



CITY OF GREENACRES

2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending September 30, 2010



Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2010

Prepared by: Department of Finance
Larry Tibbs, Director of Finance

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City of Greenacres

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Samuel J. Ferreri
Mayor

Wadie Atallah
City Manager

February 28, 2011

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, 2010, which 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.

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.

- ❖ 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 2009. 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, 2010. 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 and Schedules.

Richard C. Radcliffe
Councilman • District I

Peter A. Noble
Councilman • District II

Rochelle Gaenger
Councilwoman • District III

Jonathan G. Pearce
Councilman • District IV

Norman W. Rose
Councilman • District V

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*, Management Letter in Accordance with the Rules of the Auditor General of the State of Florida, and the Schedule of Findings and Responses.

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 with 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 approving 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 2010, 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 Board of Trustees 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 a 2010 estimated population of 1,286,461. Greenacres is the tenth largest municipality in the County with a 2010 population of 32,267 (BEBR Census). The primary economic sectors of the County are agriculture, tourism, service industry and retirement housing. The City is a residentially oriented suburb, with supporting commercial establishments to serve its diverse 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.

The City has no industrial zoning, and, has no single 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. The American Community Survey for Palm Beach County lists the three top trades as: 1) Educational, health care and social assistance, the largest sector at more than 105,000 employees; 2) Professional, scientific and administrative services at over 77,000; and 3) Retail Trade at approximately 76,000. The City's economy is primarily driven by residential and commercial developments representing a fairly broad spectrum of the population and business types, respectively.

In calendar year 2010 the City's economic condition mirrored that of the county and state due to the national recession and collapse of the housing and real estate market. The City's population contracted by 103 persons while the gross taxable value declined by 16.71% due to continuing declines in home values. Despite market conditions, 39 new residential units were built in the City and two commercial retail establishments (Target, Wal-Mart) undertook major renovations to their stores. Overall commercial occupancy remained steady as did the sales tax collection.

The preparation of the FY 2009, 2010 and 2011 budgets has been especially difficult due to the impact of a Constitutional Amendment passed by the voters on January 28, 2008, intended to lower property taxes and the decline in property values. 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 cumulative impact of these events represented a 16.71% decline in the City's tax base for FY 2011 as the taxable value declined from \$1,472,606,755 to \$1,226,574,679 following 21.68% and 12.19% declines in the last two fiscal years respectively. Further compounding this situation was the general decline in other revenue sources due to a weak economy.

To address the impact of declining revenues along with the decline in property values during the last three (3) 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. The City developed several strategies for financial sustainability for future years. They are: 1) drawdown unreserved fund balance and maintain at or above 25% of annual expenditures; 2) reduce expenditures by evaluating staffing levels, overtime, and benefits; and 3) increase/stabilize revenues by adjusting fee schedules and the tax rate. The implementation of those strategies has enabled the City to maintain a sound financial position without impacting levels of service.

The future growth rate is expected to revert back to pre-2000 levels as approved developments are completed and the availability of land for new developments diminishes within existing and future annexation boundaries. The current economic conditions are expected to continue for the next several years.

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 visioning 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. After going through an extensive solicitation process, the City awarded a contract to Spillman Technologies in November 2010 to replace the Public Safety's Computer Aided Dispatch, Records Management, and Mobile Systems with up-to-date technology to enhance service.

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 multi-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, purchased an AM radio system for emergency advisories, and improved roadway culverts in the original section neighborhood.

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, and construction of a playground on the site of the old Public Works yard in April of 2009. A new parking area for the City's vehicles was completed in 2010.

GENERAL FINANCIAL INFORMATION

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

Budgetary Controls

The City of Greenacres 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 can be re-appropriated 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, titled 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 0.28 percent by the SBA in fiscal year 2010 for the State Surplus Funds Trust Fund. During fiscal year 2010 the City also continued investment in the Florida Municipal Investment Trust (FMIvT): 0-2 year high quality bond fund, 1-3 year high quality bond fund, and intermediate high quality bond fund. During October 2008 the City transferred more than half of the SBA balance into five Certificates of Deposit at three qualified banks and has continued that type of investment for further diversification.

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

Risk Management

The City maintains liability coverage through the Florida Municipal Insurance Trust (FMIT) 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 FMIT 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.

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, 2009. 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 nineteen consecutive years (fiscal years 1991-2009). 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, 2010. The City has received this award for the last eighteen years (fiscal years 1992-2009). 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 2011 budget document to the GFOA, as we believe it also conforms to the program requirements.

OTHER INFORMATION

Independent Audit

State Statutes require an annual audit by independent certified public accountants. The accounting firm of MarcumRachlin LLP, now named Marcum LLP, was selected through a fiscal year 2010 competitive Request for Proposals (RFP) to conduct the City's audit. They replaced the firm Nowlen, Holt and Minor PA, which preformed the five previous annual audits. The total federal awards expended for all federal programs was not more than \$500,000, a federal Single Audit in accordance with OMB Circular A-133 was not 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 and in particular Assistant Director of Finance, James McInnis. We also extend our appreciation to the independent certified public accounting firm of Marcum LLP for their work during the performance of the engagement.

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



Larry Tibbs
Director of Finance



PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Samuel J. Ferreri
Mayor

Richard C. Radcliffe
Deputy Mayor- Councilman, District I

Peter A. Noble
Councilman, District II

Rochelle Gaenger
Councilwoman, District III

Jonathan G. Pearce
Councilman, District IV

Norman W. Rose
Councilman, District V

SENIOR MANAGEMENT

Wadie Atallah
City Manager

Pamela S. Terranova
City Attorney

Deborah S. Manzo
Assistant City Manager

Denise McGrew
City Clerk

James McInnis
Acting 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

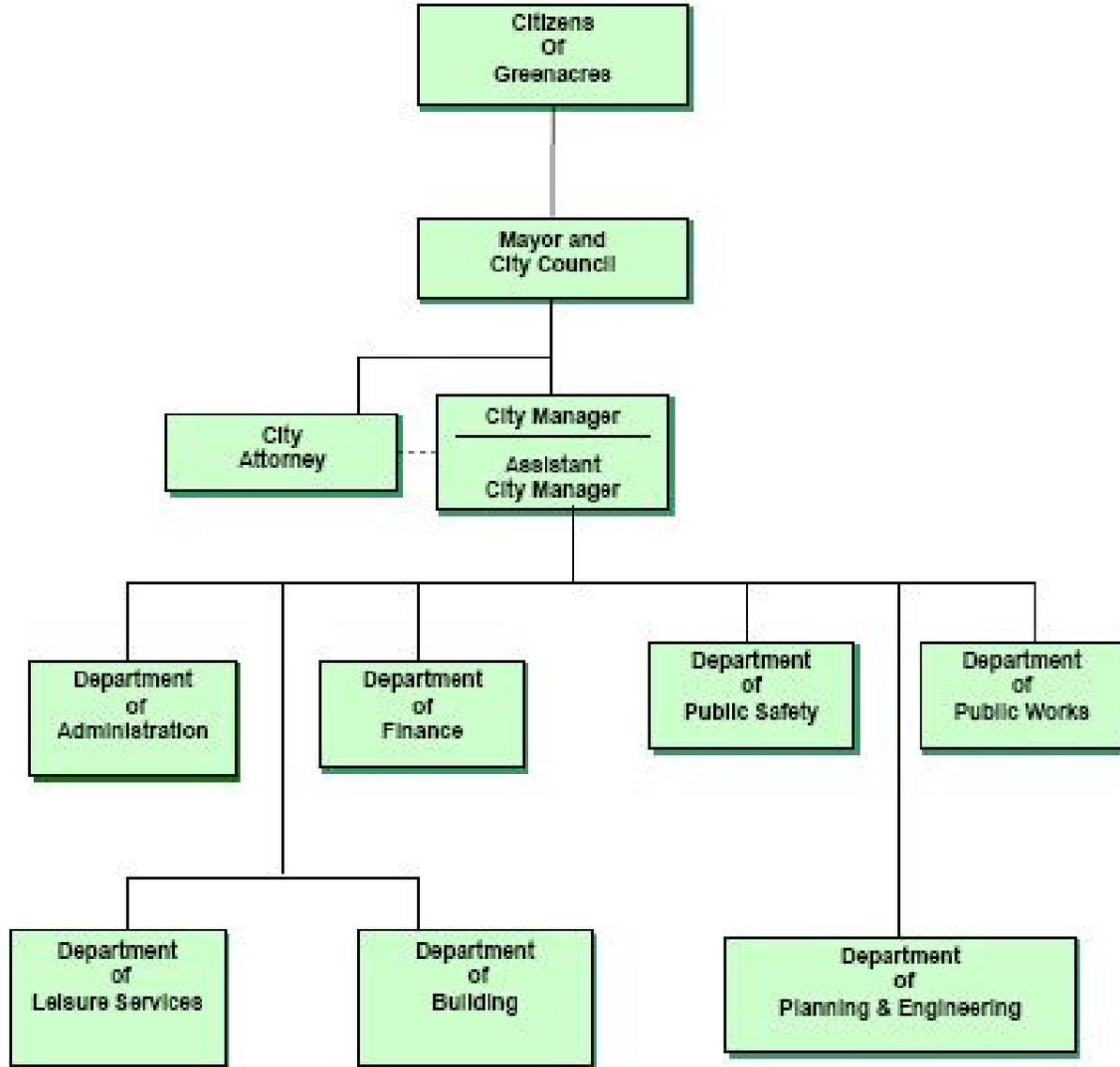
Michael Grimm
Director of Building

As of September 30, 2010

CITY OF GREENACRES, FLORIDA

ORGANIZATIONAL CHART

AS OF SEPTEMBER 30, 2010



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, 2009

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.



President

Executive Director

INDEPENDENT AUDITOR'S REPORT

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 (City), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, as of September 30, 2010, and the respective changes in financial position 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 February 28, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 14 and pages 44 through 50 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's basic financial statements. The introductory section, combining and individual fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The combining and individual fund statements and schedules 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.

Marcum LLP

Fort Lauderdale, FL
February 28, 2011

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, 2010. 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 15) and notes to the financial statements (pages 23-43).

