



G City of **reenacres** A GREAT PLACE TO BE

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2005



GREENACRES CITY HALL
5800 MELALEUCA LANE
GREENACRES, FLORIDA



*The City of
Greenacres, Florida*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 2005

**Prepared by:
Department of Finance**

**Jeffrey A. Price
Director of Finance**

CITY OF GREENACRES, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2005

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INTRODUCTORY SECTION



City of Greenacres

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Samuel J. Ferreri
Mayor
Wadie Atallah
City Manager
Jeff A. Price, CGFO
Director of Finance

February 2, 2006

The Honorable Mayor and Members of the City Council
City of Greenacres, Florida

We are pleased to submit the Comprehensive Annual Financial Report of the City of Greenacres, Florida for the fiscal year ended September 30, 2005. This document also includes the report of independent certified public accountants. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Greenacres for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2004. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. The City of Greenacres has received a Certificate of Achievement for the last fourteen consecutive years (fiscal years 1991-2004). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. The presentation of the City of Greenacres' financial information includes two financial statements that provide a government-wide perspective using the accrual basis of accounting. Please refer to our Management's Discussion and Analysis section for a more detailed explanation of the statements.

While fund financial statements are still presented, their presentation has changed. Long-term liabilities and capital assets are now excluded from the governmental fund financial statements. Instead, this information is now presented in the government-wide statement of net assets. Also, capital assets are now subject to depreciation.

The fund financial statements now focus on individual major funds. Each major fund is presented in a separate column in the fund financial statements. Non-major funds are aggregated and presented in a combined column. Budget to actual comparisons are presented as required supplementary information and are limited to the general fund and major special revenue funds. The comparisons are now more informative, including both the original adopted budget and the final amended budget.

We believe the GASB 34 reporting model will assist in making economic, social and political decisions and in assessing accountability to the residents by:

- ❖ Comparing actual financial results with the legally adopted budget, where appropriate;
- ❖ Assisting in determining compliance with fiscally-oriented laws, rules and regulations; and
- ❖ Assisting in evaluating the efficiency and effectiveness of the City of Greenacres' operations.

FINANCIAL STATEMENT FORMAT

This report has been prepared and organized to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. By following the guidelines of this program, the report's format facilitates understanding by the residents and provides information needed by the most sophisticated and interested financial observers. The report is presented in four sections: introductory, financial, statistical, and compliance.

- ❖ The **introductory section**, which is unaudited, includes this transmittal letter, a list of principal officials, the City of Greenacres' organization chart, and the Government Finance Officers Association Certificate of Achievement for fiscal year ended 2004. This section is designed to provide an overview and general understanding of the report.
- ❖ The **financial section** provides a detailed presentation of the financial position and results for the fiscal year ended September 30, 2005. The financial section is divided into three identified subsections for the convenience of the reader:
 - Management's Discussion and Analysis
 - Basic Financial Statements With Required Supplementary Information
 - Combining and Individual Fund Statements.

Readers are encouraged to pay particular attention to management's discussion and analysis and to the footnotes in the basic financial statements. These provide valuable analysis and explanation of the financial statements.

- ❖ The **statistical section**, which is unaudited, includes a number of multi-year tables and other data designed to present social, economic and financial trends of the City of Greenacres, providing an overall view of the fiscal capacity of the City.
- ❖ The **other reports section** includes the report of the independent auditors on compliance and on internal control over financial reporting in accordance with Government Auditing Standards, and the management letter.

The City contracts with a privately owned sanitation company for garbage and recycling collection services. For fiscal year 2005, Onyx Waste Services of Florida, Inc held this franchise contract. Palm Beach County Water Utilities Department provides water and sanitary sewage service in the City. There is one subordinate entity reporting to the City and included in this report, the Public Safety Officer and Firefighter Retirement Plan. This subordinate entity was created effective January 1, 1996, to provide retirement, death survivorship, and disability benefits to all Public Safety Officers and Firefighters hired January 1, 1996, and thereafter, consistent with the provisions of Florida Statutes 175 and 185.

ECONOMIC CONDITION AND OUTLOOK

The City is located in the east central area of Palm Beach County, Florida, approximately seven miles from the Atlantic Ocean. Palm Beach County was among the fastest growing metropolitan areas in the country in 2002, with an estimated population of 1,173,837. Greenacres is the tenth largest municipality in the County with a 2005 population of 31,270 (BEBR Census). The primary sources fueling the economy of this section of the County are agriculture, tourism, and a growing retirement community. The City is a residentially oriented suburb, with a large number of commercial establishments to serve its varied population. The City serves a large retiree sector, while at the same time meeting the burgeoning needs of a large youth population. Due to the diminishing availability of agricultural land on the western boundary of the metropolitan area, the rapid population growth rate for the past decade is expected to diminish for the current decade with further reduction in the future.

In fiscal year 2005 the City's economic growth held its own; the unemployment rate decreased to 3.7 percent, and several large construction projects were underway or completed. This includes Seminole Palms (121 units), Magnolia Bay (112 units), Willow Court (44 units), various single-family subdivisions (81 units), various multi-family (58 units), CVS Pharmacy at Barclay Square, CVS Pharmacy at Mil-Lake Plaza, Wachovia Bank at Military Crossing Plaza and Dawn Healthcare. The large Nautica Isles project (977 single family units) is being developed in two phases. As of the close of fiscal year 2005, certificates of occupancy have been issued to approximately 97% of Phase I and 99% of Phase II. The recent trend of revitalization in the City's Original Section continued and expanded with the construction of 23 new or replacement homes.

The City has no industrial zoning, and, as such, has no large employers within the City limits. Palm Beach County School District and Palm Beach County government are two large local employers, with 19,200 and 10,600 employees, respectively. Palm Beach County Snapshot lists the three top trades as: 1) Service Providing Industry, the largest employer at 489,100 employees; 2) Trade, Transportation, and Utilities at 100,600; and 3) Professional and Business Services at 111,200. The City economy is primarily driven by residential and commercial developments representing a fairly broad spectrum of the population and business types, respectively. There is no single large employer of Greenacres' residents.

MAJOR INITIATIVES

Over the past decade, the City has been addressing three major areas of concern:

- ❖ Upgrading its capital investment for Public Safety functions and security in the City
- ❖ Improving roads, infrastructure, and appearance throughout the City's neighborhoods
- ❖ Development of parks and recreational facilities for all City residents

In conjunction with the major initiatives the City also undertook a visionary process, the Greenacres Assembly, "A New Vision," coordinated by the Florida Institute of Government at Florida Atlantic University, in October of 2002. This process involved convening a community-wide forum with representation from Government/Public Sector/Non-Profit; Business and Industry; and Civic and Community organizations. The approach was designed to reach a consensus on issues of interest to diverse parties in the City, and to extend a general agreement on issues affecting the City. The Assembly focused on three (3) major issues:

- ❖ Quality of Life/Image and Character
- ❖ Communication/Intergovernmental Coordination
- ❖ Community Development/Neighborhood Revitalization

Initiatives related to public safety included the construction of its second Public Safety Station in the southeast portion of the City in fiscal year 2002. A new aerial truck was delivered to the City in July 2002 as well as one new and two refurbished ambulances. This resulted in a substantial increase in City fire/rescue service capability, and as a result, the City now provides fire-rescue services to the City of Atlantis pursuant to an Interlocal Agreement. Insurance Service Office (ISO) is the principal provider of ratings and statistical information for the insurance industry in the country. After an extensive evaluation of the fire-protection services of a city, the ISO assigns a Public Protection Classification (PPC) number from 1 to 10, with 1 being exemplary. The City of Greenacres was rated number 3, an improvement from the last rating of number 5. Most insurance companies use the PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. In general, the price of insurance premiums in a community with a good PPC is substantially lower than in a community with a poor PPC. In fiscal year 2004 and 2005 the City replaced all the protective personal equipment for public safety personnel through a grant, updated the 911 dispatch consoles, refurbished the evidence storage room and replaced extrication equipment.

In the area of roads, infrastructure and appearance, the City continued to obtain Keep Palm Beach County Beautiful (KPBCB) Grants to enhance the City's median strips and landscaping at various sites. A five-year project, partially funded by Community Development Block Grant (CDBG), provides for the construction of sidewalks, paving, drainage, water and lighting improvements on roads north of 10th Avenue North. In fiscal year 2004 the City started the process of building a new Public Works Facility and a new City Hall. Financing for the project took place during fiscal year 2005, with groundbreaking on December 19, 2005.

The City has been very active developing programs to build recreation facilities and new parks, and enhance "green space" in the City. In 1996-2000, Ira Van Bullock Park was completely renovated and updated at a cost of \$1.2 million. In 1999, the City opened a new \$1.3 million Community Center, significantly increasing recreation facilities. This was the largest single construction project in the history of the City. In 1999 and 2001, Bowman Neighborhood Park was constructed at a cost of almost \$300,000. In September 2001, the construction of Greenacres Freedom Park, a 55-acre recreation facility, was initiated with a \$1.2 million construction project for Phase I. This park, the largest in the City, will be constructed in phases at an ultimate cost of over \$3 million. During fiscal year 2002 phase I construction of Freedom Park was completed; during fiscal year 2004 phase II was completed; and at the close of fiscal year 2005, phase III of Freedom Park was substantially completed.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that government assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure of the City of Greenacres is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The City of Greenacres maintains budgetary controls through the annual budget public hearing and approval process of GAAP based budgets. The formal budget approval for each fiscal year is accomplished in a manner to comply with Florida State Statute 200.065, commonly referred to as Truth-In-Millage (TRIM). Activities of the General Fund, Debt Service Funds, Arboreous, C.A.R.E.S./Cool Zone After School Child Care, and Public Safety Donation Special Revenue Funds, and all Capital Project Funds are included in the annual appropriated budget. Chapter 932, Florida State Statutes prohibits budgeting revenue in the Forfeitures

Special Revenue Fund. Expenditures in the Forfeitures Special Revenue Fund are appropriated through individual requests on a project-by-project basis at public meetings of the City Council. Budget amendments for all funds require prior City Council approval at public meetings. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is at the Departmental level.

The City of Greenacres also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are reappropriated as part of the following year's approved budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Fiduciary Operations

The City's fiduciary operations, prior to fiscal year 1996, were limited to the maintenance of three small Agency Funds. As a result of passage of the Small Business Job Protection Act of 1996, the City was able to remove its two Internal Revenue Code Section 457 plans from its books, as the City no longer has a fiduciary responsibility for the plans. The ICMA plan was removed in fiscal year 1997 and the Hartford plan in fiscal year 1998.

The City enrolled its employees in the State of Florida Retirement System (FRS) in 1973. In the 1995 legislative session, the State of Florida enacted a law that allowed municipalities and independent districts to opt future employees out of the Florida State Retirement System. Following detailed analysis of the options, the City Council voted to opt out of the Florida Retirement System (FRS) for all employees hired January 1, 1996, and thereafter. Pursuant to existing statute, all employees hired prior to that date will remain in FRS. The City of Greenacres Public Safety Officer and Firefighter Retirement Plan was established effective January 1, 1996, to cover high-risk employees with a defined benefit retirement plan. A defined contribution plan, entitled the City of Greenacres General Employees Retirement Plan, was established to cover all other employees. These two plans are expected to provide quality retirement options to new employees, while producing some savings to the City, when compared to FRS costs. The Florida League of Cities was selected to provide administrative services for both plans. Two pension trust funds were established to account for these new plans in fiscal year 1996.

Cash Management

The City maintains one master pooled cash account for all funds with SunTrust Bank/South Florida N.A., a qualified public depository covered by the multiple financial institution collateral pool, administered by the State of Florida pursuant to the Florida Security for Deposits Act, Chapter 280, Florida Statutes. All deposits in this account are considered to be fully insured for risk categorization purposes. Balances above those necessary for daily transactions are transferred into an account maintained with the State of Florida Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA). The State Board of Administration invests these funds in direct obligations or obligations unconditionally guaranteed by the U.S. Government and other conservative securities. Access to these funds is available through electronic funds transfer on a daily basis. Earnings from such investments are recorded as interest income. The average yield on investments during the year was 2.7 percent by the SBA in fiscal year 2005 for the State Surplus Funds Trust Fund. During fiscal year 2003 the City invested in the Florida Municipal Investment Trust (FMIVT).

The balances in the two City retirement plans are forwarded to the plan administrator, the Florida League of Cities (FLC), for investment. FLC uses Atlanta Capital Management Company as an investment manager and places these funds in investments authorized by state statutes.

Risk Management

The City maintains liability coverage through FLC consistent with the Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability claims in state court to \$100,000 per individual, or \$200,000 for all claims relating to the same incident. Property coverage is by schedule and is carried in an amount of \$9,915,028. The City and FLC have actively increased their efforts during the past year to reduce claims through distribution of educational material and classes on safety, enhanced by video training tapes provided on fire and police safety procedures. The City also distributes safety gear, consisting of work shoes, safety glasses, and lifting belts for appropriate employees. Material Safety Data Sheets are obtained and distributed to all employees working with potentially hazardous chemicals.

OTHER INFORMATION

Independent Audit

State Statutes require an annual audit by independent certified public accountants. The accounting firm of Nowlen, Holt and Miner, PA was selected through a fiscal year 2005 competitive Request for Proposals (RFP) to conduct the City's audit. They replaced the firm Rachlin, Cohen & Holtz, LLP, which preformed the five previous annual audits. The auditors' report on the general-purpose financial statements is included in the Financial Section of this report.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report for the City of Greenacres was made possible by the dedicated efforts of the staff of the Department of Finance. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and vision of the Greenacres City Council, preparation of this report would not have been possible.



Wadie Atallah
City Manager

Jeffrey A. Price
Director of Finance



PRINCIPAL OFFICIALS

Samuel J. Ferreri
Mayor

Charles E. Shaw
Deputy Mayor-Councilman, District III

Richard C. Radcliffe
Councilman, District I

Peter A. Noble
Councilman, District II

Doris A. Fouts
Councilwoman, District IV

Michael V. Mortimer
Councilman, District V

Wadie Atallah
City Manager

Pamela S. Terranova
City Attorney

Deborah S. Manzo
Assistant City Manager

Sondra K. Hill
City Clerk

Jeffrey A. Price
Director of Finance

Thomas J. Lanahan
Director of Planning & Engineering

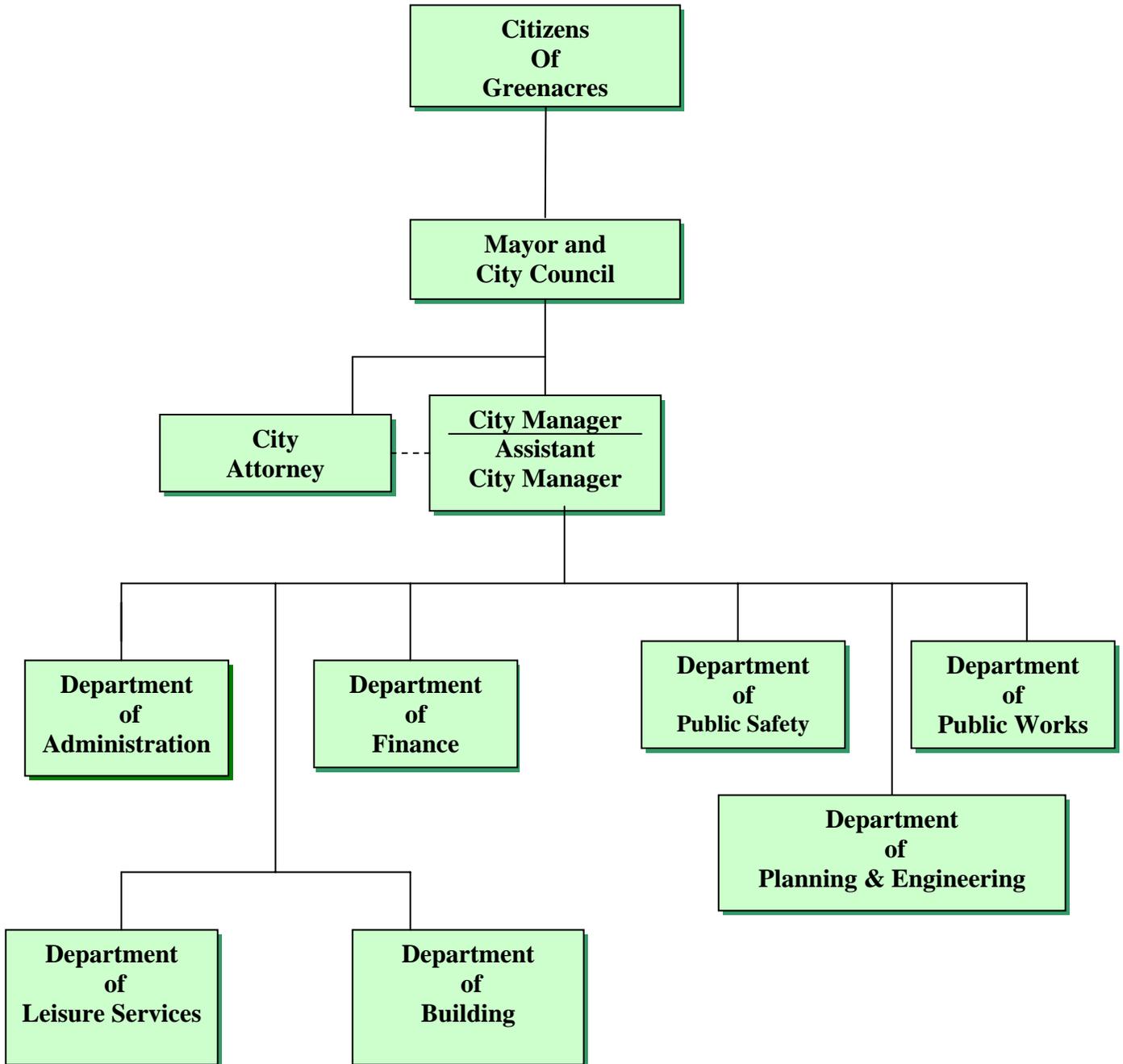
Dennis C. Rogan
Director of Public Works

Gregory P. Smith
Director of Public Safety

Michele L. Thompson
Director of Leisure Services

Stephen D. Uman
Director of Building

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Greenacres,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

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



Carla E. Fudge

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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215 FIFTH STREET, SUITE 200
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EDWARD T. HOLT, CPA
WILLIAM B. MINER, CPA
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DANIELA' E. RUSSELL, CPA
RICHARD M. SOTHEN, CPA
DANIEL A. KIRCHMAN, CPA
MARILYN B. RASH, CPA
ALEXIA G. VARGA, CPA
JAMES W. JOHNSON, CPA
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INDEPENDENT AUDITORS' REPORT

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The Honorable Mayor and Members of the City Council
City of Greenacres, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Greenacres, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida as of September 30, 2005, and the respective changes in financial position, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2005, on our consideration of the City of Greenacres, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 3 through 11 and the required supplementary information on pages 39-45 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenacres, Florida's basic financial statements. The combining fund statements, other supplemental information, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Greenacres, Florida. The combining fund statements and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Nowlen, Holt, & Miner, P.A.

