



Greenacres
a great place to be

2008
Comprehensive Annual
Financial Report
Fiscal Year Ended—September 30, 2008



Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2008

Prepared by: Department of Finance
Jeffrey A. Price, Director of Finance

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City of Greenacres

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Samuel J. Ferreri
Mayor

Wadie Atallah
City Manager

March 3, 2009

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, 2008. This document also includes the Independent Auditor's Report. 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 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, which had been recorded in the general fixed assets account group, 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.

The GASB 34 reporting model is intended to 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.

Richard C. Radcliffe
Councilman • District I

Peter A. Noble
Councilman • District II

Charles E. Shaw
Councilman • District III

Doris A. Fouts
Councilwoman • District IV

Norman W. Rose
Councilman • District V

- ❖ 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 2007. 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, 2008. 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 the Notes to 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. This section has been revised in accordance with GASB Statement 44, *Economic Condition Reporting: The Statistical Section*.
- ❖ The **other reports section** includes the 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*, Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133, Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, and the Management Letter in Accordance with the Rules of the Auditor General of the State of Florida.

PROFILE OF THE GOVERNMENT

The City of Greenacres, incorporated in 1926, is located in the central part of Palm Beach County, which until 2008 was considered to be a top growth area in the County, and one of the top growth areas in the State. The City of Greenacres currently occupies a land area of 5.8 square miles and serves a population of over 32,000. The City of Greenacres is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Greenacres has operated under the Council Manager form of government since 1980. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and five Council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the Directors of the various departments. The Council is elected on a non-partisan basis. Council members serve two-year staggered terms. The Mayor is also elected to serve a two-year term. The Mayor and the five Council members are elected at large.

The City provides general municipal services such as police, fire, emergency medical services, protective inspections, public works, planning, zoning, engineering, recreation and cultural events. The City provides solid waste collection and recycling services through a contract with a privately owned sanitation company. For fiscal year 2008, Veolia ES Solid Waste Southeast, Inc. (Onyx) 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.

The annual budget serves as the foundation for the City of Greenacres' financial planning and control. The City's budget process begins in April with a staff meeting between City Manager and Department Directors to review budget philosophy and develop overall goals and objectives. All departments of the City of Greenacres are required to submit requests for appropriation to the City Manager on or before the first week in May each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council in June. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Greenacres' fiscal year.

ECONOMIC CONDITION AND OUTLOOK

The City is located in the east central area of Palm Beach County, Florida, approximately five miles from the Atlantic Ocean. Prior to 2008, Palm Beach County was among the fastest growing metropolitan areas in the country with an estimated population of 1,294,654. Greenacres is the tenth largest municipality in the County with a 2008 population of 32,548 (BEBR Census). The primary sources fueling the economy of this section of the County are agriculture, tourism, service industry and a growing retirement community. The City is a residentially oriented suburb, with supporting 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 2008 the City's economic growth slowed due to the national recession and collapse of the housing and real estate market. The unemployment rate was 6.4 percent, while several construction projects were underway or completed. Residential projects included Verona Palms Townhomes (134 units), Sagewood (104 units) and the construction of 5 new homes in the City's original section. Commercial projects included Sonic Drive-In, Burger King, River Bridge Centre outparcel, and renovation of Greenacres Plaza.

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 over 21,000 and 11,000 employees, respectively. Palm Beach County Snapshot lists the three top trades as: 1) Professional and Business Services, the largest sector at more than 130,000 employees; 2) Education and Health Services at nearly 80,000; and 3) Retail Trade at approximately 70,000. The City's 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:

- ❖ 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 a 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 Inter-local Agreement. Insurance Services 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 class 3, an improvement from the last rating of class 5. Most insurance companies use the PPC classification 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 years 2004 through 2008 the City replaced all the protective personal equipment for public safety personnel through a grant, updated the 911 dispatch consoles, firing range catchment system and recording equipment, refurbished the evidence storage room, replaced extrication equipment, and EMS stretchers and stair chairs; purchased a new fire engine and ambulance and EMS Auto Pulse Compression Units.

In the area of roads, infrastructure and appearance, the City continued to enhance the City's roadway medians and landscape of public right-of-ways. A five-year project, partially funded by Community Development Block Grant (CDBG), provides for the construction of sidewalks, paving, drainage, 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. Work continued on this project through Fiscal Year 2008, with substantial completion in August of 2007. This was the largest single construction project in the history of the City. Since the hurricanes of 2004 and 2005, the City has replaced aging shutters on the old City Hall and has purchased an AM radio system for emergency advisories.

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. 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 \$4.9 million. During fiscal year 2002 phase I construction of Freedom Park was completed; during fiscal year 2004 phase II was completed; at the close of fiscal year 2005, phase III of Freedom Park was completed; and in mid-2008 Phase IV was completed. Further improvements to Ira Van Bullock Park began with the demolition of the old Public Works building and expansion of the Community Center parking lot in mid-2008. Construction of a playground is currently underway on the site of the old Public Works yard.

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.

The preparation of the FY 2009 budget was especially difficult due to a Constitutional Amendment passed by the voters on January 28, 2008, intended to lower property taxes. The amendment added a second \$25,000 Homestead Exemption, provided portability for "Save our Homes" constitutional amendment, added a

\$25,000 Tangible Personal Property exemption and limited assessment increases on non-homestead properties to 10% per year. The decline in property values, coupled with the collapse of the residential building market provided additional challenges in preparing the FY 2009 Budget.

The cumulative impact of these events represented a 12.19% decline in the City's tax base as the taxable value declined from \$2,150,408,573 to \$1,888,274,365. Further compounding this situation was the decline in other revenue sources such as sales tax due to a weak economy.

To address the impact of the limitations on property tax revenue imposed by the State Legislature during the last two (2) years, the City continued to prioritize-essential services and desired levels of service in conjunction with budget preparation. Additionally, the City continued to close the gap between revenues and expenditures for non-essential services. Beginning with FY 2008 measures were incorporated in the budget, such as increasing fees for City services to offset the costs.

Given the dismal condition of the real estate market in 2007 and 2008, we believe that the future growth rate of the City will revert to pre-2000 levels as new developments are completed, and the availability of land for new developments diminishes within our existing and future annexation boundaries. As has been pointed out during the last three (3) years, it is imperative to continue to focus on the long term future in relation to the growing service needs and the ability to pay for those services.

Budgetary Controls

The City of Greenacres adopts fiscal year budgets for all funds. The City 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, Youth Programs, 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.

Capital Financing

In conjunction with the operating budget, the City Manager annually prepares a program to provide for improvements to the City's public facilities for the ensuing fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the current fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for City roads, park development, public works projects, and new equipment.

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum, unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states "Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax

anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors..." The City has no general obligation debt outstanding.

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 3.07 percent by the SBA in fiscal year 2008 for the State Surplus Funds Trust Fund. During fiscal year 2008 the City also invested in the Florida Municipal Investment Trust (FMIvT), high quality government fund and 1-3 year high quality bond funds. During October 2008 the City transferred more than half of the SBA balance into five Certificates of Deposit at three qualified banks.

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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Greenacres for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conforms to program

standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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 seventeen consecutive years (fiscal years 1991-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2008. The City has received this award for the last sixteen years. In order to earn the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. We have submitted the City's 2009 budget document to the GFOA, as we believe it also conforms to the program requirements.

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 \$18,468,448. 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. Because the total federal awards expended for all federal programs was more than \$500,000, a federal Single Audit in accordance with OMB Circular A-133 was required to be performed by the City's auditors.

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. We also extend our sincere appreciation to the independent certified public accounting firm of Nowlen, Holt and Miner, PA for the professionalism and cooperation shown during the performance of the engagement and the expertise shown in financial report for government entities.

We would like to thank the Mayor and City Council for their guidance and support in establishing the policy for the planning and administration of the financial operations of the City of Greenacres in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for the City of Greenacres during challenging economic times.



Wadie Atallah
City Manager



Jeffrey A. Price
Director of Finance



PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Samuel J. Ferreri
Mayor

Norman W. Rose
Deputy Mayor- Councilman, District V

Richard C. Radcliffe
Councilman, District I

Peter A. Noble
Councilman, District II

Charles E. Shaw
Councilman, District III

Doris A. Fouts
Councilwoman, District IV

SENIOR MANAGEMENT

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

Carlos Cedeño
Director of Public Works

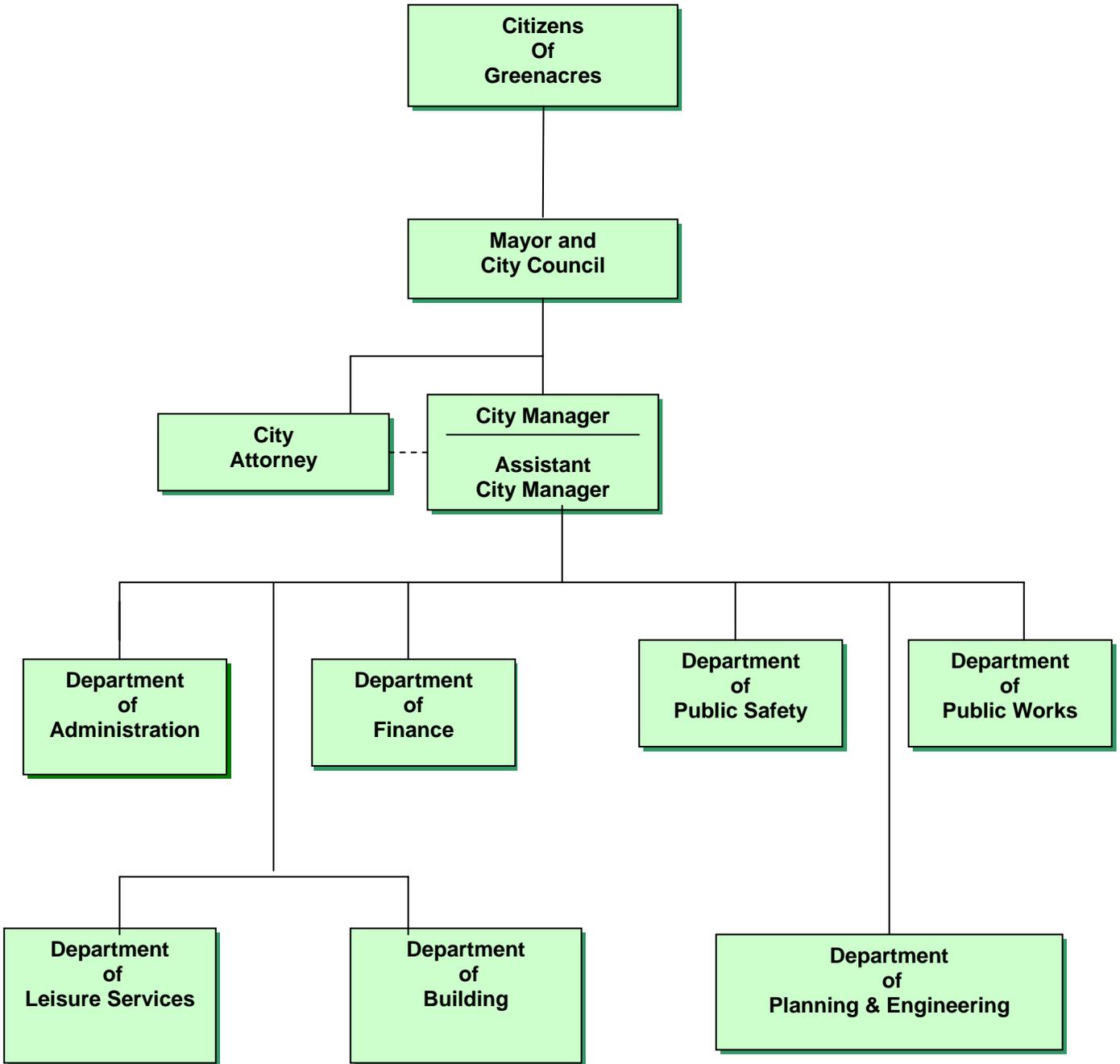
Philip A. Ludos
Director of Public Safety

Michele L. Thompson
Director of Leisure Services

Michael Grimm
Director of Building

As of September 30, 2008

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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R. R.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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215 FIFTH STREET, SUITE 200
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EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARRICEVICH, CPA

KATHLEEN A. MINER, CPA
ROBERT W. HELMREICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CPA
J. MICHAEL STEVENS, CPA
DANIEL A. KIRCHMAN, CPA
ALEXIA G. VARGA, CPA
BRIAN J. BRESCIA, PFS, CPA
DONALD D. RINZEL, CPA

INDEPENDENT AUDITOR'S REPORT

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To 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 City of Greenacres, Florida, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the 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 respective 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, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2009, on our consideration of the City of Greenacres, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 important for assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 13 and the required supplementary information on pages 42 through 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 introductory section, combining fund statements, other supplemental information, and statistical section 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of City of Greenacres, Florida. The combining fund statements, other supplemental information, and the schedule of expenditures of federal awards 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 & Mimer, P.A.

West Palm Beach, Florida
March 3, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Greenacres' comprehensive annual financial report presents a narrative overview and analysis of the City's financial performance for the fiscal year ended September 30, 2008. 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. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter (beginning on page i) and the City's basic financial statements (beginning on page 14) and notes to the financial statements (pages 22-41).

FINANCIAL HIGHLIGHTS

Some of the City's financial highlights for the year ended September 30, 2008 are as follows:

Government-Wide Financial Statements

The City's assets exceeded its liabilities by \$38.9 million (*net assets*), an increase of \$2.3 million (6.4%) over the prior year's ending net assets of \$36.6 million. Total net assets of the City are comprised of:

- Capital assets, net of related debt of \$16.6 million, is 42.7% of total net assets, and includes land, buildings, improvements, construction in process, and other capital assets, net of accumulated depreciation, and reduced by outstanding debt related to the construction of capital assets.
- Restricted net assets of \$13.1 million (33.5%); assets constricted by restraints imposed by parties, laws, or regulations outside of the City.
- Unrestricted net assets of \$9.3 million (23.8%) are available to meet the City's ongoing obligations to citizens and creditors.