FINANCIAL HIGHLIGHTS

Some of the City's financial highlights for the year ended September 30, 2010 are as follows:

Government-Wide Financial Statements

The City's assets exceeded its liabilities by \$40.3 million (*net assets*), an increase of \$200 thousand (0.4%) over the prior year's restated ending net assets of \$40.1 million. Total net assets of the City are comprised of:

- Capital assets net of related debt totaling \$16.9 million is 42.1% of total net assets, and includes land, buildings, improvements, construction in progress, and other capital assets, net of accumulated depreciation, and reduced by outstanding debt related to the construction of capital assets.
- Restricted net assets of \$15.1 million are 37.5% of net assets, and are constricted by restraints imposed by parties, laws, or regulations outside of the City.
- Unrestricted net assets of \$8.2 million, or 20.4% of net assets, are available to meet the City's ongoing obligations to citizens and creditors.

Fund Financial Statements

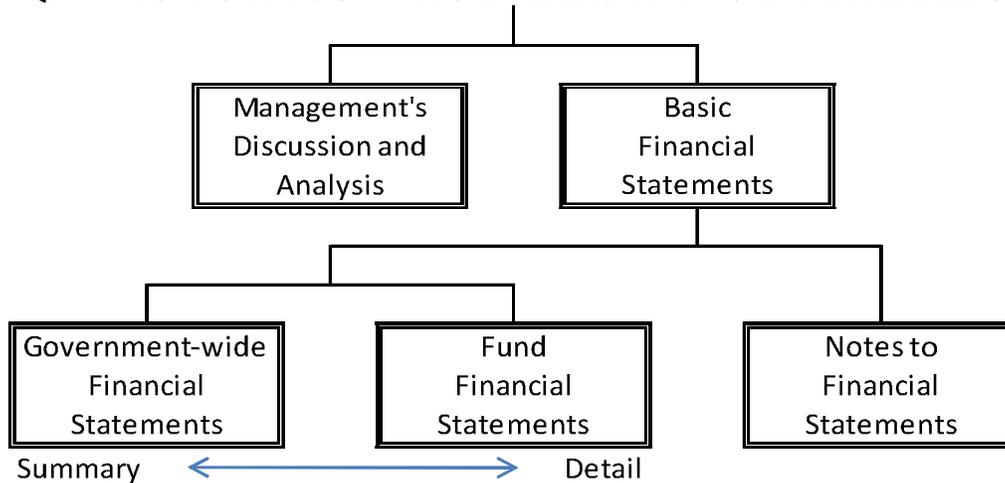
- The City's governmental funds reported combined fund balances of \$25.9 million, an increase of \$666 thousand, or 2.6% in comparison with the prior year. Approximately 97% of the fund balances, \$25.1 million, is unreserved.
- At the end of the current fiscal year, the general fund had a total fund balance of \$10.9 million. The unreserved portion of the fund balance was \$10.8 million, which was 52% 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 financial statements and schedules, 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 15-16) that provide information about the City's overall financial status. The remaining statements (pages 17-22) 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 17-20) to report most of the City's operations, and
- Fiduciary funds statements (pages 21-22) to report the financial status and results of activities for the City's Public Safety Officers and Firefighters Pension Plan.

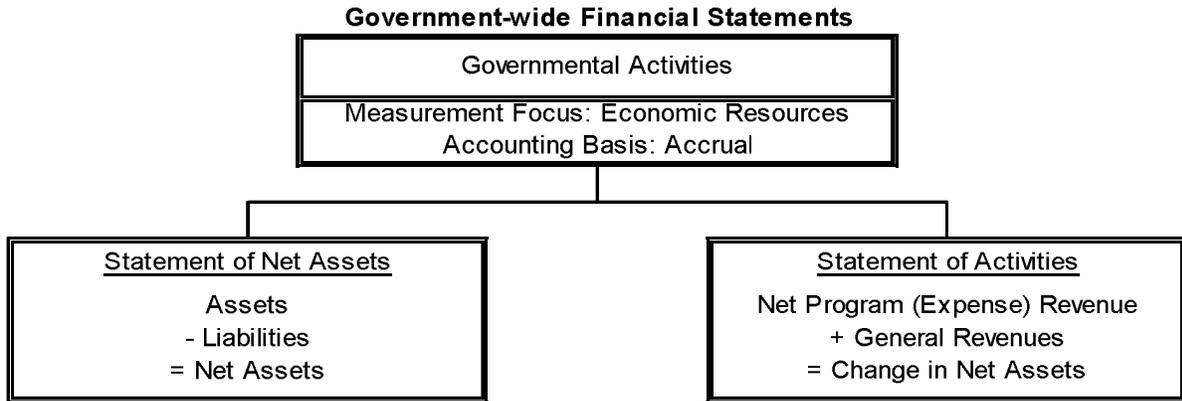
The financial statements also include notes (pages 23-43) that provide additional information essential for a full understanding of the financial data provided in the basic financial statements, as well as required supplementary information that includes a detailed budget analysis of the City's main operating General Fund (pages 44-47).

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 below.

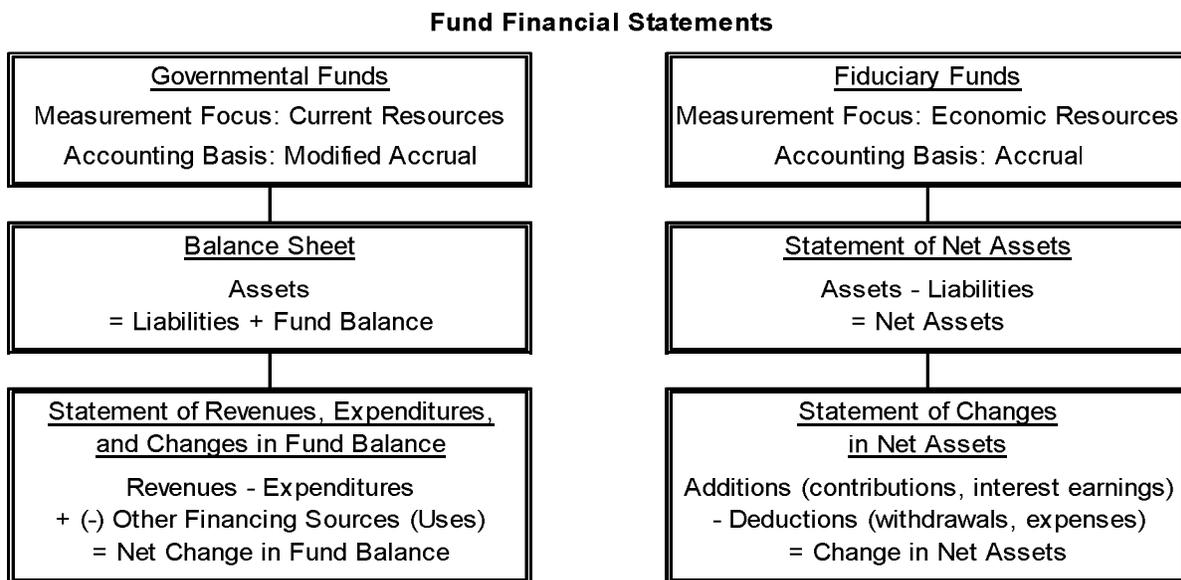


The Statement of Net Assets includes all of the City's assets and liabilities, except fiduciary funds, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private sector business. The Statement of Activities focuses on 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 54-62 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 Officers and Firefighters Pension Trust Fund, found on pages 21-22 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 23-43 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 44-50 of this report.

The combining and individual fund financial statements and schedules referred to earlier in connection with major and 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 2009 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 16, shown with comparative financial information for the prior year.

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

	<u>2010</u>	<u>2009</u>	<u>Increase / (Decrease)</u>
Current and other assets	\$ 27,468	\$ 27,396	0.3%
Capital assets, net	<u>21,418</u>	<u>22,148</u>	(3.3%)
Total assets	<u>48,886</u>	<u>49,544</u>	(1.3%)
Current liabilities	1,429	1,798	20.5%
Long-term liabilities	<u>7,202</u>	<u>7,094</u>	(1.5%)
Total liabilities	<u>8,631</u>	<u>8,892</u>	(2.9%)
Net assets:			
Invested in capital assets, net of related debt	16,929	17,234	(1.8%)
Restricted	15,097	14,724	2.5%
Unrestricted	<u>8,229</u>	<u>8,694</u>	(5.3%)
Total net assets	<u>\$ 40,255</u>	<u>\$ 40,652</u>	(1.0%)

Net assets may serve as a useful indicator of a government's financial position over time. The overall position of the City improved in 2010. At the end of the 2010 fiscal year, the City of Greenacres' assets exceeded liabilities by \$40.3 million, an increase of 0.4%, or \$200 thousand, over the restated 2009 net assets balance of \$40.1 million (see Changes in Net Assets Schedule on next page).

The largest portion of the City's net assets, \$16.9 million or 42% of net assets, 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. The decrease in capital assets net of related debt is primarily because capital assets additions declined in 2010, decreasing to \$500 thousand from \$1.5 million in 2009, and the additions didn't offset 2010 depreciation. (See also the discussion on Capital Assets on page 12).

An additional portion of the City's net assets, \$15.1 million or 38% of net assets, of net assets, 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 \$8.2 million, or 20% of net assets, may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Assets

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

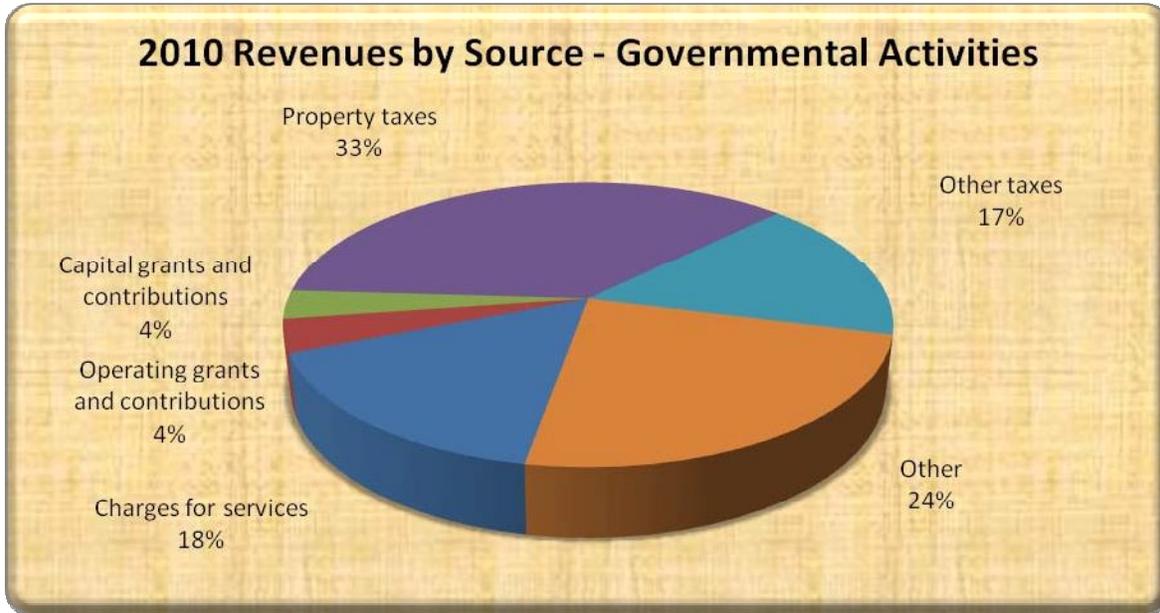
City of Greenacres, Florida
Summary of Changes in Net Assets
(in thousands)