December 8, 2005

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Greenacres' (the City's) Management's Discussion and Analysis (MD&A) is a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2005. It is designed to provide a broad overview and a short and long-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activities, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), clarify material deviations from the approved budget, and explain individual fund issues.

The City has presented its financial statements, since fiscal 2004, in accordance with the reporting model required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement 34). GASB Statement 34 has significantly changed not only the presentation of financial data, but also the manner in which the information is recorded.

Since the MD&A is designed to focus on the current year's activities, along with changes from the prior year and current known facts, please read it in conjunction with the Transmittal Letter (beginning on page i) and the City's financial statements (beginning on page 12).

HIGHLIGHTS

Financial Highlights

- At the close of fiscal year 2005, the City's assets exceeded its liabilities by \$23.7 million (net assets). Of this amount, \$2.4 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3.3 million, or 16.2%.
- Total revenues increased \$2.0 million, or 10.3%.
- Total expenses increased \$0.9 million, or 4.9%.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15.2 million, an increase of \$2.5 million in comparison with the prior year. Approximately 54% of this total, \$8.2 million, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$7.7 million, which was 48% of total General Fund expenditures.

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 have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities, (on pages 12-13) are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, accrued interest on long-term debt, earned but unused vacation pay).

Governmental accounting standards require that the government-wide statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). All of the City's activities are considered governmental in nature and as a result, no business-type activities are presented in these statements. The governmental activities of the City of Greenacres include police and fire services (public safety), capital assets maintenance and operations (public works), community development, recreation services and general government administration.

GASB Statement 34 not only mandated changes in the financial statements but also set forth reporting changes. One such change is to capitalize infrastructure (streets and roads, sidewalks, bridges, storm drainage systems and canals) both prospectively and retrospectively for fiscal years ending after June 30, 1980. Most of the major roads in the City are state or county roads; there are only 26 miles of roads owned and maintained by the City, less than five miles of which were constructed after June 30, 1980. Because the cost of the major sub-systems of infrastructure (roads and sidewalks) constructed by the City after June 30, 1980 are less than 5 percent of the City's total capital assets, the City is not required to capitalize its infrastructure retrospectively, and has elected not to do so.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over financial resources that have been segregated for specific activities or objectives. The City of Greenacres, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported in *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year (fund balance). Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

During the year, the City closed two debt service funds and opened another, so the City now maintains ten (10) individual governmental funds, a change from eleven (11) in 2004: the General Fund, four (4) Special Revenue Funds, two (2) Debt Service Funds, and three (3) Capital Projects Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of

revenues, expenditures and changes in fund balance for the General Fund, and the New Growth and Parks and Recreation (Capital Projects) Funds, all of which are considered *major funds*. Data from the seven remaining governmental funds are combined into a single column for an aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 46-49 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. While fiduciary (trust and agency) funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government.

The basic fiduciary fund statements can be found on pages 18-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-38 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This information includes budgetary comparison schedules, as well as detailed information concerning the City's obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 39-45 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

CITY AS A WHOLE: GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements were designed so that the user could determine if the City is in a better or worse financial condition from the prior year. The fiscal 2004 balances have been included so that the results from the prior year can be compared.

Summary of Net Assets

The table on the next page reflects a summary of the fiscal 2005 Net Assets with comparative information for fiscal 2004.

The largest portion of the City's net assets (59%) reflects its investment in capital assets (land, buildings, machinery and equipment) less any related debt still outstanding that was used to acquire those assets. The City uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (31%) represents resources that are subject to external or legal restrictions on how they may be used. The increase in restricted net assets is due primarily to capital improvement projects planned for next year and beyond. The remaining balance of \$2.4 million, or 10% of net assets, is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Net assets may serve as a useful indicator of a government's financial position over time. The overall position of the City improved in 2005 and 2004. At the end of the 2005 fiscal year, the City of Greenacres' assets exceeded liabilities by \$23.7 million, an increase of 16%, or \$3.3 million, from \$20.4 million in 2004. The increase primarily represents the degree by which ongoing revenues outpaced similar increases in ongoing expenses.

City of Greenacres, Florida
Summary of Net Assets
(in thousands)

| | <u>2005</u> | <u>2004</u> | <u>Percentage change</u> |
|--|-------------------------|-------------------------|------------------------------|
| Current and other assets | \$ 17,138 | \$ 14,135 | 21.2% |
| Capital assets, net | <u>15,768</u> | <u>15,389</u> | 2.5% |
| Total assets | <u>32,906</u> | <u>29,524</u> | 11.5% |
| Current liabilities | 1,736 | 1,294 | 34.2% |
| Long-term liabilities | <u>7,500</u> | <u>7,855</u> | (4.5%) |
| Total liabilities | <u>9,236</u> | <u>9,149</u> | 1.0% |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 13,927 | 13,767 | 1.2% |
| Restricted ^a | 7,330 | 6,587 | 11.3% |
| Unrestricted | <u>2,413</u> | <u>21</u> | > 100.0% |
| Total net assets | <u>\$ 23,670</u> | <u>\$ 20,375</u> | 16.2% |

^a Fiscal 2004 restricted net assets has been adjusted to include assets restricted for capital projects, for comparison with fiscal 2005: Reported fiscal 2004 balance \$188,348 + total 2004 capital projects funds fund balances \$6,398,789

Summary of Changes in Net Assets

The revenues and expenses for the current and previous fiscal years are compared in the schedule on page 7.

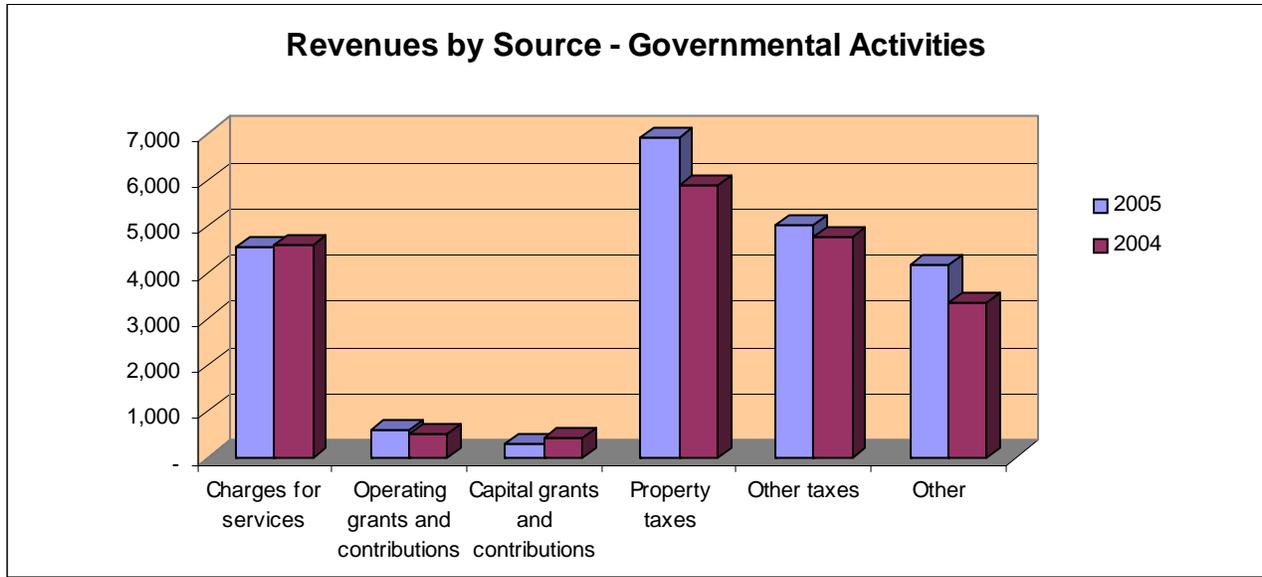
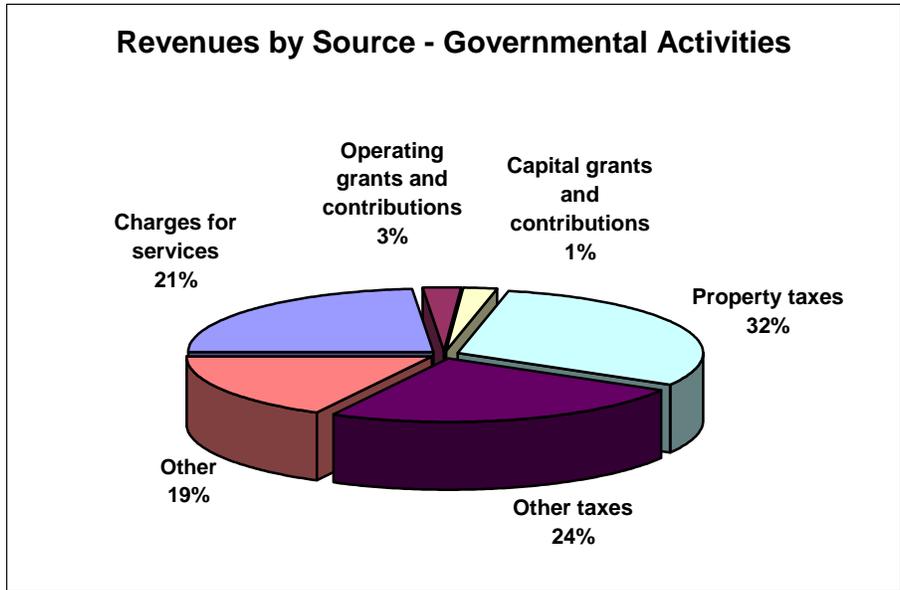
As noted previously, the pace at which ongoing revenues outstripped ongoing expenses were the primary reason for the change in net assets. Key elements of the change are as follows:

- Tax revenues have increased across the board. Property taxes increased by \$1,038,438 due primarily to rising property values, and also as a result of building activity. Utility taxes and franchise fees increased by a total of \$273,176, largely as a result of rate increases as utilities, primarily FPL, seek to recoup large losses caused by multiple hurricanes. Remittances from the state of local sales and other taxes increased by \$291,582.
- Interest on investments increased by \$319,348, due primarily to the recovery of the general economy, and also to debt proceeds for the new municipal complex that were invested with the State Board of Administration for most of the past year.

City of Greenacres, Florida
Summary of Changes in Net Assets
(in thousands)

| | <u>2005</u> | <u>2004</u> | <u>Percentage change</u> |
|------------------------------------|------------------|------------------|------------------------------|
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 4,556 | \$ 4,616 | (1.3%) |
| Operating grants and contributions | 585 | 494 | 18.4% |
| Capital grants and contributions | 272 | 415 | (34.5%) |
| General revenues: | | | |
| Property taxes | 6,920 | 5,882 | 17.6% |
| Other taxes | 5,043 | 4,754 | 6.1% |
| Other | 4,165 | 3,369 | 23.6% |
| Total revenues | <u>21,541</u> | <u>19,530</u> | 10.3% |
| Expenses: | | | |
| General government | 3,454 | 2,652 | 30.2% |
| Public safety | 9,746 | 9,327 | 4.5% |
| Transportation | 1,357 | 1,551 | (12.5%) |
| Culture and recreation | 2,081 | 2,095 | (0.7%) |
| Physical environment | 1,436 | 1,777 | (19.2%) |
| Interest and other fiscal charges | 257 | 77 | 233.8% |
| Total expenses | <u>18,331</u> | <u>17,479</u> | 4.9% |
| Increase in net assets | 3,210 | 2,051 | 56.5% |
| Beginning net assets | <u>20,460</u> | <u>18,324</u> | 11.7% |
| Ending net assets | <u>\$ 23,670</u> | <u>\$ 20,375</u> | 16.2% |

The ratio of the increase in revenues as compared to the increase in expenses from 2004 to 2005 mirrors the same ratio in the previous year. The 4.9% increase in expenses from 2004 to 2005 (4.8% last year) lagged behind the growth in revenues (10.3% increase this year as compared to 10.2% last year).



Financial Analysis of the City of Greenacres' Funds

As noted earlier, the City of Greenacres uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,246,714, which are \$2.5 million greater than fiscal 2004. Approximately 54% (\$8.2 million) of this total constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been

committed 1) to liquidate contracts and purchase orders of the prior period (\$6,739,263), 2) to purchase police equipment (\$46,947), 3) to pay debt service (\$94,913), or 4) for a variety of other restricted purposes (\$138,216).

The General Fund is the chief operating fund of the City of Greenacres. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,668,263, while total fund balance reached \$7,870,297. Generally, as a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and to total fund expenditures. At the 2005 fiscal year end, unreserved fund balance represents 48% of total general fund expenditures. It must be noted, however, that during the budget process plans were made to transfer approximately \$4.0 million of the unreserved general fund balance to capital projects funds to finance projects that are part of the City's planned capital improvements. Even under that scenario, the unreserved general fund balance is still a healthy 22% of total fiscal 2005 expenditures.

The general fund balance increased by \$2.0 million during the current fiscal year. Key factors in this growth mirror the reasons for the growth in net assets of the City's governmental activities described earlier.

The City's New Growth (Capital Projects) Fund is used to account for the acquisition of new and expanded public infrastructure for all purposes (except for parks) resulting from the growth of the City. This year the City spent \$486 thousand on the new Municipal Complex, and transferred an additional \$1.3 million from the general fund to cover construction cost increases that occurred in the year since the contract was first bid. In addition, approximately \$400 thousand was spent on infrastructure and road improvements.

The Parks and Recreation (Capital Projects) Fund is used to account for the construction and refurbishment of park facilities within the City. In 2005 over \$500 thousand was spent on improvements in the City's parks, primarily for Freedom Park on lighting for two baseball fields, two parking lots, and a jogging trail.

General Fund Budgetary Highlights

Over the course of the year, the City budget was revised several times:

- Amendments at the beginning of the year for funds appropriated and encumbered in the prior year (\$122 thousand budget increase) and again at year-end for current year encumbrances for products or services ordered but not delivered by September 30 (\$126 thousand budget decrease).
- An increase of \$282 thousand in appropriations for emergency expenditures incurred as a result of the September 2004 Hurricanes Frances and Jeanne. The budget increase was offset by revenues from FEMA for disaster recovery assistance.

Even with these adjustments, actual expenditures were \$1.1 million below final budget amounts. The most significant positive variance (\$534 thousand) resulted from staffing levels in the Department of Public Safety, in Investigation and in Support Services, being lower than budgeted.

Revenue, on the other hand, came in \$1.4 million higher than the budgeted amount. Of that amount, \$432 thousand was comprised of two adjustments to general fund revenue: a prior period adjustment for FEMA reimbursements incorrectly booked as general fund revenue in fiscal 2004, but not received until late in 2005 (\$192 thousand) and insurance premium tax that can only be used to offset or supplement police and firefighter pension contributions (\$240 thousand). The adjustments had no net effect on fund balance. The reset of the surplus came mostly from taxes (property, \$93,287; utility, \$31,295; state revenue sharing, \$280,345; half-cent sales tax, \$156,017) and interest on investments (\$124,153).

