement System on page 51, the schedule of the City's proportional share of the net pension liability – Health Insurance Subsidy Program on page 52, and the schedule of the City's contributions – Health Insurance Subsidy Program on page 53, 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 of Parker, Florida's basic financial statements. The schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill 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 schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill is fairly stated in all material respects in relation to the basic financial statements as a whole

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
May 18, 2016

## **Management's Discussion & Analysis**

## Management's Discussion and Analysis

Management's discussion and analysis provide an easily readable analysis of the City's financial activities. The analysis provides summary financial information for the City and should be read in conjunction with the City's financial statements.

### Financial Highlights

- Total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources by \$7,789,430 (net position). Of this amount, \$166,249 is unrestricted net position for governmental activities and \$1,994,328 is unrestricted net position for business-type activities, while \$2,268,499 is invested in capital assets for governmental activities and \$2,985,375 is invested in capital assets for business-type activities, both net of related debt.
- Total net position decreased by \$9,072. Of this amount, a decrease of \$139,348 is attributable to governmental activities and an increase of \$130,276 is attributable to business-type activities.
- As of September 30, 2015, the general fund's unassigned fund balance was \$1,227,868 or 50 percent of total general fund expenditures.
- Governmental activities revenues increased to \$3,062,260 or 45 percent, while expenses for governmental activities increased less than 1 percent to \$2,161,112. Business-type activities revenues decreased to \$2,047,697 or 24 percent, while business-type activities expenses increased less than 1 percent to \$1,745,968. The change in revenue for governmental activities and business-type activities is primarily related to a significant transfer from the business-type activities to governmental activities in the current year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to basic financial statements*. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. The *fund financial statements* present financial information for the City's major funds. The *notes to basic financial statements* provide additional information concerning the City's finances that are not otherwise disclosed in the government-wide or fund financial statements.

### Government-wide Financial Statements

The *government-wide financial statements* include the *statement of net position* and *statement of activities*. These statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities, as well as the change in net position. Governmental activities are primarily supported by gross receipts taxes, utility taxes and franchise fees, and state shared revenues, while business-type activities are supported by charges to the users of those particular activities, such as water and sewer charges.

The *statement of net position* presents information on all assets and liabilities of the City, with the difference between the two reported as *net position*. Assets, liabilities and net position are reported separately for governmental activities and business-type activities. Increases or decreases in net position over time may serve as a useful indicator of the City's improving or declining financial position.

The *statement of activities* presents information on all revenues and expenditures of the City and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees and earned, but unused vacation/sick leave).

Expenditures are reported by major function, along with program revenues relating to those functions, providing the net cost of all functions provided by the City. In order to better understand the City's operations, governmental activities expenditures include among others, general government services, public safety, highways and streets, sanitation, maintenance and parks and recreation. Business-type activities expenses, which are financed primarily by user fees and charges, include water and sewer services.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. Individual funds have been established by the City to account for revenues that are restricted to certain uses, or to comply with legal requirements. The major categories of funds found in the City's *fund financial statements* include: governmental funds and proprietary funds.

*Fund financial statements* provide financial information for the City's major funds and more detailed information about the City's activities. Governmental fund financial statements provide information on the *current* assets and liabilities of the funds, changes in *current* financial resources (revenues and expenditures), and *current* available resources. The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

*Fund financial statements* for all governmental funds include a *balance sheet* and a *statement of revenues, expenditures, and changes in fund balance*. The City's general fund includes a *statement of revenues, expenditures, and changes in fund balance-budget and actual*. For the proprietary funds, a *statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows* are presented.

The *government-wide financial statements* and the *fund financial statements* provide different presentations of the City's financial position. Categorized by governmental activities and business-type activities, the government-wide financial statements provide an overall picture of the City's financial standing. These statements, which are comparable to private-sector companies, provide a good understanding of the City's overall financial health and present the means used to pay for various activities, or functions provided by the City. All assets of the City, including buildings, land, and infrastructure are reported in the *statement of net position*, as well as all liabilities, including outstanding principal on bonds, capital leases, and future employee benefits obligated but not yet paid by the City. The *statement of activities* includes depreciation on all long lived assets of the City, but all

transactions between different functions of the City have been eliminated to avoid “doubling up” the revenues and expenditures. The *fund financial statements* provide a presentation of the City’s major funds, along with a column for all nonmajor funds, if necessary. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as revenue bonds, are not included in the fund financial statements. To facilitate a comparison between the *fund financial statements* and the *government-wide financial statements*, a reconciliation is provided.

*The notes to basic financial statements* provide additional detail concerning the financial activities and financial balances of the City. Additional information about the accounting practices of the City, investments of the City, and long-term debt are just a few of the items included in the notes to basic financial statements.

### Financial Analysis of the City

The following schedule provides a summary of the assets, deferred outflows, liabilities, deferred inflows, and net position of the City at September 30, 2015 and 2014. The City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its governmental and business-type activities.

#### Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
<i>September 30,</i>	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 1,606,145	\$ 986,041	\$ 3,083,237	\$ 3,183,327	\$ 4,689,382	\$ 4,169,368
Capital assets	2,337,989	2,095,587	2,985,375	2,632,044	5,323,364	4,727,631
<b>Total assets</b>	<b>3,944,134</b>	<b>3,081,628</b>	<b>6,068,612</b>	<b>5,815,371</b>	<b>10,012,746</b>	<b>8,896,999</b>
Deferred outflows of resources	159,385	-	26,263	-	185,648	-
Current liabilities	116,786	97,348	185,462	236,764	302,248	334,112
Noncurrent liabilities	1,280,151	378,540	546,796	385,845	1,826,947	764,385
<b>Total liabilities</b>	<b>1,396,937</b>	<b>475,888</b>	<b>732,258</b>	<b>622,609</b>	<b>2,129,195</b>	<b>1,098,497</b>
Deferred inflows of resources	240,190	-	39,579	-	279,769	-
Net investment in capital assets	2,268,499	2,003,792	2,985,375	2,632,044	5,253,874	4,635,836
Net position – restricted	31,644	35,343	343,335	343,332	374,979	378,675
Net position – unrestricted	166,249	566,605	1,994,328	2,217,386	2,160,577	2,783,991
<b>Total net position</b>	<b>\$ 2,466,392</b>	<b>\$ 2,605,740</b>	<b>\$ 5,323,038</b>	<b>\$ 5,192,762</b>	<b>\$ 7,789,430</b>	<b>\$ 7,798,502</b>

Investment in capital assets (e.g., land, buildings, and equipment), net of any related outstanding debt used to acquire those assets, represents the City’s largest portion of net position (67 percent). These capital assets are utilized to provide services to citizens; consequently, these assets are not available for future spending.

The balance of unrestricted net position may be used to help meet the City's ongoing obligations to citizens and creditors. As of year end, the balance in unrestricted net position is \$2,160,577.

The following schedule provides a summary of the changes in net position for the years ended September 30, 2015 and 2014.