	<u>2010</u>	<u>2009</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 4,062	\$ 3,800	6.9%
Operating grants and contributions	779	869	(10.4%)
Capital grants and contributions	873	758	15.2%
General revenues:			
Property taxes	7,354	8,580	(14.3%)
Other taxes	3,892	3,834	1.5%
Other	5,432	5,570	(2.5%)
Total revenues	<u>22,392</u>	<u>23,411</u>	(4.4%)
Expenses:			
General government	3,627	3,840	(5.5%)
Public safety	12,905	12,115	6.5%
Transportation	1,394	1,494	(6.7%)
Culture and recreation	2,016	2,266	(11.0%)
Physical environment	2,107	1,829	15.2%
Interest and other fiscal charges	191	205	(6.8%)
Total expenses	<u>22,240</u>	<u>21,749</u>	2.3%
Increase in net assets	<u>152</u>	<u>1,662</u>	(90.9%)
Net assets beginning of year as previously reported	40,652	38,990	4.3%
Prior period adjustment	(549)	-	
Net assets beginning of year as restated	<u>40,103</u>	<u>38,990</u>	2.9%
Ending net assets	<u>\$ 40,255</u>	<u>\$ 40,652</u>	(1.0%)

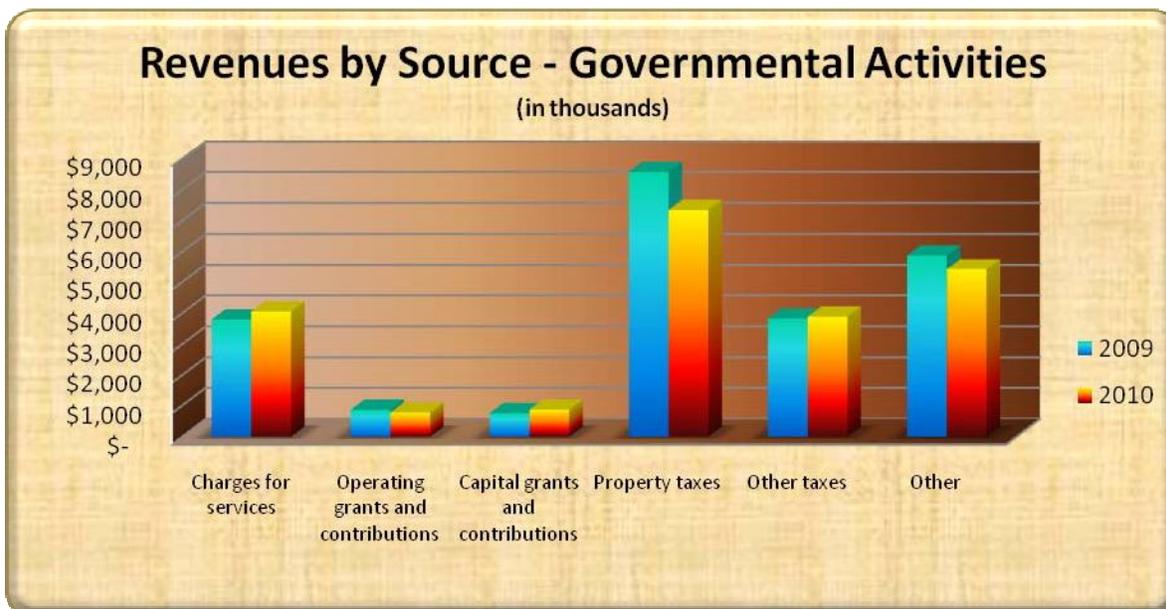
Net assets increased in fiscal year 2010, after posting a prior period adjustment that decreased the restated 2009 ending net assets. Total revenues fell by \$1.0 million (4%) while expenses increased by \$491 thousand (2%). The most significant change in revenues was property taxes, which fell by \$1.2 million.

For the most part, the decrease in overall revenues paralleled the decrease in property tax revenues. This decrease was expected as the same thing has been happening across the country because of falling property values after the housing bubble burst. The City mitigated some of the lost revenues by reviewing all fee schedules and increasing fees where increases were warranted. In 2010, this resulted in an increase of \$262 thousand in charges for services.

Expenditures increased slightly in 2010, primarily because of an increase in police & fire pension contributions. Departments have held the line on spending by slashing operating budgets for several of the last budget cycles. Even with lean operating budgets, the City managed to slash another \$6 thousand from operating expenses.



The chart below illustrates how the major revenue sources changed from 2009 to 2010.



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 2010 fiscal year, the City's governmental funds reported combined ending fund balances of \$25.9 million, an increase of \$666 thousand from 2009. Approximately 97% (\$25.1 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 (\$131 thousand), 2) to pay debt service (\$500 thousand), 3) to support youth programs for school aged children (\$17 thousand), 4) to purchase police equipment (\$61 thousand), or 5) it is non-spendable (inventories, prepaid expenditures - \$88 thousand).

The General Fund is the chief operating fund of the City of Greenacres. The total general fund balance increased by \$246 thousand in 2010, after a \$400 thousand decrease in 2009. General fund revenues fell by \$583 thousand in 2010, but this was more than offset by a decrease of \$1.2 million in expenditures including transfers.

The largest drop in revenues was property taxes, down \$1.2 million in 2010. This was offset by increases in solid waste fees (charges for services) and interest income, increases of \$254 thousand and \$441 thousand, respectively. The decrease in general fund expenditures was primarily a reduction of transfers to pay for capital projects, which were reduced by \$1.9 million in 2010. The reduction in transfers was offset by an increase of \$828 thousand in required contributions to the public safety defined benefit pension plan. The increase in pension contributions was directly related to the economic recession that started in 2008; in a defined benefits pension plan, the City has to make up the market losses on the invested pension fund assets.

The Capital Projects Funds combined fund balances are \$14.2 million, a cumulative decrease of \$201 thousand from 2009. In 2010, no transfers were made from the general fund for capital projects, compared to \$2.5 million in 2009. The funds have sufficient balances for projects planned over the next three to four years, and it's expected that a significant amount of the fund balances will be used for projects planned in those years. In 2010, other than transfers, combined revenues were about \$1 million and were essentially the same as 2009. In 2010, the revenues were primarily from grants (52%) and interest (33%). The expenditures were entirely for capital outlay, and decreased to \$1.2 million in 2010 from \$1.8 million in 2009. The total capital projects funds fund balances grew by about \$1.7 million in 2009.

The remaining funds are non-major special revenue and debt service funds. The special revenue funds fund balances grew by \$36 thousand in 2010, aided by a transfer to the Youth Programs Fund of \$40 thousand. The debt service funds fund balances grew by \$586 thousand in 2010 after an additional \$600 thousand was transferred to dedicate a contingency reserve for an extra year of debt service payments of principal and interest on the City's outstanding loans.

General Fund Budgetary Highlights

The difference between the 2010 adopted and final amended budget was an increase of \$63 thousand. The schedule below reconciles the original and amended (final) general fund budget for fiscal 2010:

Original adopted budget Fiscal 2010		\$ 21,638,224
<u>Additions to budget</u>		
Fiscal 2009 Encumbrances Re-Appropriated in 2010	\$ 100,310	
Less: Cancelled 2009 encumbrances (cancelled purchase orders)	<u>(4,429)</u>	95,881
<u>Deductions from budget</u>		
Transfer to cover budget deficit in Public Safety Donations Fund		(16,000)
Fiscal 2010 Reserve for Encumbrances		<u>(16,738)</u>
Final amended budget September 30, 2010		<u><u>\$ 21,701,367</u></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.

Included in the final amended general fund budget were transfers of \$1,24 million to other funds for:

- Debt service, \$1.2 million. Debt service transfers in 2010 were twice the amount of 2009 to provide an additional \$600 thousand contingency reserve for future debt service expenditures.
- Youth Programs (Special Revenue) Fund; \$40 thousand was transferred to cover a year-end fund balance deficit.

Budget-to-Actual Variances: Revenues

General fund revenues had a positive budget variance of \$662 thousand more than originally budgeted. Some of the revenues that came in more than budgeted were:

- 1) Electricity utility taxes came in \$181 thousand more than budgeted.
- 2) General fund investment income was \$177 thousand more than originally estimated as the market recovered somewhat in 2010.

- 3) Communications service taxes came in higher than anticipated, with a positive variance of \$147 thousand. After an internal review conducted by the Florida Department of Revenue resulted in a reimbursement of past under funding last year, 2010 revenues were probably budgeted a little too conservatively.
- 4) State shared revenues, including the half-cent sales tax, were \$127 thousand more than budgeted. Increased sales tax collections in 2010 were a positive sign of a recovery in consumer spending.

Budget-to-Actual Variances: Expenditures

General fund expenditures were \$770 thousand less than budgeted, and the savings were spread across all segments and expenditure categories:

- 1) Salaries were \$92 thousand less than budgeted largely as a result of leaving vacant positions open;
- 2) Other personnel related expenditures (pension contributions, life and health insurance) were \$268 thousand less than budgeted. Some notable items were pension contributions, \$112 thousand less than budgeted; life insurance, \$78 thousand less than budgeted; and workers' compensation was \$70 thousand less than budgeted. The biggest impact on these items were a result of the City's freeze on hiring, and the open personnel positions that were budgeted but not filled.
- 3) Operating expenditures were \$291 thousand under budget, with significant savings for other contractual and professional services (legal, accounting, and engineering services, solid waste collections, pest and weed control, consulting, etc.), \$86 thousand; community events and promotional activities, \$40 thousand; electricity, \$30 thousand; education, training, memberships, subscriptions, \$30 thousand; repairs and maintenance, \$30 thousand.
- 4) Contingency funds budgeted for emergencies were \$250 thousand, and only \$126 thousand was used; \$86 thousand was used to cover cost center deficits in the general fund, and \$40 thousand was used for a transfer to the Youth Programs special revenue fund to cover a deficit in that fund.