Fund Financial Statements

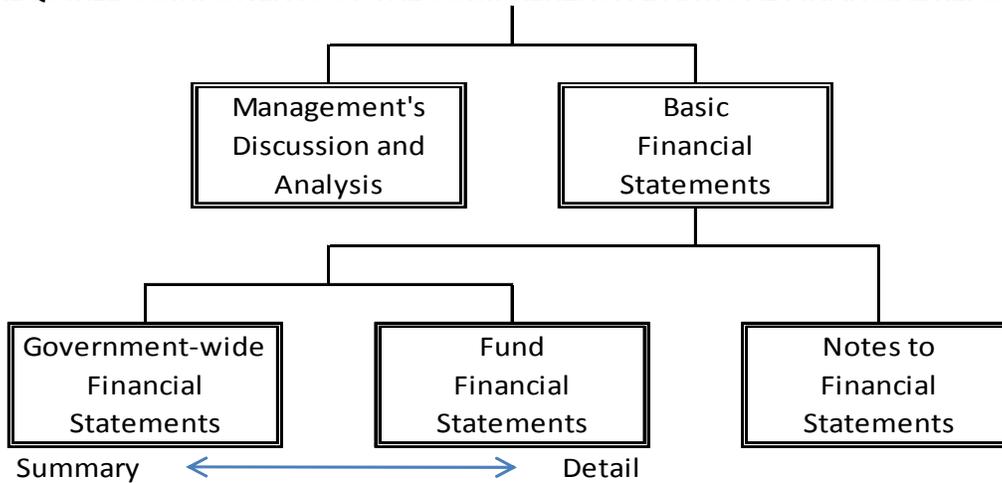
- The City's governmental funds reported combined fund balances of \$23.7 million, an increase of \$1.6 million (7.4%) in comparison with the prior year. Approximately 93% of the fund balances, \$22.1 million, is unreserved.
- At the end of the current fiscal year, the general fund had a total fund balance of \$10.7 million. The unreserved, undesignated portion of the fund balance was \$9.4 million, which was 42% of general fund expenditures plus transfers out.

Overview of the Financial Statements

The financial section of this report consists of three parts: management's discussion and analysis, the basic financial statements (including the notes to the financial statements), and the combining and individual fund statements, including detailed budgetary comparison schedules. The basic financial statements present two views of the City using government-wide statements and fund financial statements.

The following shows how the required components of this report are arranged, and how they relate to one another.

REQUIRED COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT



The first two basic financial statements are *government-wide statements* (pages 14-15) that provide information about the City's overall financial status. The remaining statements (pages 16-21) are *fund financial statements* that focus more on near-term inflows and outflows of financial resources. The fund financial statements include:

- Governmental funds statements (pages 16-19) to report most of the City's operations, and
- Fiduciary funds statements (pages 20-21) to report the financial status and results of activities for the City's Public Safety Officers and Firefighters Pension Plan.

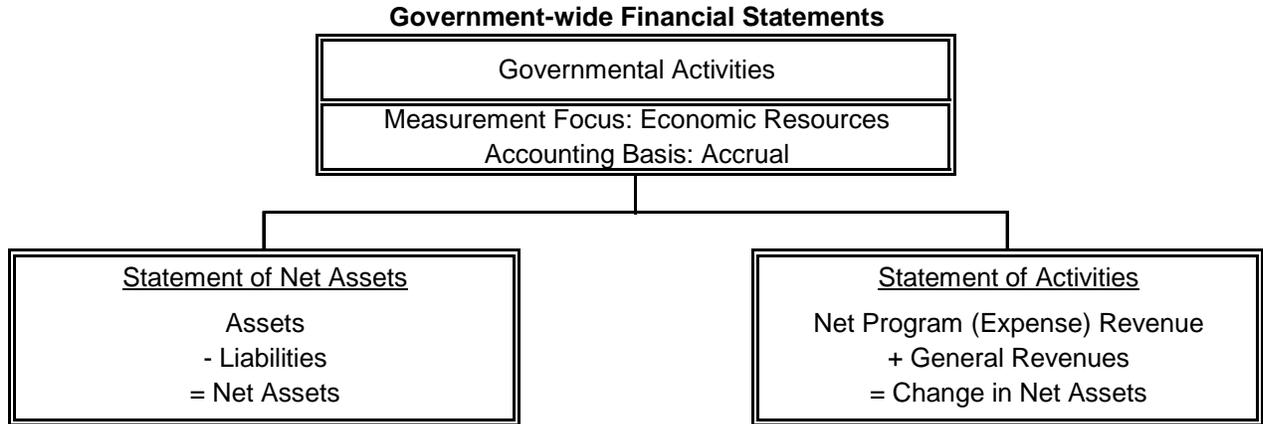
The financial statements also include notes (pages 22-41) that provide additional information essential for a full understanding of the financial data provided in the basic financial statements, as well as required supplementary information that includes a detailed budget analysis of the City's main operating General Fund (pages 42-48).

In addition to these required elements, a section is included with combining statements for the City's non-major funds, as well as detailed individual budgetary comparison schedules for those funds.

The remainder of this overview explains the structure and focus of the government-wide and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private sector businesses. The primary features are reflected in the diagram on the next page.

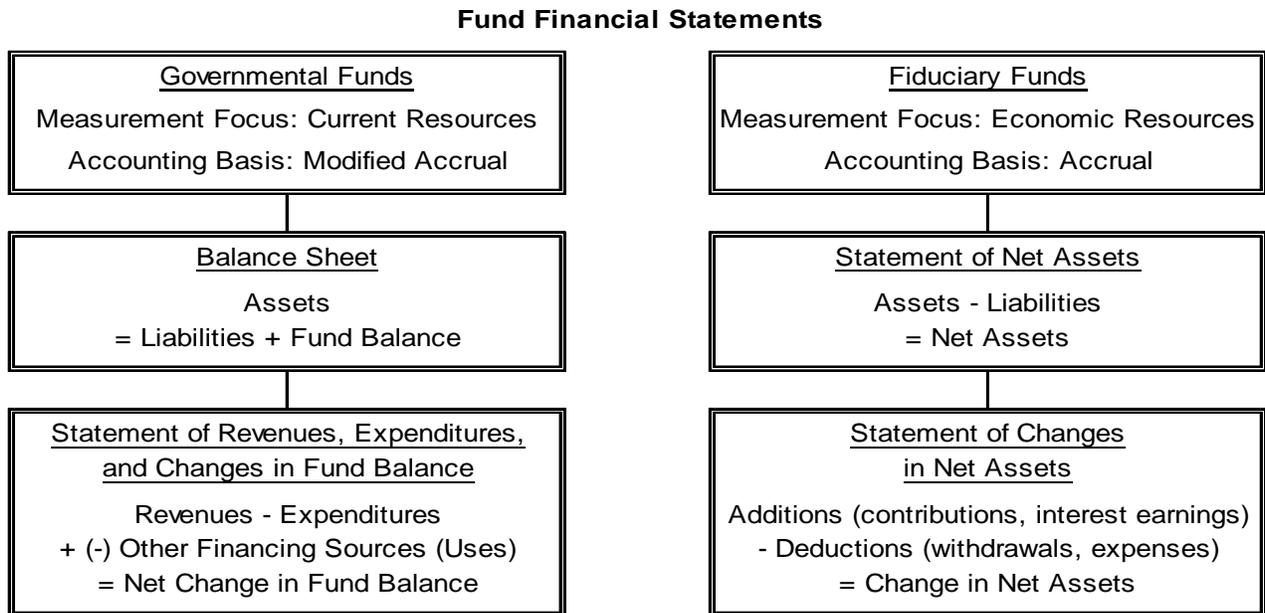


The Statement of Net Assets includes all of the City's assets and liabilities except fiduciary funds, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private sector business. The Statement of Activities focuses on how the City's net assets changed during the year. Because it separates program revenue (revenue generated by functional programs, like Public Safety, or Culture/Recreation, through user charges, grants, and contributions) from general revenue (revenue provided by taxes and other sources), it can show to what extent each program relies on taxes for funding.

All changes in net assets are reported using the accrual method of accounting, which requires that revenues be reported when they are *earned* and expenses be reported when goods and/or services are *received*, regardless of when cash is actually received or paid.

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. The main features of each are shown below.



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 cash, as well as cash balances available at year end (fund balance). Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, so 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 long-term impacts of 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*.

The City maintains ten (10) individual governmental funds: 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 all of the Capital Projects Funds: the New Growth, Parks and Recreation, and Reconstruction and Maintenance Funds, all of which are considered *major funds*. Data from the six 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 49-52 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 City has one (1) fiduciary trust fund, the Police and Firefighters Pension Trust Fund, found on pages 20-21 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 22-41 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 42-48 of this report.

The combining statements referred to earlier in connection with non-major 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 2007 balances have been included so that the results from the prior year can be compared.

Net Assets

The following schedule is a summary of the Statement of Net Assets found on page 14, shown with comparative financial information for the prior year.

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

	2008	2007	Increase / (Decrease)
Current and other assets	\$ 26,185	\$ 25,380	3.2%
Capital assets, net	21,972	20,963	4.8%
Total assets	48,157	46,343	3.9%
Current liabilities	2,059	2,739	(24.8%)
Long-term liabilities	7,108	6,957	2.2%
Total liabilities	9,167	9,696	(5.5%)
Net assets:			
Invested in capital assets, net of related debt	16,647	15,243	9.2%
Restricted	13,062	12,539	4.2%
Unrestricted	9,281	8,865	4.7%
Total net assets	\$ 38,990	\$ 36,647	6.4%

The largest portion of the City's net assets (\$16.6 million, or 43%) 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 (\$13.1 million, or 33%) represents resources that are subject to external or legal restrictions on how they may be used. The increase in restricted net assets is consistent with the City's plan to fund capital improvement projects planned for next year and beyond. The remaining unrestricted net assets of \$9.3 million, or 24% of net assets, 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 2008 and 2007. At the end of the 2008 fiscal year, the City of Greenacres' assets exceeded liabilities by \$39 million, an increase of 6%, or \$2.3 million, from 2007.

Changes in Net Assets

The revenues and expenses for the current and previous fiscal years are compared in the following schedule.

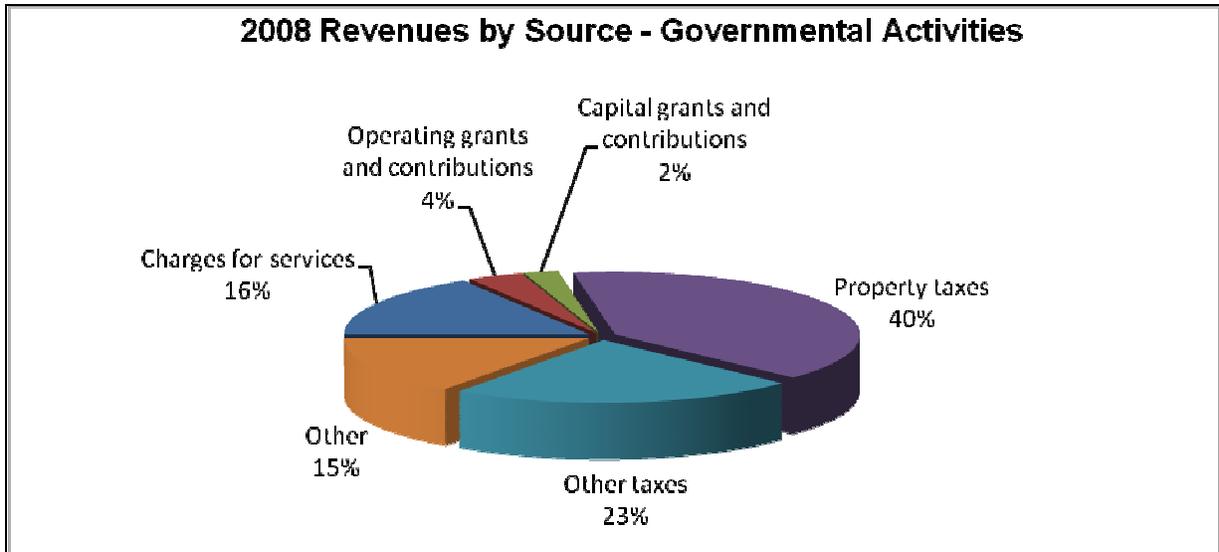
City of Greenacres, Florida
Summary of Changes in Net Assets
(in thousands)

	<u>2008</u>	<u>2007</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 4,049	\$ 4,219	(4.0%)
Operating grants and contributions	903	851	6.1%
Capital grants and contributions	563	402	40.0%
General revenues:			
Property taxes	9,813	10,581	(7.3%)
Other taxes	5,650	5,739	(1.6%)
Other	3,721	4,777	(22.1%)
Total revenues	<u>24,699</u>	<u>26,569</u>	(7.0%)
Expenses:			
General government	4,104	3,952	3.8%
Public safety	11,815	11,023	7.2%
Transportation	1,567	1,893	(17.2%)
Culture and recreation	2,790	1,824	53.0%
Physical environment	1,861	1,649	12.9%
Interest and other fiscal charges	219	233	(6.0%)
Total expenses	<u>22,356</u>	<u>20,574</u>	8.7%
Increase in net assets	2,343	5,995	(60.9%)
Beginning net assets	36,647	30,652	19.6%
Ending net assets	<u>\$ 38,990</u>	<u>\$ 36,647</u>	6.4%

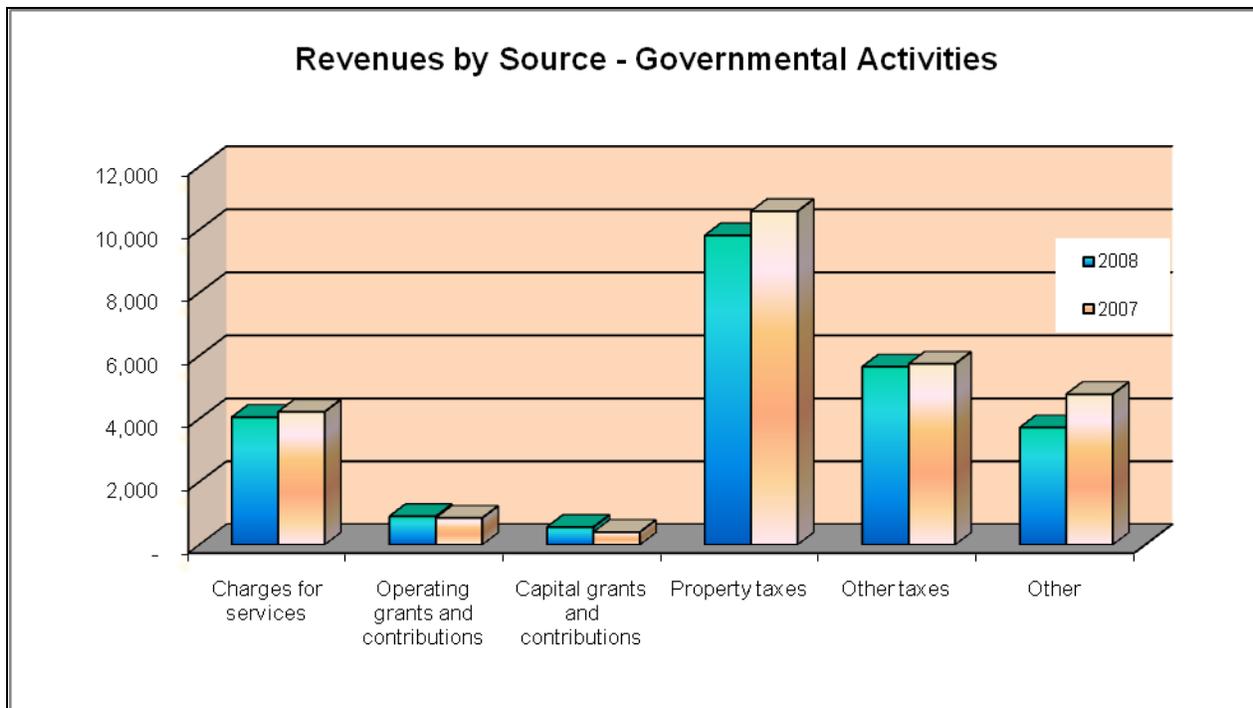
Ending net assets increased in fiscal year 2008, even as total revenues decreased by 7% while expenses increased by 9%. Among the revenues and expenses that changed significantly were:

- Charges for services decreased by \$170 thousand or 4%. The decrease was primarily due to a drop off in building permits and impact fees as new construction slowed significantly in 2008.
- Capital grants increased by \$161 thousand or 40%. The increase was mainly related to three (3) major improvement projects related to roads, drainage, and parks improvements, and funded by Community Development Block Grant in the current year.
- Property tax revenues decreased by \$768 thousand. The decrease was due mainly to the 2007 State legislative session that focused on property tax reform. Total millage rate was reduced from 5.5500 to 4.7022 from FY07 to FY08 as the City adopted a mandated rollback rate.
- Other revenues decreased by \$1.2 million or 22%, caused primarily by a drop in investment income (\$962 thousand) due mainly to the economy and lower interest rates.
- Government-wide expenses increased by 8.7% overall. The most significant changes from 2007 were the increase in expenses for the Culture and Recreation function. The increase was primarily from changes in depreciation expense, and from capital outlay serving that function that was not capitalized, and therefore was included in Culture and Recreation expenses.