**Changes in Net Position**

Year Ended	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<i>September 30,</i>						
<b>Program revenues</b>						
Charges for services	\$ 476,936	\$ 449,463	\$ 2,232,824	\$ 2,439,237	\$ 2,709,760	\$ 2,888,700
Operating grants/contributions	9,645	10,122	-	-	9,645	10,122
Capital grants/contributions	8,268	11,238	369,411	280,822	377,679	292,060
<b>General revenues</b>						
Taxes and fees	1,472,347	1,394,693	-	-	1,472,347	1,394,693
Intergovernmental	186,298	183,202	-	-	186,298	183,202
Interest	1,029	562	1,568	1,289	2,597	1,851
Transfers	718,000	-	(718,000)	-	-	-
Other	189,737	58,127	161,894	(24,367)	351,631	33,760
<b>Total revenues</b>	<b>3,062,260</b>	<b>2,107,407</b>	<b>2,047,697</b>	<b>2,696,981</b>	<b>5,109,957</b>	<b>4,804,388</b>
<b>Expenses</b>						
General government	428,126	374,431	-	-	428,126	374,431
Public safety	947,147	1,020,592	-	-	947,147	1,020,592
Code enforcement	98,920	96,399	-	-	98,920	96,399
Sanitation	232,845	221,203	-	-	232,845	221,203
Highways and streets	314,072	319,250	-	-	314,072	319,250
Maintenance	39,942	35,489	-	-	39,942	35,489
Parks and recreation	100,060	79,073	-	-	100,060	79,073
Utilities	-	-	1,745,968	1,735,838	1,745,968	1,735,838
<b>Total expenses</b>	<b>2,161,112</b>	<b>2,146,437</b>	<b>1,745,968</b>	<b>1,735,838</b>	<b>3,907,080</b>	<b>3,882,275</b>
<b>Change in net position</b>	<b>901,148</b>	<b>(39,030)</b>	<b>301,729</b>	<b>961,143</b>	<b>1,202,877</b>	<b>922,113</b>
<b>Beginning net position (as originally stated)</b>	<b>2,605,740</b>	<b>2,644,770</b>	<b>5,192,762</b>	<b>4,293,475</b>	<b>7,798,502</b>	<b>6,938,245</b>
<b>Restatement adjustment</b>	<b>(1,040,496)</b>	<b>-</b>	<b>(171,453)</b>	<b>(61,856)</b>	<b>(1,211,949)</b>	<b>(61,856)</b>
<b>Beginning net position (as restated)</b>	<b>1,565,244</b>	<b>2,644,770</b>	<b>5,021,309</b>	<b>4,231,619</b>	<b>6,586,553</b>	<b>6,876,389</b>
<b>Ending net position</b>	<b>\$ 2,466,392</b>	<b>\$ 2,605,740</b>	<b>\$ 5,323,038</b>	<b>\$ 5,192,762</b>	<b>\$ 7,789,430</b>	<b>\$ 7,798,502</b>

Governmental activities revenues exceeded expenses by \$901,148, while business-type activities revenues exceeded expenses by \$301,729. Total revenues increased \$305,569 from the previous year.

Forty-eight percent (48%) of the revenues for governmental activities were generated by taxes, 23% were generated by transfers, and 16% were generated by charges for services. Most of the governmental resources were expended for general government (20%), public safety (44%), highways and streets (15%), and sanitation (11%) departments.

Charges for services provided \$2,232,824 in revenue for business-type activities.

## Financial Analysis of the City's Funds

### Governmental Funds

#### General Fund

The main operating fund of the City is the general fund. As of September 30, 2015, total assets were \$1,606,145 and total liabilities were \$78,429. At the end of fiscal year 2015, unassigned fund balance of the general fund was \$1,227,868 while total fund balance was \$1,527,716.

The general fund budget was not amended during the year. Actual revenues and other financing sources were greater than anticipated by \$614,572. Actual expenditures were greater than budgeted expenditures by \$11,575.

#### Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in greater detail. The proprietary fund, which is reported as a major fund, is called the *Utility Fund* by the City.

Unrestricted net position of the proprietary fund at the end of the year was \$1,994,328.

The *Utility Fund* is used to account for the operations of the City's water and sewer systems.

### Capital Assets Activity

The following schedule provides a summary of the City's capital assets activity. The City's total investment in capital assets for both its governmental and business-type activities as of September 30, 2015, was \$5,323,364 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment.

#### Capital Assets (net of depreciation)

September 30,	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 515,762	\$ 515,762	\$ 449,632	\$ 449,632	\$ 965,394	\$ 965,394
Construction in progress	-	-	443,837	79,379	443,837	79,379
Buildings	38,247	40,481	-	-	38,247	40,481
Improvements	1,334,415	1,156,252	1,935,399	1,954,416	3,269,814	3,110,668
Machinery and equipment	449,565	383,092	156,507	148,617	606,072	531,709
<b>Total</b>	<b>\$ 2,337,989</b>	<b>\$ 2,095,587</b>	<b>\$ 2,985,375</b>	<b>\$ 2,632,044</b>	<b>\$ 5,323,364</b>	<b>\$ 4,727,631</b>

Additional information on the City's capital assets can be found in note 7 – Capital Assets, of the notes to basic financial statements.

This report was prepared by the City's finance department. Questions concerning this report or requests for additional information should be addressed to the City of Parker, 1001 West Park Street, Parker, Florida 32404, attention: Richard Musgrave, Mayor.

**City of Parker, Florida**  
**Statement of Net Position**

<b>September 30, 2015</b>	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 1,354,764	\$ 1,486,732	\$ 2,841,496
Accounts receivable, net	37,539	186,933	224,472
Accrued revenue	150,885	-	150,885
Grants receivable	-	232,960	232,960
Internal balances	7,278	(7,278)	-
Inventory	27,011	-	27,011
Prepays	9,857	10,832	20,689
Investment in joint venture	-	570,957	570,957
Restricted assets			
Cash and cash equivalents	18,811	602,101	620,912
<b>Total current assets</b>	<b>1,606,145</b>	<b>3,083,237</b>	<b>4,689,382</b>
Noncurrent assets			
Capital assets			
Nondepreciable	515,762	893,469	1,409,231
Depreciable, net	1,822,227	2,091,906	3,914,133
<b>Total noncurrent assets</b>	<b>2,337,989</b>	<b>2,985,375</b>	<b>5,323,364</b>
<b>Total assets</b>	<b>3,944,134</b>	<b>6,068,612</b>	<b>10,012,746</b>
<b>Deferred outflows of resources</b>	159,385	26,263	185,648

(Continued)

See accompanying notes

**City of Parker, Florida**  
**Statement of Net Position (Continued)**

<b>September 30, 2015</b>	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 35,358	\$ 70,629	\$ 105,987
Accrued expenses	43,071	7,510	50,581
Accrued compensated absences	15,628	3,918	19,546
Capital lease	22,729	-	22,729
Due to joint venture	-	103,405	103,405
Total current liabilities	116,786	185,462	302,248
Noncurrent liabilities			
Accrued compensated absences	62,514	15,670	78,184
Capital lease	46,761	-	46,761
Customer deposits	-	292,548	292,548
Net pension liability	885,131	145,852	1,030,983
Other postemployment benefits	285,745	92,726	378,471
Total noncurrent liabilities	1,280,151	546,796	1,826,947
Total liabilities	1,396,937	732,258	2,129,195
<b>Deferred inflows of resources</b>	240,190	39,579	279,769
<b>Net position</b>			
Net investment in capital assets	2,268,499	2,985,375	5,253,874
Restricted			
Repairs and replacements	-	294,722	294,722
Revenue bond current debt service	-	48,613	48,613
Community redevelopment agency	12,833	-	12,833
Law enforcement	18,811	-	18,811
Unrestricted	166,249	1,994,328	2,160,577
Total net position	\$ 2,466,392	\$ 5,323,038	\$ 7,789,430