Capital Asset and Debt Administration

Capital assets. The City of Greenacres' investment in capital assets as of September 30, 2010, net of accumulated depreciation, is \$21.4 million, a decrease of \$700 thousand from 2009. Total asset additions in 2010 of \$487 thousand were offset by \$47 thousand in asset disposals (net), and were further reduced by depreciation of \$1.2 million on existing assets, causing the decrease in net assets.

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

	<u>2010</u>	<u>2009</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,266	\$ 7,266	0.0%
Buildings	7,744	7,994	(3.1%)
Improvements other than buildings	4,198	4,522	(7.2%)
Furniture, fixtures and equipment	519	574	(9.6%)
Vehicles	1,618	1,756	(7.9%)
Construction in Progress	73	36	102.8%
Total	<u>21,418</u>	<u>22,148</u>	(3.3%)

Additional information can be found in Note 7 Capital Assets on page 34.

Debt administration. At year end 2010, the City had \$4.5 million of debt outstanding, consisting of \$207 thousand in revenue refunding bonds and a \$4.3 million public improvement bank note. Fiscal Year 2010 debt service payments reduced the overall debt by \$425 thousand. The remaining balance of the revenue refunding bonds will be paid in fiscal 2011.

The debt position of the City is summarized in the following table and is more fully explained in Note 8 Long-Term Liabilities on pages 39-40.

**City of Greenacres Outstanding Debt
(in thousands)**

	2010	2009	Increase / (Decrease)
Revenue Refunding Bonds	\$ 207	\$ 408	(49.3%)
Public Improvement Note Payable	4,282	4,506	(5.0%)
Total	\$ 4,489	\$ 4,914	(8.6%)

Economic Factors and Next Year’s Budgets and Rates

At the time of this analysis one year ago, Florida unemployment had reached 12 percent, where it currently remains. Economists now predict that the unemployment rate may fall below double digits by the last quarter of 2012. High unemployment means more home foreclosures. Historically, high unemployment rates have affected 20 to 30 percent of homeowners’ ability to make their mortgage payments.

Foreclosures remain backlogged after the “robo-signing” scandal, and will continue to exert downward pressure on property values. Property values in Palm Beach County fell 12 percent in 2010, and the property appraiser’s office is predicting declines as high as 10 percent again in 2011. Despite some frequent signs that the economy may be improving, whether a small increase in consumer spending, or a small decrease in the jobless rate, the economic forecast remains, at best, uncertain.

The City will continue to focus on providing the best and most cost effective services in these lean times. Through cost cutting measures and prioritizing projects, the City managed to eliminate its expected 2010 general fund budget deficit of \$1.2 million and instead realize a surplus of \$246 thousand in 2010. Managing reserves will continue to be extremely important in this weak economic environment.

In 2011, general fund revenues are expected to fall 2.4 percent, or \$500 thousand, to \$20 million from the \$20.5 million that was budgeted in 2010. With adequate funding in place for future capital improvements, the City was able to reduce its 2011 commitments for capital projects to zero for the second consecutive year. Salaries were also frozen for a second consecutive year also to preserve general fund reserves and deal with an uncertain economic environment that could still last several more years. As a result of its cost cutting measures, the City’s financial position remains strong. Unrestricted general fund balance maintained a healthy ratio of 52% of general fund expenditures plus transfers out in 2010.

Budgeted 2011 general fund expenditures, including transfers for debt service, are \$20,406,566, a decrease of \$1.2 million, or 6%, from the 2010 budget. With 2011 revenues predicted at \$20,015,443, it's expected that a budget deficit of \$392 thousand will be funded from the general fund reserve in 2010, reducing fund balance from \$10.9 million after the results of operations in 2010 to \$10.5 million in 2011.

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.

Statement of Net Assets

September 30, 2010	Governmental Activities
Assets	
Cash and cash equivalents	\$ 436,689
Investments	24,778,227
Receivables (net)	
Accounts	1,676,160
Interest	183,862
Grants	247,704
Assessments	9,383
Inventories	26,998
Prepaid items	61,047
Advance pension contribution	47,823
Capital assets	
Non-depreciable	7,338,564
Depreciable (net of depreciation)	14,079,432
Total Assets	48,885,889
Liabilities	
Accounts payable	348,667
Accrued payroll and related taxes	358,351
Unearned revenue	674,523
Deposits	46,882
Accrued interest payable	977
Due within one year:	
Compensated absences	752,553
Notes payable	439,986
Due in more than one year:	
Compensated absences	1,067,543
Notes payable	4,049,009
Net OPEB obligation	28,000
Net pension obligation	864,931
Total Liabilities	8,631,422
Net Assets	
Invested in capital assets, net of related debt	16,929,001
Restricted for:	
Capital projects	14,166,836
Debt service	711,731
Public safety	151,073
Youth programs	29,834
Arboreous activities	37,091
Unrestricted	8,228,901
Total Net Assets	\$ 40,254,467

See accompanying notes to basic financial statements.

Statement of Activities

For the Fiscal Year Ended September 30, 2010	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	\$ 3,626,380	\$ 401,774	\$ --	\$ --	\$ (3,224,606)
Public safety	12,904,781	2,131,909	472,735	200,685	(10,099,452)
Transportation	1,394,629	--	--	348,655	(1,045,974)
Culture/recreation	2,015,847	353,525	282,140	250	(1,379,932)
Physical environment	2,107,792	1,174,844	24,506	323,306	(585,136)
Interest on long-term debt	190,778	--	--	--	(190,778)
Total Governmental Activities	\$ 22,240,207	\$ 4,062,052	\$ 779,381	\$ 872,896	(16,525,878)
General Revenues:					
Taxes:					
Property taxes					7,353,777
Utility service taxes					3,891,792
Franchise fees based on gross receipts					1,765,242
Intergovernmental shared revenues - unrestricted					2,955,630
Investment earnings - unrestricted					637,828
Miscellaneous revenues					73,383
Total general revenues					16,677,652
Change in net assets					151,774
Net Assets - beginning, as restated					40,102,693
Net Assets - ending					\$40,254,467

See accompanying notes to basic financial statements.

Balance Sheet
Governmental Funds

September 30, 2010	Capital Projects					Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance			
Assets							
Cash and cash equivalents	\$ 436,689	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 436,689
Investments	9,416,340	4,485,872	3,707,765	6,255,106		913,144	24,778,227
Receivables (net)							
Accounts	1,676,160	--	--	--	--	--	1,676,160
Interest	52,008	8,995	12,384	110,475		--	183,862
Grants	54,651	52,352	--	110,023		30,678	247,704
Assessments	9,383	--	--	--		--	9,383
Inventories	26,998	--	--	--		--	26,998
Prepaid items	61,047	--	--	--		--	61,047
Total Assets	\$11,733,276	\$ 4,547,219	\$ 3,720,149	\$ 6,475,604	\$ 943,822	\$ 27,420,070	
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 256,542	\$ 44,511	\$ 395	\$ 40,743	\$ 6,476	\$ 348,667	
Accrued payroll and related taxes	352,013	--	--	--	6,338	358,351	
Unearned revenue	183,734	--	399,060	91,427	302	674,523	
Deposits	46,882	--	--	--	--	46,882	
Total Liabilities	839,171	44,511	399,455	132,170	13,116	1,428,423	
Fund Balances							
Reserved for:							
Encumbrances	16,738	53,910	38,630	19,913	1,424	130,615	
Inventories	26,998	--	--	--	--	26,998	
Prepaid items	61,047	--	--	--	--	61,047	
Police equipment	--	--	--	--	113,518	113,518	
Youth programs	--	--	--	--	17,580	17,580	
Debt service	--	--	--	--	500,099	500,099	
Unreserved, designated for:							
Subsequent year's expenditures:	391,123	1,626,052	83,284	832,119	--	2,932,578	
Special revenue funds	--	--	--	--	19,758	19,758	
Debt service funds	--	--	--	--	212,609	212,609	
Unreserved, undesignated	10,398,199	2,822,746	3,198,780	5,491,402	--	21,911,127	
Unreserved, undesignated:							
Special revenue funds	--	--	--	--	65,718	65,718	
Total Fund Balances	10,894,105	4,502,708	3,320,694	6,343,434	930,706	25,991,647	
Total Liabilities and Fund Balances	\$11,733,276	\$ 4,547,219	\$ 3,720,149	\$ 6,475,604	\$ 943,822	\$ 27,420,070	

See accompanying notes to basic financial statements.

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

For the Fiscal Year Ended September 30, 2010

Fund Balances - Total Governmental Funds \$ 25,991,647

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	\$ 35,017,410	
<u>Less accumulated depreciation</u>	<u>(13,599,414)</u>	21,417,996

Advance contributions for the defined benefit pension plan were not included in the determination of the net pension asset but are included in the statement of net assets. Because they do not represent available spendable resources, they are not reported in governmental funds. 47,823

Long-term liabilities, including notes 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:

Compensated absences	\$ (1,820,096)	
Notes payable	(4,488,995)	
Accrued interest payable	(977)	
Net OPEB obligation	(28,000)	
<u>Net pension obligation</u>	<u>(864,931)</u>	<u>(7,202,999)</u>