The chart below shows the major sources of revenues from governmental activities in 2008. It illustrates that property taxes comprise 40% of the revenue base, and along with taxes from other sources, they finance 63% of the services provided by the City.



The chart below illustrates how the major revenue sources changed from 2007 to 2008.



Financial Analysis of the City of Greenacres' Funds

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 2008 fiscal year, the City's governmental funds reported combined ending fund balances of \$23.7 million, an increase of \$1.6 million from fiscal year 2007. Approximately 93% (\$22.1 million) of this total constitutes unreserved fund balance, which is available for appropriation. 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 (\$1.1 million), 2) to pay debt service (\$130 thousand), 3) to support youth programs for school aged children (\$55 thousand), 4) to purchase police equipment (\$97 thousand), or 5) for other purposes (\$123 thousand).

The General Fund is the chief operating fund of the City of Greenacres. At the end of the 2008 fiscal year, unreserved fund balance of the general fund was \$10.6 million, while total fund balance reached \$10.7 million. Generally, as a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. At the 2008 fiscal year end, the unreserved, undesignated fund balance represents 42% of total general fund expenditures plus transfers out. The 2008 budget plan included transfers of approximately \$2.9 million from the unreserved general fund balance to the capital projects funds to finance projects that are part of the City's planned capital improvements.

The City uses three Capital Projects Funds, all of which were considered major funds in fiscal year 2008. The City's New Growth 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. In fiscal year 2008 the City spent \$1.2 million including \$988 thousand on the municipal complex to finish the contract and install an emergency generator.

The Parks and Recreation Fund is used to account for the construction and refurbishment of parks and recreation facilities within the City. In fiscal year 2008, the City paid \$1.4 million for park improvements.

The Reconstruction and Maintenance Fund provides for rebuilding and replacement of the City's capital assets, not including parks. In fiscal year 2008, \$789 thousand was spent on drainage improvements, vehicle replacements, Public Safety communications upgrades, and other maintenance projects.

General Fund Budgetary Highlights

The difference between the 2008 adopted and the 2008 final amended budget of \$23.4 million was a decrease of \$426 thousand. The schedule below reconciles the original and amended (final) general fund budget for fiscal 2008.

Original adopted budget October 1, 2007	\$ 23,886,131
<u>Additions to budget</u>	
Reserves for prior year encumbrances (Fiscal Year 2007)	101,950
<u>Deductions from budget</u>	
Vacant positions that were eliminated	(475,202)
Reserves for 2008 encumbrances to be paid in Fiscal Year 2009	(52,123)
Cancelled encumbrances	(323)
	<hr/>
Final budget September 30, 2008	<u>\$ 23,460,433</u>

The City uses a fully integrated encumbrance accounting system to control and manage purchases of goods and services with the budget framework. A Purchase Order must be approved and completed for the purchase of all goods and services. Purchasing is decentralized, so each department prepares its own purchase requisitions, and enters them into the accounting system. The Purchasing Division reviews each requisition to make sure proper procedures are followed and approvals are obtained. The Purchasing Division then creates a Purchase Order from the requisition. Each Purchase Order encumbers, or reserves, the department's budget for the amount of the Purchase Order. Once encumbered, that amount of the budget is no longer available to appropriate, or spend.

The total amount of encumbrances (open Purchase Orders) in each fund at the end of the fiscal year are automatically "rolled over" and appropriated in the next fiscal year, and are added to the next year's budget. Conversely, a year-end adjustment reduces the prior year budget in the same amount. The encumbrance effectively "rolls" its budget reserve from the old year to the new year.

This results in recurring budget adjustments each year related to encumbrances that increase the budget at the beginning of the year for the encumbrances that rolled from the prior year, and decrease the budget at the end of the year for the encumbrances that roll to the next fiscal year.

Other than adjustments for encumbrances, in 2008 the general fund budget was decreased for six budgeted positions that had been frozen, and then were permanently eliminated during the year. See also the budgetary comparison schedule on pages 42-47 for greater detail.

Included in the final and amended general fund budget were transfers of \$3.5 million to other funds to finance planned Capital Improvement Projects (\$2.9 million), and pay debt service on the outstanding revenue refunding and public improvement bank notes (\$610 thousand). For the year, estimated revenues of \$23.8 million and an additional \$114 thousand of available fund balance were budgeted to cover total planned expenditures of \$23.9 million. After the results of all operations for the year, actual revenues exceeded expenditures by \$1 million. As a result, appropriations from available general fund balance were not needed to cover budgeted expenditures.

Significant budget-to-actual variances are summarized as follows:

Revenues had a negative variance of \$598 thousand less than budgeted.

- Total tax revenues came in \$164 thousand less than budgeted. Electric utility taxes and communications service taxes (CST), predicted to grow by almost 5 percent combined, instead fell 2.5% and came in \$338 thousand less than budgeted. On a positive note, the City will more than make up the 2008 budget shortfall in 2009 with an additional \$446 thousand in CST alone, as a result of reallocations from jurisdictional siting issues (CST dealers in the City's jurisdiction that were going to another jurisdiction in error).
- Electric franchise fees followed electric utility taxes and came in \$161 less than budgeted.
- The negative budget variance in electric utility and CST taxes was offset by property taxes that came in \$186 thousand more than budgeted (Notes: 1. The City conservatively budgets property tax collections at only 95% of assessed values. 2. Property taxes were expected to fall, and were budgeted accordingly, after mandates imposed by the State legislature last year. Actually property tax revenues were down \$768 thousand.)
- Building (and related) permits revenues were down more than \$357 thousand from 2007, and came in at about \$319 thousand less than budgeted, as housing construction slowed to a virtual standstill in 2008.
- Intergovernmental revenues were \$65 thousand less than budgeted. Negative budget variances in state revenue sharing (\$114 thousand) and sales taxes (\$231 thousand) were somewhat offset by state on-behalf payments of insurance premium taxes; collections were \$223 more than budgeted.
- Interest on investments fell as the national economy slumbered towards recession. Interest earnings of \$184, already \$123 thousand less than budgeted, were negated by a decrease in fair market value of \$186 thousand reported for funds invested with the State Board of Administration. (See also Note 2 on pp. 28-29 in the Notes to the Financial Statements.)

Expenditures had a positive variance, coming in at \$1.3 million under budget.

General fund expenditures came in \$1.3 million less than budgeted even after trimming \$475 thousand for six vacant personnel positions that were eliminated. The cost reductions were pervasive, as 22 of the City's 24 cost centers were at or under budget. About half (\$701 thousand) of the \$1.3 million budget variance was personnel related (salaries, overtime, payroll taxes and insurance, including workers compensation). Other significant variances were the Council's emergency contingency funds (\$245 thousand less than budgeted), electricity costs (\$70 thousand), liability and fleet insurance (\$55 thousand), and City-wide repairs and maintenance expenditures (\$42 thousand).

Capital Asset and Debt Administration

Capital assets. The City of Greenacres' investment in capital assets as of September 30, 2008, net of accumulated depreciation, is almost \$22 million, an increase of \$1 million from 2007. Significant asset additions were park improvements at Freedom Park (\$1.1 million for lighting for two soccer fields, a new concession stand and rest rooms, and a parking lot expansion), and Ira Van Bullock Park (\$243 thousand for a parking lot expansion).

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

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Land	\$ 7,266	\$ 7,210	0.8%
Buildings	8,308	7,472	11.2%
Improvements other than buildings	4,470	3,970	12.6%
Furniture, fixtures and equipment	602	565	6.5%
Vehicles	1,229	1,456	(15.6%)
Construction in Progress	<u>97</u>	<u>290</u>	(66.6%)
Total	<u>\$ 21,972</u>	<u>\$ 20,963</u>	4.8%

Additional information can be found in Note 5 Capital Assets on page 32.

Debt administration. At year end 2008, the City had \$5.3 million of debt outstanding, consisting of \$604 thousand in revenue refunding and \$4.7 million in public improvement bank notes. Fiscal Year 2008 debt service payments reduced the overall debt by \$396 thousand.

The debt position of the City is summarized in the following table and is more fully explained in Note 6 Long-Term Debt on page 33.

City of Greenacres Outstanding Debt (in thousands)

	<u>2008</u>	<u>2007</u>	<u>Increase / (Decrease)</u>
Revenue Refunding Note Payable	\$ 604	\$ 794	(23.9%)
Public Improvement Note Payable	<u>4,721</u>	<u>4,927</u>	(4.2%)
Total	<u>\$ 5,325</u>	<u>\$ 5,721</u>	(6.9%)

Economic Factors and Next Year's Budgets and Rates

The City must remain focused on its mission of providing the best and most cost effective services in the face of the economic challenges as the country has been hit by the most severe slow down since the Great Depression. The past twelve months have seen a US and world economy in crisis as the credit markets have dried up and stock markets have tumbled. In the period from November 2008 until mid-February 2009, the federal government has poured more than a *trillion dollars* into the economy in an attempt to stave off massive bank failures, keep people in their homes, and jump start the economy again.

In south Florida, as across the nation, home foreclosures are at an all time high. Home prices in Palm Beach County fell 23% in Palm Beach County in 2008 according to one national index.* The headlines are dominated by state and local governments facing huge budget shortfalls and looking for ways to find new revenues. Many have already had to cut services.

Despite the struggling challenges, and notwithstanding an economy whose recovery remains uncertain in the near future, the City's financial condition remains strong. Even as general fund revenues fell 6.1% in 2008, the City managed to hold down spending 9.3% from 2007 levels. The City's reserves remain strong, and have not yet had to be used to support expenditures. The City's total debt is low; interfund transfers in 2008 to cover principal and interest payments (\$610 thousand) were only .03% of total general fund expenditures including transfers (\$22.1 million).

The City's general fund revenues are projected to be \$22.3 million in fiscal year 2009, a 6.0% drop, or \$1.4 million less than 2008. The 2009 general fund expenditures budget, including transfers, is \$23.5 million, a decrease of 1.0% from 2007. Based on these estimates, unreserved general fund balance will decrease by \$1.2 million, to \$9.5 million in 2009.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, 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, please contact the Director of Finance at 5800 Melaleuca Lane, Greenacres, Florida 33463.

*Integrated Asset Services IAS360™ House Price Index, www.iasreo.com/i

Statement of Net Assets

September 30, 2008	Governmental Activities
Assets	
Cash and cash equivalents	\$ 894,473
Investments	23,067,672
Receivables (net)	
Accounts	1,541,592
Grants	243,267
Assessments	19,109
Inventory	33,061
Prepaid items	90,415
Prepaid pension contributions	295,236
Capital assets	
Non-depreciable	7,362,822
Depreciable (net of depreciation)	14,609,033
Total assets	48,156,680
Liabilities	
Accounts payable and other current liabilities	527,774
Matured loan payable	104,344
Matured interest payable	97,286
Accrued payroll and related taxes	662,502
Unearned revenue	541,658
Accrued bond interest payable	1,935
Deposits	122,715
Due within one year:	
Compensated absences	615,540
Bonds and notes payable	410,556
Due in more than one year:	
Compensated absences	1,168,418
Bonds and notes payable	4,914,007
Total liabilities	9,166,735
Net Assets	
Invested in capital assets, net of related debt	16,647,292
Restricted for:	
Capital projects	12,769,877
Debt service	127,720
Public safety	108,448
Youth programs	55,423
Unrestricted	9,281,185
Total net assets	\$ 38,989,945

See accompanying notes to basic financial statements.

Statement of Activities

Fiscal Year Ended September 30, 2008	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental activities:					
General government	\$ 4,104,229	\$ 159,337	\$ -	\$ -	\$ (3,944,892)
Public safety	11,814,830	2,097,369	545,888	27,856	(9,143,717)
Transportation	1,566,992	-	-	-	(1,566,992)
Culture/recreation	2,790,466	671,715	309,770	101,635	(1,707,346)
Physical environment	1,860,940	1,120,173	47,543	433,222	(260,002)
Interest on long-term debt	219,334	-	-	-	(219,334)
Total governmental activities	\$ 22,356,791	\$ 4,048,594	\$ 903,201	\$ 562,713	\$ (16,842,283)

General revenues:

Taxes:

Property taxes	9,813,152
Utility service taxes	3,391,448
Gas taxes	355,085
Franchise fees based on gross receipts	1,904,346
Unrestricted intergovernmental shared revenues	3,170,728
Investment earnings	519,334
Net decrease in fair value of investments	(185,762)
Gain on disposal of capital assets	8,351
Miscellaneous revenues	208,098
Total general revenues and transfers	19,184,780
Change in net assets	2,342,497
Net assets - beginning	36,647,448
Net assets - ending	\$ 38,989,945

See accompanying notes to basic financial statements.