Capital Asset and Debt Administration

Capital assets. The City of Greenacres' investment in capital assets as of September 30, 2005 amounts to \$15,767,979 (net of accumulated depreciation). Capital assets include land, buildings, improvements other than buildings, equipment, vehicles, construction in process, and infrastructure. This year's major capital asset additions include:

- \$484 thousand for park lighting and playground equipment
- \$486 thousand towards the new municipal complex (construction in progress)
- \$199 thousand for new vehicles for the City's fleet: five (5) new police cruisers and two (2) administrative vehicles for public safety, a four-wheel drive pick-up truck for public works, and a used transit bus for leisure services.

City of Greenacres Capital Assets
(in thousands, net of accumulated depreciation)

| | <u>2005</u> | <u>2004</u> | <u>change</u> |
|-----------------------------------|------------------|------------------|---------------|
| Land | \$ 6,334 | \$ 6,334 | 0.0% |
| Buildings | 1,982 | 2,292 | (13.5%) |
| Improvements other than buildings | 3,592 | 3,507 | 2.4% |
| Furniture, fixtures and equipment | 896 | 930 | (3.7%) |
| Vehicles | 1,720 | 1,861 | (7.6%) |
| Infrastructure | 561 | - | n/a |
| Construction in Progress | <u>683</u> | <u>465</u> | 46.9% |
| Total | <u>\$ 15,768</u> | <u>\$ 15,389</u> | 2.5% |

Additional information can be found in Note 4 Capital Assets on page 29.

Debt administration. At fiscal 2005 year end, the City had \$6.5 million in debt (bonds and bank loans) outstanding compared to \$6.9 million last year. The final payment was made on the City's general obligation debt, and debt was reduced 6.5% overall.

The debt position of the City is summarized below and is more fully explained in Note 5 Long-Term Debt on page 30.

City of Greenacres Outstanding Debt
(in thousands)

| | <u>2005</u> | <u>2004</u> | <u>Percentage change</u> |
|--------------------------|-----------------|-----------------|--------------------------|
| General Obligation Bonds | \$ - | \$ 91 | (100.0%) |
| Revenue Bonds | 1,158 | 1,335 | (13.3%) |
| Notes Payable | <u>5,317</u> | <u>5,500</u> | (3.3%) |
| Total | <u>\$ 6,475</u> | <u>\$ 6,926</u> | (6.5%) |

Economic Factors and Next Year's Budgets and Rates

The City's healthy growth continued through calendar year 2005. New residential and commercial construction projects added \$82.6 million to the City's property values by the end of calendar year 2004. Additionally, the City's existing property values continued to appreciate, resulting in a gross taxable value of more than \$1.5 billion for the calendar year 2005 ad valorem, an increase of 22% over the prior year.

General fund revenues were projected to be \$20,845,687 in fiscal year 2006, a 12.2% increase over the fiscal year 2005 forecast. Combined with reserves, amounts available for appropriation in the General Fund are \$26.8 million, an increase of 14.7% over the final 2005 budget of \$23.4 million. General fund expenditures plus transfers out are budgeted at \$22,620,481, an increase of 22% over 2005 budgeted expenditures of \$18.6 million. Factors contributing to the increase include a 4.3% cost-of-living allowance to non-bargaining unit employees, a 25% increase in fuel and electricity costs, and transfers of \$4.7 million to pay for debt service and planned capital improvement projects. If these estimates are realized, general fund balance will decrease to \$4.2 million in 2005.

The fiscal year 2006 budget provided for lowering the total millage from 5.6735 mills to 5.5735 mills.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Director of Finance, 5985 10th Ave N, Greenacres, Florida 33463.

**BASIC FINANCIAL
STATEMENTS**

CITY OF GREENACRES, FLORIDA

Statement of Net Assets

September 30, 2005

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 923,715 |
| Investments | 14,820,312 |
| Receivables (net) | |
| Accounts | 1,081,804 |
| Grants | 74,702 |
| Assessments | 43,357 |
| Inventory | 21,600 |
| Prepaid items | 54,238 |
| Net pension asset | 118,510 |
| Capital assets | |
| Non-depreciable | 7,016,790 |
| Depreciable (net of depreciation) | 8,751,189 |
| Total assets | <u>32,906,217</u> |
| Liabilities | |
| Accounts payable and other current liabilities | 674,781 |
| Accrued payroll and related taxes | 427,417 |
| Unearned revenue | 630,841 |
| Accrued bond interest payable | 3,294 |
| Due within one year: | |
| Compensated absences | 564,721 |
| Bonds and notes payable | 370,146 |
| Due in more than one year: | |
| Compensated absences | 461,186 |
| Bonds and notes payable | 6,104,312 |
| Total liabilities | <u>9,236,698</u> |
| Net Assets | |
| Invested in capital assets, net of related debt | 13,927,169 |
| Restricted for: | |
| Capital projects | 7,116,405 |
| Debt service | 94,913 |
| Public safety | 56,307 |
| After school child care | 62,761 |
| Unrestricted | 2,411,964 |
| Total net assets | <u><u>\$ 23,669,519</u></u> |

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA

Statement of Activities

For the Fiscal Year Ended September 30, 2005

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|----------------------|----------------------|------------------------------------|----------------------------------|-----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Assets |
| | | | | | Total |
| Governmental activities: | | | | | |
| General government | \$ 3,454,422 | \$ 173,241 | \$ - | \$ - | \$ (3,281,181) |
| Public safety | 9,745,475 | 1,339,180 | 142,256 | 1,547 | (8,262,492) |
| Transportation | 1,357,200 | - | - | - | (1,357,200) |
| Culture/recreation | 2,081,419 | 597,074 | 145,639 | 25,970 | (1,312,736) |
| Physical environment | 1,435,927 | 2,446,643 | 296,945 | 244,983 | 1,552,644 |
| Interest on long-term debt | 256,928 | - | - | - | (256,928) |
| Total governmental activities | <u>\$ 18,331,371</u> | <u>\$ 4,556,138</u> | <u>\$ 584,840</u> | <u>\$ 272,500</u> | <u>(12,917,893)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | | | | | 6,919,977 |
| Utility service taxes | | | | | 3,300,570 |
| Franchise fees based on gross receipts | | | | | 1,341,265 |
| Gas taxes | | | | | 401,269 |
| Grants and contributions not restricted to specific programs | | | | | 3,351,262 |
| Investment earnings | | | | | 412,034 |
| Miscellaneous revenues | | | | | 401,442 |
| Total general revenues and transfers | | | | | <u>16,127,819</u> |
| Change in net assets | | | | | 3,209,926 |
| Net assets - beginning, as restated | | | | | <u>20,459,593</u> |
| Net assets - ending | | | | | <u>\$ 23,669,519</u> |

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA

Balance Sheet
Governmental Funds
September 30, 2005

| | General | Capital Projects | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|-------------------------|-----------------------------------|--------------------------------|
| | | New Growth | Parks and Recreation | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 923,715 | \$ - | \$ - | \$ - | \$ 923,715 |
| Investments | 6,643,769 | 7,094,393 | 814,181 | 267,969 | 14,820,312 |
| Receivables (net) | | | | | |
| Accounts | 1,040,890 | - | - | 40,914 | 1,081,804 |
| Grants | 34,726 | 27,726 | 12,250 | - | 74,702 |
| Assessments | 43,357 | - | - | - | 43,357 |
| Due from other funds | 24,230 | - | - | 33,452 | 57,682 |
| Inventories | 21,600 | - | - | - | 21,600 |
| Prepaid items | 54,238 | - | - | - | 54,238 |
| Total assets | \$ 8,786,525 | \$ 7,122,119 | \$ 826,431 | \$ 342,335 | \$ 17,077,410 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable and other liabilities | \$ 287,047 | \$ 379,257 | \$ - | \$ 8,477 | \$ 674,781 |
| Accrued payroll and related taxes | 414,042 | - | - | 13,375 | 427,417 |
| Due to other funds | 19 | 33,433 | - | 24,230 | 57,682 |
| Deferred revenue | 215,121 | 27,726 | 427,850 | 120 | 670,817 |
| Total liabilities | 916,229 | 440,416 | 427,850 | 46,202 | 1,830,697 |
| Fund balances | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 126,194 | 6,578,782 | 11,451 | 22,835 | 6,739,262 |
| Inventories | 21,601 | - | - | - | 21,601 |
| Prepaid items | 54,238 | - | - | - | 54,238 |
| Police equipment | - | - | - | 46,947 | 46,947 |
| Child care | - | - | - | 62,377 | 62,377 |
| Debt service | - | - | - | 94,913 | 94,913 |
| Unreserved | 7,668,263 | 102,921 | 387,130 | - | 8,158,314 |
| Unreserved, reported in nonmajor funds: | | | | | |
| Special revenue funds | - | - | - | 55,391 | 55,391 |
| Capital projects funds | - | - | - | 13,670 | 13,670 |
| Total fund balances | 7,870,296 | 6,681,703 | 398,581 | 296,133 | 15,246,713 |
| Total liabilities and fund balances | \$ 8,786,525 | \$ 7,122,119 | \$ 826,431 | \$ 342,335 | \$ 17,077,410 |

See accompanying notes to basic financial statements

CITY OF GREENACRES, FLORIDA
 Reconciliation of the Balance Sheet – Governmental Funds
 To the Statement of Net Assets
 Governmental Funds
 For the Fiscal Year Ended September 30, 2005

Fund balances total governmental funds \$ 15,246,713

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

| | | |
|-------------------------------|---------------------|------------|
| Governmental capital assets | \$ 27,002,773 | |
| Less accumulated depreciation | <u>(11,234,794)</u> | 15,767,979 |

Revenue is recognized when earned in the government-wide statements, regardless of activity. Governmental funds report based on modified accrual, i.e., both measurable and available

| | |
|----------------|--------|
| Grant revenues | 39,976 |
|----------------|--------|

Net pension assets for defined benefit pension plans are reported in the statement of net assets. Because they do not represent available, spendable resources, they are not reported in governmental funds.

118,510

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:

| | | |
|--|--------------------|--------------------|
| Bonds and notes payable | (6,474,458) | |
| Accrued interest payable on long-term debt | (3,294) | |
| Compensated absences | <u>(1,025,907)</u> | <u>(7,503,659)</u> |

| | |
|---------------------------------------|-----------------------------|
| Net assets of governmental activities | <u><u>\$ 23,669,519</u></u> |
|---------------------------------------|-----------------------------|

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2005

| | General | Capital Projects | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|-------------------------|-----------------------------------|--------------------------------|
| | | New Growth | Parks and Recreation | | |
| Revenues: | | | | | |
| Taxes | \$ 11,870,265 | \$ - | \$ - | \$ 92,815 | \$ 11,963,080 |
| Licenses and permits | 1,242,119 | - | - | - | 1,242,119 |
| Intergovernmental revenues | 4,194,823 | 186,775 | 2,258 | 310,743 | 4,694,599 |
| Charges for services | 2,309,135 | - | - | 192,797 | 2,501,932 |
| Fines and forfeitures | 183,240 | - | - | 6,748 | 189,988 |
| Impact fees | - | 137,162 | 190,560 | - | 327,722 |
| Interest | 200,253 | 164,610 | 25,278 | 21,893 | 412,034 |
| Special assessments | 16,801 | - | - | - | 16,801 |
| Contributions | 493 | - | - | 14,303 | 14,796 |
| Sales of surplus materials | 20,845 | - | - | - | 20,845 |
| Rental income | 25,861 | - | 134,800 | - | 160,661 |
| Miscellaneous revenues | 170,172 | - | - | - | 170,172 |
| Total revenues | 20,234,007 | 488,547 | 352,896 | 639,299 | 21,714,749 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 3,104,802 | - | - | - | 3,104,802 |
| Public safety | 9,105,071 | - | - | - | 9,105,071 |
| Transportation | 1,271,357 | - | - | - | 1,271,357 |
| Culture/recreation | 1,139,300 | - | - | 426,902 | 1,566,202 |
| Physical environment | 1,368,557 | - | - | - | 1,368,557 |
| Capital outlay | 41,545 | 967,665 | 511,762 | 434,387 | 1,955,359 |
| Debt service: | | | | | |
| Principal retirement | - | - | - | 451,526 | 451,526 |
| Interest | - | - | - | 254,537 | 254,537 |
| Total expenditures | 16,030,632 | 967,665 | 511,762 | 1,567,352 | 19,077,411 |
| Excess (deficiency) of revenues over (under) expenditures | 4,203,375 | (479,118) | (158,866) | (928,053) | 2,637,338 |
| Other financing sources (uses): | | | | | |
| Transfers in | 133,547 | 1,332,406 | - | 1,046,876 | 2,512,829 |
| Transfers out | (2,379,282) | - | - | (133,547) | (2,512,829) |
| Total other financing sources (uses) | (2,245,735) | 1,332,406 | - | 913,329 | - |
| Net change in fund balances | 1,957,640 | 853,288 | (158,866) | (14,724) | 2,637,338 |
| Fund balances - beginning, as restated | 5,912,656 | 5,828,415 | 557,447 | 310,857 | 12,609,375 |
| Fund balances - ending | \$ 7,870,296 | \$ 6,681,703 | \$ 398,581 | \$ 296,133 | \$ 15,246,713 |

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Fiscal Year Ended September 30, 2005

Net change in fund balances - total governmental funds \$ 2,637,338

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful life.

| | | |
|--------------------------------------|--------------------|----------|
| Expenditures for capital assets | \$ 1,779,547 | |
| Less current year depreciation | <u>(1,326,412)</u> | 453,135 |
| | | |
| Proceeds from sale of capital assets | (20,845) | |
| Loss on disposal of capital assets | <u>(59,790)</u> | (80,635) |

Some revenues, expenses, gains and losses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources:

| | |
|--------------------------------|----------|
| Change in compensated absences | (96,445) |
|--------------------------------|----------|

| | |
|--|---------|
| Net effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual) | (2,391) |
|--|---------|

The issuance of long-term debt (e.g., notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of the governmental funds. In the current year, these amounts consist of:

| | |
|--------------------------------------|---------|
| Principal payments on long-term debt | 451,526 |
|--------------------------------------|---------|

Governmental Funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.

| | | |
|--|------------------|------------------|
| Invasive Tree Removal Program Grant | 12,250 | |
| CDBG Grant | 10,353 | |
| Keep Palm Beach County Beautiful Grant | 17,373 | |
| FEMA Grant | <u>(192,577)</u> | <u>(152,601)</u> |

| | |
|---|---------------------|
| Change in net assets of governmental activities | <u>\$ 3,209,927</u> |
|---|---------------------|

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA

Statement of Fiduciary Net Assets

September 30, 2005

| | <u>Public Safety Officers and Firefighters Pension Plan</u> |
|--|---|
| Assets | |
| Investments in external pool | <u>\$ 4,212,778</u> |
| Net Assets | |
| Held in trust for pension benefits and other purposes | <u>\$ 4,212,778</u> |

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended September 30, 2005

| | <u>Public Safety Officers and Firefighters Pension Plan</u> |
|---|---|
| Additions: | |
| Contributions: | |
| Employer | \$ 298,633 |
| Plan members | 144,553 |
| State on-behalf payments | <u>240,900</u> |
| Total contributions | <u>684,086</u> |
| Investment income: | |
| Net increase in fair value of investments | <u>341,800</u> |
| Total investment income | 341,800 |
| Total additions | <u>1,025,886</u> |
| Deductions | |
| Benefits | 30,024 |
| Administrative expense | <u>25,728</u> |
| Total deductions | <u>55,752</u> |
| Net increase | 970,134 |
| Net assets held in trust for pension benefits | |
| Net assets - beginning | <u>3,242,644</u> |
| Net assets - ending | <u><u>\$ 4,212,778</u></u> |

See accompanying notes to basic financial statements.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Greenacres, Florida (the "City") is a municipal corporation organized under Florida Statutes. The City was originally incorporated in 1926 and was reincorporated in 1947 pursuant to Special Act 24537, Laws of Florida 1947. The City operates under the Council-Manager form of government and provides a wide range of community services including general government, public safety, building inspection, zoning and land use planning, transportation, culture and recreation, and physical environment. The City Council (the "Council") is responsible for legislative and fiscal control of the City.

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

a. Financial Reporting Entity

As required by generally accepted accounting principles, these basic financial statements present the primary government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board. Based on the application of these criteria, there were no organizations that met the criteria described above.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including taxes, are presented as *general revenues*.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

The government-wide financial statements and pension trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectible 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 accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, 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 and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund and is used to account for all financial resources applicable to the general operations of the City except those required to be accounted for in another fund.

The *Parks and Recreation Fund*, a capital projects fund, is used to account for financial resources used for the acquisition or construction of City parks.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The *New Growth Fund*, a capital projects fund, is used to account for financial resources used for the acquisition of new and expanded public infrastructure for all purposes, except for parks, resulting from the growth of the City.

Additionally, the City reports the following non-major funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities not accounted for in other capital projects funds.