Net Assets of Governmental Activities \$ 40,254,467

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, 2010	General	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
		New Growth	Parks and Recreation	Reconstruction and Maintenance		
Revenues:						
Taxes	\$ 12,226,438	\$ --	\$ --	\$ --	\$ --	\$ 12,226,438
Licenses and permits	2,147,878	--	--	--	--	2,147,878
Intergovernmental revenues	3,122,727	323,306	40,959	162,404	266,422	3,915,818
Charges for services	2,696,638	--	--	--	212,152	2,908,790
Fines and forfeitures	112,581	--	--	--	20,955	133,536
Impact fees	--	3,483	--	--	--	3,483
Interest	453,085	91,195	83,396	158,132	2,633	788,441
Contributions	16,240	--	--	--	39,031	55,271
Rental income	290,955	--	157,678	--	--	448,633
Miscellaneous revenues	110,535	--	--	--	--	110,535
Total revenues	21,177,077	417,984	282,033	320,536	541,193	22,738,823
Expenditures:						
Current:						
General government	3,407,803	--	--	--	--	3,407,803
Public safety	12,314,773	--	--	--	6,678	12,321,451
Transportation	1,355,927	--	--	--	--	1,355,927
Culture/recreation	965,113	--	--	--	506,120	1,471,233
Physical environment	1,622,069	--	--	--	--	1,622,069
Capital outlay	25,424	458,374	254,371	509,595	30,143	1,277,907
Debt service:						
Principal	--	--	--	--	425,011	425,011
Interest	--	--	--	--	191,256	191,256
Total expenditures	19,691,109	458,374	254,371	509,595	1,159,208	22,072,657
Excess (deficiency) of revenues over expenditures	1,485,968	(40,390)	27,662	(189,059)	(618,015)	666,166
Other financing sources (uses):						
Transfers in	--	--	--	--	1,240,000	1,240,000
Transfers out	(1,240,000)	--	--	--	--	(1,240,000)
Total other financing sources (uses)	(1,240,000)	--	--	--	1,240,000	--
Net change in fund balances	245,968	(40,390)	27,662	(189,059)	621,985	666,166
Fund balances - beginning, as restated	10,648,137	4,543,098	3,293,032	6,532,493	308,721	25,325,481
Fund balances - ending	\$ 10,894,105	\$ 4,502,708	\$ 3,320,694	\$ 6,343,434	\$ 930,706	\$ 25,991,647

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

For the Fiscal Year Ended September 30, 2010

Net change in fund balances - total governmental funds \$666,166

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	\$ 484,135	
Less current year depreciation	(1,169,840)	(685,705)
<hr/>		

The net effect of the various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net assets. (44,077)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds:

Grant revenues	\$ (47,817)	
Solid waste collection fees	(95,000)	
Interest revenue	(150,613)	(293,430)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued interest payable	\$ 478	
Compensated absences	158,429	
Net OPEB obligation	173,860	
Net pension obligation	(181,597)	151,170

The repayment of the principal on long-term debt consumes current financial resources of the governmental funds. This transaction, however, has no effect on net assets. 425,011

The amount of the advance contribution for the defined benefit plan applied to the current year pension contribution is not reported as an expenditure in the governmental funds, but is reported as an expense in the statement of activities. (67,361)

Change in Net Assets of Governmental Activities \$151,774

See accompanying notes to basic financial statements.

Statement of Fiduciary Net Assets

September 30, 2010	Public Safety Officers' and Firefighters' Pension Plan
<hr/>	
Assets	
Cash and cash equivalents	\$ 37,470
Investments - Florida Municipal Pension Trust Fund	9,329,950
Contributions receivable	63,181
<hr/>	
Total assets	\$ 9,430,601
Net Assets	
Held in trust for pension benefits	\$ 9,430,601
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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, 2010	Public Safety Officers' and Firefighters' Pension Plan
<hr/>	
Additions:	
Contributions:	
Employer	\$ 905,084
Plan members	195,063
State on-behalf payments	408,949
Total Contributions	1,509,096
Investment income:	
Net increase in fair value of investments	737,314
Total additions	2,246,410
Deductions:	
Benefits paid and refunds of member contributions	23,777
Administrative expense	31,537
Total Deductions	55,314
Change in Net Assets	2,191,096
Net Assets Held in Trust for Pension Benefits	
Net assets - beginning	7,239,505
Net assets - ending	\$ 9,430,601

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 following is a summary of the City’s more significant accounting policies.

Financial Reporting Entity

Under governmental accounting and financial reporting standards, the City’s reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City is considered financially accountable if it appoints a voting majority of an organization’s governing body and it is able to impose its will on that organization. The City 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.

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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, 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, 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. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. 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 of the City 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 *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 *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 *Reconstruction and Maintenance Fund*, a capital projects fund, is used to account for financial resources used for the acquisition or construction of major capital facilities not accounted for in other funds.

Additionally, the City reports the following fund type:

The *Pension Trust Fund*, which is a fiduciary fund, is used to account for the activities of the Public Safety Officers and Firefighters Retirement Plan.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 needed.

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The City's cash and cash equivalents include cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition time. Resources of all funds, except the pension trust fund, 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 the equity balances of the individual funds.

The Florida PRIME is recorded at the value of the pool shares (2a-7 like pool), which is fair value. Fund B is a fluctuating NAV pool and is reported based on the fair value factor. The City's investment in the Florida Municipal Investment Trust is valued using the pooled share price, which is fair value.

Investments of the City's pension plan are held in the Florida Municipal Pension Trust Fund, administered by the Florida League of Cities. The investments are valued using the pooled share price, which is fair value.

Receivables

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

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 expenditures are recognized only when inventory items are used. In the governmental funds, the reported inventories are offset by a fund balance reserve which indicates that they do not constitute "available spendable resources," even though it is a component of current assets.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental funds, prepaid items are offset by a fund balance reserve which indicates that they do not constitute “available spendable resources,” even though they are a component of current assets.

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

Capital Assets

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 and intangible assets, \$50,000 or more for buildings, \$50,000 or more for building improvements, \$5,000 or more for machinery and equipment, \$5,000 or more for vehicles, and \$250,000 or more for infrastructure assets. 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 donation. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

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
Furniture, fixtures and equipment	3-10 years
Vehicles	5 years

During the 2010 fiscal year, the City implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. There was no effect on the City’s financial statements.

Unearned Revenue

Unearned revenue is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenue in the government-wide and the fund financial statements.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

The City's employees are granted a specific amount of vacation and sick leave, which is payable upon separation of service in varying amounts based on length of service. Accrued vacation leave is paid in full upon separation of employment up to a maximum of 240 hours for employees and 320 hours for the City Manager. 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. Vacation is accrued as a liability in the government-wide statements when the employee earns the benefit. 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 the 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 Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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, excluding unexpended proceeds. Restricted net assets is that portion of net assets that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance to indicate the portion of fund balance that is not appropriable for expenditures or is legally segregated by outside parties for a specific purpose. Designations indicate tentative managerial plans or intent to use financial resources in a future period. Undesignated fund balance indicates the portion of fund balance which is available for future use.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. 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 expenditures/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 those estimates.

2 – PROPERTY TAXES

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

Assessed values are established by the Palm Beach County Property Appraiser as of July 1st 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 (10 mills) 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. The millage rate levied by the City for the fiscal year ended September 30, 2010 was 5.150.

3 – PRIOR PERIOD ADJUSTMENTS

During the 2009-10 fiscal year, it was determined that the following prior period adjustments were required:

General Fund:	
Fund balance as reported at September 30, 2009	\$ 10,333,647
Adjustment for state-shared revenues applicable to the 2009 fiscal year end	314,490
Fund Balance as Restated at September 30, 2009	\$ 10,648,137
Governmental Activities:	
Net assets as reported at September 30, 2009	\$ 40,651,589
Adjustment to record the net pension obligation as of September 30, 2009	(683,334)
Adjustment to reflect the advance pension contribution at the correct balance as of September 30, 2009	(180,052)
Restatement - General Fund	314,490
Net Assets as Restated at September 30, 2009	\$ 40,102,693

4 – DEPOSITS AND INVESTMENTS***Deposits***

All of the City's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At year end, the City's deposits included \$6 million of certificates of deposit with terms to maturity of more than three months when purchased. These certificates of deposits are reported as investments.

Investments - City

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 investment pool administered by the SBA 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 U.S. 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 – DEPOSITS AND INVESTMENTS (Continued)**Investments – City** (Continued)

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 U.S. Government or any agency or instrumentality thereof.

The State Board of Administration (SBA) administers the Florida PRIME, (formally known as the Local Government Surplus Funds Trust Fund (LGIP), and the Fund B Surplus Funds Trust Fund. (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME 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, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2010, the fair value factor for Fund B was \$.70706 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balances within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust 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 like" pool.

As of September 30, 2010, the City had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
Florida Prime	\$ 4,449,622	52 days	AAAm S&P
Fund B	416,422	7.49 years	Not Rated
FMLvT 0-2 Year High Quality Bond Fund	5,794,377	0.78 years	AAAf/S1 S &P
FMLvT 1-3 Year High Quality Bond Fund	6,034,440	1.50 years	AAA/V2 Fitch
FMLvT Intermediate High Quality Bond Fund	2,083,366	3.10 years	AAA/V3 Fitch
Total Investments	\$ 18,778,227		

4 – DEPOSITS AND INVESTMENTS (Continued)**Investments – City** (Continued)**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 has an investment policy of structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements. The City's investment policy limits the maturities on individual investments to no more than three years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its own obligations. The City's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO).

Concentration of Credit Risk

The City's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2010, the value of each position held in the City's portfolio is less than 5% in any one issuer.

Investments – Public Safety Officers' and Firefighters' Retirement Plan

Funds are held for the City's Public Safety Officers' and Firefighters' Retirement Plan (the "Plan") 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 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 Florida Municipal Investment Trust.

At September 30, 2010, the Plan had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
FMIvT Broad Market High Quality Bond Fund	\$ 3,540,885	4.90 years	AA/V4 Fitch
FMIvT High Quality Growth Portfolio	768,128		Not Rated
FMIvT Diversified Small Cap Equity Portfolio	1,067,886		Not Rated
FMIvT Russell 1000 Enhanced Index Fund	2,201,344		Not Rated
FMIvT International Blend Portfolio	1,002,314		Not Rated
FMIvT Large Cap Diversified Value Portfolio	749,393		Not Rated
Total Investments	\$ 9,329,950		

4 – DEPOSITS AND INVESTMENTS (Continued)

Investments – Public Safety Officers’ and Firefighters’ Retirement Plan (Continued)

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The Plan has a maximum maturity at purchase of 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days. Banker’s acceptances maximum maturity shall not exceed 270 days from the time of purchase. Nonnegotiable certificates of deposit shall not exceed 2 years. No investments held in the portfolio exceed these limits.

Credit Risk

The Plan allows investments in rated investments in Commercial paper with A1/P1 or a comparable rating as provided by two of the top nationally recognized statistical rating organizations; and that the corporation’s long-term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least AA (or comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. Banker’s acceptances issued with the U.S. by institutions with a long-term debt rating of at least AA or short term debt rating of P1 (or comparable rating) as provided by one nationally recognized statistical rating organization. Nonnegotiable certificates of deposit must be rated at least A1/P1 (or comparable rating) and a long-term rating of a least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. Guaranteed investment contracts must be rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization. All investments held in the portfolio meet these requirements.