Balance Sheet
Governmental Funds

September 30, 2008	Capital Projects						Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Nonmajor Governmental Funds		
Assets							
Cash and cash equivalents	\$ 894,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 894,473
Investments	9,427,450	3,637,390	3,110,580	6,364,363	527,889		23,067,672
Receivables (net)							
Accounts	1,541,592	-	-	-	-	-	1,541,592
Grants	59,261	50,000	97,881	-	36,125	-	243,267
Assessments	19,109	-	-	-	-	-	19,109
Due from other funds	2,838	-	61,426	-	-	-	64,264
Inventories	33,061	-	-	-	-	-	33,061
Prepaid items	90,415	-	-	-	-	-	90,415
Total assets	\$ 12,068,199	\$ 3,687,390	\$ 3,269,887	\$ 6,364,363	\$ 564,014	\$ -	\$ 25,953,853
Liabilities and fund balances							
Liabilities							
Accounts payable and other liabilities	\$ 367,868	\$ 8,624	\$ 117,743	\$ 22,949	\$ 10,590	\$ -	\$ 527,774
Matured loan payable	-	-	-	-	104,344	-	104,344
Matured interest payable	-	-	-	-	97,286	-	97,286
Accrued payroll and related taxes	645,394	-	-	-	17,108	-	662,502
Due to other funds	-	61,426	-	-	2,838	-	64,264
Deferred revenue	199,624	-	444,385	-	1,013	-	645,022
Deposits	122,715	-	-	-	-	-	122,715
Total liabilities	1,335,601	70,050	562,128	22,949	233,179	-	2,223,907
Fund balances							
Reserved for:							
Encumbrances	52,123	149,490	338,974	605,667	-	-	1,146,254
Inventories	33,061	-	-	-	-	-	33,061
Prepaid items	90,415	-	-	-	-	-	90,415
Police equipment	-	-	-	-	96,679	-	96,679
Youth programs	-	-	-	-	55,423	-	55,423
Debt service	-	-	-	-	129,655	-	129,655
Unreserved - designated for subsequent							
year expenditures	1,185,706	-	-	-	-	-	1,185,706
Unreserved - undesignated	9,371,293	3,467,850	2,368,785	5,735,747	-	-	20,943,675
Unreserved, reported in nonmajor funds:							
Special revenue funds	-	-	-	-	49,078	-	49,078
Total fund balances	10,732,598	3,617,340	2,707,759	6,341,414	330,835	-	23,729,946
Total liabilities and fund balances	\$ 12,068,199	\$ 3,687,390	\$ 3,269,887	\$ 6,364,363	\$ 564,014	\$ -	\$ 25,953,853

See accompanying notes to basic financial statements

Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Assets
Governmental Funds

For the Fiscal Year Ended September 30, 2008

Fund balances total governmental funds	\$ 23,729,946
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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	\$ 33,755,009	
Less accumulated depreciation	(11,783,154)	21,971,855
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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	103,364
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Prepaid contributions 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.

295,236

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	(5,324,563)	
Accrued interest payable on long-term debt	(1,935)	
Compensated absences	(1,783,958)	(7,110,456)
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<u>Net assets of governmental activities</u>	<u>\$ 38,989,945</u>
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See accompanying notes to basic financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended September 30, 2008	Capital Projects					Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance			
Revenues:							
Taxes	\$ 13,788,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,788,891
Licenses and permits	2,223,497	-	-	-	-	-	2,223,497
Intergovernmental revenues	3,886,437	307,970	125,088	225,199	306,070	4,850,764	
Charges for services	2,702,958	-	-	-	187,513	2,890,471	
Fines and forfeitures	195,201	-	-	-	19,598	214,799	
Impact fees	-	3,656	-	-	-	3,656	
Interest	184,599	97,919	71,192	150,276	15,347	519,333	
Net decrease in fair value of investments	(185,762)	-	-	-	-	(185,762)	
Special assessments	2,511	-	-	-	-	2,511	
Contributions	3,936	-	-	-	9,257	13,193	
Sales of surplus materials	72,046	-	-	-	-	72,046	
Rental income	63,744	-	174,226	-	-	237,970	
Miscellaneous revenues	229,697	-	-	-	-	229,697	
Total revenues	23,167,755	409,545	370,506	375,475	537,785	24,861,066	
Expenditures:							
Current:							
General government	3,296,895	-	-	-	-	3,296,895	
Public safety	10,978,083	-	-	-	15,075	10,993,158	
Transportation	1,439,486	-	-	-	-	1,439,486	
Culture/recreation	1,161,573	-	-	-	564,360	1,725,933	
Physical environment	1,686,392	-	-	-	-	1,686,392	
Capital outlay	71,705	1,223,704	1,359,701	789,223	22,862	3,467,195	
Debt service:							
Principal retirement	-	-	-	-	396,606	396,606	
Interest	-	-	-	-	219,802	219,802	
Total expenditures	18,634,134	1,223,704	1,359,701	789,223	1,218,705	23,225,467	
Excess (deficiency) of revenues over (under) expenditures	4,533,621	(814,159)	(989,195)	(413,748)	(680,920)	1,635,599	
Other financing sources (uses):							
Transfers in	-	1,000,000	500,000	1,390,000	610,000	3,500,000	
Transfers out	(3,500,000)	-	-	-	-	(3,500,000)	
Total other financing sources (uses)	(3,500,000)	1,000,000	500,000	1,390,000	610,000	-	
Net change in fund balances	1,033,621	185,841	(489,195)	976,252	(70,920)	1,635,599	
Fund balances - beginning	9,698,977	3,431,499	3,196,954	5,365,162	401,755	22,094,347	
Fund balances - ending	\$ 10,732,598	\$ 3,617,340	\$ 2,707,759	\$ 6,341,414	\$ 330,835	\$ 23,729,946	

See accompanying notes to basic financial statements.

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, 2008

Net change in fund balances - total governmental funds \$ 1,635,599

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	\$ 2,350,476	
Less current year depreciation	(1,278,719)	1,071,757
Net book value of capital asset disposals		(63,693)

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 (548,353)

Net effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual) 467

Prepaid contributions to defined benefit pension plans are recorded as expenditures in governmental funds, but are recorded as an asset in the entity wide statements and are not recorded as expenses in the Statement of Activities (51,801)

The repayment of the principal of long-term debt consumes current financial resources of the governmental funds. 396,606

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

Safety Grant	5,483	
IVB Parking Lot Grant	20,959	
ISTEA Bicycle/Pedestrian Path Grant	76,922	
FEMA Grant	(2,467)	
CDBG Grant	(137,734)	
Urban Forestry Grant	(37,956)	
Invasive Tree Removal Grant	(23,292)	(98,085)

Change in net assets of governmental activities \$ 2,342,497

See accompanying notes to basic financial statements.

Statement of Fiduciary Net Assets

	Public Safety Officers and Firefighters Pension Plan
September 30, 2008	
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Assets	
Investments in external pool	\$ 6,295,699
Accounts receivable	129,469
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Total assets	6,425,168
Net assets	
Held in trust for pension benefits	\$ 6,425,168
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See accompanying notes to basic financial statements.

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Fiscal Year Ended September 30, 2008	Public Safety Officers and Firefighters Pension Plan
Additions:	
Contributions:	
Employer	\$ 4,238
Plan members	338,849
State on-behalf payments	473,452
Total contributions	816,539
Investment income:	
Net decrease in fair value of investments	(843,190)
Total investment income	(843,190)
Total additions	(26,651)
Deductions	
Refund of member contributions	39,234
Administrative expense	25,821
Total deductions	65,055
Net decrease	(91,706)
Net assets held in trust for pension benefits	
Net assets - beginning	6,516,874
Net assets - ending	\$ 6,425,168

See accompanying notes to basic financial statements.

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.

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.

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*.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for solid waste collection fees and ambulance transport fees which are considered available if collected within six months 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.

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

The *Reconstruction and Maintenance Fund* is used to account for financial resources used for the acquisition or construction of major capital facilities not accounted for in other funds.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following non-major governmental 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.

Additionally, the City reports the following fund types:

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

All of the City's funds have legally adopted budgets except the Forfeitures Special Revenue Fund.

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.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories

Inventories consist of expendable supplies held for consumption which are carried at average cost. 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.

Prepaid Items

Expenditures/expenses for insurance premiums and other administrative costs extending over more than one accounting period are accounted for as prepaid items and allocated between accounting periods. Prepaid items in governmental funds are accounted for using the consumption method.

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 estimated life in excess of one year and an initial individual cost of \$25,000 or more for land improvements, \$50,000 or more for buildings, \$50,000 or more for building improvements, \$5,000 or more for machinery & equipment, \$5,000 or more for vehicles, and \$250,000 or more for infrastructure. 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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property Taxes

Property taxes (ad valorem taxes) are levied on October 1 (lien date) 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.

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.

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.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Pool coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, (Local Government Surplus Funds Trust Fund Investment Pool) consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B, (Surplus Funds Trust Fund) consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

2 - DEPOSITS AND INVESTMENTS (Continued)

Investments

At September 30, 2008, Pool A participants could withdraw 65% of their balance or \$12 million, whichever is greater, without penalty. On December 23, 2008, this restriction was withdrawn and Pool A participants could withdraw 100% of their balances without penalty.

On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A. Pool A is considered a SEC 2a7-like fund, thus, the account balance should also be considered its fair value. Pool B is not rated by any nationally recognized rating agency.

Pool B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2008 was .798385. The factor should be multiplied by the account balance in order to calculate the fair value of the investment in Pool B.

The weighted average days to maturity (WAM) of Pool A at September 30, 2008 was 8.5 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Pool A to interest rate changes.

The weighted average life (WAL) of Pool B at September 30, 2008 was 9.36 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates for Pool B as of September 30, 2008.

As of September 30, 2008, the City of Greenacres had \$11,136,475 invested in Pool A. The cost basis of Pool B as of September 30, 2008 was \$921,369 and the fair value and adjusted book value was \$735,607. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

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 and the High Quality Government Fund short term cash portfolio. At year end, all securities in the High Quality Government Fund were restricted to U.S. Treasury and Agency holdings. The name of the fund was changed June 2008 to better describe updated investment guidelines. The fund was previously known as the Enhanced Cash Portfolio. Shares of the portfolio are neither insured nor guaranteed by any U.S. Government agency, including the FDIC.

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	\$ 894,473
<u>Investments</u>	<u>29,363,371</u>
<u>Total deposits and investments</u>	<u>\$30,257,844</u>

Presented in the statement of net assets:	
Cash	\$ 894,473
<u>Investments</u>	<u>23,067,672</u>
Total statement of net assets	23,962,145
Presented in the statement of fiduciary net assets:	
<u>Investments</u>	<u>6,295,699</u>
<u>Total deposits and investments</u>	<u>\$30,257,844</u>

As of September 30, 2008, the City had the following investments. Except for the Florida Municipal Pension Trust Pool, all investments are held in an internal investment pool.

	Weighted Average Maturity	Fair Value
Investment in:		
State Board of Administration Investment Pool		
Pool A	8.5 days	\$11,136,475
Pool B	9.36 years	735,607
Florida Municipal Investment Trust Pool		
High Quality Government Fund	.22 years	5,639,229
One-Three Year High Quality Bond Fund	1.43 years	5,556,361
<u>Florida Municipal Pension Trust Pool</u>	<u>N/A</u>	<u>6,295,699</u>
		<u>\$29,363,371</u>

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, 2008, the three pools the City invests in were not rated. However, the City's investment in the Florida Municipal Investment Trust Pool consisted of \$5,556,361 in the One to Three Year High-Quality Bond Portfolio which is rated AAA/V2 by Fitch Ratings and \$5,639,229 in the High Quality Government Fund which is rated AAf/S1+ by Standard & Poor's.

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.

3 – RECEIVABLES

The City's receivables as of September 30, 2008 are as follows:

Accounts receivable	\$1,672,287
Grants receivable	243,267
<u>Assessments receivable</u>	<u>19,109</u>
 Total receivables	 1,934,663
 <u>Less allowance for uncollectibles</u>	 <u>(130,695)</u>
 <u>Net total receivables</u>	 <u>\$1,803,968</u>

4 - INTERFUND TRANSACTIONS

The composition of interfund balances at September 30, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Fund	\$ 2,838
<u>Parks and Recreation Fund</u>	<u>New Growth Fund</u>	<u>61,426</u>
		<u>\$64,264</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.

4 - INTERFUND TRANSACTIONS (Continued)

The following is a summary of interfund transfers for the year ended September 30, 2008:

Fund	Transfers In	Transfers Out
Major Fund:		
General Fund	\$	\$3,500,000
New Growth Fund	1,000,000	
Parks and Recreation Fund	500,000	
Reconstruction and Maintenance Fund	1,390,000	
Nonmajor funds in the aggregate	610,000	
Total interfund transfers	\$3,500,000	\$3,500,000

Transfers to the nonmajor funds include \$200,000 to the Fire Safety debt service fund for principal and interest payments on the Revenue Refunding Note, Series 2004B and \$410,000 to the Municipal Complex debt service fund for principal and interest payments on the Public Improvement Note, Series 2004A.

5 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2008, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 7,209,654	\$ 55,982	\$ -	\$ 7,265,636
Construction in progress	289,661	97,186	(289,661)	97,186
Total assets not being depreciated	7,499,315	153,168	(289,661)	7,362,822
Capital assets being depreciated:				
Buildings	11,613,008	1,159,232	(88,000)	12,684,240
Improvements other than buildings	6,948,009	1,006,256	-	7,954,265
Furniture, fixtures, and equipment	1,721,526	189,069	(21,865)	1,888,730
Vehicles	3,977,267	132,412	(244,727)	3,864,952
Total assets being depreciated	24,259,810	2,486,969	(354,592)	26,392,187
Less accumulated depreciation for:				
Buildings	(4,140,788)	(323,481)	88,000	(4,376,269)
Improvements other than buildings	(2,977,615)	(506,871)	-	(3,484,486)
Furniture, fixtures, and equipment	(1,155,569)	(152,993)	21,866	(1,286,696)
Vehicles	(2,521,362)	(295,374)	181,033	(2,635,703)
Accumulated depreciation	(10,795,334)	(1,278,719)	290,899	(11,783,154)
Total assets being depreciated, net	13,464,476	1,208,250	63,693	14,609,033
Capital assets, net	\$20,963,791	\$1,361,418	\$(353,354)	\$21,971,855

5 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 167,555
Public safety	400,642
Transportation	54,806
Culture/parks and recreation	515,316
Physical environment	140,400
<u>Total depreciation expense</u>	<u>\$1,278,719</u>

There was \$1,276,130 of fully depreciated assets at September 30, 2008.