Pension Trust Funds, which are fiduciary funds, are used to account for the activities of the Public Safety Officers and Firefighters Retirement Plan.

d. Assets, Liabilities, and Net Assets or Equity

Pooled Cash and Investments

Pooled cash and investments include cash on hand, investments with the State Board Investment Pool, and investments with the Florida Municipal Investment Trust Fund. Resources of all funds, except the pension trust funds, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Income earned on pooled cash and investments is allocated monthly based upon equity balances of the individual funds.

Investments are reported at fair value, which is determined by using various third-party pricing sources. The Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration, is a "2a-7 like" pool and these investments are valued using the pooled share price.

The Florida Municipal Investment Trust, administered by the Florida League of Cities, is an external investment pool. These investments are valued using the pooled share price.

Investments of the City's pension plans are held in the Florida Municipal Pension Trust Fund, administered by the Florida League of Cities. The Fund is an external investment pool and these investments are valued using the pooled share price.

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

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories

Inventories consist of expendable supplies held for consumption which are carried at cost (first-in, first-out). The City accounts for inventories using the consumption method, under which expenditure is recognized only when inventory items are used. Reported inventory is equally offset by a fund balance reserve which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

Capital Assets and Depreciation

Capital assets, which include property, plant and equipment, are reported 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 life in excess of one year. Major general infrastructure assets acquired in fiscal years ending after June 30, 1980, or significantly reconstructed or improved during that multi-year period, have not been capitalized since total infrastructure is less than five percent of total general capital assets, and accordingly, do not meet the capitalization requirements of GASB Statement No. 34.

When purchased, capital assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net assets. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair value at the date of acquisition. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable fixed assets are as follows:

| | |
|-----------------------------------|------------|
| Buildings and improvements | 20 years |
| Improvements other than buildings | 10 years |
| Equipment | 3-10 years |
| Vehicles | 5 years |

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Liabilities, and Net Assets or Equity (Continued)

Compensated Absences

The City's employees are granted compensated absence pay for vacation and sick leave in varying amounts based upon length of service. Unused compensated absences are payable upon separation from service. Vacation is accrued as a liability when the employee earns benefits. This means that the employee has rendered services that give rise to a vacation liability and it is probable that the City will compensate the employee in some manner, for example, in cash or paid time off, now or upon termination or retirement. The City uses the vesting method in accruing sick leave liability. Under the vesting method, a liability for sick leave is accrued for employees who are eligible to receive termination benefits upon separation.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the general fund.

Long-Term Debt

Bonds and notes payable are reported as liabilities in the government-wide statement of net assets. These liabilities are not reported in the fund financial statements.

Net Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets net of related debt, 2) restricted, 3) unrestricted. Net assets invested in capital assets net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Liabilities, and Net Assets or Equity (Continued)

Property Taxes

Property taxes (ad valorem taxes) are levied on October 1 and become due and payable on November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes become delinquent on April 1 and accrue interest charges from April 1 until a tax sale certificate is sold at auction.

Assessed values are established by the Palm Beach County Property Appraiser at approximately fair value. Taxes are collected by the County and remitted to the City. Revenue is recognized at the time monies are received from the County.

The City is permitted by the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on taxpayer approved general obligation long-term debt.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use and recoverability of inventory, and useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The City's deposits at year end are considered insured for custodial credit risk purposes.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments

The investment of surplus public funds is governed by an ordinance of the City Council. The ordinance limits investment of surplus funds to the following:

1. The Florida Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act (Florida Statute Section 163.01);
2. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government at the prevailing market price for such securities (U.S. Treasuries and Agencies);
3. U.S. Government Agency Securities and Instrumentalities of Government Sponsored Enterprises carrying the implied faith and credit of the U.S. Government, including participation certificates and mortgage pass-throughs;
4. Interest-bearing time deposits or savings accounts in qualified public depositories as prescribed by the Florida *Security for Public Deposits Act*, Chapter 280, Florida Statutes;
5. Certificates of deposit and other evidences of deposit at qualified depositories, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;
6. Shares of any money market mutual fund that is registered with the Securities and Exchange Commission, has the highest credit quality rating from a nationally recognized statistical rating organization, and has a portfolio which is limited to direct obligations of the United States Government or any agency or instrumentality thereof.

The State Board of Administration is part of the Local Governments Surplus Funds Trust Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Governments Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

The Florida Municipal Investment Trust (FMIT) administered by the Florida League of Cities is a Local Government Investment Pool, and therefore considered an external investment pool for GASB reporting requirements. The City invests in the One to Three Year High-Quality Bond Portfolio. Shares of the portfolio are neither insured nor guaranteed by any U.S. Government agency, including the FDIC.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Funds are held for the City's pension plans in the Florida Municipal Pension Trust Fund (FMPTF), administered by the Florida League of Cities. The program was established for the purpose of collectively managing individually designed pension plans of participating Florida municipalities. The Fund operates as a non-profit, tax-exempt entity that provides investment and administrative services for eligible governmental agencies in Florida. Any agency or political subdivision in the State of Florida is eligible to participate. Each participating entity must agree to abide by the terms, duties, rights, and obligations as set forth in the Trust Joinder Agreement and the Master Trust Agreement of the Florida Municipal Pension Trust Fund. Pension plan assets are invested by the FMPTF through the FMIT. The Fund invests in a wide variety of domestic securities to pursue the highest possible return, but with reduced risk because of broad diversification.

Shares of the portfolio are neither insured nor guaranteed by any U.S. Government agency, including the FDIC.

A reconciliation of deposits and investments as shown on the statement of net assets and statement of fiduciary net assets for the City is as follows:

| | |
|---|---------------------|
| By category: | |
| Cash and cash equivalents | \$ 923,715 |
| Investments | <u>19,033,090</u> |
| Total deposits and investments | <u>\$19,956,805</u> |
| Presented in the statement of net assets: | |
| Cash and cash equivalents | \$ 923,715 |
| Investments | <u>14,820,312</u> |
| Total statement of net assets | 15,744,027 |
| Presented in the statement of fiduciary net assets: | |
| Investments | <u>4,212,778</u> |
| Total deposits and investments | <u>\$19,956,805</u> |

As of September 30, 2005, the City had the following investments. Except for the Florida Municipal Pension Trust Pool, all investments are held in an internal investment pool.

| | <u>Weighted Average Maturity</u> | <u>Fair Value</u> |
|---|--|---------------------|
| Investment in: | | |
| State Board of Administration Investment Pool | 49 days | \$13,783,082 |
| Florida Municipal Investment Trust Pool | 1.6 years | 1,037,230 |
| Florida Municipal Pension Trust Pool | N/A | <u>4,212,778</u> |
| | | <u>\$19,033,090</u> |

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City's investment policies limit its investments to high quality investments to control credit risk. As of September 30, 2005, the three pools the City invests in were not rated. However, the City's investment in the Florida Municipal Investment Trust Pool consisted of the One to Three Year High-Quality Bond Portfolio which is rated AAA/V2 by Fitch Ratings.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

NOTE 3 - INTERFUND TRANSACTIONS

The composition of interfund balances at September 30, 2005, is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|----------------------------|----------------------------|-----------------|
| General Fund | Nonmajor Governmental Fund | \$ 24,230 |
| Nonmajor Governmental Fund | General Fund | 19 |
| Nonmajor Governmental Fund | New Growth Fund | <u>33,433</u> |
| | | <u>\$57,682</u> |

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

The following is a summary of interfund transfers for the year ended September 30, 2005:

| <u>Fund</u> | <u>Transfers</u> <u>In</u> | <u>Transfers</u> <u>Out</u> |
|---------------------------------|-------------------------------|--------------------------------|
| Major Fund: | | |
| General Fund | \$ 133,547 | \$2,379,282 |
| New Growth Fund | 1,332,406 | |
| Nonmajor funds in the aggregate | <u>1,046,876</u> | <u>133,547</u> |
| Total interfund transfers | <u>\$2,512,829</u> | <u>\$2,512,829</u> |

Transfers to the nonmajor funds include \$60,494 transferred to the C.A.R.E.S. special revenue fund for the school-aged child care community programs, \$355,000 to the Reconstruction and Maintenance capital projects fund for capital improvements, \$220,402 to the Fire Safety debt service fund for principal and interest payments on the Revenue Refunding Note, Series 2004B and \$410,980 to the 2004 Revenue Bond debt service fund for principal and interest payments on the Public Improvement Note, Series 2004A. The transfers into the general fund were to close out debt service funds.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2005, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---------------------------------------|------------------------------|--------------------|--------------------|---------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 6,333,740 | \$ - | \$ - | \$ 6,333,740 |
| Construction in progress | <u>464,816</u> | <u>486,241</u> | <u>(268,007)</u> | <u>683,050</u> |
| Total assets not being depreciated | <u>6,798,556</u> | <u>486,241</u> | <u>(268,007)</u> | <u>7,016,790</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 6,336,054 | 34,604 | (84,955) | 6,285,703 |
| Improvements other than buildings | 5,520,111 | 486,273 | (1,526) | 6,004,858 |
| Furniture, fixtures, and equipment | 3,285,407 | 271,155 | (277,399) | 3,279,163 |
| Vehicles | 3,781,805 | 199,750 | (142,429) | 3,839,126 |
| Infrastructure | <u>-</u> | <u>577,133</u> | <u>-</u> | <u>577,133</u> |
| Total assets being depreciated | <u>18,923,377</u> | <u>1,568,915</u> | <u>(506,309)</u> | <u>19,985,983</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (4,044,096) | (266,169) | 6,053 | (4,304,212) |
| Improvements other than buildings | (2,012,715) | (401,191) | 1,526 | (2,412,380) |
| Furniture, fixtures, and equipment | (2,355,274) | (301,948) | 274,131 | (2,383,091) |
| Vehicles | (1,920,368) | (341,404) | 142,361 | (2,119,411) |
| Infrastructure | <u>-</u> | <u>(15,700)</u> | <u>-</u> | <u>(15,700)</u> |
| Accumulated depreciation | <u>(10,332,453)</u> | <u>(1,326,412)</u> | <u>424,071</u> | <u>(11,234,794)</u> |
| Total assets being depreciated, net | <u>8,590,924</u> | <u>242,503</u> | <u>(82,238)</u> | <u>8,751,189</u> |
| Capital assets, net | <u>\$ 15,389,480</u> | <u>\$ 728,744</u> | <u>\$(350,245)</u> | <u>\$ 15,767,979</u> |

Depreciation expense was charged to functions as follows:

| | |
|------------------------------|--------------------|
| Governmental Activities: | |
| General government | \$ 92,718 |
| Public safety | 584,354 |
| Transportation | 81,580 |
| Culture/parks and recreation | 513,017 |
| Physical environment | <u>54,743</u> |
| Total depreciation expense | <u>\$1,326,412</u> |

There were \$5,183,368 of fully depreciated assets at September 30, 2005.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 5 - LONG-TERM DEBT

Changes in Long-Term Liabilities

The following changes occurred in long-term liabilities during the year ended September 30, 2005:

| | Balance October 1, <u>2004</u> | <u>Additions</u> | <u>Deletions</u> | Balance September 30, <u>2005</u> | Due Within <u>One Year</u> |
|-------------------------------|--------------------------------------|------------------|--------------------|---|----------------------------------|
| Series 1998B Bonds | \$ 90,984 | \$ - | \$ 90,984 | \$ - | \$ - |
| Public Improvement Note 2004A | 5,500,000 | - | 183,302 | 5,316,698 | 190,768 |
| Revenue Refunding Note 2004B | 1,335,000 | - | 177,240 | 1,157,760 | 179,378 |
| Compensated Absences | <u>929,462</u> | <u>685,913</u> | <u>589,468</u> | <u>1,025,907</u> | <u>564,721</u> |
| | <u>\$7,855,446</u> | <u>\$685,913</u> | <u>\$1,040,994</u> | <u>\$7,500,365</u> | <u>\$934,867</u> |

General Obligation Refunding Bonds, Series 1998B

The General Obligation Refunding Bonds, Series 1998B were issued during the fiscal year ended September 30, 1999, and refunded the General Obligation Bonds, Series 1995. The City issued \$708,169 par value of these bonds on November 3, 1998, with principal and interest to be paid from a direct annual ad valorem tax upon all property within the City. The bond interest rate was 3.971%. Principal and interest payments are due quarterly. The bonds may be prepaid at the option of the City, without penalty, at any time during the term of the bonds, in whole or in part, upon payment of the principal amount of the bonds to be redeemed plus interest then due. The bonds were paid in full in April 2005.

Public Improvement Note, Series 2004A

The Public Improvement Note, Series 2004A was issued in September 2004 in the amount of \$5,500,000 for the purpose of financing the construction of a new public works facility and municipal complex. The interest rate of the note is 4.0325%. Principal and interest are payable in semi-annual installments of \$201,630 beginning March 29, 2005, with a final payment due September 29, 2024. The note is payable from the City's legally available non-ad valorem revenues. In the event that the City makes any optional prepayment of principal and/or interest, the City must make a prepayment premium based on various elements such as discount rate, prepayment date, etc. The City shall also pay any customary administrative fees in connection with prepayment.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 5 - LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Public Improvement Note, Series 2004A (Continued)

The annual debt service requirements to amortize the Series 2004A note are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|--------------------|--------------------|--------------------|
| Year Ending September 30: | | | |
| 2006 | \$ 190,768 | \$ 212,492 | \$ 403,260 |
| 2007 | 198,539 | 204,721 | 403,260 |
| 2008 | 206,625 | 196,635 | 403,260 |
| 2009 | 215,041 | 188,219 | 403,260 |
| 2010 | 223,800 | 179,460 | 403,260 |
| 2011-2015 | 1,263,395 | 752,906 | 2,016,301 |
| 2016-2020 | 1,542,526 | 473,774 | 2,016,300 |
| 2021-2024 | <u>1,476,004</u> | <u>137,037</u> | <u>1,613,041</u> |
| | <u>\$5,316,698</u> | <u>\$2,345,244</u> | <u>\$7,661,942</u> |

Revenue Refunding Note, Series 2004B

The Revenue Refunding Note, Series 2004B was issued in September 2004 in the amount of \$1,335,000 for the purpose of refunding the City's Revenue Bonds, Series 2001. The interest rate of the note is 2.913%. Principal payments are due annually on September 1. Payments of accrued interest are due semi-annually in arrears on March 1 and September 1 beginning March 1, 2005 and ending on September 1, 2011. The note is payable from a public service tax imposed on the purchase of water, natural gas, and propane gas in the City. The principal amount of this note may be prepaid, in whole or in part, at any time provided that the City pays a prepayment premium, determined by various factors, to the bank and provides the bank with at least one week written notice of intended payment.

The annual debt service requirements to amortize the Series 2004B note are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|--------------------|-------------------|--------------------|
| Year Ending September 30: | | | |
| 2006 | \$ 179,378 | \$ 33,730 | \$ 213,108 |
| 2007 | 184,604 | 28,504 | 213,108 |
| 2008 | 189,981 | 23,126 | 213,107 |
| 2009 | 195,515 | 17,591 | 213,106 |
| 2010 | 201,211 | 11,895 | 213,106 |
| 2011 | <u>207,071</u> | <u>6,033</u> | <u>213,104</u> |
| | <u>\$1,157,760</u> | <u>\$ 120,879</u> | <u>\$1,278,639</u> |

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 5 - LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Compensated Absences

City employees are granted a specific amount of vacation and sick leave time off with pay. Employees can accumulate up to 240 hours of vacation time (320 hours per contract for the City Manager) and 960 hours sick leave.

Vacation leave can be paid in full upon separation after one full year of service. Sick leave can be paid in full upon separation after ten years of service, with the exception of bargaining unit employees hired after June 28, 2000. These employees receive a percentage of the total sick leave payout based on the number of completed years of service and will receive the total sick leave balance only at normal retirement.

NOTE 6 - FLORIDA RETIREMENT SYSTEM

Plan Description

All full-time employees hired before January 1, 1996, are eligible to participate in the Florida Retirement System (FRS), a cost sharing, multiple-employer, public retirement system controlled by the State Legislature and administered by the State of Florida Department of Administration, Division of Retirement. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A post-employment health insurance subsidy is also provided to eligible employees.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 22B, Florida Administrative Code. Amendments to the law can only be made by 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 FRS. The latest available report was for the fiscal year ended June 30, 2005. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, 2639-C North Monroe Street, Tallahassee, FL 32399-1560.

Funding Policy

Participating employers are required to make contributions based upon statewide contribution rates. The contribution rates by job class for the City's employees at September 30, 2005, were as follows: regular employees 10.17% and special risk employees 22.25%.

The City's contributions to the FRS for the fiscal years ending September 30, 2003 through 2005 were \$374,673, \$400,997 and \$378,272 respectively, which were equal to the required contributions for each fiscal year.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 7 - EMPLOYEE RETIREMENT PLANS

The following brief descriptions of the Retirement Plans are provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Public Employee Retirement Systems (PERS) financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

Method Used to Value Investments

Investments of the pension trust funds are reported at fair value. Net appreciation in fair value of investments includes realized and unrealized gains and losses.