Concentration of Credit Risk

The Plan allows no more than \$5 million in certificates of deposit with any one depository at one time. Corporate fixed income securities are limited to no more than 5% of any one corporation at the time of purchase. No more than \$10 million in investment agreements with other financial institutions may be entered into with any one financial institution. No investments exceeded these limits.

Risks and Uncertainties

The Plan has investments in a variety of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities, it is a least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net assets and the statement of changes in plan net assets.

Notes to the Financial Statements

5 – RECEIVABLES

Receivables for the City’s individual major funds and non-major funds in the aggregate, including applicable allowances as of September 30, 2010 are as follows:

	General Fund	New Growth Fund	Parks and Recreation Fund	Reconstruction and Maintenance Fund	Nonmajor Governmental Funds	Total
Receivables:						
Accounts Receivable	\$1,912,489	\$ --	\$ --	\$ --	\$ --	\$1,912,489
Interest Receivable	52,008	8,995	12,384	110,475		183,862
Grants Receivable	54,651	52,352		110,023	30,678	247,704
Assessments Receivable	9,383	--	--	--	--	9,383
Total Receivables	2,028,531	61,347	12,384	220,498	30,678	2,353,438
Less Allowance for Uncollectible Amounts	(236,329)	--	--	--	--	(236,329)
Net Total Receivables	\$1,792,202	\$ 61,347	\$ 12,384	\$ 220,498	\$ 30,678	\$2,117,109

6 – INTERFUND TRANSACTIONS

The following is a summary of interfund transfers for the year ended September 30, 2010:

Fund	Transfers In	Transfers Out
Major Fund		
General Fund	\$ --	\$1,240,000
Nonmajor Governmental Funds	1,240,000	--
Total Interfund Transfers	\$1,240,000	\$1,240,000

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 \$800,000 to the Municipal Complex debt service fund for principal and interest payments on the Public Improvement Note, Series 2004A. The amounts transferred also include funding for debt service payments in future years. A transfer of \$40,000 was also made to the Youth Programs Fund to subsidize the cost of programs.

Notes to the Financial Statements

7 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 7,265,636	\$ --	\$ --	\$ 7,265,636
Construction-in-progress	35,592	40,586	(3,250)	72,928
Total Capital Assets not Being Depreciated	7,301,228	40,586	(3,250)	7,338,564
Capital Assets Being Depreciated				
Buildings	12,684,240	65,293	--	12,749,533
Improvements other than buildings	8,320,760	72,348	--	8,393,108
Furniture, fixtures, and equipment	1,944,773	89,892	(29,472)	2,005,193
Vehicles	4,581,351	219,266	(269,605)	4,531,012
Total Capital Assets Being Depreciated	27,531,124	446,799	(299,077)	27,678,846
Less Accumulated Depreciation for				
Buildings	(4,689,463)	(315,915)	--	(5,005,378)
Improvements other than buildings	(3,799,118)	(396,149)	--	(4,195,267)
Furniture, fixtures, and equipment	(1,371,216)	(144,461)	29,473	(1,486,204)
Vehicles	(2,824,777)	(313,315)	225,527	(2,912,565)
Accumulated Depreciation	(12,684,574)	(1,169,840)	255,000	(13,599,414)
Total Capital Assets Being Depreciated, Net	14,846,550	(723,041)	(44,077)	14,079,432
Total Capital Assets, Net	\$ 22,147,778	\$ (682,455)	\$ (47,327)	\$21,417,996

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 182,286
Public safety	376,237
Transportation	50,164
Culture/recreation	412,889
Physical environment	148,264
Total Depreciation Expense	\$ 1,169,840

8 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010	Due Within One Year
Public improvement note, 2004A	\$ 4,505,725	\$ --	\$ 223,800	\$ 4,281,925	\$ 232,916
Revenue refunding note, 2004B	408,281	--	201,211	207,070	207,070
Compensated absences	1,978,525	919,874	1,078,303	1,820,096	752,553
Total	\$ 6,892,531	\$ 919,874	\$ 1,503,314	\$ 6,309,091	\$ 1,192,539

8 – LONG-TERM DEBT (Continued)

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. Principal and interest payments are due semi-annually on March 29th and September 29th, with interest at 4.0325%. The note is payable from the City's legally available non-ad valorem revenues. Principal and interest paid for the current fiscal year was \$403,210 and the legally available non-ad valorem revenues totaled \$13,359,449 for the year. At September 30, 2010, principal and interest to maturity in 2024 to be paid from pledged future revenues totaled \$5,645,640. 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 any prepayment.

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

	Principal	Interest	Total
Year Ending September 30			
2011	\$ 232,916	\$ 170,343	\$ 403,259
2012	242,403	160,857	403,260
2013	252,277	150,983	403,260
2014	262,552	140,708	403,260
2015	273,246	130,014	403,260
2016-2020	1,542,526	473,774	2,016,300
2021-2024	1,476,005	137,036	1,613,041
Total	\$4,281,925	\$1,363,715	\$5,645,640

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. Principal payments are due annually on September 1st and interest is payable semi-annually on March 1st and September 1st. The interest rate of the note is 2.913%. The note is payable from a public service tax imposed on the purchase of water, natural gas, and propane gas in the City. Principal and interest paid for the current fiscal year was \$213,057 and pledged public services taxes totaled \$463,851 for the year. At September 30, 2010, principal and interest to maturity in 2011 to be paid from pledged future revenues totaled \$213,103. 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			
2011	\$ 207,070	\$ 6,033	\$ 213,103

9 – 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, Florida 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, 2010, were as follows: regular employees 10.77%, special risk employees 23.25%, senior management employees 14.57% and elected officials 18.64%.

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, 2008 through 2010 were \$442,634, \$464,042 and \$454,647 respectively, which were equal to 100% of the required contributions for each fiscal year.

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.

9 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (Continued)

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.

10 – EMPLOYEE RETIREMENT PLANS

Public Safety Officers' and Firefighters' Retirement Plan

Plan Description

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. 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 standalone 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 also 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.

10 – EMPLOYEE RETIREMENT PLANS (Continued)

Public Safety Officers' and Firefighters' Retirement Plan (Continued)

Plan Description (Continued)

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 September 30, 2010, Plan membership consisted of 72 active employees and 87 total participants. There is one retiree currently receiving benefits.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from the City, as calculated by the Plan's actuary, are recognized as revenue when due and when the City has made a formal commitment to provide the contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

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

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. Plan provisions and contribution rates may be amended by the City Council based upon the recommendations of the Board of Trustees, subject to the minimum requirements of Florida Statutes.

The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being appropriated for use for funding purposes. Additionally, the State collects locally authorized insurance premium surcharges which can only be distributed after the State has ascertained that the local government has met its actuarial funding requirement for the then most recently completed fiscal year. 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, 2010, \$408,449 was recorded as a revenue and expenditure in the General Fund relating to on-behalf payments received from the State.

10 – EMPLOYEE RETIREMENT PLANS (Continued)

Public Safety Officers’ and Firefighters’ Retirement Plan (Continued)

Annual Pension Cost and Net Pension Obligation

The City’s current contribution was determined through an actuarial valuation performed as of October 1, 2008. Significant actuarial assumptions in the October 1, 2009 actuarial valuation, the latest valuation available, are as follows:

Actuarial cost method	Aggregate
Amortization method	Level percentage, open
Remaining amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increase	5.00%-8.00%
Cost of living adjustments	3.00%

As noted above, the Plan utilizes the aggregate actuarial cost method to determine the annual required contribution of the employer to the Plan. Because this method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan’s funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose and the information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan.

The City’s annual pension cost and net pension obligation for the current year is as follows:

Annual Required Contribution (ARC)	\$1,470,192
Interest on Net Pension Obligation (NPO)	49,542
Adjustment to ARC	(29,276)
Annual Pension Cost (APC)	1,490,458
City/State/Employee Contributions Made	(1,308,861)
Increase in NPO	181,597
Net Pension Obligation, October 1, 2009	683,334
Net Pension Obligation, September 30, 2010	\$ 864,931

Three-Year Trend Information			
Fiscal Year End	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2008	\$ 572,880	100.00%	\$ --
9/30/2009	1,204,955	43.00%	683,334
9/30/2010	1,490,458	88.00%	864,931

10 – EMPLOYEE RETIREMENT PLANS (Continued)

Funded Status and Funding Progress

The funded status and funding progress of the Plan as of the October 1, 2009 actuarial valuation date was as follows:

Actuarial value of assets	\$6,693,561
Actuarial accrued liability (AAL)	\$9,088,420*
Unfunded actuarial accrued liability (UAAL)	\$2,344,859
Funded ratio	73.65%
Covered payroll	\$4,892,163
UAAL as a percentage of covered payroll	48.95%

* For purposes of this schedule, the AAL for the Plan is determined using the entry age actuarial cost method. Note that the ARC is calculated using the aggregate actuarial cost method.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

General Employees' Retirement Plan – Defined Contribution 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 standalone 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, 2010, were \$227,120 and \$127,556, 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.

11 – OTHER POST EMPLOYMENT BENEFITS (OPEB)***Plan Description***

The City provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

Annual OPEB Cost and Net OPEB Obligation

The annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The annual OPEB cost and the net OPEB obligation for the City for the current year and the related information is as follows:

Required Contribution Rates:

Employer	Pay-as-you-go
Plan members	N/A
Annual Required Contribution (ARC)	\$ 26,000
Interest	1,000
Adjustment to the ARC	(1,000)
Annual OPEB Cost	26,000
Contributions Made	(12,000)
Increase in Net OPEB Obligation prior to Change in Estimate in Actuarial Assumptions	14,000
Change in Estimate in Actuarial Assumptions*	(187,860)
Net OPEB Obligation, October 1, 2009	201,860
Net OPEB Obligation, September 30, 2010	\$ 28,000

*During the 2010 fiscal year, the City's actuary provided a revised report which modified assumptions from a 50% participation rate to a 5% participation rate, based on historical trends. This change in assumptions was recorded on a prospective basis.

11 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 and 2009 was:

Fiscal year ended	9/30/2010	9/30/2009
Annual OPEB cost	\$26,000	\$26,000
Percentage of OPEB cost contributed	46.15%	46.15%
Net OPEB Obligation	\$28,000	\$14,000

Funded Status and Funding Progress

The funded status of the plan as of October 1, 2008, the most recent actuarial valuation date, was as follows:

Actuarial valuation date	10/01/08
Actuarial accrued liability	\$211,000
Actuarial value of plan assets	\$ --
Unfunded actuarial accrued liability (UAAL)	\$211,000
Funded ratio	0.0%
Covered payroll	\$8,798,000
UAAL as a percentage of covered payroll	2.4%

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are comparable with past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information following the notes to the financial statements is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	October 1, 2008
Actuarial cost method	Projected unit credit
Amortization method	15-year open period; level-dollar payment
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	1. (includes inflation at 3.0%)
Healthcare inflation rate	10% initial; 6% ultimate in 2016

12 – 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.