6 - LONG-TERM DEBT***Changes in Long-Term Liabilities***

The following changes occurred in long-term liabilities during the year ended September 30, 2008:

	Balance October 1, 2007	Additions	Deletions	Balance September 30, 2008	Due Within One Year
Public Improvement Note 2004A	\$4,927,391	\$	\$ 206,625	\$4,720,766	\$ 215,041
Revenue Refunding Note 2004B	793,778	-	189,981	603,797	195,515
Compensated Absences	1,235,605	1,243,927	695,574	1,783,958	615,540
	<u>\$6,956,774</u>	<u>\$ 1,243,927</u>	<u>\$ 1,092,180</u>	<u>\$7,108,521</u>	<u>\$1,026,096</u>

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.

6 - 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:

	Principal	Interest	Total
Year Ending September 30:			
2009	\$ 215,041	\$ 188,219	\$ 403,260
2010	223,800	179,460	403,260
2011	232,916	170,344	403,260
2012	242,403	160,857	403,260
2013	252,277	150,983	403,260
2014-2018	1,424,148	592,153	2,016,301
2019-2023	1,738,797	277,504	2,016,301
2024	391,384	11,876	403,260
	<u>\$4,720,766</u>	<u>\$1,731,396</u>	<u>\$6,452,162</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:

	Principal	Interest	Total
Year Ending September 30:			
2009	\$195,515	\$ 17,591	\$213,106
2010	201,211	11,895	213,106
2011	207,071	6,033	213,104
	<u>\$603,797</u>	<u>\$ 35,519</u>	<u>\$639,316</u>

6 - 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.

Accrued vacation leave is paid in full upon separation of employment up to a maximum of 240 hours. Accrued sick leave is paid in full upon separation of employment after ten years of service up to a maximum of 960 hours. Bargaining Unit employees hired after June 28, 2000 and general employees hired after October 16, 2006, are paid a percentage of the total accrued sick leave based on the number of completed years of service.

7 - FLORIDA RETIREMENT SYSTEM

Florida Retirement System Pension Plan

Plan Description

All full-time employees hired before January 1, 1996, are eligible to participate in the Florida Retirement System Pension Plan (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 through the Retiree Health Insurance Subsidy Program.

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 report may be obtained by writing to the State of Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000; or e-mailing Research & Education at rep@dms.MyFlorida.com, or calling toll free at 877-377-1737.

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, 2008, were as follows: regular employees 9.85%, special risk employees 20.92%, senior management employees 13.12% and elected officials 16.53%.

The City's combined contributions to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program for the fiscal years ending September 30, 2006 through 2008 were \$364,954, \$438,896 and \$442,634 respectively, which were equal to the required contributions for each fiscal year.

7 - FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS) is a cost-sharing multiple-employer defined benefit plan. Benefit provisions are established under Chapter 112.363, Florida Statutes, which may be amended by the Florida Legislature. The HIS benefit is a monthly supplemental payment that Florida Retirement System retirees, eligible terminated Investment Plan members, and other state-administered retirement system retirees may be eligible to receive if they have health insurance coverage – which includes Medicare, TriCare, and insurance coverage provided through the Cover Florida Health Care Access Program. Payment of this benefit is not automatic, it must be applied for and the application approved before payment begins.

The amount of the monthly payment is calculated by multiplying the member's total years of creditable service at retirement (up to a maximum of 30 years) by \$5. The minimum monthly HIS payment is \$30 and the maximum monthly payment is \$150. The HIS payment is included in the same payment as the retiree's monthly retirement benefit if a defined benefit plan retiree.

Funding Policy

The State's current funding policy for the HIS is pay-as-you-go and provides for monthly employer contributions currently set as the legislatively determined rate of 1.11% of annual covered payroll. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. The GASB annual required contribution (ARC) calculated by the consulting actuary in the July 1, 2008 actuarial valuation for the fiscal year ending June 30, 2010 is 1.28% of active payroll (including DROP payroll). The State's funding policy requires a contribution rate that is different than the GASB required ARC, which is an accounting disclosure. To the extent the contribution rate required to fund the HIS Program is different than the computed ARC, adjustments in the Net Pension Obligation (NPO) will occur from year to year.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the HIS. The report may be obtained by writing to the State of Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000; or e-mailing Research & Education at rep@dms.MyFlorida.com, or calling toll free at 877-377-1737.

8 - 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.

8 - EMPLOYEE RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (Continued)

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, 2008, were \$233,702 and \$151,255 respectively, which were equal to the required contributions.

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 six (6) months of service. Plan provisions and contribution requirements are established and may be amended by the City Council. The plan administrator is the Florida League of Cities, Inc.

8 - EMPLOYEE RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (Continued)

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.

The Plan was amended on May 5, 2008 to give firefighters and public safety officers participating in the City of Greenacres General Employees Retirement Plan a one-time option to become members of the Plan and buy back credited years of service. The amendment was enacted by Ordinance 2008-13 adopted by the City Council.

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, 2008, the date of the latest actuarial valuation, Plan membership consisted of 74 active employees and 86 total participants. There is one retiree currently receiving benefits.

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.

8 - EMPLOYEE RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (Continued)

Public Safety Officers and Firefighters Retirement Plan (Continued)

Funding Policy (Continued)

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 \$473,452 during the fiscal year ended September 30, 2008.

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 date of the latest actuarial valuation was October 1, 2008. GASB 27 was implemented at the inception of the Plan. The annual pension cost and net pension obligation for the most recent actuarial valuation were as follows:

Annual required contribution (ARC)	\$ 572,880
Interest on net pension obligation (NPO)	-
Adjustment to ARC	-
Annual pension cost (APC)	572,880
City/State/Employee contributions made	(572,880)
Increase (decrease) in NPO	-
Net pension obligation October 1, 2007	-
<u>Net pension obligation September 30, 2008</u>	<u>\$ -</u>

Trend Information

	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	\$512,744	100.00%	\$ -
2007	392,946	100.00%	-
2008	572,880	100.00%	-

8 - EMPLOYEE RETIREMENT PLANS (Continued)**Summary of Significant Accounting Policies** (Continued)**Public Safety Officers and Firefighters Retirement Plan** (Continued)**Actuarial Methods and Significant Assumptions**

Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2007	October 1, 2008
Actuarial cost method	Aggregate	Aggregate
Amortization method	(1)	(1)
Remaining amortization period	(1)	(1)
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return*	7.50%	7.00%
Projected salary increase*	5.00%-8.00%	5.00%-8.00%
*Includes inflation at	3.75%	3.25%
Cost of living adjustments	0.00%	0.00%

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

Schedule of Funding Progress

As noted above, the Public Safety Officers and Firefighters Retirement Plan utilizes the aggregate actuarial cost method to determine contributions to the Plan. This method does not identify or separately amortize unfunded actuarial liabilities. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The schedule of funding progress was prepared using the entry age actuarial cost method to provide information that serves as a surrogate for the funding progress of the Plan.

Funded Status

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as % of Covered Payroll
10/01/08	5,844,087	7,319,191	1,475,104	80.0%	4,304,995	34.3%

9 - 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, 2008, \$473,452 was recorded as revenues and expenditures in the General Fund relating to on-behalf payments received from the state.

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.

11 – COMMITMENTS

At September 30, 2008 the City had entered into agreements for the purchase or construction of various assets. The commitments are summarized below.

Total commitments	\$1,056,031
Less amount expended at September 30, 2008	<u>(735,884)</u>
Balance at September 30, 2008	<u>\$ 320,147</u>

12 – NEW PRONOUNCEMENTS

The City is required to implement Governmental Accounting Standards Board Statement 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ending September 30, 2009. Retirees of the City pay an amount equal to the actual premium for health insurance charged by the carrier, but there is an implied subsidy in the healthcare insurance premium for retirees under age 65 because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees on average. This implied subsidy constitutes other postemployment benefits (OPEB) under GASB 45. The impact of the implementation of GASB 45 will be determined by an actuarial valuation, which has not been completed.

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund

For the Fiscal Year Ended September 30, 2008	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes				
Ad valorem taxes:				
Current	\$9,616,422	\$9,616,422	\$9,789,537	\$ 173,115
Delinquent	10,000	10,000	23,615	13,615
Total ad valorem taxes	9,626,422	9,626,422	9,813,152	186,730
Utility service taxes				
Electric	1,751,000	1,751,000	1,625,841	(125,159)
Telecommunications	1,591,350	1,591,350	1,378,080	(213,270)
Water	286,340	286,340	315,970	29,630
Gas	52,530	52,530	43,938	(8,592)
Propane gas	43,260	43,260	27,619	(15,641)
Total public service taxes	3,724,480	3,724,480	3,391,448	(333,032)
Local option gas tax	392,430	392,430	355,085	(37,345)
Local business tax	210,000	210,000	229,206	19,206
Total taxes	13,953,332	13,953,332	13,788,891	(164,441)
Licenses and permits:				
Building permits	562,000	562,000	242,843	(319,157)
Electrical permits	15,000	15,000	12,415	(2,585)
Plumbing permits	35,000	35,000	34,409	(591)
Mechanical permits	20,000	20,000	26,813	6,813
Electric franchise fees	1,957,000	1,957,000	1,796,045	(160,955)
Gas franchise fees	48,410	48,410	38,865	(9,545)
Solid Waste franchise fees	68,350	68,350	69,436	1,086
Other	5,000	5,000	2,671	(2,329)
Total licenses and permits	2,710,760	2,710,760	2,223,497	(487,263)
Intergovernmental revenues:				
State revenue sharing	1,076,350	1,076,350	962,184	(114,166)
Half-cent sales tax	2,440,070	2,440,070	2,208,544	(231,526)
State on-behalf payments	250,000	250,000	473,452	223,452
County occupational license	70,000	70,000	77,771	7,771
Mobile home license	12,000	12,000	10,067	(1,933)
Alcoholic beverage license	11,000	11,000	9,986	(1,014)
Motor fuel tax rebate	10,000	10,000	11,473	1,473
Grants	54,244	54,244	102,341	48,097
Other	28,290	28,290	30,619	2,329
Total intergovernmental	3,951,954	3,951,954	3,886,437	(65,517)

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund

(Continued)

For the Fiscal Year Ended September 30, 2008	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues (continued):				
Charges for services:				
Solid waste fees	\$ 912,540	\$ 912,540	\$ 1,035,573	\$ 123,033
Zoning fees	63,554	63,554	42,645	(20,909)
Administrative fees	61,800	61,800	64,793	2,993
Sales of documents	31,200	31,200	27,563	(3,637)
Leisure programs	271,980	265,580	186,351	(79,229)
Security services	64,000	64,000	65,726	1,726
Ambulance transport	1,143,420	1,143,420	1,230,792	87,372
Other	41,200	41,200	49,515	8,315
Total charges for services	2,589,694	2,583,294	2,702,958	119,664
Fines and forfeitures:				
Judgments and fines	101,000	101,000	171,729	70,729
Violations of local ordinances	22,000	22,000	22,690	690
Other	400	400	782	382
Total fines and forfeitures	123,400	123,400	195,201	71,801
Interest:				
Bank	100	100	114	14
State Board of Administration	305,000	305,000	168,789	(136,211)
Tax collector interest	3,000	3,000	15,696	12,696
Total interest	308,100	308,100	184,599	(123,501)
Net decrease in fair value of investments			(185,762)	(185,762)
Special assessments	13,500	13,500	2,511	(10,989)
Contributions	5,750	5,750	3,936	(1,814)
Sales of surplus materials	30,000	30,000	72,046	42,046
Rental fees	18,000	18,000	63,744	45,744
Miscellaneous:				
Vending machine royalties	4,000	4,000	3,720	(280)
Refunds - prior year	3,000	3,000	62,054	59,054
Insurance proceeds	2,000	2,000	40,384	38,384
Other	58,975	58,975	123,539	64,564
Total miscellaneous	67,975	67,975	229,697	161,722
Total revenues	\$ 23,772,465	\$ 23,766,065	\$ 23,167,755	\$ (598,310)

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund

(Continued)

For the Fiscal Year Ended September 30, 2008	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures:				
General Government:				
Administrative:				
City Manager	\$ 447,766	\$ 449,447	\$ 446,346	\$ 3,101
Mayor and City Council	163,175	163,175	151,672	11,503
Legal Counsel	120,655	120,655	106,382	14,273
Human Resources	774,368	775,907	694,986	80,921
City Clerk	172,944	172,944	158,413	14,531
Total Administration	1,678,908	1,682,128	1,557,799	124,329
Finance:				
Administration	313,989	313,334	303,330	10,004
Financial Operations	453,262	458,872	407,096	51,776
Purchasing	129,061	129,061	127,018	2,043
Information Technology	417,420	349,653	307,783	41,870
Total Finance	1,313,732	1,250,920	1,145,227	105,693
Planning and Development	604,301	598,205	586,847	11,358
Contingency	250,000	252,075	7,022	245,053
Total General Government	3,846,941	3,783,328	3,296,895	486,433
Public Safety:				
Administration	529,169	529,169	489,773	39,396
Training and Special Services	-	3,829	3,829	-
Uniform Patrol	3,497,439	3,429,460	3,320,159	109,301
Investigation	907,439	907,829	862,059	45,770
EMS	4,360,763	4,132,022	4,019,461	112,561
Support Services	1,732,773	1,729,467	1,607,032	122,435
Protective Inspections	846,439	846,532	675,770	170,762
Total Public Safety	11,874,022	11,578,308	10,978,083	600,225
Transportation:				
Public Works Administration	228,219	158,624	161,495	(2,871)
Streets and Grounds Maintenance	697,441	703,790	646,256	57,534
Vehicle Maintenance	604,376	605,060	631,735	(26,675)
Total Transportation	1,530,036	1,467,474	1,439,486	27,988
Culture/Recreation (Leisure Services):				
Administration	175,949	175,932	161,723	14,209
Parks and Grounds Maintenance	547,612	553,291	517,592	35,699
Recreation Services	244,915	210,429	155,828	54,601
Community Center	405,510	408,443	326,430	82,013
Total Culture/Recreation	1,373,986	1,348,095	1,161,573	186,522
Physical Environment:				
Building Services	699,397	709,622	652,317	57,305
Solid Waste Collection and Disposal*	992,000	993,850	1,034,075	(40,225)
Total Physical Environment	1,691,397	1,703,472	1,686,392	17,080
Capital Outlay (All Departments and Functions)	69,749	79,756	71,705	8,051
Total Expenditures	\$ 20,386,131	\$ 19,960,433	\$ 18,634,134	\$ 1,326,299

*Contract with Veolia Waste Services of Florida, Inc.