Plan Descriptions

The City, as a single employer, maintains two public employee retirement systems pension plans covering substantially all employees hired after January 1, 1996: the City of Greenacres General Employees Retirement Plan and the City of Greenacres Public Safety Officers and Firefighters Retirement Plan.

General Employees Retirement Plan

The City of Greenacres General Employees Retirement Plan is a defined contribution pension plan. Defined contribution plans have terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of these contributions, and forfeitures of other participants' benefits that may be allocated to the participant's account. Under the terms of the Plan agreement, all forfeitures are credited to the City. Plan assets are not considered the City's assets; therefore, they are not included in the City's basic financial statements. The Plan does not issue a stand alone financial report.

The City is required to contribute 5% of annual covered payroll to the 401(a) plan. Plan members may make voluntary contributions to the 457(b) plan of amounts up to 100% of compensation, including bonuses and overtime, up to the maximum annual contribution allowed by law. If the City makes matching contributions, the amount of matching contributions in a plan year will be 100% of each member's contributions up to 2.5% of the member's compensation. Employer and member contributions for the year ended September 30, 2005, were \$166,586 and \$94,325 respectively, which were equal to the required contributions.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 7 - EMPLOYEE RETIREMENT PLANS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Employees Retirement Plan (Continued)

Vesting of the City's contributions in the 401(a) plan commences after two years of certified service, with 20% vesting in year two and 20% each year thereafter until fully vested after six years. If an employee terminates before becoming fully vested, forfeited amounts will be used to reduce future City contributions. Certified service begins upon an eligible employee successfully completing probation. Plan provisions and contribution requirements are established and may be amended by the City Council.

Public Safety Officers and Firefighters Retirement Plan

The City of Greenacres Public Safety Officers and Firefighters Retirement Plan (the Plan") is a single employer defined benefit pension plan established by the City in accordance with Florida Statutes, Chapters 175 and 185, to provide retirement, disability, annual cost-of-living adjustments, and death benefits to public safety officers and firefighters hired on or after January 1, 1996. The plan administrator is the Florida League of Cities, Inc. This Plan is considered to be part of the City's financial reporting entity and is recorded as a Pension Trust Fund. The Plan does not issue a stand alone financial report.

The Plan was amended on March 7, 2005 to shorten the vesting period, reduce the required employee contributions, reduce the City's required contributions, and increase the on-behalf payments from the State of Florida. The amendments were enacted by Ordinances 2005-01 and 2005-02 adopted by the City Council and unanimously recommended by the Board of Trustees for the Plan.

Plan members who complete 6 or more years of credited service and attain age 55 or complete 25 years of credited service, regardless of age, are eligible for normal retirement benefits. Early retirement may be taken any time after vesting. Benefits vest after six years of credited service.

The monthly retirement benefit is equal to the number of years of credited service multiplied by 3% of average final compensation. Average final compensation means 1/12 of the average annual compensation of the five best years of the last ten years of credited service prior to retirement. In the event of early retirement, benefits are reduced a maximum of 3% for each year before the normal retirement date. As of October 1, 2004, the date of the latest actuarial valuation, Plan membership consisted of 52 active employees.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 7 - EMPLOYEE RETIREMENT PLANS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funding Policy

Funding for the Plan consists of contributions from members, the State of Florida, and the City. Plan members are required to contribute 4.0% of their annual covered compensation. The City is required to contribute the remaining amount to fund the Plan using the Aggregate Actuarial Cost Method. Plan provisions and contribution rates may be amended by the City Council based upon the recommendations of the Board of Trustees, subject to the minimum requirements of Florida Statutes. The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being appropriated for use for funding purposes. Additionally, the State collects locally authorized insurance premium surcharges which can only be distributed after the State has ascertained that the local government has met its actuarial funding requirement for the then most recently completed fiscal year. Contributions to the Plan from the State of Florida totaled \$240,900 during the fiscal year ended September 30, 2005.

Annual Pension Cost and Net Pension Obligation

The Plan began operations on January 1, 1996. The first actuarial valuation was prepared for data as of October 1, 1997. The Plan has an actuarial valuation prepared every two years. The date of the latest actuarial valuation was October 1, 2004. The date of the next scheduled actuarial valuation is October 1, 2006. No actuarial valuation is available for the year ended September 30, 2005. GASB 27 was implemented at the inception of the Plan. The annual pension cost and actual contributions for the year ended September 30, 2004, were as follows:

| | |
|------------------------------|-----------|
| Annual pension cost | \$397,577 |
| Actual City contributions | 398,932 |
| Allowable State contribution | 33,026 |

| | <u>Three-Year Trend Information</u> | | |
|------|--|--|----------------------------------|
| | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Asset</u> |
| 2002 | \$312,498 | 138.80% | \$399,656 |
| 2003 | 341,000 | 112.20% | 84,129 |
| 2004 | 395,577 | 108.70% | 118,510 |

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 7 - EMPLOYEE RETIREMENT PLANS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual Pension Cost and Net Pension Obligation (Continued)

As determined by the City's actuary, annual pension cost and the net pension asset for the year ended September 30, 2004 were as follows:

| | |
|--|------------------|
| Annual required contribution | \$403,887 |
| Interest on net pension benefit | <u>(6,310)</u> |
| Annual pension cost | 397,577 |
| Contributions made | <u>431,958</u> |
| Increase in net pension asset | 34,381 |
| Adjustment for allowable state contributions | |
| Net pension asset, beginning of year | <u>84,129</u> |
| Net pension asset, end of year | <u>\$118,510</u> |

Additional information as of the latest actuarial valuation follows:

| | |
|-------------------------------|--|
| Valuation date | 10/1/04 |
| Actuarial cost method | Aggregate |
| Amortization method | (1) |
| Remaining amortization period | (1) |
| Asset valuation method | Market |
| Administrative costs | Included in calculation of normal cost |
| Actuarial assumptions: | |
| Investment rate of return* | 7.50% |
| Projected salary increase* | 6.6% short term; 5.26% long term |
| *Includes inflation at | 3.75% |
| Cost of living adjustments | N/A |

(1) When the aggregate actuarial cost method is used, unfunded actuarial liabilities are not identified or separately amortized.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 8 - ON-BEHALF PAYMENTS

The State of Florida makes a contribution to the Public Safety Officers and Firefighters Retirement Plan from the Casualty Insurance Premium Tax and the Fire Insurance Premium Tax. For the fiscal year ended September 30, 2005, \$240,900 was recorded as revenues and expenditures in the General Fund relating to on-behalf payments received from the state.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

The net assets and fund balance for the General Fund were restated as of September 30, 2004 to correct errors made in recording grant revenues and health insurance expenditures in prior years. The adjustment is presented below.

| | <u>Fund Balance</u> | <u>Net Assets</u> |
|--|---------------------|---------------------|
| Balance September 30, 2004, as reported | \$6,020,659 | \$20,375,019 |
| Adjustment to eliminate FEMA grant revenues recorded in the prior year | (192,577) | |
| Adjustment to reduce health insurance costs | <u>84,574</u> | <u>84,574</u> |
| Balance September 30, 2004, as restated | <u>\$5,912,656</u> | <u>\$20,459,593</u> |

The error in recording grant revenues caused an overstatement of fund balance in the amount of \$192,577 in the General Fund in the prior year. The impact of the error in recording health insurance costs on the prior year could not be determined because it was the accumulation over several years.

NOTE 10 - 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 continues to purchase insurance through the Florida Municipal Insurance Trust, a non-assessable pool, and commercial sources to cover the various risks. Retention of risks is limited to excess of those that are insured, those risks that are uninsurable, and deductibles ranging from \$100 to \$500 per occurrence. As a member of the Florida Municipal Insurance Trust with the Florida League of Cities, the responsibility of the City is to pay those premiums charged by the non-assessable pool for property, liability and workers compensation coverages. The pool is responsible for paying all claims incurred by the City, less deductibles ranging from \$100 to \$500. The City may terminate the membership based on a 60 days notice to the pool. All pool policies are on an occurrence basis.

Major uninsurable risks include damage to infrastructure assets. Since the amount of loss cannot be reasonably estimated and the likelihood of occurrence is not determinable, no provision for losses is reflected in the financial statements. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

CITY OF GREENACRES, FLORIDA

Notes to the Financial Statements

September 30, 2005

NOTE 11 - SUBSEQUENT EVENT

On October 24, 2005 Hurricane Wilma struck south Florida, and as a result the City suffered significant damage. The City estimates the total damage at approximately \$700,000. It is estimated that the City will receive approximately \$400,000 in reimbursements from the Federal Emergency Management Agency ("FEMA") and an additional \$265,000 from insurance.

NOTE 12 - COMMITMENTS

At September 30, 2005 the City had entered into an agreement for the construction for a new municipal complex. The commitment is summarized below.

| | |
|---|--------------------|
| Total Commitment | \$7,684,923 |
| Less Amount Expended at September 30, 2005 | <u>(337,280)</u> |
| Balance at September 30, 2005 | <u>\$7,347,643</u> |

On September 27, 2005 the city entered into an interlocal agreement with Palm Beach County whereby the County will purchase drainage rights on the new municipal complex site. Under the terms of the agreement, the County shall pay \$398,610 to purchase drainage easements for a retention pond, a lump sum payment of \$127,410 in maintenance costs for the retention pond, and up to \$791,154 for a pro rata portion of the construction costs of the retention pond. The County's total financial obligation under the agreement shall not exceed \$1,317,174.

CITY OF GREENACRES, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2005

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | | | | |
| Ad valorem taxes: | | | | |
| Current | \$ 6,720,874 | \$ 6,720,874 | \$ 6,815,456 | \$ 94,582 |
| Delinquent | 13,000 | 13,000 | 11,705 | (1,295) |
| Total ad valorem taxes | <u>6,733,874</u> | <u>6,733,874</u> | <u>6,827,161</u> | <u>93,287</u> |
| Franchise fees: | | | | |
| Electric | 1,236,000 | 1,236,000 | 1,267,295 | 31,295 |
| Gas | 13,000 | 13,000 | 13,847 | 847 |
| Garbage | 60,723 | 60,723 | 60,123 | (600) |
| Total franchise fees | <u>1,309,723</u> | <u>1,309,723</u> | <u>1,341,265</u> | <u>31,542</u> |
| Public service taxes: | | | | |
| Electric | 1,502,500 | 1,502,500 | 1,491,468 | (11,032) |
| Telecommunications | 1,470,000 | 1,470,000 | 1,461,123 | (8,877) |
| Water | 282,220 | 282,220 | 278,855 | (3,365) |
| Gas | 48,801 | 48,801 | 44,361 | (4,440) |
| Propane gas | 15,914 | 15,914 | 24,763 | 8,849 |
| Total public service taxes | <u>3,319,435</u> | <u>3,319,435</u> | <u>3,300,570</u> | <u>(18,865)</u> |
| Local option gas tax | 391,400 | 391,400 | 401,269 | 9,869 |
| Total Taxes | <u>11,754,432</u> | <u>11,754,432</u> | <u>11,870,265</u> | <u>115,833</u> |
| Licenses and permits: | | | | |
| Occupational | 238,390 | 238,390 | 258,680 | 20,290 |
| Building permits | 800,000 | 800,000 | 869,741 | 69,741 |
| Electrical permits | 15,000 | 15,000 | 18,410 | 3,410 |
| Plumbing permits | 35,000 | 35,000 | 42,026 | 7,026 |
| Mechanical permits | 20,000 | 20,000 | 21,795 | 1,795 |
| Rental property license fee | 36,500 | 36,500 | 28,101 | (8,399) |
| Other | 5,000 | 5,000 | 3,366 | (1,634) |
| Total licenses and permits | <u>1,149,890</u> | <u>1,149,890</u> | <u>1,242,119</u> | <u>92,229</u> |
| Intergovernmental revenues: | | | | |
| State revenue sharing | 751,900 | 751,900 | 1,032,245 | 280,345 |
| Mobile home license | 12,000 | 12,000 | 11,137 | (863) |
| Alcoholic beverage license | 11,000 | 11,000 | 10,781 | (219) |
| Half-cent sales tax | 2,163,000 | 2,163,000 | 2,319,017 | 156,017 |
| Motor fuel tax rebate | 9,700 | 9,700 | 12,039 | 2,339 |
| Grants | 73,700 | 73,700 | 549,341 | 475,641 |
| Other | 19,235 | 301,235 | 260,263 | (40,972) |
| Total intergovernmental | <u>3,040,535</u> | <u>3,322,535</u> | <u>4,194,823</u> | <u>872,288</u> |

(Continued)

CITY OF GREENACRES, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2005
(Continued)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|--------------|-------------------|---|
| | Original | Final | | |
| Revenues (Continued): | | | | |
| Charges for services: | | | | |
| Solid waste fees | \$ 835,037 | \$ 835,037 | \$ 843,272 | \$ 8,235 |
| Zoning fees | 61,600 | 61,600 | 47,265 | (14,335) |
| Administrative fees | 50,024 | 50,024 | 53,707 | 3,683 |
| Sales of documents | 36,448 | 36,448 | 39,123 | 2,675 |
| Leisure programs | 266,087 | 266,087 | 114,400 | (151,687) |
| Security services | 34,300 | 34,300 | 77,033 | 42,733 |
| Ambulance transport | 960,898 | 960,898 | 1,079,086 | 118,188 |
| Other | 41,150 | 41,150 | 55,249 | 14,099 |
| Total charges for services | 2,285,544 | 2,285,544 | 2,309,135 | 23,591 |
| Fines and forfeitures: | | | | |
| Judgments and fines | 76,100 | 76,100 | 147,296 | 71,196 |
| Violations of local ordinances | 15,500 | 15,500 | 35,535 | 20,035 |
| Other | 350 | 350 | 409 | 59 |
| Total fines and forfeitures | 91,950 | 91,950 | 183,240 | 91,290 |
| Interest: | | | | |
| Bank | 100 | 100 | 44 | (56) |
| State Board of Administration | 73,000 | 73,000 | 196,000 | 123,000 |
| Tax collector interest | 3,000 | 3,000 | 4,209 | 1,209 |
| Total interest | 76,100 | 76,100 | 200,253 | 124,153 |
| Special assessments | 25,500 | 25,500 | 16,801 | (8,699) |
| Contributions | 7,100 | 7,100 | 493 | (6,607) |
| Sales of surplus materials | 30,000 | 30,000 | 20,845 | (9,155) |
| Rental fees | 16,976 | 16,976 | 25,861 | 8,885 |
| Miscellaneous: | | | | |
| Vending machine royalties | 5,500 | 5,500 | 4,420 | (1,080) |
| Refunds - prior year | 1,500 | 1,500 | 1,157 | (343) |
| Insurance proceeds | 2,000 | 2,000 | 83,130 | 81,130 |
| Other | 84,857 | 84,857 | 81,465 | (3,392) |
| Total miscellaneous | 93,857 | 93,857 | 170,172 | 76,315 |
| Total revenues | \$18,571,884 | \$18,853,884 | \$20,234,007 | \$ 1,380,123 |

(Continued)

CITY OF GREENACRES, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2005
(Continued)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Expenditures: | | | | |
| General government: | | | | |
| Administrative: | | | | |
| City manager | \$ 385,665 | \$ 387,919 | \$ 380,768 | \$ 7,151 |
| Mayor and City Council | 179,558 | 179,558 | 164,509 | 15,049 |
| Legal counsel | 131,113 | 113,580 | 97,452 | 16,128 |
| Human resources | 210,495 | 210,495 | 176,342 | 34,153 |
| City clerk | 493,368 | 493,368 | 428,239 | 65,129 |
| Total administration | <u>1,400,199</u> | <u>1,384,920</u> | <u>1,247,310</u> | <u>137,610</u> |
| Finance: | | | | |
| Administration | 265,224 | 265,224 | 266,477 | (1,253) |
| Financial operations | 348,753 | 348,753 | 327,124 | 21,629 |
| Purchasing | 136,711 | 136,711 | 135,312 | 1,399 |
| Information technology | 458,232 | 459,602 | 361,356 | 98,246 |
| Total finance | <u>1,208,920</u> | <u>1,210,290</u> | <u>1,090,269</u> | <u>120,021</u> |
| Planning and development | <u>466,838</u> | <u>463,119</u> | <u>427,280</u> | <u>35,839</u> |
| Contingency | <u>100,000</u> | <u>351,278</u> | <u>339,943</u> | <u>11,335</u> |
| Total general government | <u>3,175,957</u> | <u>3,409,607</u> | <u>3,104,802</u> | <u>304,805</u> |
| Public safety: | | | | |
| Administration | 445,211 | 445,211 | 444,417 | 794 |
| Training and special services | 574,277 | 277,118 | 192,105 | 85,013 |
| Uniform patrol | 3,104,582 | 3,187,591 | 3,100,338 | 87,253 |
| Investigation | 772,340 | 976,817 | 765,832 | 210,985 |
| EMS | 2,912,411 | 2,909,195 | 3,012,863 | (103,668) |
| Support services | 1,047,092 | 1,055,241 | 836,394 | 218,847 |
| Protective inspections | 786,992 | 788,080 | 753,122 | 34,958 |
| Total public safety | <u>9,642,905</u> | <u>9,639,253</u> | <u>9,105,071</u> | <u>534,182</u> |
| Transportation: | | | | |
| Public works administration | 242,900 | 242,900 | 232,264 | 10,636 |
| Streets and grounds maintenance | 669,371 | 667,684 | 586,297 | 81,387 |
| Vehicle maintenance | 433,198 | 434,712 | 452,796 | (18,084) |
| Total transportation | <u>1,345,469</u> | <u>1,345,296</u> | <u>1,271,357</u> | <u>73,939</u> |
| Culture/recreation (leisure services): | | | | |
| Administration | 148,760 | 148,828 | 146,951 | 1,877 |
| Parks and grounds maintenance | 479,719 | 483,620 | 452,366 | 31,254 |
| Recreation services | 385,655 | 381,497 | 302,141 | 79,356 |
| Community center | 309,509 | 309,759 | 237,842 | 71,917 |
| Total culture/recreation | <u>1,323,643</u> | <u>1,323,704</u> | <u>1,139,300</u> | <u>184,404</u> |
| Physical environment: | | | | |
| Engineering | - | 37,692 | 37,754 | (62) |
| Building services | 485,661 | 485,504 | 493,772 | (8,268) |
| Solid waste collection and disposal* | 807,968 | 807,968 | 837,031 | (29,063) |
| Total physical environment | <u>1,293,629</u> | <u>1,331,164</u> | <u>1,368,557</u> | <u>(37,393)</u> |
| Capital outlay (all departments and functions) | <u>63,084</u> | <u>52,968</u> | <u>41,545</u> | <u>11,423</u> |
| Total expenditures | <u>\$16,844,687</u> | <u>\$17,101,992</u> | <u>\$16,030,632</u> | <u>\$1,071,360</u> |

*Contract with Onyx Waste Services of Florida, Inc.