See accompanying notes

**City of Parker, Florida  
Statement of Activities**

Year Ended September 30, 2015	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Functions/Programs</b>							
<b>Primary Government</b>							
Governmental activities							
General government	\$ 428,126	\$ 69,693	\$ 4,144	\$ -	\$ (354,289)	\$ -	\$ (354,289)
Public safety	947,147	4,804	5,501	8,268	(928,574)	-	(928,574)
Code enforcement	98,920	-	-	-	(98,920)	-	(98,920)
Sanitation	232,845	380,084	-	-	147,239	-	147,239
Highways and streets	314,072	22,355	-	-	(291,717)	-	(291,717)
Maintenance	39,942	-	-	-	(39,942)	-	(39,942)
Parks and recreation	100,060	-	-	-	(100,060)	-	(100,060)
Total governmental activities	2,161,112	476,936	9,645	8,268	(1,666,263)	-	(1,666,263)
Business-type activities							
Utility	1,745,968	2,232,824	-	369,411	-	856,267	856,267
Total business-type activities	1,745,968	2,232,824	-	369,411	-	856,267	856,267
Total primary government	\$ 3,907,080	\$ 2,709,760	\$ 9,645	\$ 377,679	(1,666,263)	856,267	(809,996)
General revenues							
Taxes							
					500,321	-	500,321
					26,606	-	26,606
					84,074	-	84,074
					126,191	-	126,191
					377,979	-	377,979
					352,839	-	352,839
					4,337	-	4,337
					186,298	-	186,298
					1,658,645	-	1,658,645

(Continued)

See accompanying notes

**City of Parker, Florida**  
**Statement of Activities (Continued)**

	<b>Net (Expenses) Revenues and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Interest earnings	\$ 1,029	\$ 1,568	\$ 2,597
Miscellaneous	189,737	161,894	351,631
Transfers	718,000	(718,000)	-
Total general revenues, interest and other revenue	2,567,411	(554,538)	2,012,873
Change in net position	901,148	301,729	1,202,877
Net position - beginning (as originally stated)	2,605,740	5,192,762	7,798,502
Restatement adjustment	(1,040,496)	(171,453)	(1,211,949)
Net position - beginning (as restated)	1,565,244	5,021,309	6,586,553
Net position - ending	\$ 2,466,392	\$ 5,323,038	\$ 7,789,430

**Year Ended September 30, 2015**

See accompanying notes

**City of Parker, Florida**  
**Balance Sheet**  
**Governmental Fund**

<b>September 30, 2015</b>	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,373,575
Accrued revenue	150,885
Accounts receivable, net	37,539
Due from other funds	7,278
Inventory	27,011
Prepays	9,857
Total assets	1,606,145
<b>Liabilities and fund balance</b>	
Liabilities	
Accounts payable	35,358
Accrued expenses	43,071
Total liabilities	78,429
Fund balance	
Nonspendable	
Prepays	9,857
Inventory	27,011
Restricted	
Community redevelopment agency	12,833
Law enforcement	18,811
Assigned	
Fire truck	226,503
Capital purchases	4,833
Unassigned	
General fund	1,227,868
Total fund balance	1,527,716
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.	2,337,989
Deferred outflows and inflows of resources are not financial resources or liabilities and therefore are not reported in the funds.	(80,805)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(1,318,508)
Net position of governmental activities	\$ 2,466,392

See accompanying notes

City of Parker, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

**Governmental Fund**

Year Ended September 30, 2015	General Fund
<b>Revenues</b>	
Taxes	
Utility tax	\$ 500,321
Business tax	26,606
Communications tax	126,191
Local option gas tax	84,074
Intergovernmental	578,232
Licenses and permits	384,305
Charges for services	408,993
Fines and forfeitures	36,305
Rents	22,323
Interest	1,029
Miscellaneous	171,737
Total revenues	2,340,116
<b>Expenditures</b>	
Current	
General government	423,878
Public safety	950,154
Code enforcement	96,462
Sanitation	194,438
Highways and streets	247,025
Maintenance	30,227
Parks and recreation	76,070
Capital outlay	
General government	12,806
Public safety	127,188
Highways and streets	275,449
Maintenance	1,517
Debt service	24,049
Total expenditures	2,459,263
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(119,147)</b>
<b>Other financing sources</b>	
Contributions	4,144
Transfers	718,000
Total other financing sources	722,144
<b>Net changes in fund balance</b>	<b>602,997</b>
<b>Fund balance - beginning</b>	<b>924,719</b>
<b>Fund balance - ending</b>	<b>\$ 1,527,716</b>

See accompanying notes

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities**

**Year Ended September 30, 2015**

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net changes in fund balance - total governmental fund (page 15) \$ 602,997

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 242,403

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 22,305

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (i.e. compensated absences, net pension liabilities, and other postemployment benefits). 33,443

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Change in net position of governmental activities (page 13) \$ 901,148

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City of Parker, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual – General Fund**

Year Ended September 30, 2015	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes				
Utility tax	\$ 429,000	\$ 429,000	\$ 500,321	\$ 71,321
Business tax	-	-	26,606	26,606
Communications tax	133,000	133,000	126,191	(6,809)
Local option gas tax	80,000	80,000	84,074	4,074
Intergovernmental	506,529	506,529	578,232	71,703
Licenses and permits	308,500	308,500	384,305	75,805
Charges for services	345,000	345,000	408,993	63,993
Fines and forfeitures	-	-	36,305	36,305
Rents	-	-	22,323	22,323
Interest	-	-	1,029	1,029
Miscellaneous	251,290	251,290	171,737	(79,553)
<b>Total revenues</b>	<b>2,053,319</b>	<b>2,053,319</b>	<b>2,340,116</b>	<b>286,797</b>
<b>Expenditures</b>				
Current and capital outlay				
General government	522,398	522,398	436,684	85,714
Public safety	1,009,039	1,009,039	1,077,342	(68,303)
Code enforcement	115,092	115,092	96,462	18,630
Sanitation	255,172	255,172	194,438	60,734
Highways and streets	434,985	434,985	522,474	(87,489)
Maintenance	40,299	40,299	31,744	8,555
Parks and recreation	70,703	70,703	76,070	(5,367)
Debt service	-	-	24,049	(24,049)
<b>Total current expenditures</b>	<b>2,447,688</b>	<b>2,447,688</b>	<b>2,459,263</b>	<b>(11,575)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	(394,369)	(394,369)	(119,147)	275,222
<b>Other financing sources</b>				
Contributions	-	-	4,144	4,144
Transfers	394,369	394,369	718,000	323,631
<b>Total other financing sources</b>	<b>394,369</b>	<b>394,369</b>	<b>722,144</b>	<b>327,775</b>
<b>Net changes in fund balance</b>	<b>-</b>	<b>-</b>	<b>602,997</b>	<b>602,997</b>
<b>Fund balance - beginning</b>	<b>924,719</b>	<b>924,719</b>	<b>924,719</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 924,719</b>	<b>\$ 924,719</b>	<b>\$ 1,527,716</b>	<b>\$ 602,997</b>

See accompanying notes

**City of Parker, Florida**  
**Statement of Net Position**  
**Proprietary Fund**

**Business-type Activities/Enterprise Fund**

<b>September 30, 2015</b>	<b>Utility Fund</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,486,732
Accounts receivable, net	186,933
Grants receivable	232,960
Prepaid expenses	10,832
Investment in joint venture	570,957
Restricted assets - cash and cash equivalents	
Customer deposits	258,766
Repair and replacement	294,722
Revenue bond current debt service	48,613
Total current assets	3,090,515
Noncurrent assets	
Capital assets	
Property, plant and equipment	5,649,364
Less accumulated depreciation	(2,663,989)
Total noncurrent assets	2,985,375
Total assets	6,075,890
<b>Deferred outflows of resources</b>	26,263
<b>Liabilities</b>	
Current liabilities	
Accounts payable	70,629
Accrued expenses	7,510
Accrued compensated absences	3,918
Due to other funds	7,278
Due to joint venture	103,405
Total current liabilities	192,740
Noncurrent liabilities	
Accrued compensated absences	15,670
Customer deposits	292,548
Net pension liability	145,852
Other postemployment benefits	92,726
Total noncurrent liabilities	546,796
Total liabilities	739,536
<b>Deferred inflows of resources</b>	39,579
<b>Net position</b>	
Net investment in capital assets	2,985,375
Restricted	
Repairs and replacements	294,722
Revenue bond current debt service	48,613
Unrestricted	1,994,328
Total net position	\$ 5,323,038