13 – OPERATING LEASE

Effective December 1, 2008, the City entered into an agreement to lease the old City Hall facility to the Florida Department of Management Services. The lease expires November 30, 2013, and the State has the option to renew the lease for an additional five year term. The State has the right to terminate the lease without penalty in the event a State owned building becomes available for occupancy, upon giving six months written notice to the City. Total lease payments received under the lease during the fiscal year ended September 30, 2010 were \$165,569. As of September 30, 2010, the cost of the land and building under the operating lease was \$1,181,406 and accumulated depreciation on the property was \$794,562.

14 – CONTINGENT LIABILITIES

Grants

Grant monies received and disbursed by the City are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. The City does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material effect on the financial position of the City.

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

For the Fiscal Year Ended September 30, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 7,236,957	\$ 7,236,957	\$ 7,308,718	\$ 71,761
Delinquent	20,000	20,000	45,059	25,059
Total ad valorem taxes	7,256,957	7,256,957	7,353,777	96,820
Utility service taxes:				
Electric	1,600,000	1,600,000	1,780,946	180,946
Telecommunications	1,500,000	1,500,000	1,646,996	146,996
Water	325,000	325,000	390,959	65,959
Gas	40,000	40,000	51,700	11,700
Propane gas	25,000	25,000	21,191	(3,809)
Total public service taxes	3,490,000	3,490,000	3,891,792	401,792
Local option gas tax	339,000	230,500	237,806	7,306
New local option gas tax	--	108,500	110,849	2,349
Local business tax	224,400	224,400	223,265	(1,135)
Insurance premium tax	450,000	450,000	408,949	(41,051)
Total taxes	11,760,357	11,760,357	12,226,438	466,081
Licenses and permits:				
Building permits	200,950	200,950	300,740	99,790
Electrical permits	10,050	10,050	14,787	4,737
Plumbing permits	13,750	13,750	10,620	(3,130)
Mechanical permits	16,950	16,950	55,524	38,574
Electric franchise fees	1,750,000	1,750,000	1,655,016	(94,984)
Gas franchise fees	40,325	40,325	31,580	(8,745)
Solid waste franchise fees	74,160	74,160	78,646	4,486
Other	1,400	1,400	965	(435)
Total licenses and permits	2,107,585	2,107,585	2,147,878	40,293
Intergovernmental revenues:				
State revenue sharing	840,000	840,000	858,613	18,613
Half-cent sales tax	1,900,000	1,900,000	2,008,187	108,187
County occupational license	70,000	70,000	66,304	(3,696)
Mobile home license	12,000	12,000	8,238	(3,762)
Alcoholic beverage license	11,000	11,000	14,288	3,288
Motor fuel tax rebate	10,000	10,000	10,893	893
Grants	134,058	134,058	123,805	(10,253)
Other	30,660	30,660	32,399	1,739
Total intergovernmental	3,007,718	3,007,718	3,122,727	115,009

(Continued)

See accompanying notes to required supplementary information.

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, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,122,000	\$ 1,122,000	\$ 1,151,875	\$ 29,875
Zoning fees	22,166	22,166	27,600	5,434
Administrative fees	64,000	64,000	108,102	44,102
Sales of documents	28,000	28,000	35,801	7,801
Culture/recreation	83,980	83,980	36,452	(47,528)
Security services	67,000	67,000	59,456	(7,544)
Ambulance transport	1,299,000	1,299,000	1,253,557	(45,443)
Other	32,400	32,400	23,795	(8,605)
Total charges for services	2,718,546	2,718,546	2,696,638	(21,908)
Fines and forfeitures:				
Judgments and fines	161,000	161,000	90,498	(70,502)
Violations of local ordinances	32,000	32,000	21,114	(10,886)
Other	500	500	969	469
Total fines and forfeitures	193,500	193,500	112,581	(80,919)
Interest:				
Bank	150,000	150,000	157,987	7,987
State Board of Administration	10,000	10,000	177,198	167,198
FMIvT	110,000	110,000	116,286	6,286
Tax collector interest	5,000	5,000	1,514	(3,486)
Other interest	500	500	100	(400)
Total interest	275,500	275,500	453,085	177,585
Special assessments	4,000	4,000	--	(4,000)
Contributions	8,330	8,330	16,240	7,910
Rental fees	245,200	245,200	290,955	45,755
Miscellaneous:				
Vending machine royalties	3,000	3,000	2,644	(356)
Refunds - prior year	21,000	21,000	4,967	(16,033)
Insurance proceeds	30,000	30,000	10,065	(19,935)
Sales of surplus materials	75,000	75,000	21,611	(53,389)
Other	65,106	65,106	71,248	6,142
Total miscellaneous	194,106	194,106	110,535	(83,571)
Total Revenues	\$ 20,514,842	\$ 20,514,842	\$ 21,177,077	\$ 662,235

(Continued)

See accompanying notes to required supplementary information.

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, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
General government:				
Administrative:				
City Manager	\$ 481,562	\$ 482,650	\$ 457,891	\$ 24,759
Mayor and City Council	162,891	162,891	154,903	7,988
Legal counsel	113,324	114,724	139,058	(24,334)
Human resources	191,775	161,775	121,674	40,101
City Clerk	187,650	217,650	217,647	3
Total administration	1,137,202	1,139,690	1,091,173	48,517
Finance:				
Administration	329,911	394,911	392,030	2,881
Financial operations	445,908	425,908	418,496	7,412
Purchasing	142,972	142,972	140,681	2,291
Information technology	348,321	348,321	324,202	24,119
Total finance	1,267,112	1,312,112	1,275,409	36,703
Planning and development	579,640	647,225	633,575	13,650
Risk management	422,100	422,100	407,646	14,454
Contingency	250,000	124,000	--	124,000
Total general government	3,656,054	3,645,127	3,407,803	237,324
Public safety:				
Administration	536,231	606,231	602,511	3,720
Uniform patrol	4,191,666	4,194,175	4,058,429	135,746
Investigation	826,209	826,798	754,596	72,202
EMS	4,554,647	4,557,859	4,649,770	(91,911)
Support services	1,747,221	1,680,370	1,551,660	128,710
Protective inspections	723,559	723,330	697,807	25,523
Total public safety	12,579,533	12,588,763	12,314,773	273,990
Transportation:				
Public works administration	171,554	171,554	168,692	2,862
Streets and grounds maintenance	658,647	683,848	677,083	6,765
Vehicle maintenance	523,487	526,947	510,152	16,795
Total transportation	1,353,688	1,382,349	1,355,927	26,422
Culture/recreation:				
Administration	175,454	175,646	174,341	1,305
Parks and grounds maintenance	564,520	558,832	486,260	72,572
Recreation services	111,157	111,157	33,512	77,645
Community center	290,390	290,365	271,000	19,365
Total culture/recreation	1,141,521	1,136,000	965,113	170,887

(Continued)

See accompanying notes to required supplementary information.

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, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued)				
Physical environment:				
Building services	\$ 632,351	\$ 630,497	\$ 572,563	\$ 57,934
Solid waste collection and disposal	1,057,520	1,057,520	1,049,506	8,014
Total physical environment	1,689,871	1,688,017	1,622,069	65,948
Capital outlay (all departments and functions)	17,557	21,111	25,424	(4,313)
Total Expenditures	20,438,224	20,461,367	19,691,109	770,258
Excess of Revenues Over Expenditures	76,618	53,475	1,485,968	1,432,493
Other Financing Uses				
Transfers out	(1,200,000)	(1,240,000)	(1,240,000)	--
Net Change in Fund Balance	(1,123,382)	(1,186,525)	245,968	1,432,493
Fund Balance - Beginning, as restated	1,123,382	1,186,525	10,648,137	9,461,612
Fund Balances - Ending	\$ --	\$ --	\$ 10,894,105	\$10,894,105

See accompanying notes to required supplementary information.

Notes To The Budgetary Comparison Schedule
General Fund

September 30, 2010

1. BUDGETARY ACCOUNTING

The City annually adopts an operating budget for all funds except the Police and Firefighters' Special Revenue Fund. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are as follows:

- ❖ Approximately July 1st, the City Manager submits to the City Council a proposed operating budget prepared for the fiscal year commencing the following October 1st. 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 1st, 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.

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.

During the year, supplemental appropriations in the General Fund totaled \$63,143.

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

Required Supplementary Information

Public Safety Officers' and Firefighters' Retirement Plan

For the Fiscal Year Ended September 30, 2010

Schedule of Funding Progress

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
10/1/2004	\$ 3,124,581	\$ 3,124,581	\$ --	100.00%	\$ 2,733,956	0.00%
10/1/2005	4,022,447	4,022,447	--	100.00%	2,870,654	0.00%
10/1/2006	4,925,104	4,925,104	--	100.00%	2,693,049	0.00%
10/1/2007	6,021,159	4,435,716	--	135.74%	3,419,643	0.00%
10/1/2008	5,844,087	6,956,695	1,112,608	84.01%	4,304,995	25.84%
10/1/2009	6,693,561	9,088,420	2,394,859	73.65%	4,892,163	48.95%

* The annual required contribution (ARC) is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

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
2005	\$ 488,993	100.00%	\$ 488,993	100.00%
2006	512,744	100.00%	512,744	100.00%
2007	392,946	100.00%	392,946	100.00%
2008	572,880	100.00%	572,880	100.00%
2009	1,204,955	43.00%	1,204,955	43.00%
2010	1,470,192	89.00%	1,490,458	88.00%

Required Supplementary Information

Other Post Employment Benefits

For the Fiscal Year Ended September 30, 2010

Schedule of Funding Progress

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
10/1/2008	\$ --	\$ 211,000	\$ 211,000	0.00%	\$ 8,798,000	2.40%

The above schedule reflects data for one year due to the year ended September 30, 2009 being the first year of implementation of GASB Statement No. 45. The next actuarial valuation will be obtained October 1, 2011.