CITY OF GREENACRES, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2005
(Continued)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,727,197</u> | <u>1,751,892</u> | <u>4,203,375</u> | <u>(2,451,483)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 133,547 | 133,547 |
| Transfers out | <u>(1,721,876)</u> | <u>(3,054,282)</u> | <u>(2,379,282)</u> | <u>675,000</u> |
| Total other financing sources (uses) | (1,721,876) | (3,054,282) | (2,245,735) | 808,547 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 5,321 | (1,302,390) | 1,957,640 | 3,260,030 |
| Beginning fund balance, as restated | | | <u>5,912,656</u> | |
| Ending fund balance | | | <u>\$ 7,870,296</u> | |

CITY OF GREENACRES, FLORIDA
Notes to the Budgetary Required Supplementary Information
General Fund
September 30, 2005

NOTE 1. BUDGETARY ACCOUNTING

As required by GASB Statement No. 34, a budgetary comparison schedule is presented for the general fund. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are as follows:

- ❖ Approximately July 1, the City Manager submits to the City Council a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- ❖ Public hearings are conducted to obtain taxpayer comments.
- ❖ The City advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.
- ❖ Prior to October 1, the budget is legally enacted through passage of an ordinance.
- ❖ Appropriations are legally controlled at the departmental level and expenditures may not legally exceed budgeted appropriations at that level. Management is authorized to transfer budgeted line items within departments. Changes or amendments to the budget that alter departmental totals must be approved by the City Council. Accordingly, the legal level of budgetary control is at the departmental level.
- ❖ Formal budgetary integration is employed within the accounting system as a management control device.
- ❖ Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF GREENACRES, FLORIDA
Notes to the Budgetary Required Supplementary Information
General Fund
September 30, 2005

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Encumbrance accounting is used for purposes of budgetary control and contract compliance. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Because appropriations expire at year end, even if encumbered, it is the City's policy to reappropriate such amounts at the beginning of the next fiscal year. Encumbrances outstanding at year end are reported as reservations of fund balances in the fund financial statements.

There was an excess of expenditures over appropriations of \$37,393 in the physical environment function.

CITY OF GREENACRES, FLORIDA
 Required Supplemental Information
 Public Safety Officers and Firefighters Retirement Plan
 September 30, 2005

Schedule of Funding Progress

The Public Safety Officers and Firefighters Retirement Plan uses the aggregate actuarial cost method to determine contributions to the Plan. This method does not identify or separately amortize unfunded actuarial liabilities.

Schedule of Contributions from the
 Employer and Other Contributing Entities

| <u>Fiscal Year Ended September 30</u> | <u>Annual Required Contribution</u> | <u>City Contribution</u> | <u>State Contribution (1)</u> | <u>Total Contribution</u> | <u>Percentage Contributed</u> |
|---|---|------------------------------|---------------------------------------|-------------------------------|-----------------------------------|
| 1999 | \$ 120,017 | \$ 103,305 | \$ 61,736 | \$ 165,041 | 137.5% |
| 2000 | 122,765 | 65,637 | 116,890 | 182,527 | 148.7% |
| 2001 | 131,972 | 85,535 | 156,718 | 242,253 | 183.6% |
| 2002 | 312,498 | 261,110 | 172,581 | 433,691 | 138.8% |
| 2003 | 343,390 | 358,445 | 24,108 | 382,553 | 111.4% |
| 2004 | 403,887 | 398,932 | 33,026 | 431,958 | 107.0% |

(1) Beginning in 2003, the State contribution reflects only the allowable contribution as determined by the Plan actuary.

**COMBINING AND
INDIVIDUAL FUND
STATEMENTS**

CITY OF GREENACRES, FLORIDA
 Combining Balance Sheet - Nonmajor Governmental Funds
 September 30, 2005

| | Special Revenue Funds | | | |
|---|-----------------------|-------------------|--------------------------------------|----------------------------------|
| | Forfeitures Fund | Arboreous Fund | Public Safety Donation Fund | Greenacres C.A.R.E.S. Fund |
| Assets | | | | |
| Investments, at fair value | \$ 46,947 | \$ 46,031 | \$ 9,360 | \$ 70,718 |
| Accounts receivable, net | - | - | - | 10,431 |
| Due from other funds | - | - | - | 19 |
| Total assets | <u>\$ 46,947</u> | <u>\$ 46,031</u> | <u>\$ 9,360</u> | <u>\$ 81,168</u> |
| Liabilities and fund balances | | | | |
| Liabilities: | | | | |
| Accounts payable and other liabilities | \$ - | \$ - | \$ - | \$ 3,642 |
| Accrued payroll and related taxes | - | - | - | 13,375 |
| Due to other funds | - | - | - | 1,270 |
| Deferred revenue | - | - | - | 120 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,407</u> |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | - | - | - | 384 |
| Police equipment | 46,947 | - | - | - |
| Child care | - | - | - | 62,377 |
| Debt service | - | - | - | - |
| Unreserved, reported in: | | | | |
| Special revenue funds | - | 46,031 | 9,360 | - |
| Capital projects funds | - | - | - | - |
| Total fund balance | <u>46,947</u> | <u>46,031</u> | <u>9,360</u> | <u>62,761</u> |
| Total liabilities and fund balance | <u>\$ 46,947</u> | <u>\$ 46,031</u> | <u>\$ 9,360</u> | <u>\$ 81,168</u> |

| Debt Service Funds | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--------------------|-------------------|--------------------------------|-----------------------------------|
| Fire Safety | Municipal Complex | Reconstruction and Maintenance | |
| \$ 83,331 | \$ 11,582 | \$ - | \$ 267,969 |
| - | - | 30,483 | 40,914 |
| - | - | 33,433 | 33,452 |
| <u>\$ 83,331</u> | <u>\$ 11,582</u> | <u>\$ 63,916</u> | <u>\$ 342,335</u> |
| | | | |
| \$ - | \$ - | \$ 4,835 | 8,477 |
| - | - | - | 13,375 |
| - | - | 22,960 | 24,230 |
| - | - | - | 120 |
| <u>-</u> | <u>-</u> | <u>27,795</u> | <u>46,202</u> |
| | | | |
| - | - | 22,451 | 22,835 |
| - | - | - | 46,947 |
| - | - | - | 62,377 |
| 83,331 | 11,582 | - | 94,913 |
| - | - | - | 55,391 |
| <u>-</u> | <u>-</u> | <u>13,670</u> | <u>13,670</u> |
| | | | |
| 83,331 | 11,582 | 36,121 | 296,133 |
| | | | |
| <u>\$ 83,331</u> | <u>\$ 11,582</u> | <u>\$ 63,916</u> | <u>\$ 342,335</u> |

CITY OF GREENACRES, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes
In Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2005

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------|--------------------------------------|----------------------------------|
| | Forfeitures Fund | Arboreous Fund | Public Safety Donation Fund | Greenacres C.A.R.E.S. Fund |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 217,179 |
| Charges for services | - | - | - | 192,797 |
| Fines and forfeitures | 6,748 | - | - | - |
| Interest | 1,204 | 1,171 | 222 | 1,046 |
| Contributions | - | 11,462 | 1,548 | 1,293 |
| Total revenues | <u>7,952</u> | <u>12,633</u> | <u>1,770</u> | <u>412,315</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture/recreation | - | - | - | 426,902 |
| Capital outlay | - | 3,086 | - | 3,144 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total expenditures | <u>-</u> | <u>3,086</u> | <u>-</u> | <u>430,046</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>7,952</u> | <u>9,547</u> | <u>1,770</u> | <u>(17,731)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 60,494 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>60,494</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 7,952 | 9,547 | 1,770 | 42,763 |
| Fund balances - beginning of year | <u>38,995</u> | <u>36,484</u> | <u>7,590</u> | <u>19,998</u> |
| Fund balances - end of year | <u>\$ 46,947</u> | <u>\$ 46,031</u> | <u>\$ 9,360</u> | <u>\$ 62,761</u> |

| Debt Service Funds | | | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|-------------------------|-------------------------|------------------|-------------------|--------------------------------|-----------------------------------|
| 1998 A Series G.O. Bond | 1998 B Series G.O. Bond | Fire Safety | Municipal Complex | Reconstruction and Maintenance | |
| \$ - | \$ 92,815 | \$ - | \$ - | \$ - | \$ 92,815 |
| - | - | - | - | 93,564 | 310,743 |
| - | - | - | - | - | 192,797 |
| - | - | - | - | - | 6,748 |
| 1,338 | 929 | 6,425 | 6,771 | 2,787 | 21,893 |
| - | - | - | - | - | 14,303 |
| <u>1,338</u> | <u>93,744</u> | <u>6,425</u> | <u>6,771</u> | <u>96,351</u> | <u>639,299</u> |
| - | - | - | - | - | 426,902 |
| - | - | - | - | 428,157 | 434,387 |
| - | 90,984 | 177,240 | 183,302 | - | 451,526 |
| - | 1,806 | 35,864 | 216,867 | - | 254,537 |
| - | <u>92,790</u> | <u>213,104</u> | <u>400,169</u> | <u>428,157</u> | <u>1,567,352</u> |
| <u>1,338</u> | <u>954</u> | <u>(206,679)</u> | <u>(393,398)</u> | <u>(331,806)</u> | <u>(928,053)</u> |
| - | - | 220,402 | 410,980 | 355,000 | 1,046,876 |
| (81,339) | (52,208) | - | - | - | (133,547) |
| <u>(81,339)</u> | <u>(52,208)</u> | <u>220,402</u> | <u>410,980</u> | <u>355,000</u> | <u>913,329</u> |
| (80,001) | (51,254) | 13,723 | 17,582 | 23,194 | (14,724) |
| <u>80,001</u> | <u>51,254</u> | <u>69,608</u> | <u>(6,000)</u> | <u>12,927</u> | <u>310,857</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 83,331</u> | <u>\$ 11,582</u> | <u>\$ 36,121</u> | <u>\$ 296,133</u> |

CITY OF GREENACRES, FLORIDA
 Arboreous Special Revenue Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|-----------------|------------------|--------------------------------------|
| Revenues: | | | |
| Interest | \$ 200 | \$ 1,171 | \$ 971 |
| Contributions | - | 11,462 | 11,462 |
| Grants | 5,000 | - | (5,000) |
| Total Revenues: | <u>\$ 5,200</u> | <u>\$ 12,633</u> | <u>\$ 7,433</u> |
| Expenditures: | | | |
| Operating Expenses | \$ 8,000 | \$ 3,086 | \$ 4,914 |
| Total Expenditures: | <u>\$ 8,000</u> | <u>\$ 3,086</u> | <u>\$ 4,914</u> |

CITY OF GREENACRES, FLORIDA
Public Safety Donation Special Revenue Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|----------|----------|--------------------------------------|
| Revenues: | | | |
| Interest | \$ 100 | \$ 222 | \$ 122 |
| Contributions | 3,000 | 1,548 | (1,452) |
| Total Revenues: | \$ 3,100 | \$ 1,770 | \$ (1,330) |
| | | | |
| Expenditures: | | | |
| Operating Expenses | \$ 4,000 | \$ - | \$ 4,000 |
| Total Expenditures: | \$ 4,000 | \$ - | \$ 4,000 |

CITY OF GREENACRES, FLORIDA
C.A.R.E.S. Special Revenue Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|----------------------------|-------------------|-------------------|--------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 216,964 | \$ 217,179 | \$ 215 |
| Charges for services | 153,445 | 192,797 | 39,352 |
| Interest | - | 1,046 | 1,046 |
| Contributions | - | 1,293 | 1,293 |
| Total Revenues: | \$ 370,409 | \$ 412,315 | \$ 41,906 |
| Expenditures: | | | |
| Culture/recreation | \$ 440,683 | \$ 426,902 | \$ 13,781 |
| Capital outlay | 3,144 | 3,144 | - |
| Total Expenditures: | \$ 443,827 | \$ 430,046 | \$ 13,781 |

CITY OF GREENACRES, FLORIDA
1998 B Series G.O. Bond Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|-----------|-----------|--------------------------------------|
| Revenues: | | | |
| Taxes | \$ 92,797 | \$ 92,815 | \$ 18 |
| Interest | 1,167 | 929 | (238) |
| Total Revenues: | \$ 93,964 | \$ 93,744 | \$ (220) |
| | | | |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal | \$ 90,984 | \$ 90,984 | \$ - |
| Interest | 1,812 | 1,806 | 6 |
| Total Expenditures: | \$ 92,796 | \$ 92,790 | \$ 6 |

CITY OF GREENACRES, FLORIDA
 Fire Safety Debt Service Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance - Positive (Negative) |
|----------------------------|-------------------|-------------------|--------------------------------------|
| Revenues: | | | |
| Interest | \$ - | \$ 6,425 | \$ 6,425 |
| Total Revenues: | <u>\$ -</u> | <u>\$ 6,425</u> | <u>\$ 6,425</u> |
| | | | |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal | \$ 163,227 | \$ 177,240 | \$ (14,013) |
| Interest | 57,175 | 35,864 | 21,311 |
| Total Expenditures: | <u>\$ 220,402</u> | <u>\$ 213,104</u> | <u>\$ 7,298</u> |

CITY OF GREENACRES, FLORIDA
Municipal Complex Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|------------|------------|--------------------------------------|
| Revenues: | | | |
| Interest | \$ - | \$ 6,771 | \$ 6,771 |
| Total Revenues: | \$ - | \$ 6,771 | \$ 6,771 |
| | | | |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal | \$ 179,114 | \$ 183,302 | \$ (4,188) |
| Interest | 231,866 | 216,867 | 14,999 |
| Total Expenditures: | \$ 410,980 | \$ 400,169 | \$ 10,811 |

CITY OF GREENACRES, FLORIDA
 New Growth Capital Projects Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|--------------|------------|--------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 275,000 | \$ 186,775 | \$ (88,225) |
| Impact fees | 79,650 | 137,162 | 57,512 |
| Interest | 5,000 | 164,610 | 159,610 |
| Total Revenues: | \$ 359,650 | \$ 488,547 | \$ 128,897 |
| | | | |
| Expenditures: | | | |
| Capital outlay | \$ 1,185,175 | \$ 967,664 | \$ 217,511 |
| Total Expenditures: | \$ 1,185,175 | \$ 967,664 | \$ 217,511 |

CITY OF GREENACRES, FLORIDA
Parks and Recreation Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|--------------|------------|--------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 1,190,000 | \$ 2,258 | \$ (1,187,742) |
| Impact fees | 122,500 | 190,560 | 68,060 |
| Interest | 4,700 | 25,278 | 20,578 |
| Rental income | 82,400 | 134,800 | 52,400 |
| Total Revenues: | \$ 1,399,600 | \$ 352,896 | \$ (1,046,704) |
| Expenditures: | | | |
| Capital outlay | \$ 2,688,890 | \$ 511,762 | \$ 2,177,128 |
| Total Expenditures: | \$ 2,688,890 | \$ 511,762 | \$ 2,177,128 |