See accompanying notes

City of Parker, Florida  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**

<b>Business-type Activities/Enterprise Fund</b>	<b>Utility Fund</b>
<b>Year Ended September 30, 2015</b>	
<b>Operating revenues</b>	
Charges for services	
Water and sewer charges	\$ 2,153,229
Connection, reset and reactivation fees	19,495
Late fees	50,207
Tap fees	3,495
Impact fees	4,200
Other utility income	2,198
Total operating revenues	2,232,824
<b>Operating expenses</b>	
Current	
Personnel services	354,691
Communications	5,407
Contractual services	22,260
Cost of water and sewer	499,791
Debt service charges AWT	467,920
Depreciation	94,052
Fuel and lubricants	12,143
Insurance	55,297
Office supplies	1,182
Operating supplies	6,399
Other current charges	15,570
Postage	8,941
Printing and binding	1,974
Professional services	26,658
Public utility services	17,384
Rentals	4,008
Repairs and maintenance	131,343
Road materials and supplies	2,679
Travel and per diem	13,832
Uniforms	4,437
Total operating expenses	1,745,968
Net operating income	486,856
<b>Nonoperating revenues (expenses)</b>	
Interest income	1,568
Gain from joint venture	161,894
Grant revenue	369,411
Transfers	(718,000)
Total nonoperating revenues (expenses)	(185,127)
<b>Changes in net position</b>	<b>301,729</b>
<b>Total net position - beginning (as originally stated)</b>	<b>5,192,762</b>
<b>Restatement adjustment</b>	<b>(171,453)</b>
<b>Total net position - beginning (as restated)</b>	<b>5,021,309</b>
<b>Total net position - ending</b>	<b>5,323,038</b>

See accompanying notes

**City of Parker, Florida**  
**Statement of Cash Flows**  
**Proprietary Fund**

<b>Business-type Activities/Enterprise Fund</b>	<b>Utility Fund</b>
<b>Year Ended September 30, 2015</b>	
<b>Operating activities</b>	
Receipts from customers and users	\$ 2,034,331
Payments to suppliers and others	(1,265,302)
Payments to employees	(357,542)
Net cash provided by operating activities	411,487
<b>Capital and related financing activities</b>	
Capital contributions - grants	369,411
Payments to general fund	(721,128)
Purchase of capital assets	(447,384)
Net cash used by capital and related financing activities	(799,101)
<b>Investing activities</b>	
Payments from joint venture	144,673
Distributions from joint venture	(72,537)
Interest received	1,568
Net cash provided by investing activities	73,704
<b>Net decrease in cash and cash equivalents</b>	<b>(313,910)</b>
<b>Cash and cash equivalents - beginning</b>	<b>2,402,743</b>
<b>Cash and cash equivalents - ending</b>	<b>\$ 2,088,833</b>
<b>Classified as</b>	
Current assets - cash and cash equivalents	\$ 1,486,732
Restricted assets - cash and cash equivalents	602,101
<b>Cash and cash equivalents - ending</b>	<b>\$ 2,088,833</b>

(Continued)

See accompanying notes

City of Parker, Florida  
Statement of Cash Flows (Continued)  
Proprietary Fund

Business-type Activities/Enterprise Fund	Utility Fund
Year Ended September 30, 2015	
<b>Reconciliation of net operating income to net cash provided by operating activities</b>	
Net operating income	\$ 486,856
<hr/>	
Adjustments to reconcile net operating income to net cash provided by operating activities	
Depreciation	94,052
(Increase) decrease in assets	
Accounts receivable, net	(20,973)
Grants receivable	(183,188)
Prepaid expenses	55,600
Deferred outflows of resources	(10,597)
Increase (decrease) in liabilities	
Accounts payable	(24,169)
Accrued expenses	492
Accrued compensated absences	15
Customer deposits	5,668
Other postemployment benefits	9,419
Net pension liability	51,531
Deferred inflows of resources	(53,219)
<hr/>	
Total adjustments	(75,369)
<hr/>	
Net cash provided by operating activities	\$ 411,487
<hr/>	

See accompanying notes

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Parker (City) have been prepared in conformity with United States generally accepted accounting principles (U.S. GAAP) as applied to governmental units promulgated by the Governmental Accounting Standards Board (GASB).

This summary of the City's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

***Reporting Entity***

The City of Parker, incorporated pursuant to Laws of Florida, 1951, Chapter 27685, Section 5, is a political subdivision of the State of Florida and is located in Bay County. It operates under a Council/Manager form of government and provides the following services as authorized by its charter: general government, public safety (police and fire), code enforcement, sanitation, highways and streets, maintenance, parks and recreation, and water and sewer utilities.

***Component Unit – Parker Community Redevelopment Agency***

This report includes financial statements of the funds of the City. The reporting entity for the City consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government (see note below for description). Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The City has one component unit as defined by GASB Statement 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34* or in publications cited in the State of Florida, Office of the Auditor General Rules, Rule 10.553, which is required to be included in these financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Parker Community Redevelopment Agency (Agency) is operated by the City. The Agency was created in 2006 by City Ordinance 06-311 pursuant to Florida Statute 163.387. All of the City's council members serve as board members of the Agency. The Agency is presented as a governmental fund type with fiscal year end of September 30 blended with the general fund.

Due to the nature and significance of the Agency's relationship with the City, exclusion of the Agency's financial operations would render the City's financial statements incomplete or misleading. The Agency's governing body is the same as the governing body of the City and the Agency provides services specifically to the Parker Community Redevelopment Area of the City. The Agency is disclosed using the blended presentation method. Complete financial statements for the Parker Community Redevelopment Agency may be obtained from the City of City of Parker, 1001 West Park Street, Parker, Florida 32404.

***Measurement Focus and Basis of Accounting***

The basic financial statements of the City are composed of the following:

Government-wide financial statements  
Fund financial statements  
Notes to basic financial statements

***Government-wide Financial Statements***

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. The City chooses to eliminate the indirect costs between governmental activities to avoid duplicating revenues and expenditures.

***Fund Financial Statements***

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

***Governmental Funds***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the City.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an "other financing source" rather than as a fund liability.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Proprietary Funds***

The City's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than an "other financing source". Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

***Basis of Presentation***

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has used GASB Statement 34 minimum criteria for major fund determination to determine which funds are required to be reported as major funds.

***Governmental Major Funds***

General fund - The general fund is the general operating fund of the City. It is used to account for all activities of the general government except those required to be accounted for in another fund.

***Proprietary Major Funds***

Utility fund - The utility fund is used to account for operations and activities related to the water and sewer system within the City.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Noncurrent Governmental Assets/Liabilities***

GASB Statement 34 requires noncurrent governmental assets, such as land, buildings and equipment, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

***Budgets***

Annual budgets are legally adopted for all governmental funds and all proprietary funds. Budgets are prepared and adopted on a basis of accounting consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Chapter 166, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Therefore, the fund level is the legal level of control for budget considerations according to Florida Statute.

The City budgets expenditures at the department level. Only the City Council can approve budget amendments that change the total approved budget appropriation of an individual department. Department managers can transfer appropriations within the departmental budget, but cannot change the total appropriation of an individual department without the approval of the City Council.

If, during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. During the current fiscal year, various supplemental appropriations were approved by the Council in accordance with Florida Statutes.

Budgetary data presented in the accompanying basic financial statements in the final budgeted amounts column represents the final budgetary data. In this column, the effects of budget amendments have been applied to original budgetary data.

***Encumbrances***

Encumbrance accounting is not utilized as an extension of the formal budgetary process in the governmental funds. Therefore, no provision for encumbrances has been made.