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund

(Continued)

For the Fiscal Year Ended September 30, 2008	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Excess (deficiency) of revenues over (under) expenditures	\$ 3,386,334	\$ 3,805,632	\$ 4,533,621	\$ 727,989
Other financing sources (uses):				
Transfers in				
Transfers out	(3,500,000)	(3,500,000)	(3,500,000)	-
Total other financing sources (uses)	(3,500,000)	(3,500,000)	(3,500,000)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (113,666)</u>	<u>\$ 305,632</u>	1,033,621	<u>\$ 727,989</u>
Beginning fund balance			<u>9,698,977</u>	
Ending fund balance			<u>\$ 10,732,598</u>	

Notes to the Budgetary Required Supplementary Information
General Fund

September 30, 2008

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.
- ❖ All funds have legally adopted budgets except the Forfeitures Special Revenue Fund.

Notes to the Budgetary Required Supplementary Information
General Fund

September 30, 2008

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 were no departments that had an excess of expenditures over appropriations.

Required Supplemental Information
Public Safety Officers and Firefighters Retirement Plan

Fiscal Year Ended September 30, 2008

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. The schedule of funding progress presented below was prepared using the entry age actuarial cost method to provide information that serves as a surrogate for the funding progress of the Plan.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as % of Covered Payroll
10/01/03	\$ 2,386,576	\$ 2,386,576	\$	100.0%	\$ 2,182,199	0.0%
10/01/04	3,124,581	3,124,581	-	100.0%	2,733,956	0.0%
10/01/05	4,022,447	4,022,447	-	100.0%	2,870,654	0.0%
10/01/06	4,925,104	4,925,104	-	100.0%	2,693,049	0.0%
10/01/07	6,021,159	6,021,159	-	100.0%	3,419,643	0.0%
10/01/08	5,844,087	7,319,191	1,475,104	80.0%	4,304,995	34.3%

Schedule of Contributions from the Employer and Other Contributing Entities

Fiscal Year Ended September 30	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
2003	\$ 343,390	100.0%	\$ 343,390	100.0%
2004	403,887	100.0%	403,887	100.0%
2005	488,993	100.0%	488,993	100.0%
2006	512,744	100.0%	512,744	100.0%
2007	392,946	100.0%	392,946	100.0%
2008	572,880	100.0%	572,880	100.0%

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2008	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets:				
Investments, at fair value	\$ 96,679	\$ 37,309	\$ 11,769	\$ 50,847
Accounts receivable, net	-	-	-	-
Grants receivable, net	-	-	-	36,125
Prepaid Items	-	-	-	-
Total assets	\$ 96,679	\$ 37,309	\$ 11,769	\$ 86,972
Liabilities and fund balances				
Liabilities:				
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ 10,590
Matured loan payable	-	-	-	-
Matured interest payable	-	-	-	-
Accrued payroll and related taxes	-	-	-	17,108
Due to other funds	-	-	-	2,838
Deferred revenue	-	-	-	1,013
Total liabilities	-	-	-	31,549
Fund balances:				
Reserved for:				
Encumbrances	-	-	-	-
Police equipment	96,679	-	-	-
Youth programs	-	-	-	55,423
Debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	37,309	11,769	-
Total fund balance	96,679	37,309	11,769	55,423
Total liabilities and fund balance	\$ 96,679	\$ 37,309	\$ 11,769	\$ 86,972

<u>Debt Service Funds</u>		Total Nonmajor Governmental Funds
<u>Fire Safety</u>	<u>Municipal Complex</u>	
\$ 70,178	\$ 261,107	\$ 527,889
-	-	-
-	-	36,125
-	-	-
<u>\$ 70,178</u>	<u>\$ 261,107</u>	<u>\$ 564,014</u>
\$ -	\$ -	\$ 10,590
-	104,344	104,344
-	97,286	97,286
-	-	17,108
-	-	2,838
-	-	1,013
<u>-</u>	<u>201,630</u>	<u>233,179</u>
-	-	-
-	-	96,679
-	-	55,423
70,178	59,477	129,655
<u>-</u>	<u>-</u>	<u>49,078</u>
<u>70,178</u>	<u>59,477</u>	<u>330,835</u>
<u>\$ 70,178</u>	<u>\$ 261,107</u>	<u>\$ 564,014</u>

Combining Statement of Revenues, Expenditures, and Changes
In Fund Balances - Nonmajor Governmental Funds

For the Fiscal Year Ended September 30, 2008	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 306,070
Charges for services	-	-	-	187,513
Fines and forfeitures	19,598	-	-	-
Interest	2,713	1,295	301	2,653
Contributions	-	2,900	2,657	3,700
Total revenues	22,311	4,195	2,958	499,936
Expenditures:				
Current:				
Culture/recreation	-	-	-	564,360
Public safety	13,990	-	1,085	-
Capital outlay	-	21,566	-	1,296
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	13,990	21,566	1,085	565,656
Excess (deficiency) of revenues over (under) expenditures	8,321	(17,371)	1,873	(65,720)
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	8,321	(17,371)	1,873	(65,720)
Fund balances - beginning of year	88,358	54,680	9,896	121,143
Fund balances - end of year	\$ 96,679	\$ 37,309	\$ 11,769	\$ 55,423

Debt Service Funds		Total Nonmajor Governmental Funds
Fire Safety	Municipal Complex	
\$ -	\$ -	\$ 306,070
-	-	187,513
-	-	19,598
4,090	4,295	15,347
-	-	9,257
<u>4,090</u>	<u>4,295</u>	<u>537,785</u>
-	-	564,360
-	-	15,075
-	-	22,862
189,981	206,625	396,606
23,212	196,590	219,802
<u>213,193</u>	<u>403,215</u>	<u>1,218,705</u>
<u>(209,103)</u>	<u>(398,920)</u>	<u>(680,920)</u>
200,000	410,000	610,000
<u>200,000</u>	<u>410,000</u>	<u>610,000</u>
(9,103)	11,080	(70,920)
<u>79,281</u>	<u>48,397</u>	<u>401,755</u>
<u>\$ 70,178</u>	<u>\$ 59,477</u>	<u>\$ 330,835</u>

Arboreous Special Revenue Fund
Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Interest	\$ -	\$ 1,295	\$ 1,295
Contributions	10,900	2,900	(8,000)
Total revenues:	\$ 10,900	\$ 4,195	\$ (6,705)
Expenditures:			
Operating expenses	\$ 20,000	\$ 21,566	\$ (1,566)
Total expenditures:	\$ 20,000	\$ 21,566	\$ (1,566)

Public Safety Donation Special Revenue Fund
 Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 301	\$ 201
Contributions	2,900	2,657	(243)
Total revenues:	\$ 3,000	\$ 2,958	\$ (42)
Expenditures:			
Operating expenses	\$ -	\$ 1,085	\$ (1,085)
Capital outlay	4,000	\$ -	4,000
Total expenditures:	\$ 4,000	\$ 1,085	\$ 2,915

Youth Programs Special Revenue Fund
Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental	\$ 325,796	\$ 306,070	\$ (19,726)
Charges for services	226,416	187,513	(38,903)
Interest	3,231	2,653	(578)
Contributions	5,000	3,700	(1,300)
Total revenues:	\$ 560,443	\$ 499,936	\$ (60,507)
Expenditures:			
Culture/recreation	\$ 593,411	\$ 564,360	\$ 29,051
Capital outlay	-	1,296	(1,296)
Total expenditures:	\$ 593,411	\$ 565,656	\$ 27,755

Fire Safety Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Interest	\$ 10,000	\$ 4,090	\$ (5,910)
Total revenues:	\$ 10,000	\$ 4,090	\$ (5,910)
Expenditures:			
Debt service:			
Principal	\$ 189,981	\$ 189,981	\$ -
Interest	23,126	23,212	(86)
Total expenditures:	\$ 213,107	\$ 213,193	\$ (86)

Municipal Complex Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Interest	\$ 10,000	\$ 4,295	\$ (5,705)
Total revenues:	\$ 10,000	\$ 4,295	\$ (5,705)
Expenditures:			
Debt service:			
Principal	\$ 206,625	\$ 206,625	\$ -
Interest	196,635	196,590	45
Total expenditures:	\$ 403,260	\$ 403,215	\$ 45

New Growth Capital Projects Fund
 Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental	\$ 345,000	\$ 307,970	\$ (37,030)
Impact fees	152,730	3,656	(149,074)
Interest	150,000	97,919	(52,081)
Total revenues:	\$ 647,730	\$ 409,545	\$ (238,185)
Expenditures:			
Capital outlay	\$ 1,598,145	\$ 1,223,704	\$ 374,441
Total expenditures:	\$ 1,598,145	\$ 1,223,704	\$ 374,441

Parks and Recreation Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental	\$ 470,521	\$ 125,088	\$ (345,433)
Impact fees	211,563	-	(211,563)
Interest	180,000	71,192	(108,808)
Rental income	115,826	174,226	58,400
Total revenues:	\$ 977,910	\$ 370,506	\$ (607,404)
Expenditures:			
Capital outlay	\$ 1,768,886	\$ 1,359,701	\$ 409,185
Total expenditures:	\$ 1,768,886	\$ 1,359,701	\$ 409,185

Reconstruction and Maintenance Capital Projects Fund
 Schedule of Revenues and Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental	\$ 175,199	\$ 225,199	\$ 50,000
Interest	300,000	150,276	(149,724)
Total revenues:	\$ 475,199	\$ 375,475	\$ (99,724)
Expenditures:			
Capital outlay	\$ 1,493,813	\$ 789,223	\$ 704,590
Total expenditures:	\$ 1,493,813	\$ 789,223	\$ 704,590

Public Safety Officers and Firefighters Pension Plan Fund
 Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended September 30, 2008	Budget	Actual	Variance - Positive (Negative)
Expenditures:			
Refund of member contributions	\$ -	\$ 39,234	\$ (39,234)
Administrative expenses	37,400	25,821	11,579
Total expenditures:	\$ 37,400	\$ 65,055	\$ (27,655)

STATISTICAL SECTION

This part of the City of Greenacres' comprehensive annual financial report presents detailed unaudited information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the City's overall financial health.

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<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:</i>	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1
Net Assets by Component
 (unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008
Primary government - Governmental activities						
Invested in capital assets, net of related debt	\$ 13,733,266	\$ 13,766,688	\$ 13,927,169	\$ 13,616,882	\$ 15,242,622	\$ 16,647,292
Restricted	220,845	188,348	7,330,386	10,935,508	12,539,737	13,061,468
Unrestricted	4,369,674	6,419,983	2,411,964	7,583,456	8,651,866	9,281,185
Total primary government net assets	\$ 18,323,785	\$ 20,375,019	\$ 23,669,519	\$ 32,135,846	\$ 36,434,225	\$ 38,989,945

Note: Data not available prior to fiscal year 2003 implementation of Governmental Accounting Standards.
 Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
 The city has no business-type activities.

Schedule 2
Changes in Net Assets
(unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 2,697,863	\$ 2,651,973	\$ 3,454,422	\$ 3,605,207	\$ 3,952,081	\$ 4,104,229
Public Safety	9,297,049	9,327,155	9,745,475	9,986,194	11,236,582	11,814,830
Transportation	1,263,925	1,551,007	1,357,200	1,465,701	1,893,338	1,566,992
Culture/recreation	1,988,141	2,095,196	2,081,419	2,165,534	1,824,186	2,790,466
Physical environment	1,334,025	1,777,267	1,435,927	1,450,246	1,648,435	1,860,940
Interest on long term investments	92,222	76,342	256,928	245,757	232,741	219,334
Total primary government expenses	16,673,225	17,478,940	18,331,371	18,918,639	20,787,363	22,356,791
Program Revenues						
Governmental activities:						
Charges for Services:						
Public Safety	986,419	1,258,050	1,339,180	1,324,642	1,377,656	2,097,369
Physical Environment	2,187,256	1,861,873	2,446,643	4,166,525	2,053,213	1,120,173
Other	1,089,987	1,496,182	770,315	729,406	787,980	831,052
Total Charges for Services	4,263,662	4,616,105	4,556,138	6,220,573	4,218,849	4,048,594
Operating Grants and Contributions	349,967	493,651	584,840	877,953	851,075	903,201
Capital Grants and Contributions	363,044	414,587	272,500	1,317,840	401,612	562,713
Total primary government program revenues	4,976,673	5,524,343	5,413,478	8,416,366	5,471,536	5,514,508
Net (Expense)/Revenue						
Governmental activities	(11,696,552)	(11,954,597)	(12,917,893)	(10,502,273)	(15,315,827)	(16,842,283)
Total primary government net expense	(11,696,552)	(11,954,597)	(12,917,893)	(10,502,273)	(15,315,827)	(16,842,283)
General Revenues and Other Changes in Net Assets						
Governmental activities						
Taxes						
Property taxes	5,072,771	5,881,539	6,919,977	8,340,566	10,580,841	9,813,152
Utility service taxes	3,109,389	3,129,143	3,300,570	3,528,502	3,452,303	3,391,448
Franchise fees based on gross receipts	1,189,054	1,238,976	1,341,265	1,909,999	1,913,270	1,904,346
Gas taxes	369,364	386,466	401,269	387,706	373,913	355,085
Unrestricted intergovernmental shared revenues	2,728,749	3,060,459	3,351,262	3,490,017	3,357,658	3,170,728
Investment earnings	90,241	92,686	412,034	930,024	1,295,850	333,572
Miscellaneous revenues	188,505	216,562	401,442	381,786	124,817	216,449
Total general revenues	12,748,073	14,005,831	16,127,819	18,968,600	21,098,652	19,184,780
Change in Net Assets						
Governmental activities	1,051,521	2,051,234	3,209,926	8,466,327	5,782,825	2,342,497
Total primary government	\$ 1,051,521	\$ 2,051,234	\$ 3,209,926	\$ 8,466,327	\$ 5,782,825	\$ 2,342,497

Note: Data not available prior to fiscal year 2003 implementation of Governmental Accounting Standards Board Statement No. 34,
Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.
The City has no business type activities.