CITY OF GREENACRES, FLORIDA
 Reconstruction and Maintenance Capital Projects Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2005

| | <u>Budget</u> | <u>Actual</u> | Variance - Positive (Negative) |
|---------------------|-------------------|-------------------|--------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 130,435 | \$ 93,564 | \$ (36,871) |
| Interest | 500 | 2,787 | 2,287 |
| | <u>500</u> | <u>2,787</u> | <u>2,287</u> |
| Total Revenues: | <u>\$ 130,935</u> | <u>\$ 96,351</u> | <u>\$ (34,584)</u> |
| | | | |
| Expenditures: | | | |
| Capital outlay | \$ 513,391 | \$ 428,157 | \$ 85,234 |
| | <u>513,391</u> | <u>428,157</u> | <u>85,234</u> |
| Total Expenditures: | <u>\$ 513,391</u> | <u>\$ 428,157</u> | <u>\$ 85,234</u> |

CITY OF GREENACRES, FLORIDA
 Public Safety Officers and Firefighters Pension Plan Fund
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended September 30, 2005

| | Budget | Actual | Variance - Positive (Negative) |
|---------------------|-----------|-----------|--------------------------------------|
| Expenditures: | | | |
| Benefits | \$ - | \$ 30,024 | \$ (30,024) |
| Administration | 18,150 | 25,728 | (7,578) |
| Total Expenditures: | \$ 18,150 | \$ 55,752 | \$ (37,602) |

STATISTICAL SECTION

CITY OF GREENACRES, FLORIDA
Government-Wide Expenses by Function (Unaudited)
Last Ten Fiscal Years

Table I

| Fiscal Year Ending September 30, | General Government | Public Safety | Transportation | Culture/ Recreation | Physical Environment | Interest on Long-term Debt | Total |
|--|-----------------------|------------------|----------------|------------------------|-------------------------|----------------------------------|------------|
| 1996 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1997 | - | - | - | - | - | - | - |
| 1998 | - | - | - | - | - | - | - |
| 1999 | - | - | - | - | - | - | - |
| 2000 | - | - | - | - | - | - | - |
| 2001 | - | - | - | - | - | - | - |
| 2002 | - | - | - | - | - | - | - |
| 2003 | 2,697,863 | 9,297,049 | 1,263,925 | 1,988,141 | 1,334,025 | 92,222 | 16,673,225 |
| 2004 | 2,651,973 | 9,327,155 | 1,551,007 | 2,095,196 | 1,777,267 | 76,342 | 17,478,940 |
| 2005 | 3,454,421 | 9,745,475 | 1,357,200 | 2,081,419 | 1,435,927 | 256,928 | 18,331,370 |

GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments effective for the fiscal year ended September 30, 2003. Information for 1996 - 2002 is unavailable.

CITY OF GREENACRES, FLORIDA
Government-Wide Revenues (Unaudited)
Last Ten Fiscal Years

Table II

| Fiscal Year Ending September 30. | Charges for Services | Operating Grants and Contribution | Capital Grants and Contribution | Taxes | Unrestricted Grants and Contributions | Investment Earnings | Miscellaneous | Total Revenue |
|--|----------------------------|---|---------------------------------------|------------|---|------------------------|---------------|------------------|
| 1996 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1997 | - | - | - | - | - | - | - | - |
| 1998 | - | - | - | - | - | - | - | - |
| 1999 | - | - | - | - | - | - | - | - |
| 2000 | - | - | - | - | - | - | - | - |
| 2001 | - | - | - | - | - | - | - | - |
| 2002 | - | - | - | - | - | - | - | - |
| 2003 | 4,263,662 | 349,967 | 363,044 | 11,729,181 | 740,146 | 90,241 | 188,505 | 17,724,746 |
| 2004 | 4,616,105 | 493,651 | 414,587 | 10,636,124 | 3,060,459 | 92,686 | 225,050 | 19,538,662 |
| 2005 | 4,556,138 | 584,840 | 272,500 | 11,963,081 | 3,351,262 | 412,034 | 401,442 | 21,541,297 |

GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments effective for the fiscal year ended September 30, 2003. Information for 1996 - 2002 is unavailable.

CITY OF GREENACRES, FLORIDA
General Governmental Expenditures by Function (Unaudited) (1)
Last Ten Fiscal Years

Table III

| Fiscal Year Ending <u>September 30.</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Transportation</u> | <u>Physical Environment</u> | <u>Culture/ Recreation</u> | <u>Debt Service</u> | <u>Total</u> |
|---|-------------------------------|--------------------------|-----------------------|---------------------------------|--------------------------------|-------------------------|---------------|
| 1996 | \$ 1,534,471 | \$ 5,566,248 | \$ 1,351,422 | \$ 1,301,122 | \$ 1,170,247 | \$ 506,707 | \$ 11,430,217 |
| 1997 | 1,745,850 | 5,661,203 | 1,320,465 | 1,177,012 | 992,782 | 1,802,590 | 12,699,902 |
| 1998 | 1,814,196 | 5,760,812 | 1,398,260 | 1,322,627 | 1,423,774 | 357,749 | 12,077,418 |
| 1999 | 1,981,886 | 5,740,025 | 1,446,412 | 1,220,297 | 2,638,531 | 282,332 | 13,309,483 |
| 2000 | 2,058,041 | 5,961,639 | 1,388,243 | 1,344,064 | 2,033,022 | 367,983 | 13,152,992 |
| 2001 | 2,553,601 | 6,866,477 | 1,722,168 | 1,376,911 | 2,323,650 | 375,169 | 15,217,976 |
| 2002 | 2,416,905 | 8,997,398 | 1,117,702 | 2,194,057 | 3,499,892 | 588,329 | 18,814,283 |
| 2003 | 2,919,803 | 9,290,029 | 1,431,953 | 1,460,928 | 2,408,483 | 588,401 | 18,099,597 |
| 2004 | 2,846,270 | 8,848,065 | 1,308,203 | 1,583,275 | 1,367,842 | 588,401 | 16,542,056 |
| 2005 | 3,152,501 | 9,249,771 | 1,622,012 | 2,235,205 | 2,111,859 | 706,063 | 19,077,411 |

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.
 Capital Outlay Expenditures are included in major function totals.

Source: City of Greenacres financial records.

CITY OF GREENACRES, FLORIDA
General Governmental Revenues by Source (Unaudited) (1)
Last Ten Fiscal Years

Table IV

| <u>Fiscal Year</u> <u>Ending</u> <u>September 30.</u> | <u>Taxes</u> | <u>Licenses</u> <u>and</u> <u>Permits</u> | <u>Intergovern-</u> <u>mental</u> | <u>Charges</u> <u>for</u> <u>Services</u> | <u>Fines and</u> <u>Forfeits</u> | <u>Miscellaneous</u> <u>(2)</u> | <u>Total</u> |
|---|--------------|---|--------------------------------------|---|-------------------------------------|------------------------------------|---------------|
| 1996 | \$ 6,502,232 | \$ 781,497 | \$ 2,686,758 | \$ 1,077,256 | \$ 88,528 | \$ 405,770 | \$ 11,542,041 |
| 1997 | 6,727,625 | 608,174 | 2,450,175 | 1,268,361 | 118,133 | 544,975 | 11,717,443 |
| 1998 | 6,763,123 | 854,695 | 2,865,702 | 1,367,397 | 95,415 | 1,019,749 | 12,966,081 |
| 1999 | 7,853,719 | 898,930 | 3,408,225 | 1,236,898 | 115,037 | 640,073 | 14,152,882 |
| 2000 | 7,638,848 | 1,087,317 | 3,109,350 | 1,392,878 | 116,810 | 1,247,629 | 14,592,832 |
| 2001 | 8,221,701 | 1,016,996 | 3,106,122 | 1,455,503 | 127,586 | 701,511 | 14,629,419 |
| 2002 | 8,668,419 | 1,070,278 | 3,309,268 | 1,688,496 | 89,450 | 824,153 | 15,650,064 |
| 2003 | 9,740,578 | 1,616,972 | 3,443,306 | 2,247,315 | 101,504 | 673,910 | 17,823,585 |
| 2004 | 10,636,124 | 1,261,603 | 3,983,673 | 2,508,636 | 135,488 | 1,042,833 | 19,568,357 |
| 2005 | 11,963,080 | 1,242,119 | 4,694,599 | 2,501,932 | 189,988 | 1,123,031 | 21,714,749 |

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

(2) Includes intragovernmental services.

Source: City of Greenacres financial records.

CITY OF GREENACRES, FLORIDA
Property Tax Levies and Collections (Unaudited) (1)
Last Ten Fiscal Years

Table V

| <u>Fiscal Year Ended September 30,</u> | <u>Total Tax Levy (1)</u> | <u>Current Tax Collections (1)</u> | <u>Percent of Levy Collected</u> | <u>Outstanding Delinquent Collections</u> | <u>Percent of Delinquent Taxes to Tax Levy</u> |
|--|-------------------------------|--|--|---|--|
| 1996 | \$ 3,589,152 | \$ 3,581,525 | 99.8 % | \$ 7,627 | 0.2 % |
| 1997 | 3,765,856 | 3,747,194 | 99.5 % | 18,662 | 0.5 % |
| 1998 | 3,866,284 | 3,856,001 | 99.7 % | 10,283 | 0.3 % |
| 1999 | 3,963,209 | 3,949,978 | 99.7 % | 13,231 | 0.3 % |
| 2000 | 4,127,786 | 4,096,502 | 99.2 % | 31,327 | 0.8 % |
| 2001 | 4,328,175 | 4,314,573 | 99.7 % | 13,602 | 0.3 % |
| 2002 | 4,533,349 | 4,515,760 | 99.6 % | 17,589 | 0.4 % |
| 2003 | 5,076,291 | 5,056,624 | 99.6 % | 19,667 | 0.4 % |
| 2004 | 5,868,122 | 5,863,174 | 99.9 % | 4,948 | 0.1 % |
| 2005 | 6,912,647 | 6,908,271 | 99.9 % | 4,376 | 0.1 % |

(1) Net of discounts taken by property taxpayers.

Source: Palm Beach County Tax Collector's office.

CITY OF GREENACRES, FLORIDA
 Taxable Value and Just Value of Taxable Property (Unaudited)
 Last Ten Fiscal Years

| Fiscal Year Ended September 30, | Real Property | | Personal Property | |
|---------------------------------------|------------------|----------------|-------------------|---------------|
| | Taxable Value | Just Value | Taxable Value | Just Value |
| 1996 | \$ 534,189,932 | \$ 706,625,229 | \$ 36,941,636 | \$ 41,197,055 |
| 1997 | 560,020,016 | 739,441,303 | 40,308,233 | 44,836,160 |
| 1998 | 578,481,155 | 767,747,603 | 41,738,133 | 46,839,057 |
| 1999 | 606,468,123 | 806,995,644 | 41,275,915 | 46,287,238 |
| 2000 | 650,696,394 | 859,281,843 | 47,656,411 | 52,878,017 |
| 2001 | 686,592,222 | 918,946,875 | 50,110,302 | 56,240,158 |
| 2002 | 760,101,128 | 1,029,071,492 | 53,833,129 | 61,355,831 |
| 2003 | 858,394,549 | 1,164,989,368 | 53,044,528 | 62,204,456 |
| 2004 | 997,193,663 | 1,391,481,121 | 55,543,061 | 65,574,779 |
| 2005 | 1,203,598,669 | 1,724,320,524 | 60,443,873 | 70,886,055 |

Source: Palm Beach County Property Appraiser's Office

Table VI

| | Total | | |
|----|--------------------------|-----------------------|--|
| | <u>Taxable Value</u> | <u>Just Value</u> | <u>Ratio Taxable Value To Just Value</u> |
| \$ | 571,131,568 | \$ 747,822,284 | 76% |
| | 600,328,249 | 784,277,463 | 77% |
| | 620,219,288 | 814,586,660 | 76% |
| | 647,744,038 | 853,282,882 | 76% |
| | 698,352,805 | 912,159,860 | 76% |
| | 736,702,524 | 975,187,033 | 76% |
| | 813,934,257 | 1,090,427,323 | 75% |
| | 911,439,077 | 1,227,193,824 | 74% |
| | 1,052,736,724 | 1,457,055,900 | 72% |
| | 1,264,042,542 | 1,795,206,579 | 70% |

CITY OF GREENACRES, FLORIDA
Property Tax Rates - All Direct and Overlapping Governments (Unaudited)
Last Ten Fiscal Years

| Fiscal Year Ended <u>September 30,</u> | General <u>Fund</u> | Debt Service <u>Fund</u> | Assessed by Palm Beach County | | | Children's <u>Services</u> | County Health Care <u>District</u> |
|--|------------------------|--------------------------------|----------------------------------|-----------------------|--------------------------|-------------------------------|---|
| | | | <u>County</u> | County <u>Debt</u> | County <u>Library</u> | | |
| 1996 | 5.9000 | 0.6081 | 4.2177 | 0.3014 | 0.4838 | 0.3730 | 1.4250 |
| 1997 | 5.9000 | 0.6028 | 4.2358 | 0.2833 | 0.4997 | 0.3756 | 1.2000 |
| 1998 | 5.9000 | 0.5565 | 4.6000 | 0.2666 | 0.4997 | 0.4530 | 1.1600 |
| 1999 | 5.7857 | 0.5554 | 4.6000 | 0.2582 | 0.5246 | 0.4403 | 1.0500 |
| 2000 | 5.5763 | 0.5509 | 4.6000 | 0.3456 | 0.5246 | 0.4696 | 0.9750 |
| 2001 | 5.5704 | 0.5214 | 4.6000 | 0.3362 | 0.5403 | 0.5000 | 1.0250 |
| 2002 | 5.2992 | 0.4743 | 4.5500 | 0.3851 | 0.5403 | 0.5703 | 1.1500 |
| 2003 | 5.3502 | 0.4233 | 4.5000 | 0.3084 | 0.5403 | 0.6228 | 1.1300 |
| 2004 | 5.4065 | 0.3670 | 4.5000 | 0.2910 | 0.5833 | 0.6902 | 1.1300 |
| 2005 | 5.5962 | 0.0773 | 4.5000 | 0.2677 | 0.5807 | 0.6902 | 1.1000 |

(1) The South Lake worth Inlet District was abolished on May 24, 1996 by an act of the State of Florida Legislature. Its functions were assumed by Palm Beach County.

Source: Palm Beach County Property Appraiser's office.

Table VII

| Assessed by Palm Beach County School Board | | | South Florida Water Management District | South Lake Worth Inlet District (1) | Florida Inland Navigation District | Total |
|---|--------------|-------------|---|---|---|---------|
| <u>State</u> | <u>Local</u> | <u>Debt</u> | | | | |
| 6.6320 | 2.6450 | 0.5200 | 0.6470 | 0.1014 | 0.0400 | 23.8938 |
| 6.6090 | 2.6430 | 0.5360 | 0.6720 | 0.1008 | 0.0380 | 23.5952 |
| 6.4270 | 2.6330 | 0.4970 | 0.6970 | | 0.0500 | 23.7398 |
| 6.5470 | 2.6320 | 0.5030 | 0.6970 | | 0.0470 | 23.6402 |
| 5.9620 | 2.6250 | 0.4560 | 0.6970 | | 0.0440 | 22.8260 |
| 5.8670 | 2.6200 | 0.4310 | 0.5970 | | 0.0410 | 22.6493 |
| 5.9350 | 2.6120 | 0.0401 | 0.5970 | | 0.0385 | 22.1918 |
| 5.8190 | 2.6080 | 0.3520 | 0.5970 | | 0.0385 | 22.2895 |
| 5.6520 | 2.5990 | 0.3200 | 0.5970 | | 0.0385 | 22.1745 |
| 5.5660 | 2.5920 | 0.2740 | 0.5970 | | 0.0385 | 21.8796 |

CITY OF GREENACRES, FLORIDA
Special Assessments, Billings, and Collections (Unaudited
Last Ten Fiscal Years

Table VIII

| <u>Fiscal Year Ending September 30,</u> | <u>Special Assessment Billings</u> | <u>Special Assessments Collected (1)</u> |
|---|--|--|
| 1996 | \$ 33,306 | \$ 33,950 |
| 1997 | 29,989 | 27,764 |
| 1998 | 25,267 | 41,732 |
| 1999 | 21,592 | 22,656 |
| 2000 | 18,655 | 22,219 |
| 2001 | 15,205 | 24,118 |
| 2002 | 11,190 | 21,612 |
| 2003 | 9,056 | 12,896 |
| 2004 | 7,264 | 9,071 |
| 2005 | 5,497 | 13,027 |

(1) Includes prepayments.