***Cash and Cash Equivalents***

The City considers demand deposits, certificates of deposit with maturities of up to one year, and all highly liquid debt instruments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Accounts Receivable***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***Due To/From Other Funds***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

***Inventory***

Inventory is valued at the lower of cost (using the first-in, first-out method) or net realizable value. The purchase method is used to account for inventories. Reported inventories are offset as nonspendable fund balance, which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventory in the general fund consists of motor fuel held for consumption.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, infrastructure, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$750 or more and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are stated at cost, except for contributed assets, which are recorded at fair market value on the date received by the City. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are generally as follows:

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Buildings	20-50	Years
Water and sewer system	40	Years
Improvements	10-40	Years
Machinery and equipment	5-10	Years
Infrastructure	10-50	Years

***Accumulated Vacation and Sick Leave***

The City allows its employees to accumulate and carry over to the next year up to 240 hours of vacation which is payable upon termination of employment if unused.

Sick leave is earned for each month of employment and is cumulative; however employees do not vest in unused sick leave.

***Fund balances***

The City has implemented GASB Statement 54 employing the following terminology and classifications for fund balance.

Nonspendable – This category includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The balance as of September 30, 2015 of \$36,868 is from prepaids and inventory which are not in spendable form.

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. The balance as of September 30, 2015 of \$31,644 is restricted by enabling legislation.

Committed – This category includes resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances approved by the City Council. There are no committed funds as of September 30, 2015.

Assigned – This category includes resources that are intended to be used for specific purposes, but is neither restricted nor committed. These are resources that have been set aside for a specific purpose by an authorized government body or official. The balance as of September 30, 2015 is \$231,336.

Unassigned – This category is the residual classification for the City’s fund balances. The balance as of September 30, 2015 is \$1,227,868.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Restricted Assets***

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

***Deferred outflows, deferred inflows, and net position***

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and this standard renames the components of net position which were previously considered net assets.

Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets - represents the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Restricted - This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

Unrestricted - indicates that portion of net position that is available for future periods.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflow of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or resources or inflows or resources, certain items that were previously reported as assets and liabilities.

***Deferred outflows and inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applied to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time the City has one item that qualifies for reporting in this category. This is the deferred change related to the net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows of resources, represents an acquisition of net position that applied to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time the City has one item that qualifies for reporting in this category. This is the deferred change related to the net pension liability.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ significantly from those estimates.

***Subsequent events***

Management of the City has evaluated subsequent events through May 18, 2016, the date the financial statements were available to be issued.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

When capital assets (property, leasehold improvements and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes capital assets of the City as a whole.

Cost of capital assets	\$	5,860,620
Less: accumulated depreciation		(3,522,631)
<hr/>		
Net adjustment to increase <i>fund balance - total governmental fund</i> to arrive at <i>net position of governmental activities</i>	\$	2,337,989
<hr/> <hr/>		

Long-term liabilities applicable to the City’s governmental activities are not reported as fund liabilities. All liabilities are reported in the statement of net position.

Compensated absences	\$	78,142
Other postemployment benefits		285,745
Net pension liability		885,131
Notes payable		69,490
<hr/>		
Net adjustment to decrease <i>fund balance - total governmental fund</i> to arrive at <i>net position of governmental activities</i>	\$	1,318,508
<hr/> <hr/>		

Deferred inflows and outflows related to the net pension liabilities applicable to the County’s governmental activities are not reported as fund assets and liabilities. All assets, deferred outflows, liabilities, and deferred inflows are reported in the statement of net position.

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

Deferred outflows of resources related to net pension liability	\$	159,385
Deferred inflows of resources related to net pension liability		(240,190)
<hr/>		
Net adjustment to decrease <i>fund balance - total governmental fund to arrive at net position of governmental activities</i>	\$	(80,805)
<hr/>		

The governmental funds statement of revenues, expenditures and changes in fund balance includes a reconciliation between net changes in fund balance - total governmental fund and change in net position of governmental activities as reported in the government-wide statement of activities. One of those reconciliation elements is governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	\$	416,960
Depreciation expense		(174,557)
<hr/>		
Net adjustment to increase <i>net change in fund balance - total governmental fund to arrive at change in net position of governmental activities</i>	\$	242,403
<hr/>		

Another element of that reconciliation states the issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of this difference is as follows:

Principal repayments on capital leases	\$	22,305
<hr/>		
Net adjustment to increase <i>net change in fund balance - total governmental fund to arrive at change in net position of governmental activities</i>	\$	22,305
<hr/>		

Another element of that reconciliation is some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (i.e. compensated absences, net pension liabilities, and other postemployment benefits). The detail of this difference is as follows:

Compensated absences	\$	(9,535)
Other postemployment benefits		(31,581)
Net pension liability		(312,726)
Deferred outflows of resources		64,307
Deferred inflows of resources		322,978
<hr/>		
Net adjustment to increase <i>net change in fund balance - total governmental fund to arrive at change in net position of governmental activities</i>	\$	33,443
<hr/>		

**NOTE 3 – BUDGETS**

The City adopts budgets on a basis consistent with United States generally accepted accounting principles (U.S. GAAP).

**NOTE 4 – DEPOSITS AND INVESTMENTS**

***Deposits Policies***

All cash resources of the City are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required by this law to ensure that the City's funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The City's cash and cash equivalents include demand deposits, certificates of deposit with maturities of up to one year, and all highly liquid debt instruments (including restricted assets) with an original maturity of three months or less.

***Investment Policies***

Florida Statutes, Section 218.415, authorizes the City to invest surplus funds in the following:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02.
- Direct obligations of the U.S. Treasury.

As all time deposits held at year end were considered cash and cash equivalents for financial statement purposes, the City had no investments at September 30, 2015.

***Interest Rate Risks***

At September 30, 2015, the City did not hold any investments that were considered to be an interest rate risk.

***Credit Risks***

At September 30, 2015, the City did not hold any investments that were considered to be a credit risk.

**NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***Custodial Risks***

At September 30, 2015, the City did not hold any deposits or investments that were considered to be a custodial risk.

***Concentration of Credit Risk***

As September 30, 2015, the City did not hold any investments that were considered to be a concentration of credit risk.

**NOTE 5 – ACCOUNTS RECEIVABLE**

At September 30, 2015, accounts receivable in the general fund is summarized as follows:

Total accounts receivable	\$	74,660
Less: allowance for doubtful accounts		(37,121)
Accounts receivable, net	\$	37,539

At September 30, 2015, accounts receivable in the proprietary fund is summarized as follows:

Total accounts receivable	\$	266,218
Less: allowance for doubtful accounts		(79,285)
Accounts receivable, net	\$	186,933

**NOTE 6 – INTERFUND ACTIVITY**

Interfund balances for the year ended September 30, 2015, consisted of the following:

	Due from other funds	Due to other funds
General fund	\$ 956	\$ -
Community redevelopment agency	-	956
General fund	7,278	-
Utility fund	-	7,278
Total	\$ 8,234	\$ 8,234

The Interfund loans were for the purpose of operations.

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 6 – INTERFUND ACTIVITY (CONTINUED)**

Interfund transfers for the year ended September 30, 2015, consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 718,000	\$ -
Utility fund	-	718,000
<b>Total</b>	<b>\$ 718,000</b>	<b>\$ 718,000</b>

The transfers to the general fund from the utility fund were for operations and to fund capital reserves.