Schedule 3
Fund Balances, Governmental Funds
 (Modified accrual basis of accounting)
 (unaudited)

Fiscal Year Ended 9/30	1999	2000	2001	2002
General Fund				
Reserved	\$ 135,186	\$ 113,380	\$ 82,541	\$ 61,959
Unreserved	3,045,276	3,665,053	4,165,790	3,381,510
Total general fund	\$ 3,180,462	\$ 3,778,433	\$ 4,248,331	\$ 3,443,469
All Other Governmental Funds				
Reserved	\$ 486,487	\$ 1,538,220	\$ 1,402,961	\$ 724,492
Unreserved, reported in:				
Special revenue funds	64,170	23,511	61,318	9,992
Capital projects funds	745,611	82,353	1,852,039	368,389
Debt service funds	74,875	568,928	145,912	-
Total all other governmental funds	\$ 1,371,143	\$ 2,213,012	\$ 3,462,230	\$ 1,102,873

Note: Data not available prior to fiscal year 2003 implementation of Governmental Accounting Standards Board
 Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Schedule 3 (continued)
Fund Balances, Governmental Funds
 (Modified accrual basis of accounting)
 (unaudited)

2003	2004	2005	2006	2007	2008
\$ 60,987	\$ 145,814	\$ 202,033	\$ 201,043	\$ 194,968	\$ 175,599
4,505,802	5,874,845	7,668,263	9,219,768	9,504,009	10,556,999
<u>\$ 4,566,789</u>	<u>\$ 6,020,659</u>	<u>\$ 7,870,296</u>	<u>\$ 9,420,811</u>	<u>\$ 9,698,977</u>	<u>\$ 10,732,598</u>
\$ 728,740	\$ 985,649	\$ 6,817,305	\$ 4,940,452	\$ 2,692,372	\$ 1,375,888
32,922	44,074	55,391	61,870	64,576	49,078
100,479	5,592,995	503,721	5,928,855	9,638,422	11,572,382
-	80,001	-	-	-	-
<u>\$ 862,141</u>	<u>\$ 6,702,719</u>	<u>\$ 7,376,417</u>	<u>\$ 10,931,177</u>	<u>\$ 12,395,370</u>	<u>\$ 12,997,348</u>

Schedule 4
Changes in Fund Balances, Governmental Funds
 (Modified accrual basis of accounting)
 (unaudited)

Fiscal Year Ended 9/30	1999	2000	2001	2002
Revenues				
Taxes	\$ 7,853,719	\$ 7,638,848	\$ 8,221,701	\$ 8,668,419
Licenses and permits	898,930	1,087,317	1,016,996	1,070,278
Intergovernmental	3,408,225	3,109,350	3,106,122	3,309,268
Charges for services	1,236,898	1,392,878	1,455,503	1,688,496
Fines and forfeitures	115,037	116,810	127,586	89,450
Impact fees	108,487	100,311	125,334	499,622
Interest	281,029	420,715	409,117	152,618
Special assessments	36,371	35,208	34,804	29,809
Contributions	17,758	6,372	13,061	60,332
Sales of surplus materials	29,690	605,114	24,809	27,438
Rental income	72,000	65,797	59,324	40,539
Miscellaneous revenues	94,738	14,112	35,062	13,795
Total revenues	14,152,882	14,592,832	14,629,419	15,650,064
Expenditures				
General government	1,796,797	1,932,673	2,259,138	2,404,839
Public Safety	5,673,010	5,628,147	6,461,310	7,151,068
Transportation	977,576	989,134	1,099,042	1,117,702
Culture/Recreation	1,036,320	1,143,111	1,327,894	1,477,566
Physical environment	1,207,402	1,242,878	1,218,055	1,302,286
Capital outlay	2,295,616	1,849,066	2,477,368	4,772,493
Debt service				
Principal	227,137	304,289	316,384	471,430
Interest	84,625	63,694	52,285	116,899
Other debt service costs	11,000	-	6,500	-
Total expenditures	13,309,483	13,152,992	15,217,976	18,814,283
Excess of revenues over (under) expenditures	843,399	1,439,840	(588,557)	(3,164,219)
Other Financing Sources (Uses)				
Transfers in	1,173,262	1,965,455	1,449,523	2,460,592
Transfers out	(1,173,262)	(1,965,455)	(1,449,523)	(2,460,592)
Refunding bonds proceeds	1,965,429	-	-	-
Payment on refunded bonds	(1,925,000)	-	-	-
Net proceeds	-	-	1,762,000	-
Total other financing sources (uses)	40,429	-	1,762,000	-
Net Change in fund balances	883,828	1,439,840	1,173,443	(3,164,219)
Fund balances - beginning, as restated	3,667,777	4,551,605	6,537,118	7,710,561
Fund balance - ending	\$ 4,551,605	\$ 5,991,445	\$ 7,710,561	\$ 4,546,342
Debt services (principal & interest) as a percentage of non-capital expenditures	2.92%	3.36%	2.98%	4.37%

Beginning fund balance restated:

Note: 1999 - to adjust for prior year deposit of future impact fees.
 2001 - Accounting changes made to comply with GASB Statement No. 33.
 2005 - Adjusted to eliminate FEMA grant revenues recorded in prior year.

Schedule 4 (continued)
Changes in Fund Balances, Governmental Funds
 (Modified accrual basis of accounting)
 (unaudited)

	2003	2004	2005	2006	2007	2008
\$	9,740,578	\$ 10,636,124	\$ 11,963,080	\$ 14,166,773	\$ 16,320,326	\$ 13,788,891
	1,616,972	1,261,603	1,242,119	1,412,060	1,001,365	2,223,497
	3,443,306	4,045,416	4,694,599	5,978,413	4,534,673	4,850,764
	2,247,315	2,446,893	2,501,932	2,530,525	2,685,897	2,890,471
	101,504	135,488	189,988	137,506	151,489	214,799
	286,679	571,506	327,722	1,838,001	81,087	3,656
	90,241	92,687	412,034	930,022	1,295,853	333,571
	19,068	15,318	16,801	10,547	6,828	2,511
	26,571	18,459	14,796	21,929	13,878	13,193
	44,937	29,695	20,845	11,638	14,341	72,046
	64,670	92,201	160,661	191,287	193,770	237,970
	141,744	222,967	170,172	149,079	142,372	229,697
	<u>17,823,585</u>	<u>19,568,357</u>	<u>21,714,749</u>	<u>27,377,780</u>	<u>26,441,879</u>	<u>24,861,066</u>
	2,536,410	2,846,270	3,104,802	3,342,910	3,367,221	3,296,895
	8,322,436	8,848,065	9,105,071	9,418,319	10,610,858	10,993,158
	1,183,020	1,308,203	1,271,357	1,359,785	1,348,709	1,439,486
	1,504,012	1,583,275	1,566,202	1,629,656	1,721,975	1,725,933
	1,320,588	1,367,842	1,368,557	1,386,181	1,537,118	1,686,392
	1,486,146	1,232,574	1,955,359	4,519,311	5,497,303	3,467,195
	491,114	511,627	451,526	370,146	383,143	396,606
	97,271	76,774	254,537	246,197	233,193	219,802
	-	-	-	-	-	-
	<u>16,940,997</u>	<u>17,774,630</u>	<u>19,077,411</u>	<u>22,272,505</u>	<u>24,699,520</u>	<u>23,225,467</u>
	882,588	1,793,727	2,637,338	5,105,275	1,742,359	1,635,599
	677,844	645,896	2,512,829	4,740,494	6,150,000	3,500,000
	(677,844)	(645,896)	(2,512,829)	(4,740,494)	(6,150,000)	(3,500,000)
	-	(1,334,279)	-	-	-	-
	-	6,835,000	-	-	-	-
	-	<u>5,500,721</u>	-	-	-	-
	882,588	7,294,448	2,637,338	5,105,275	1,742,359	1,635,599
	4,546,342	5,428,930	12,609,375	15,246,713	20,351,988	22,094,347
\$	<u>5,428,930</u>	<u>\$ 12,723,378</u>	<u>\$ 15,246,713</u>	<u>\$ 20,351,988</u>	<u>\$ 22,094,347</u>	<u>\$ 23,729,946</u>
	3.92%	3.66%	4.26%	3.58%	3.18%	3.04%

Schedule 5
Assessed Value and Actual Value of Taxable Property
(unaudited)

Fiscal Year Ended 9/30	Residential Property	Commercial Property	Industrial Institutional Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Just Value
1999	\$ -	\$ -	\$ -	\$ 647,744,038	23.64	\$ 853,282,882
2000	-	-	-	698,352,805	22.83	912,159,860
2001	-	-	-	736,702,524	22.65	975,187,033
2002	-	-	-	813,934,257	22.19	1,090,427,323
2003	-	-	-	911,439,077	22.29	1,227,193,824
2004	-	-	-	1,052,736,724	22.17	1,457,055,900
2005	1,238,100,783	229,575,074	20,641,497	1,488,317,354	21.88	2,172,024,799
2006	1,601,142,281	283,864,664	23,426,200	1,908,433,145	21.49	2,925,767,890
2007	1,760,354,601	299,391,904	24,452,769	2,084,199,274	20.82	3,047,784,990
2008	1,483,202,261	327,583,151	25,287,167	1,836,072,579	18.71	2,784,711,573

Source: Palm Beach County Property Appraiser's Office

Note: Detail values by property class available from the Palm Beach County Property Appraiser's Office starting in FY 2005

Schedule 6

Direct and Overlapping Property Tax Rates

(unaudited)

Fiscal Year Ended 9/30	Greenacres		Overlapping Rates (1)							Total
	General Fund	Debt Service Fund	Palm Beach County	Palm Beach County Library System	Palm Beach County School Board	Children's Services Council	Palm Beach County Health Care District	South Florida Water Management District	FIND(2) And Everglades	
1999	5.79	0.56	4.86	0.52	9.68	0.44	1.05	0.70	0.05	23.64
2000	5.58	0.55	4.95	0.52	9.05	0.47	0.98	0.70	0.04	22.83
2001	5.57	0.52	4.94	0.54	8.92	0.50	1.03	0.60	0.04	22.65
2002	5.30	0.47	4.94	0.54	8.59	0.57	1.15	0.60	0.04	22.19
2003	5.35	0.42	4.81	0.54	8.78	0.62	1.13	0.60	0.04	22.29
2004	5.41	0.37	4.79	0.58	8.57	0.69	1.13	0.60	0.04	22.17
2005	5.60	0.08	4.77	0.58	8.43	0.69	1.10	0.60	0.04	21.88
2006	5.57	0.00	4.72	0.63	8.11	0.69	1.08	0.60	0.10	21.49
2007	5.55	0.00	4.48	0.60	7.87	0.62	0.97	0.60	0.14	20.82
2008	4.70	0.00	3.97	0.54	7.25	0.60	1.00	0.53	0.12	18.71

Source: Palm Beach County Property Appraiser's office.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Greenacres.

(2) Florida Inland Navigation District.

Schedule 7
Principal Property Tax Payers
 (unaudited)

Current Year and Ten Years Ago

2008			1999		
Taxpayers	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayers	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Okecheelee Apt. Partners	\$ 59,849,349	3.26%	CIN Riverbridge (Riverbridge)	\$ 19,000,750	2.93%
MSKP Riverbridge (Riverbridge)	39,538,869	2.15%	Keystone - West Palm Beach (Island Shores Apts.)	17,287,613	2.67%
Keystone - West Palm Beach (Island Shores Apts.)	28,361,578	1.54%	Waters Carol Trail (Waterway Village)	12,154,522	1.88%
Batmasian, James H	20,239,068	1.10%	JBH Limited Co. (Woodlakes Plaza)	9,825,000	1.52%
JBH Limited Co. Ltd.	20,008,485	1.09%	SCM Realty, Inc. (Steve Moore Chevrolet)	8,891,454	1.37%
Gator Green Acres Ltd. (Greenacres Plaza)	13,181,218	0.72%	Gator Green Acres Ltd. (Greenacres Plaza)	7,884,786	1.22%
SCM Realty Inc. (Steve Moore Chevrolet)	13,273,522	0.72%	Dayton Hudson Corp.	7,862,763	1.21%
Dayton Hudson Corp	11,820,469	0.64%	Colonial MHC Ltd. Partnership	6,807,578	1.05%
PRIII Military Crossing LLC	11,000,000	0.60%	Trafalgar at Greenacres	6,700,000	1.03%
Trafalgar at Greenacres	9,638,605	0.52%	Okecheelee Apt. Partners	6,360,000	0.98%
Total	\$ 226,911,163	12.36%	Total	\$ 102,774,466	15.87%

Source: Palm Beach County Property Appraiser's Office.

Schedule 8
Property Tax Levies and Collections
(unaudited)

Fiscal Year Ended 9/30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 3,963,209	\$ 3,949,978	99.7%	\$ 13,184	\$ 3,963,162	100.0%
2000	4,127,786	4,096,502	99.2%	31,241	4,127,743	100.0%
2001	4,328,175	4,314,573	99.7%	13,602	4,328,175	100.0%
2002	4,533,349	4,515,760	99.6%	17,589	4,533,349	100.0%
2003	5,076,291	5,056,624	99.6%	19,667	5,076,291	100.0%
2004	5,868,122	5,863,174	99.9%	4,949	5,868,123	100.0%
2005	6,912,647	6,908,501	99.9%	4,146	6,912,647	100.0%
2006	8,325,500	8,325,500	100.0%	-	8,325,500	100.0%
2007	10,569,211	10,403,721	98.4%	165,490	10,569,211	100.0%
2008	9,776,011	9,762,485	99.9%	13,526	9,776,011	100.0%

Source: Tax Collector, Palm Beach County.

Schedule 9
Ratios of Outstanding Debt by Type
 (unaudited)

Fiscal Year Ended 9/30	Population ⁽¹⁾	Median Family Income ⁽²⁾	Outstanding Debt by Type				Percentage Personal Income	Per Capita
			General Obligation Bonds	Revenue Bonds	Bank Notes	Total		
1999	25,609	\$ -	\$ 1,738,292	\$ -	\$ -	\$ 1,738,292	0.0%	\$ 67.88
2000	27,569	53,793.00	1,434,004	-	-	1,434,004	0.10%	52.02
2001	28,013	51,007.00	1,117,620	1,762,000	-	2,879,620	0.20%	102.80
2002	29,359	52,769.00	748,658	1,619,532	-	2,368,190	0.15%	82.03
2003	29,883	56,870.00	446,620	1,470,456	-	1,917,076	0.11%	64.15
2004	30,533	55,996.00	90,984	-	6,835,000	6,925,984	0.41%	226.84
2005	31,270	57,677.00	-	-	6,474,458	6,474,458	0.36%	207.05
2006	31,734	62,603.00	-	-	6,104,312	6,104,312	0.31%	192.36
2007	32,105	64,794.00 *	-	-	5,721,169	5,721,169	0.28%	178.20
2008	32,548	66,000.00 *	-	-	5,324,563	5,324,563	0.25%	175.78

Source: (1) Bureau of Economic & Business Research (BEER).

(2) U.S. Census Bureau, Ameridan Community Survey (Palm Beach County).

* Estimate

Note: The City has no business-type activities.