CITY OF GREENACRES, FLORIDA
Ratio of Net General Bonded Debt to Assessed Value and
Net General Bonded Debt Per Capita (Unaudited)
Last Ten Fiscal Years

Table IX

| <u>Fiscal Year</u> <u>Ending</u> <u>September 30.</u> | <u>Population</u> | <u>Taxable</u> <u>Value</u> | <u>Gross</u> <u>Bonded</u> <u>Debt</u> | <u>Debt</u> <u>Service</u> <u>Monies</u> <u>Available</u> | <u>Net</u> <u>Bonded</u> <u>Debt</u> | <u>Ratio of Net</u> <u>Bonded Debt</u> <u>to Assessed</u> <u>Value</u> | <u>Net Bonded</u> <u>Debt</u> <u>Per Capita</u> |
|---|-------------------|--------------------------------|--|--|--|---|---|
| 1996 | 23,733 | \$ 571,131,568 | \$ 2,415,000 | \$ 17,867 | \$ 2,397,133 | 0.42% | 101.00 |
| 1997 | 24,065 | 600,328,249 | 2,177,500 | 22,643 | 2,154,857 | 0.36% | 89.54 |
| 1998 | 24,831 | 620,219,288 | 1,925,000 | 5,292 | 1,919,708 | 0.31% | 77.31 |
| 1999 | 25,609 | 647,744,038 | 1,738,292 | 74,875 | 1,663,417 | 0.26% | 64.95 |
| 2000 | 27,569 | 698,352,805 | 1,434,004 | 82,354 | 1,351,650 | 0.19% | 49.03 |
| 2001 | 28,013 | 736,702,524 | 2,879,620 | 145,914 | 2,733,706 | 0.37% | 97.59 |
| 2002 | 29,359 | 813,934,257 | 2,408,190 | 151,628 | 2,256,562 | 0.28% | 76.86 |
| 2003 | 29,883 | 911,439,077 | 1,917,076 | 192,877 | 1,724,199 | 0.19% | 57.70 |
| 2004 | 30,533 | 1,052,736,724 | 6,925,984 | 205,863 | 6,720,121 | 0.64% | 220.09 |
| 2005 | 31,270 | 1,264,042,542 | 6,474,458 | 94,913 | 6,379,545 | 0.50% | 204.01 |

CITY OF GREENACRES, FLORIDA
 Computation of Direct and Overlapping Bonded Debt (Unaudited)
 General Obligation Bonds
 September 30, 2005

Table X

| <u>Taxing Authority</u> | <u>Net General Obligation Bonded Debt Outstanding</u> | <u>Percentage Applicable to Greenacres</u> | <u>Amount Applicable to Greenacres</u> |
|--------------------------------|---|--|--|
| City of Greenacres | \$ - | NA | \$ - |
| Palm Beach County | 283,885,000 | 1.139% | 3,233,450 |
| Palm Beach County School Board | <u>126,875,000</u> | 1.139% | <u>1,445,106</u> |
| Total | <u>\$ 410,760,000</u> | | <u>\$ 4,678,556</u> |

Source: Above Government Entities

CITY OF GREENACRES, FLORIDA
Legal Debt Margin (Unaudited)
General Obligation Bonds

Table XI

The City of Greenacres, Florida has no legal debt margin.

CITY OF GREENACRES, FLORIDA
Revenue Bond Coverage (Unaudited)
Revenue Bonds Series 2001

Table XII

| Fiscal Year Ending September 30, | Principal | Interest (1) | Total Debt Service | Public Service Tax Revenues (1) | Coverage (2) |
|--|-----------|--------------|--------------------------|--|--------------|
| 1996 | \$ - | \$ - | \$ - | \$ - | N/A |
| 1997 | - | - | - | - | N/A |
| 1998 | - | - | - | - | N/A |
| 1999 | - | - | - | - | N/A |
| 2000 | - | - | - | - | N/A |
| 2001 | - | - | - | - | N/A |
| 2002 | 142,468 | 77,925 | 220,393 | 296,294 | 1.34 |
| 2003 | 149,076 | 71,321 | 220,397 | 315,338 | 1.43 |
| 2004 | - | - | - | - | N/A |
| 2005 | - | - | - | - | N/A |

(1) Includes public service tax on water, natural gas, and propane gas.

(2) Public service tax must be at least 1.2 times debt service.

Revenue bonds were not issued until the end of 2001 fiscal year.

The revenue bonds were refunded during fiscal year 2004.

CITY OF GREENACRES, FLORIDA

Table XIII

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures (Unaudited)
Last Ten Fiscal Years

| Fiscal Year Ending September 30, | <u>Principal</u> | <u>Interest (1)</u> | <u>Total Debt Service</u> | <u>Total General Expenditures (2)</u> | Ratio of Debt Service to Total General Expenditures |
|--|------------------|---------------------|-------------------------------|---|--|
| 1996 | \$ 225,000 | \$ 115,657 | \$ 340,657 | \$ 11,430,217 | 3.0% |
| 1997 | 237,500 | 111,654 | 349,154 | 12,699,902 | 2.7% |
| 1998 | 252,500 | 104,979 | 357,479 | 12,077,148 | 3.0% |
| 1999 | 227,137 | 84,625 | 311,762 | 13,309,483 | 2.3% |
| 2000 | 304,289 | 63,694 | 367,983 | 13,152,992 | 2.8% |
| 2001 | 316,384 | 52,285 | 368,669 | 15,217,976 | 2.4% |
| 2002 | 328,962 | 38,974 | 367,936 | 18,814,283 | 2.0% |
| 2003 | 342,038 | 25,950 | 367,988 | 16,940,997 | 2.2% |
| 2004 | 511,627 | 76,774 | 588,401 | 17,774,630 | 3.3% |
| 2005 | 451,526 | 254,537 | 706,063 | 19,077,411 | 3.7% |

(1) Excludes bond issuance and other costs.

(2) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

CITY OF GREENACRES, FLORIDA
Property, Value, Construction, and Bank Deposits (Unaudited)
Last Ten Fiscal Years

| Fiscal Year Ending September 30, | Commercial Construction (1) | | Residential Construction (1) | |
|--|--------------------------------|--------------|---------------------------------|---------------|
| | Number of | | Number of | |
| | Units | Value | Units | Value |
| 1996 | 9 | \$ 1,356,202 | 422 | \$ 26,094,981 |
| 1997 | 16 | 3,493,325 | 168 | 14,330,308 |
| 1998 | 8 | 5,452,124 | 722 | 39,963,367 |
| 1999 | 6 | 2,744,601 | 633 | 31,486,196 |
| 2000 | 35 | 2,176,796 | 277 | 42,651,857 |
| 2001 | 32 | 838,872 | 308 | 40,385,234 |
| 2002 | 18 | 589,390 | 273 | 37,173,434 |
| 2003 | 36 | 59,100 | 316 | 42,389,059 |
| 2004 | 38 | 4,338,380 | 221 | 45,405,164 |
| 2005 | 31 | 17,706,624 | 138 | 30,698,270 |

Source:

- (1) City of Greenacres Building Division.
- (2) Palm Beach County Property Appraiser's office.

Table XIV

| <u>Bank Deposits</u> | <u>Property Value (2)</u> | |
|--------------------------|---------------------------|------------------------------|
| | <u>Real Property</u> | <u>Personal Property</u> |
| \$ 189,875,693 | \$ 534,189,932 | \$ 36,941,636 |
| 183,275,229 | 560,020,016 | 40,308,233 |
| 201,582,320 | 578,481,155 | 41,738,133 |
| 172,939,413 | 606,468,123 | 41,275,915 |
| 172,579,619 | 650,696,394 | 47,656,411 |
| 245,730,256 | 685,592,222 | 50,110,302 |
| 298,967,839 | 760,101,128 | 53,833,129 |
| 320,195,587 | 858,394,549 | 53,044,528 |
| 440,601,714 | 997,193,663 | 55,543,061 |
| 454,777,872 | 1,203,598,669 | 60,443,873 |

CITY OF GREENACRES, FLORIDA
Principal Taxpayers (Unaudited)
September 30, 2005

Table XV

| <u>Taxpayers</u> | <u>Type of Business</u> | 2004 <u>Assessed Valuation</u> | Percentage of Total <u>Assessed Valuation</u> |
|--|-------------------------------|---------------------------------------|---|
| Okeehlee Apt. Partners | Residential | \$ 47,754,390 | 3.78% |
| Woolbright Riverbridge (Riverbridge) | Shopping Center | 30,759,362 | 2.43% |
| Keystone - West Palm Beach Property Holding Co. (Island Shores Apartments) | Residential (Rental Units) | 22,865,209 | 1.81% |
| Batmasian, James H. (Waterway Village) | Residential (Rental Units) | 11,000,000 | 0.87% |
| Chelsea Commons Ltd Ptn | Residential | 10,400,000 | 0.82% |
| Dayton Hudson Corp (Target) | Retail Store | 10,381,080 | 0.82% |
| SCM Realty, Inc. (Maroone Chevrolet) | Car Dealership | 10,304,240 | 0.82% |
| Gator Green Acres Ltd. (Greenacres Plaza) | Shopping Center | 10,133,682 | 0.80% |
| III T Greenacres LLC | Shopping Center | 9,500,000 | 0.75% |
| Pickwick Mobile Home Park | Residential | <u>7,680,593</u> | <u>0.61%</u> |
| Total | | <u>\$ 170,778,556</u> | <u>13.51%</u> |

Source: Palm Beach County Property Appraiser's Office.

CITY OF GREENACRES, FLORIDA
Demographic Statistics (Unaudited)
Last Ten Fiscal Years

Table XVI

| <u>Fiscal Year Ended September 30,</u> | <u>Population(1)</u> | <u>Unemployment Rate (2)</u> |
|--|----------------------|----------------------------------|
| 1996 | 23,733 | 6.6% |
| 1997 | 24,065 | 6.0% |
| 1998 | 24,831 | 5.5% |
| 1999 | 25,609 | 4.8% |
| 2000 | 27,569 | 4.4% |
| 2001 | 28,013 | 4.3% |
| 2002 | 29,359 | 5.5% |
| 2003 | 29,883 | 5.3% |
| 2004 | 30,533 | 4.8% |
| 2005 | 31,270 | 3.7% |

(1) Source: Bureau of Economic and Business Research

(2) Source: Florida Department of Labor

CITY OF GREENACRES, FLORIDA
 Miscellaneous Statistics (Unaudited)
 September 30, 2005

Table XVII

| | |
|----------------------------------|---|
| <u>Date of Incorporation:</u> | 1926 (reincorporated 1947) |
| <u>Forms of Government:</u> | Council-Manager, 3 Councilmembers elected even years, 2 Councilmembers and Mayor elected odd years. |
| <u>Municipal Elections:</u> | Non-partisan - 16,757 registered voters |
| <u>Area:</u> | 5.6 square miles |
| <u>Miles of Streets:</u> | Approximately 51 lane miles |
| <u>Population Growth:</u> | 1950 - 531; 1960 - 1,026; 1970 - 1,731; 1980 - 8,780(census); 1990 - 18,683 (ceensus); 1993 - 21,966 (special census); 2000 - 27,569 (census); 2005 - 31,270 (BEBR). |
| <u>Public Safety Protection:</u> | All public safety officers are dual certified for Police and Fire. Emergency Medical Servies personnel are all dual certified as Paramedic/Firefighters or EMT/Firefighters. |
| <u>Water Service:</u> | Water service is provided to customers in the City by Palm Beach County Water Utilities Department. |
| <u>Sanitary Sewage:</u> | Sewage service is provided to customers in the City by Palm Beach County Water Utilities Department. |
| <u>Garbage Collection:</u> | Service franchised to Onyx Waste Services of Florida, Inc. |
| <u>Electric Service:</u> | Florida Power & Light Company |
| <u>Building Permits Issued:</u> | 5,668 |
| <u>Recreation and Culture:</u> | Number of parks: Developed 11, approx. 93.44 acres Open space, approx. 3.63 acres Number of libraries: 1, Branch of Palm Beach County System Number of Volumes: approx. 100,000 |
| <u>Municipal Employees:</u> | Full time - 194 Part time - 29 |
| <u>Schools:</u> | One High School; Three Middle Schools, Five Elementary Schools |

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

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

The Honorable Mayor and Members of the City Council
City of Greenacres, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida, as of and for the year ended September 30, 2005, which collectively comprise the City of Greenacres's basic financial statements and have issued our report thereon dated December 8, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Greenacres, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the City of Greenacres, Florida in the attached management letter dated December 8, 2005.

This report is intended solely for the information and use of the City of Greenacres, Florida's management and City Council and is not intended to be and should not be used by anyone other than those specified parties.

Nowlen, Holt, & Miner, P.A.

December 8, 2005



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Greenacres, Florida

We have audited the basic financial statements of the City of Greenacres, Florida, as of and for the year ended September 30, 2005, and have issued our report thereon dated December 8, 2005.

In planning and performing our audit of the basic financial statements of the City of Greenacres, Florida, for the year ended September 30, 2005, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

As a result of this examination, we would like to present some recommendations for management's consideration. These suggestions are based primarily on the work done during our audit engagement, and we do not wish to imply that they cover every possible weakness or strength. Nevertheless, we do think they deserve your careful evaluation. The status of these comments will be reviewed during the next audit engagement. We have already discussed these comments with the City's management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

PRIOR YEAR COMMENTS

There were no prior year comments.

CURRENT YEAR COMMENTS

Fixed Assets

We noted that the City uses spreadsheets to track fixed assets and calculate depreciation. Because the spreadsheets are not integrated with the general ledger, additional procedures are required to track and depreciate fixed assets and adjust the general ledger. This can lead to errors in either the detailed records or the general ledger. We recommend that the City consider purchasing fixed assets software that will integrate and reconcile with the general ledger.

Compensated Absences

We noted that the City accrues a liability for unused sick leave based upon full vesting after ten years of service. Section 12.3.3 of the Manual of Personnel Policies states that upon retirement from the City employees will receive compensation for unused sick leave at their normal hourly rate for the total hours accumulated. We recommend that the City amend the Personnel Policies to formally specify a vesting period.

Oversight Unit and Component Units

The City of Greenacres, Florida is a municipal corporation originally incorporated in 1926 and reincorporated in 1947 pursuant to Special Act 24537, Laws of Florida 1947. Based upon the application of criteria defined in publications cited in Chapter 10.553, Rules of the Auditor General, the City has determined that there are no component units related to the City.

Compliance with Florida Statute 218.503 and Financial Condition Assessment

Management of the City has determined that the City was not in a state of financial emergency as defined under Florida Statute 218.503. In connection with our audit of the basic financial statements of the City, we applied the financial condition assessment procedures pursuant to Chapter 10.556(7) Rules of the Auditor General. The results of our tests did not indicate that the City is in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statute. However, our audit does not provide a legal determination on the City's compliance with this requirement. It is management's responsibility to monitor the City's condition, and our financial condition assessment was based in part on representations made by management and a review of financial information provided by management. This assessment was made as of the year ended September 30, 2005.

Compliance with Florida Statute 218.32

The financial report for the City of Greenacres, Florida filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes is in substantial agreement with the accompanying financial report.

Compliance with Florida Statute 218.415

The Management of the City of Greenacres, Florida has determined that the City is in compliance with chapter 218.415, Florida Statutes regarding investments. Based upon our audit of the City's general-purpose financial statements, the results of our tests disclosed no instances of noncompliance with chapter 218.415, Florida Statutes, regarding investments. However, our audit does not provide a legal determination on the City's compliance with this requirement.

Other Current Year Comments

Our audit did not disclose any further items that would be required to be reported under Chapter 10.554(1)(h), Rules of the Auditor General.

This report is intended for the information of management, members of the City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Nowlen, Holt, & Miner, P.A.

December 8, 2005



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Samuel J. Ferreri
Mayor
Wadie Atallah
City Manager

City of Greenacres

February 3, 2006

The Honorable Mayor and Members of the City Council
City of Greenacres, Florida

RE: RESPONSE TO MANAGEMENT LETTER

In FY 2005 the City employed the account firm, Nolen, Holt & Miner, for the annual external audit required by Florida Statute 11-45, after five years with the accounting firm of Rachlin, Cohen & Holtz. With this change of auditors it is particularly noteworthy that for the FY 2005 audit no compliance related or internal control findings were presented. The FY 2005 audit has indicated two management letter comments and recommendations, as described below:

1. FIXED ASSETS

Comment:

We noted that the City uses spreadsheets to track fixed assets and calculate depreciation. Because the spreadsheets are not integrated with the general ledger, additional procedures are required to track and depreciate fixed assets and adjust the general ledger. This can lead to errors in either the detailed records or the general ledger. We recommend that the City consider purchasing fixed assets software that will integrate and reconcile with the general ledger.

Management Response:

Department of Finance staff currently reconciles the fixed assets detail to the general ledger annually at the close of the fiscal year. Department of Finance staff will research the availability of fixed assets software that integrates with the general ledger.

2. COMPENSATED ABSENCES

Comment:

We noted that the City accrues a liability for unused sick leave based upon full vesting after ten years of service. Section 12.3.3 of the Manual of Personnel Policies states that upon retirement from the City employees will receive compensation for unused sick leave at their normal hourly rate for the total hours accumulated. We recommend that the city amend the Personnel Policies to formally specify a vesting period.

Management Response:

The payment of unused sick leave to general employees upon separation from the City is based on established practices related to the definition of retirement. We concur that the issue can be further clarified, and an administrative directive will be prepared to specify the vesting period.

Wadie Atallah
City Manager