**NOTE 7 – CAPITAL ASSETS**

Changes in capital assets of the governmental activities funds are summarized as follows:

	September 30, 2014	Increases	Decreases	September 30, 2015
Capital assets, not being depreciated				
Land	\$ 515,762	\$ -	\$ -	\$ 515,762
<b>Total capital assets, not being depreciated</b>	<b>515,762</b>	<b>-</b>	<b>-</b>	<b>515,762</b>
Capital assets, being depreciated				
Buildings and improvements	544,444	-	-	544,444
Improvements other than buildings	2,368,811	252,449	-	2,621,260
Machinery and equipment	2,287,682	164,510	273,038	2,179,154
<b>Total capital assets, being depreciated</b>	<b>5,200,937</b>	<b>416,959</b>	<b>273,038</b>	<b>5,344,858</b>
Less accumulated depreciation				
Buildings and improvements	503,963	2,234	-	506,197
Improvements other than buildings	1,212,559	74,286	-	1,286,845
Machinery and equipment	1,904,590	98,037	273,038	1,729,589
<b>Total accumulated depreciation</b>	<b>3,621,112</b>	<b>174,557</b>	<b>273,038</b>	<b>3,522,631</b>
<b>Total capital assets, being depreciated (net of accumulated depreciation)</b>	<b>1,579,825</b>	<b>242,402</b>	<b>-</b>	<b>1,822,227</b>
<b>Total governmental activities' capital assets (net of accumulated depreciation)</b>	<b>\$ 2,095,587</b>	<b>\$ 242,402</b>	<b>\$ -</b>	<b>\$ 2,337,989</b>

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

The following schedule summarizes the capital assets of the City's business-type activities at September 30, 2015:

Land	\$ 449,632
Construction in progress	443,837
Water system	1,622,293
Sewer system	2,046,196
Machinery and equipment	1,087,406
<b>Total</b>	<b>5,649,364</b>
Less: accumulated depreciation	
Water system	880,744
Sewer system	852,346
Machinery and equipment	930,899
<b>Total accumulated depreciation</b>	<b>2,663,989</b>
<b>Total business-type activities' capital assets (net of accumulated depreciation)</b>	<b>\$ 2,985,375</b>

Changes in capital assets of the business-type activities funds are summarized as follows:

	<b>September 30, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>September 30, 2015</b>
Capital assets, not being depreciated				
Land	\$ 449,632	\$ -	\$ -	\$ 449,632
Construction in progress	79,379	364,458	-	443,837
<b>Total capital assets, not being depreciated</b>	<b>529,011</b>	<b>364,458</b>	<b>-</b>	<b>893,469</b>
Capital assets, being depreciated				
Water system	1,570,291	52,002	-	1,622,293
Sewer system	2,046,196	-	-	2,046,196
Machinery and equipment	1,056,483	30,923	-	1,087,406
<b>Total capital assets, being depreciated</b>	<b>4,672,970</b>	<b>82,925</b>	<b>-</b>	<b>4,755,895</b>
Less accumulated depreciation				
Water system	870,177	10,567	-	880,744
Sewer system	791,894	60,452	-	852,346
Machinery and equipment	907,866	23,033	-	930,899
<b>Total accumulated depreciation</b>	<b>2,569,937</b>	<b>94,052</b>	<b>-</b>	<b>2,663,989</b>

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

	September 30, 2014	Increases	Decreases	September 30, 2015
Total capital assets, being depreciated (net of accumulated depreciation)	\$ 2,103,033	\$ (11,127)	\$ -	\$ 2,091,906
Total business-type activities' capital assets (net of accumulated depreciation)	\$ 2,632,044	\$ 353,331	\$ -	\$ 2,985,375

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities			
General government		\$	5,965
Public safety			37,067
Sanitation			32,547
Highways and streets			65,275
Maintenance			11,436
Culture and recreation			22,267
Total depreciation expense – governmental activities		\$	174,557
Business-type activities			
Water system		\$	18,228
Sewer system			75,824
Total depreciation expense – business-type activities		\$	94,052

**NOTE 8 – CAPITAL LEASE – GOVERNMENTAL ACTIVITIES**

In September 2014, the City entered into a capital lease agreement in the amount of \$116,424 to finance a sanitation truck. Payments of \$24,049 including interest at 1.90% are due annually until maturity at September 2018. The balance of the debt was \$69,490 at September 30, 2015.

	Balance September 30, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Capital lease	\$ 91,795	\$ -	\$ 22,305	\$ 69,490	\$ 22,729

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 8 – CAPITAL LEASE – GOVERNMENTAL ACTIVITIES (CONTINUED)**

Debt service requirements to maturity on capital leases at September 30, 2015 area as follows:

<i>Year ending September 30,</i>	Principal	Interest
2016	\$ 22,729	\$ 1,320
2017	23,161	888
2018	23,600	449
Total	\$ 69,490	\$ 2,657

**NOTE 9 – ACCRUED COMPENSATED ABSENCES**

Accrued compensated absences consist of the following at September 30, 2015:

	Total Accrued Compensated Absences
Governmental Activities	\$ 78,142
Business-type Activities	19,588
Total	\$ 97,730

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS LIABILITY**

Accrued other postemployment benefits consist of the following at September 30, 2015:

	Total Other Postemployment Benefits
Governmental Activities	\$ 285,745
Business-type Activities	92,726
Total	\$ 378,471

**NOTE 11 – NET POSITION RESTRICTIONS**

Specific net position restrictions are summarized below as of September 30, 2015:

***Governmental Fund***

Community redevelopment agency	\$	12,833
Law enforcement		18,811
<hr/>		
Total	\$	31,644
<hr/> <hr/>		

***Proprietary Fund***

Restricted for revenue bond current debt service	\$	48,613
Restricted for repairs and replacements		294,722
<hr/>		
Total	\$	343,335
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**NOTE 12 – INVESTMENT IN JOINT VENTURE**

The City of Parker, Florida, in alliance with Bay County, the Cities of Springfield and Callaway, and the former Town of Cedar Grove joined efforts in 1996 to supply existing and expanded wastewater treatment and disposal services. The mission of this joint venture is to provide these services in an economical, efficient, and environmentally appropriate manner to their respective citizenry. This joint venture, known as the Military Point Advanced Wastewater Treatment Facility (MPAWTF), assumed ownership of the existing wastewater treatment plant and then completed construction of a new seven million gallon per day advanced wastewater treatment facility which was placed in service in 1999. The new facility was funded by a combination of conventional borrowing and State Revolving Fund loans.

MPAWTF is owned and governed by Bay County; and the Cities of Callaway, Parker and Springfield. One owner is selected by the others to be responsible for operating the MPAWTF. The owner delegated to be the operator is Bay County, Florida. The operator of the MPAWTF, in accordance with the interlocal agreement, prepares the MPAWTF’s annual budget, sets treatment rates, and collects funds sufficient to pay debt service; costs of operations and maintenance; renewal and replacement; and necessary enhancements to reserves.

The results of operations and cash flows are accounted for within the financial statements of the MPAWTF. The City’s interest in equity is reported within the City’s utility fund. As of September 30, 2015, the City’s portion of the equity in the MPAWTF was \$570,957. Complete financial statements for the joint venture, may be obtained from the operator at P.O. Box 2269, Panama City, Florida 32402.

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 12 – INVESTMENT IN JOINT VENTURE (CONTINUED)**

Condensed financial statements from the MPAWTF are as follows:

**Statement of Net Position**  
**September 30, 2015**

<b>Assets</b>	
Current assets	\$ 9,465,809
Noncurrent assets	21,149,712
<b>Total assets</b>	<b>30,615,521</b>
<b>Deferred outflows</b>	
Deferred loss on bond refunding	903,532
<b>Liabilities</b>	
Current liabilities	3,958,652
Noncurrent liabilities	13,944,001
<b>Total liabilities</b>	<b>17,902,653</b>
<b>Net position</b>	<b>\$ 13,616,400</b>

For the year ended September 30, 2015, the City of Parker had a net gain from the joint venture in the amount of \$161,894. As of September 30, 2015, the City owes the joint venture \$103,405 for transferred collection system.