Schedule 10

Ratios of General Bonded Debt Outstanding

(unaudited)

Fiscal Year Ended 9/30	Population(1)	Taxable Value(2)	General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
1999	25,609	\$ 647,744,038	\$ 1,738,292	0.27%	\$ 67.88
2000	27,569	698,352,805	1,434,004	0.21%	52.02
2001	28,013	736,702,524	2,879,620	0.39%	102.80
2002	29,359	813,934,257	2,368,190	0.29%	80.66
2003	29,883	911,439,077	1,917,076	0.21%	64.15
2004	30,533	1,052,736,724	90,984	0.01%	2.98
2005	31,270	1,264,042,542	-	0.00%	-
2006	31,734	1,549,989,162	-	0.00%	-
2007	32,105	2,153,031,638	-	0.00%	-
2008	32,548	1,898,563,747	-	0.00%	-

Source: (1) Bureau of Economic & Business Research (BEBR).
 (2) Palm Beach County Property Appraiser's Office.

Schedule 11
Direct and Overlapping Governmental Activities Debt
 (unaudited)

As of September 30, 2008	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Palm Beach School District	\$ 35,805,000	1.184%	\$ 423,909
Palm Beach County	290,410,000	1.184%	3,438,278
Subtotal, overlapping debt	326,215,000		3,862,187
City direct debt	-		-
Total direct and overlapping debt	\$ 326,215,000		\$ 3,862,187

Source: Palm Beach County School District.
 Palm Beach County.

Schedule 12
Legal Debt Margin Information
(unaudited)

The City of Greenacres has no legal debt margin.

Schedule 13
Pledged-Revenue Coverage
 (unaudited)

Fiscal Year Ended 9/30	Refunding Note 2004B				Public Improvement Note 2004A			
	Public Service Tax (1)	Debt Service		Coverage	Non Ad Valorem Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2001	*							
2002	\$ 296,294	\$ 142,468	\$ 77,925	74.38%				
2003	312,338	149,076	71,321	70.56%				
2004	315,868	155,991	64,411	69.78%	**			
2005	347,979	177,240	35,864	61.24%	\$ 12,791,145	\$ 183,302	\$ 216,867	3.13%
2006	356,929	179,378	33,730	59.71%	14,009,894	190,768	212,492	2.88%
2007	371,969	184,604	28,471	57.28%	13,352,005	198,539	204,722	3.02%
2008	387,527	189,981	23,212	55.01%	12,611,991	206,625	196,590	3.20%

(1) Included natural and propane gas and water services.

(*) Issued Fire Safety Revenue Bond at the end of 2001, refunded 2004.

(**) Issued Public Improvement Note 2004A at the end of 2004.

Schedule 14
Demographic and Economic Information
 (unaudited)

Fiscal Year Ended 9/30	Population(1)	Median Family Income(2)	Average House Sale(3)	School Enrollment(4)	Civilian Labor Force(5)	Unemployment Rate(6)
1999	25,609	\$ -	\$ 78,800	6,657	12,767	4.9%
2000	27,569	53,793	89,700	7,573	13,108	3.5%
2001	28,013	51,007	120,100	7,718	13,650	4.2%
2002	29,359	52,769	130,600	8,072	13,942	5.0%
2003	29,883	56,870	133,500	8,296	14,104	4.7%
2004	30,533	55,996	134,100	9,527	14,392	4.2%
2005	31,270	57,677	140,500	10,645	15,569	3.2%
2006	31,734	62,603	237,500	9,892	16,021	2.7%
2007	32,105	64,794	204,242	9,883	16,330	3.4%
2008	32,548	66,000 *	139,336	9,726	16,335	6.4%

- Sources: (1) Bureau of Economic & Business Research (BEBR).
 (2) U.S. Census Bureau, American Community Survey (Palm Beach County).
 * 2008 Estimate
 (3) Business Development Board (www.bdb.org) (Palm Beach County).
 (4) Palm Beach County School District.
 (5) U.S. Bureau of Labor Statistics, Bureau of Labor Statistics.
 (6) U.S. Bureau of Labor Statistics, Bureau of Labor Statistics.

Note: 2008 School Enrollment based on 11-Day Count.
 2008 Unemployment & Labor Force Rate based on 8 month average.
 2008 Average House Sale based on 8 month average.

Schedule 15
Principal Employers*
(unaudited)

Current Year and Ten Years Ago

2008			1999		
Employer	Employees	Percentage of Total Employment	Employer*	Employees	Percentage of Total Employment
School Board	21,707	3.57%	School Board	17,000	3.07%
Palm Beach County	11,293	1.86%	Palm Beach County	9,000	1.63%
Tenet Healthcare Corp.	4,500	0.74%	State Government	8,800	1.59%
HCA (Hospital Corp. of America)	3,411	0.56%	Federal Government	5,900	1.07%
Florida Power & Light	3,250	0.53%	Pratt & Whitney Aircraft	4,000	0.72%
Florida Atlantic University	2,923	0.48%	Columbia Palm Beach Health Care System	4,000	0.72%
The Breakers	2,300	0.38%	Intracoastal Healthcare Systems, Inc.	3,200	0.58%
Office Depot	2,180	0.36%	Florida Atlantic University	3,100	0.56%
Boca Raton Community Hospital	1,860	0.31%	Flo Sun, Inc.	2,500	0.45%
Florida Crystals	1,800	0.30%	Florida Power & Light	2,300	0.42%
Total	55,224	9.07%	Total	59,800	10.80%

Source: Business Development Board of Palm Beach County.

*Principal Employers in Palm Beach County.
 (No information available for the City of Greenacres.)

Schedule 16
Full-Time City Government Employees by Function/Program
 (unaudited)

Fiscal Year Ended 9/30	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Function/Program</u>										
Administration	5	6	7	8	8	8	8	8	8	8
Finance	14	15	15	15	15	15	15	15	15	14
Planning & Engineering	7	7	6	6	7	7	6	7	7	7
Building	11	11	11	11	11	11	11	11	11	11
Public Safety	91	92	94	106	104	104	108	113	117	113
Public Works	22	22	23	23	23	23	23	23	24	23
Leisure Services	16	16	16	17	17	17	17	17	11	11
Total	166	169	172	186	185	185	188	194	193	187

Source: City of Greenacres Department of Finance.

Schedule 17
Operating Indicators by Function/Program
(unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008
<u>Function/Program</u>						
General Government						
Population	29,883	30,533	31,270	31,734	32,105	32,548
Number of residential units	15,374	15,777	16,171	16,245	16,443	16,520
Number of solid waste accounts billed	7,118	7,439	7,731	7,805	8,002	8,080
Number of revenue transactions processed	19,151	19,505	20,882	21,779	22,015	23,923
Public Safety						
911 calls	24,651	26,236	25,137	26,728	26,242	28,759
Number of arrests by police officers	1,817	2,319	2,851	2,801	3,252	4,625
Number of traffic citations issued	5,106	7,298	7,017	7,533	8,018	10,813
EMS average response times (minutes)	4.4	4.4	4.3	4.3	4.3	4.3
Number of EMS calls	4,214	4,668	4,839	4,956	4,996	4,659
Number of code enforcement inspections	1,500	1,600	2,036	2,215	2,000	2,022
Transportation						
Number of lane miles maintained	21.97	21.97	22.25	22.25	22.27	22.27
Number of vehicle repair orders completed	-	1,394	1,412	1,215	1,152	1,418
Number of city vehicles maintained	-	93	93	95	95	97
Physical Environment						
Total park acreage maintained	71	71	71	71	77	78
Average cost per acre to mow	-	-	1,674	1,852	1,940	2,052
Cultural & Recreation						
Number of community events presented	14	13	13	13	11	7
Number of registrants in athletic programs	-	1,000	1,053	1,373	1,081	1,036
Number of participants in after school aged programs	143	149	160	160	171	170

Note: Indicators are not available prior to fiscal year 2003.

Schedule 18
Capital Asset Statistics by Function/Program
 (unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008
<u>Function/Program</u>						
General Government						
Office Buildings	7	7	7	7	9	9
Public Safety						
Public Safety Stations	2	2	2	2	2	2
Police Patrol Vehicles	26	26	26	28	28	32
Fire Trucks	5	5	5	5	5	4
EMS Units (Ambulances)	4	4	4	4	4	4
Transportation						
Street (miles)	43.94	43.94	44.50	44.50	44.50	44.54
Traffic Signs	950	950	950	986	1,096	922
Storm Water Inlets	407	407	407	407	407	428
Physical Environment						
Baseball/softball diamonds	6	6	6	6	6	7
Soccer fields	2	2	2	2	2	3
Cultural & Recreation						
Playgrounds	13	13	13	14	14	15
Community centers	1	1	1	1	1	1
Parks	13	13	13	13	13	13

Note: Indicators are not available prior to fiscal year 2003.



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

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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, 2008, which collectively comprise the City of Greenacres, Florida's basic financial statements and have issued our report thereon dated March 3, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Greenacres, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Greenacres, Florida's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Greenacres, Florida's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Greenacres, Florida's financial statements that is more than inconsequential will not be prevented or detected by the City of Greenacres, Florida's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Greenacres, Florida's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 March 3, 2009.

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 & Mimer, P.A.

West Palm Beach, Florida
March 3, 2009



NOWLEN, HOLT & MINER, P.A.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Greenacres, Florida with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. City of Greenacres, Florida's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of the major federal programs is the responsibility of City of Greenacres, Florida's management. Our responsibility is to express an opinion on City of Greenacres, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Greenacres, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Greenacres, Florida's compliance with those requirements. In our opinion, City of Greenacres, Florida, complied, in all material respects, with the requirements referred to above that are applicable to each its major federal programs for the year ended September 30, 2008.

Internal Control over Compliance

The management of City of Greenacres, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Greenacres, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we

do not express an opinion on the effectiveness of City of Greenacres, Florida's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters we have reported to the City's management in the Management Letter dated March 3, 2009.

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

Nowlen, Holt & Mimer, P.A.

West Palm Beach, FL
March 3, 2009

CITY OF GREENACRES, FLORIDA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Agency or Pass-Through Number	Federal Expenditures
Major Federal Programs:			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Palm Beach County			
Community Development Block Grant/Entitlement Grants	14.218	B-06-UC-12-004	\$ 122,742
Community Development Block Grant/State's Program	14.228	07DB-3V-10-60-01-Z07	200,000
Community Development Block Grant/State's Program	14.228	06DB-3C-10-60-01-W26	67,202
Total			<u>389,944</u>
Other Federal Programs:			
<u>U.S. Department of Agriculture</u>			
Passed through Florida Department of Health			
Child and Adult Care Food Program	10.558	A-1979	16,302
Passed through Florida Department of Agriculture and Consumer Services			
Cooperative Forestry Assistance	10.664	013090	15,077
Total			<u>31,379</u>
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership Program	16.607	N/A	2,921
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	25,182
Total			<u>28,103</u>
<u>U.S. Department of Transportation</u>			
Passed through Florida Department of Transportation Highway Planning and Construction			
	20.205	416137-1-58-01	76,922
<u>U.S. Department of Homeland Security</u>			
Passed through Florida Division of Emergency Management and the City of Miramar and Palm Beach County			
Homeland Security Grant Program	97.067	07DS-5N-11-16-02-259	50,000
Total expenditures of federal awards			<u>\$ 576,348</u>

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards includes the federal grant activity of the City of Greenacres, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - CONTINGENCY

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the City for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable federal laws and regulations.

CITY OF GREENACRES, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2008

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness identified? yes no
- Reportable condition identified that is not considered to be a material weakness? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness identified? yes no
- Reportable condition identified that is not considered to be a material weakness? yes none reported

Type of auditor’s report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of Major Programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Department of Housing and Urban Development
14.218	Community Development Block Grants/Entitlement Grants
14.228	Community Development Block Grants/State’s Program
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

CITY OF GREENACRES, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS

No material weaknesses were identified during the audit of the financial statements now were any instances of noncompliance material to the financial statements of the City of Greenacres, Florida disclosed during the audit.

SECTION III - FINDINGS AND QUESTIONED COSTS

Major Federal Programs

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Community Development Block Grants, CFDA No. 14.218

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Community Development Block Grants/State's Program, CFDA No. 14.228

No material weaknesses in internal control were disclosed by the audit of the major federal award programs, nor were any audit findings relative to the major federal award programs identified that are required to be reported under OMB Circular A-133

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported in the prior period.



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have audited the financial statements of the City of Greenacres, Florida, as of and for the year ended September 30, 2008, and have issued our report thereon dated March 3, 2009

We conducted our audit in accordance with United States 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our 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*; Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 3, 2009 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local government entity audits in the State of Florida and requires that we address certain compliance and other matters in the management letter, if not already addressed in the aforementioned auditor's reports and schedule.

PRIOR YEAR COMMENTS

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

CURRENT YEAR COMMENTS

Investment of Public Funds

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the City's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds. The results of our procedures did not disclose any instances of noncompliance with Section 218.415, Florida Statutes, by the City of Greenacres for the year ended September 30, 2008.

Current Year Recommendations

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit for the fiscal year ended September 30, 2008 we did not have any such recommendations.

Violations of Laws, Regulations, Contracts and Grant Provisions or Abuse

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit for the fiscal year ended September 20, 2008 we did not have any such findings.

Matters Inconsequential to the Financial Statements

Section 10.554(1)(i)5., Rules of the Auditor General, requires based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures; (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit for the fiscal year ended September 30, 2008 we did not have any such findings.

Oversight Unit and Component Units

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements, but has been repeated here. 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.

Consideration of Financial Emergency Criteria

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, the results of our procedures did not disclose that the City of Greenacres has met any of the conditions described in Section 218.503(1) during the fiscal year ended September 30, 2008.

Annual Financial Report

Section 10.554(1)(i)7.b., Rules of the Auditor General requires that we determine whether the annual financial report for the City of Greenacres filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 20, 2008. In connection with our audit, we

noted that the two reports were in substantial agreement.

Financial Condition Assessment Procedures

Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The results of our procedures did not disclose any matters that are required to be reported.

Excess of Expenditures Over Appropriations

As indicated in Note 2 to the Budgetary Required Supplementary Information for the year ended September 30, 2008 there were no departments that had expenditures in excess of appropriations.

Single Audits

The City expended more than \$500,000 of federal awards and less than \$500,000 of state financial assistance for the year ended September 30, 2008. The City was required to have a federal single audit but was not required to have a state single audit.

Response to Management Letter

We did not audit management's response to the management letter presented on page 93 and express no opinion on it

This management letter is intended solely for the information of the City of Greenacres, members of the City Council, management, the Florida Auditor General, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 3, 2009



City of Greenacres

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Samuel J. Ferreri
Mayor

Wadie Atallah
City Manager

March 3, 2009

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

RE: RESPONSE TO MANAGEMENT LETTER

We are pleased that there were no items that required a response to the Management Letter.

Wadie Atallah
City Manager

Richard C. Radcliffe
Councilman • District I

Peter A. Noble
Councilman • District II

Charles E. Shaw
Councilman • District III

Doris A. Fouts
Councilwoman • District IV

Norman W. Rose
Councilman • District V