**Statement of Activities**  
**Year Ended September 30, 2015**

Operating revenues	\$ 6,839,899
Operating expenses	(4,941,395)
Operating income	1,898,504
Nonoperating revenues (expenses), net	(639,874)
Net income before distributions to owners	1,258,630
Distributions to owners	(661,132)
Change in net position	597,498
Net position, beginning of year	13,018,902
<b>Net position, end of year</b>	<b>\$ 13,616,400</b>

**NOTE 13 – RETIREMENT PLANS**

***Defined Benefit Plans***

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

***Benefits Provided***

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**NOTE 13 – RETIREMENT PLANS (CONTINUED)**

***Contributions***

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The City's contribution rates for the year ended September 30, 2015 were as follows:

	<b>October 1, 2014 through June 30, 2015</b>		<b>July 1, 2015 through September 30, 2015</b>	
	<b>FRS</b>	<b>HIS</b>	<b>FRS</b>	<b>HIS</b>
Regular Class	6.11%	1.26%	5.60%	1.66%
Special Risk Class	18.56%	1.26%	20.38%	1.66%
Elected Officials	42.00%	1.26%	40.61%	1.66%
DROP	11.02%	1.26%	11.22%	1.66%

The City's contributions for the year ended September 30, 2015, were \$122,941 to the FRS and \$13,543 to the HIS.

***Pension Liabilities and Pension Expense***

In its financial statements for the year ended September 30, 2015, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<b>FRS</b>	<b>HIS</b>
Net pension liability	\$ 664,505	\$ 366,478
Proportion at:		
Current measurement date	0.005144687%	0.003593475%
Prior measurement date	0.005190005%	0.003743844%
Pension expense (benefit)	\$ 24,218	\$ 24,994

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 13 – RETIREMENT PLANS (CONTINUED)**

***Deferred Outflows/Inflows of Resources Related to Pensions***

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

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,152	\$ 15,760
Changes of assumptions	44,105	-
Net difference between projected and actual earnings on pension plan investments	-	158,673
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	93,666
Employer contributions subsequent to the measurement date	30,707	-
<b>Total</b>	<b>\$ 144,964</b>	<b>\$ 268,099</b>

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 28,832	\$ -
Net difference between projected and actual earnings on pension plan investments	198	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,281	11,670
Employer contributions subsequent to the measurement date	4,373	-
<b>Total</b>	<b>\$ 40,684</b>	<b>\$ 11,670</b>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	\$ (52,567)	\$ 5,021
2017	(52,567)	5,021
2018	(52,567)	5,021

**NOTE 13 – RETIREMENT PLANS (CONTINUED)**

Year ending September 30,	FRS	HIS
2019	\$ 78,342	\$ 4,981
2020	15,214	4,961
Thereafter	3,971	4,025
	\$ (60,174)	\$ 29,030

***Actuarial Assumptions***

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 13 – RETIREMENT PLANS (CONTINUED)**

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.20%	3.10%
Fixed income	18%	4.80%	4.70%
Global equity	53%	8.50%	7.20%
Real estate (property)	10%	6.80%	6.20%
Private equity	6%	11.90%	8.20%
Strategic investments	12%	6.70%	6.10%
	<u>100%</u>		

***Discount Rate***

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's Proportionate Share of the net pension liability	\$ 1,721,884	\$ 664,505	\$ (215,407)
	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's Proportionate Share of the net pension liability	\$ 417,585	\$ 366,478	\$ 323,863

**NOTE 13 – RETIREMENT PLANS (CONTINUED)**

***Pension Plans' Fiduciary Net Position***

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

***Defined Contribution Plan***

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled \$5,758.

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description

The City has established the Retirees' Health Insurance Other Postemployment Benefits Plan, a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the City and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The City subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City currently has 30 total active and retired employees eligible to receive these benefits. No stand alone report is issued for the plan.

Eligibility

A participant is eligible to receive benefits from the plan upon retirement under the plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active participant immediately prior to retirement. Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the plan.

Funding Policy

Although the contribution requirement is established by Statute, the contribution amount required by plan members and the government are established and may be amended by the City of Parker, Florida's Council Members. Currently, members receiving benefits pay the full cost (total premium) for medical coverage.

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

The contribution rates effective for eligible City plan members during the year are shown below:

<u>Coverage</u>	<u>Monthly Cost</u>
Retiree	\$ 688
Retiree and Spouse	1,377
Retiree and Children	1,273
Retiree and Family	1,962

The City has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. Rather, the funding is based on a pay-as-you-go basis. During the fiscal year, the City provided contributions of \$0 toward the annual OPEB cost. A Schedule of Employer Contributions can be found in required supplementary information immediately following the notes.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation:

<u>Description</u>	
Normal cost (service cost for one year)	\$ 32,000
Amortization of unfunded actuarial accrued liability	(1,000)
Amortization of net OPEB obligation	35,000
Annual required contribution	66,000
Interest on net OPEB obligation	12,000
Adjustment to annual required contribution	(35,000)
Annual OPEB cost (expense)	43,000
Contribution toward the OPEB cost	(2,000)
Increase in net OPEB obligation	41,000
Net OPEB obligation, beginning of year	337,471
Net OPEB obligation, end of year	<u>\$ 378,471</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2015, 2014 and 2013 was as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$ 40,000	0%	\$ 296,471
2014	\$ 43,000	0%	\$ 337,471
2015	\$ 43,000	0%	\$ 378,471

Funding Status and Funding Progress

The funding status and funding progress information can be found in the schedule of funding progress which is presented as required supplementary information immediately following the notes. This schedule

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial Methods and Assumptions

The City had an actuarial valuation completed for the fiscal year ended September 30, 2014. 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 and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the 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. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, in effect at the valuation date and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarially determined accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The initial OPEB valuation method used for the City was the projected unit credit cost method. This method is used to estimate the actuarial liabilities and costs. This method was selected because it produced the best estimate of the OPEB liability and annual cost for the City employees. The actuarial assumptions include a 4% discount rate including inflation of 2.75% per annum. The actuarial assumptions also include an annual healthcare cost trend rate. For the City, this rate begins with an initial rate for the 2013-14 fiscal year of 8%. It fluctuates over the years reaching a future year's rate of 5.5% by 2018-2019. The assumed retirement age ranged from 55 to 65 depending on hire date and position. The actuarial assumptions include assumptions that 80% of male retirees and 60% of female retirees will elect coverage for themselves and their spouses. It is also assumed that 50% of eligible employees will elect coverage until age 65 upon retirement at age 62. The unfunded actuarial accrued liability is being amortized with a level dollar method. The remaining open amortization period at September 30, 2015 is 8 years.

**NOTE 15 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

**NOTE 16 – BUDGETARY DATA**

The City had actual expenditures in excess of budgeted amounts in the general fund for the year ended September 30, 2015. The primary cause of this excess was the receipt and expenditure of unanticipated revenues without a corresponding budget amendment.

**City of Parker, Florida**  
**Notes to Basic Financial Statements**

**NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE**

During the current year, the City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*. GASB Statement 68 requires a state or local government employer to recognize a net pension liability measured as a date no earlier than the end of its prior fiscal year. Net position as of September 30, 2014, has been restated as follows for the implementation of GASB Statement 68.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net position, as originally reported at September 30, 2014	\$ 2,605,740	\$ 5,192,762
Restatement adjustment		
Net pension liability (measurement date of June 30, 2014)	(572,405)	(94,321)
Deferred inflows of resources	(563,168)	(92,798)
Deferred outflows of resources	95,077	15,666
Total restatement adjustment	(1,040,496)	(171,453)
Net position, as restated at September 30, 2014	\$ 1,565,244	\$ 5,021,309

## **Required Supplementary Information**

**Schedule of Funding Progress for the Retirees' Health Insurance Other Postemployment Benefits Plan:**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
October 1, 2008	N/A	N/A	N/A	N/A	N/A	N/A
October 1, 2009	\$ 0	\$ 615,206	\$ 615,206	0.0%	\$ 1,180,729	52%
October 1, 2013	\$ 0	\$ 278,000	\$ 278,000	0.0%	\$ 1,032,000	27%

**Schedule of Employer Contributions for the Retirees' Health Insurance Other Postemployment Benefits Plan:**

Fiscal Year Ended September 30,	Actual Contribution	Annual Required Contribution	Percentage Contributed
2013	\$ 0	\$ 61,000	0%
2014	\$ 0	\$ 66,000	0%
2015	\$ 0	\$ 66,000	0%

**City of Parker, Florida**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**– Florida Retirement System**  
**September 30, 2015**

<b>June 30,</b>	<b>2015</b>	<b>2014</b>	<b>2013 *</b>	<b>2012 *</b>	<b>2011 *</b>	<b>2010 *</b>	<b>2009 *</b>	<b>2008 *</b>	<b>2007 *</b>	<b>2006 *</b>
City's proportion of the net pension liability (assets)	0.0051447%	0.0051900%	N/A							
City's proportionate share of the net pension liability (assets)	\$ 664,505	\$ 316,667	N/A							
City's covered-employee payroll	\$ 997,344	\$ 1,035,869	N/A							
City's proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	66.63%	30.57%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%	N/A							

\* Disclosures for 2006 through 2013 are N/A because comparable information is not available at this time.

See independent auditor's report

**City of Parker, Florida**  
**Schedule of the City's Contributions**  
**– Florida Retirement System**  
**September 30, 2015**

<b>June 30,</b>	<b>2015</b>	<b>2014</b>	<b>2013 *</b>	<b>2012 *</b>	<b>2011 *</b>	<b>2010 *</b>	<b>2009 *</b>	<b>2008 *</b>	<b>2007 *</b>	<b>2006 *</b>
Contractually required contribution	\$ 122,941	\$ 118,115	N/A							
Contributions in relation to the contractually required contribution	(122,941)	(118,115)	N/A							
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>							
City's covered-employee payroll	\$ 997,344	\$ 1,035,869								
Contributions as a percentage of covered-employee payroll	12.33%	11.40%	N/A							

\* Disclosures for 2006 through 2013 are N/A because comparable information is not available at this time.

See independent auditor's report

**City of Parker, Florida**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**– Health Insurance Subsidy Program**  
**September 30, 2015**

June 30,	2015	2014	2013 *	2012 *	2011 *	2010 *	2009 *	2008 *	2007 *	2006 *
City's proportion of the net pension liability (assets)	0.0035935%	0.0037438%	N/A							
City's proportionate share of the net pension liability (assets)	\$ 366,478	\$ 350,059	N/A							
City's covered-employee payroll	\$ 997,344	\$ 1,035,869	N/A							
City's proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	36.75%	33.79%	N/A							
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%	N/A							

\* Disclosures for 2006 through 2013 are N/A because comparable information is not available at this time.

See independent auditor's report

**City of Parker, Florida**  
**Schedule of the City's Contributions**  
**– Health Insurance Subsidy Program**  
**September 30, 2015**

<b>June 30,</b>	<b>2015</b>	<b>2014</b>	<b>2013 *</b>	<b>2012 *</b>	<b>2011 *</b>	<b>2010 *</b>	<b>2009 *</b>	<b>2008 *</b>	<b>2007 *</b>	<b>2006 *</b>
Contractually required contribution	\$ 13,543	\$ 12,592	N/A							
Contributions in relation to the contractually required contribution	(13,543)	(12,592)	N/A							
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>							
City's covered-employee payroll	\$ 997,344	\$ 1,035,869								
Contributions as a percentage of covered-employee payroll	1.36%	1.22%	N/A							

\* Disclosures for 2006 through 2013 are N/A because comparable information is not available at this time.

See independent auditor's report

## **Compliance Section**

## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

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

### ***Report on the Financial Statements***

We have audited the financial statements of the City of Parker, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 18, 2016.

### ***Auditor's Responsibility***

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 and Chapter 10.550, Rules of the Auditor General.

### ***Other Reports***

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated May 18, 2016, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations in the preceding annual financial report except as noted below under the heading Prior Year Findings and Recommendations.

### ***Prior Year Findings and Recommendations***

Findings reported the two previous years include 15-01 and 15-02.

### ***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 City of Parker, Florida is incorporated under the provisions of the State of Florida (Laws of Florida, 1951, CH. 27685, Sec. 5). There is one component unit of the reporting entity as defined in publications cited in Rule 10.553. The Parker Community Redevelopment Agency is operated by the City. The Agency was created on May 25, 2004 by City Resolution 2004-05-350 pursuant to Florida Statute 163.387.

### ***Financial Condition***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City of Parker, Florida 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 of Parker, Florida 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.

### ***Annual Financial Report***

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City of Parker, Florida for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### ***Other Matters***

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

**Purpose of this Letter**

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

*Carri Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
May 18, 2016

**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**

Honorable Mayor and Members  
of the City Council  
City of Parker, 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 Parker, Florida as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Parker, Florida's basic financial statements and have issued our report thereon dated May 18, 2016.

***Internal control over financial reporting***

In planning and performing our audit of the financial statements, we considered the City of Parker, Florida's internal control over financial reporting 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 of Parker, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Parker, Florida's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described below to be material weaknesses.

15-01 (Prior years 14-01 and 13-01) (Initially reported in 2007) Significant adjustments to the financial records were necessary in order for the financial statements to conform to U.S. generally accepted accounting principles.

Management's response - It is not considered economically feasible for the City to invest in the additional resources that would be required for us to provide the auditors with accounting records

that require no proposed audit adjustments. New accounting staff has been hired and the City has begun to see substantial improvement in accuracy. Adjustments needed this year were less substantial. We will still rely on the software, education, and research materials which CRI already possesses.

15-02 (Prior years 14-02 and 13-02) (Initially reported in 2009) Lack of segregation of duties - Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate to reduce the risk of fraud or misappropriation of assets to an acceptable level.

Management's response - This finding relates to areas that may never be fully resolved due to the limited staff and resources of our small City. We have segregated an instance of an employee handling accounts receivable from her ability to be a backup for accounts payable and have removed the Clerk's ability to do financial system transactions for receivables or payables. We will continue to have instances where the Clerk may have to work at the front counter manually receiving utility payments if the other two members are not available, for instance, one on annual leave and one sick, but system entries are not done by her and at day's end, her manual work is checked. We are providing additional oversight in order to reduce the risk caused by other internal control weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### ***Compliance and other matters***

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

#### ***City of Parker, Florida's responses to findings***

The City's responses to the findings identified in our audit are included above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### ***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.

*Carr, Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
May 18, 2016

## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Parker, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

*Carr, Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
May 18, 2016



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## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Parker, Florida's (the City) compliance with the requirements of Section 288.8018, Florida Statutes, *Gulf Coast Audits*, during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

*Carr, Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
May 18, 2016

**City of Parker, Florida**  
**Schedule of Receipts and Expenditures of Funds Related to the**  
**Deepwater Horizon Oil Spill**

<b>Source</b>	<b>Amount Received in the 2014-2015 Fiscal Year</b>	<b>Amount Expended in the 2014-2015 Fiscal Year</b>
<b>British Petroleum:</b>		
Agreement No: Settlement	\$ 78,144	\$ 78,144

Note: This does not include funds related to the Deepwater Horizon oil spill that are considered federal awards or state financial assistance. No such funds were received in the 2014-2015 year.

See independent auditor's report