New Growth Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 172,006	\$172,006	\$ 323,306	\$ 151,300
Impact fees	59,128	59,128	3,483	(55,645)
Interest	100,000	100,000	91,195	(8,805)
Total Revenues	331,134	331,134	417,984	86,850
Expenditures:				
Capital outlay	1,840,706	505,051	458,374	46,677
Excess (Deficiency) of Revenues Over Expenditures	(1,509,572)	(173,917)	(40,390)	133,527
Fund Balance - Beginning	1,509,572	173,917	4,543,098	4,369,181
Fund Balance - Ending	\$ --	\$ --	\$4,502,708	\$ 4,502,708

Parks and Recreation Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ --	\$ --	\$ 40,959	\$ 40,959
Interest	80,000	80,000	83,396	3,396
Rental income	183,442	183,442	157,678	(25,764)
Total Revenues:	263,442	263,442	282,033	18,591
Expenditures:				
Capital outlay	194,500	329,994	254,371	75,623
Excess (Deficiency) of Revenues Over Expenditures	68,942	(66,552)	27,662	94,214
Fund Balance - Beginning	(68,942)	66,552	3,293,032	3,226,480
Fund Balance - Ending	\$ --	\$ --	\$ 3,320,694	\$ 3,320,694

Reconstruction and Maintenance Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 475,470	\$ 475,470	\$ 162,404	\$ (313,066)
Interest	200,000	200,000	158,132	(41,868)
Total Revenues	675,470	675,470	320,536	(354,934)
Expenditures:				
Capital outlay	1,209,892	1,175,140	509,595	665,545
Excess (Deficiency) of Revenues Over Expenditures	(534,422)	(499,670)	(189,059)	310,611
Fund Balance - Beginning	534,422	499,670	6,532,493	6,032,823
Fund Balance - Ending	\$ --	\$ --	\$ 6,343,434	\$ 6,343,434

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2010	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Investments	\$117,518	\$ 37,091	\$37,232	\$ 8,595
Grants receivable	--	--	323	30,355
Total Assets	\$117,518	\$ 37,091	\$37,555	\$38,950
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,000	\$ --	\$ --	\$ 2,476
Accrued payroll and related taxes	--	--	--	6,338
Unearned revenue	--	--	--	302
Total Liabilities	4,000	--	--	9,116
Fund Balances:				
Reserved for:				
Encumbrances	--	--	--	1,424
Police equipment	113,518	--	--	--
Youth programs	--	--	--	17,580
Debt service	--	--	--	--
Unreserved, designated for subsequent year's expenditures	--	6,926	2,002	10,830
Unreserved, reported in:				
Special revenue funds	--	30,165	35,553	--
Total Fund Balances	113,518	37,091	37,555	29,834
Total Liabilities and Fund Balances	\$117,518	\$ 37,091	\$37,555	\$38,950

<u>Debt Service Funds</u>			Total
Fire	Municipal	Governmental	Nonmajor
Safety	Complex	Funds	
\$ 246,410	\$ 466,298	\$ 913,144	
--	--	30,678	
<u>\$ 246,410</u>	<u>\$ 466,298</u>	<u>\$ 943,822</u>	
\$ --	\$ --	\$ 6,476	
--	--	6,338	
--	--	302	
<u>--</u>	<u>--</u>	<u>13,116</u>	
--	--	1,424	
--	--	113,518	
--	--	17,580	
33,801	466,298	500,099	
212,609	--	232,367	
<u>--</u>	<u>--</u>	<u>65,718</u>	
<u>246,410</u>	<u>466,298</u>	<u>930,706</u>	
<u>\$ 246,410</u>	<u>\$ 466,298</u>	<u>\$ 943,822</u>	

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

For the Fiscal Year Ended September 30, 2010	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ 266,422
Charges for services	--	--	--	212,152
Fines and forfeitures	20,955	--	--	--
Interest	285	92	93	18
Contributions	--	250	38,281	500
Total Revenues	21,240	342	38,374	479,092
Expenditures:				
Current:				
Public safety	--	--	6,678	--
Culture/recreation	--	--	--	506,120
Capital outlay	16,927	849	12,367	--
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	16,927	849	19,045	506,120
Excess (Deficiency) of Revenues Over Expenditures	4,313	(507)	19,329	(27,028)
Other Financing Sources				
Transfers in	--	--	--	40,000
Net Change in Fund Balances	4,313	(507)	19,329	12,972
Fund Balances - Beginning of Year	109,205	37,598	18,226	16,862
Fund Balances - End of Year	\$ 113,518	\$ 37,091	\$ 37,555	\$ 29,834

<u>Debt Service Funds</u>			Total Nonmajor Governmental Funds
<u>Fire Safety</u>	<u>Municipal Complex</u>		
\$ --	\$ --	\$	266,422
--	--		212,152
--	--		20,955
803	1,342		2,633
--	--		39,031
<u>803</u>	<u>1,342</u>		<u>541,193</u>
--	--		6,678
--	--		506,120
--	--		30,143
201,211	223,800		425,011
<u>11,846</u>	<u>179,410</u>		<u>191,256</u>
<u>213,057</u>	<u>403,210</u>		<u>1,159,208</u>
(212,254)	(401,868)		(618,015)
<u>400,000</u>	<u>800,000</u>		<u>1,240,000</u>
187,746	398,132		621,985
<u>58,664</u>	<u>68,166</u>		<u>308,721</u>
<u>\$ 246,410</u>	<u>\$ 466,298</u>	<u>\$</u>	<u>930,706</u>

Arboreous Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 500	\$ 92	\$ (408)
Contributions	3,000	250	(2,750)
Total Revenues	3,500	342	(3,158)
Expenditures:			
Capital outlay	10,000	849	9,151
Excess (Deficiency) of Revenues Over Expenditures	(6,500)	(507)	5,993
Fund Balance - Beginning	6,500	37,598	31,098
Fund Balance - Ending	\$ --	\$ 37,091	\$ 37,091

Public Safety Donation Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 93	\$ (7)
Contributions	2,900	38,281	35,381
Total Revenues	3,000	38,374	35,374
Expenditures:			
Current:			
Public safety	--	6,678	(6,678)
Capital outlay	20,000	12,367	7,633
Total Expenditures	20,000	19,045	955
Excess (Deficiency) of Revenues Over Expenditures	(17,000)	19,329	36,329
Fund Balance - Beginning	17,000	18,226	1,226
Fund Balance - Ending	\$ --	\$ 37,555	\$ 37,555

Youth Programs Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$297,331	\$297,331	\$266,422	\$ (30,909)
Charges for services	240,886	240,886	212,152	(28,734)
Interest	1,508	1,508	18	(1,490)
Contributions	2,000	2,000	500	(1,500)
Total Revenues	541,725	541,725	479,092	(62,633)
Expenditures:				
Current:				
Culture/recreation	521,947	524,535	506,120	18,415
Capital outlay	900	23	--	23
Total Expenditures	522,847	524,558	506,120	18,438
Excess (Deficiency) of Revenues Over Expenditures	18,878	17,167	(27,028)	(44,195)
Other Financing Sources				
Transfers in	--	--	40,000	40,000
Net Change in Fund Balance	18,878	17,167	12,972	(4,195)
Fund Balance - Beginning	(18,878)	(17,167)	16,862	34,029
Fund Balance - Ending	\$ --	\$ --	\$ 29,834	\$ 29,834

Fire Safety Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 2,000	\$ 803	\$ (1,197)
Expenditures:			
Debt service:			
Principal	201,211	201,211	--
Interest	11,895	11,846	49
Total Expenditures	213,106	213,057	49
Deficiency of Revenues Over Expenditures	(211,106)	(212,254)	(1,148)
Other Financing Sources			
Transfers in	400,000	400,000	--
Net Change in Fund Balance	188,894	187,746	(1,148)
Fund Balance - Beginning	(188,894)	58,664	247,558
Fund Balance - Ending	\$ --	\$ 246,410	\$ 246,410

Municipal Complex Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended September 30, 2010	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 4,000	\$ 1,342	\$ (2,658)
Expenditures:			
Debt service:			
Principal	223,800	223,800	--
Interest	179,460	179,410	50
Total Expenditures	403,260	403,210	50
Deficiency of Revenues Over Expenditures	(399,260)	(401,868)	(2,608)
Other Financing Sources			
Transfers in	800,000	800,000	--
Net Change in Fund Balance	400,740	398,132	(2,608)
Fund Balance - Beginning	(400,740)	68,166	468,906
Fund Balance - Ending	\$ --	\$ 466,298	\$ 466,298

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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Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

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Demographic and Economic Information

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

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Operating Information

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

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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 September 30,	2003	2004	2005	2006
Primary Government - Governmental Activities				
Invested in capital assets, net of related debt	\$ 13,733,266	\$ 13,766,688	\$ 13,927,169	\$ 13,616,882
Restricted	220,845	188,348	7,330,386	10,935,508
Unrestricted	4,369,674	6,419,983	2,411,964	7,583,456
Total Primary Government Net Assets	\$ 18,323,785	\$ 20,375,019	\$ 23,669,519	\$ 32,135,846

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.

2007	2008	2009	2010
\$ 15,242,622	\$ 16,647,292	\$ 17,233,772	\$ 16,929,001
12,539,737	13,061,468	14,723,706	15,096,565
8,651,866	9,281,185	8,694,111	8,228,901
<u>\$ 36,434,225</u>	<u>\$ 38,989,945</u>	<u>\$ 40,651,589</u>	<u>\$ 40,254,467</u>

Schedule 2
Changes in Net Assets
(Unaudited)

Fiscal Year Ended September 30,	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 2,697,863	\$ 2,651,973	\$ 3,454,422	\$ 3,605,207
Public safety	9,297,049	9,327,155	9,745,475	9,986,194
Transportation	1,263,925	1,551,007	1,357,200	1,465,701
Culture/recreation	1,988,141	2,095,196	2,081,419	2,165,534
Physical environment	1,334,025	1,777,267	1,435,927	1,450,246
Interest on long-term debt	92,222	76,342	256,928	245,757
Total Primary Government Expenses	16,673,225	17,478,940	18,331,371	18,918,639
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety	986,419	1,258,050	1,339,180	1,324,642
Physical environment	2,187,256	1,861,873	2,446,643	4,166,525
Other	1,089,987	1,496,182	770,315	729,406
Total charges for services	4,263,662	4,616,105	4,556,138	6,220,573
Operating grants and contributions	349,967	493,651	584,840	877,953
Capital grants and contributions	732,408	801,053	673,769	1,705,546
Total Primary Government Program Revenues	5,346,037	5,910,809	5,814,747	8,804,072
Net (Expense) Revenue				
Governmental activities	(11,327,188)	(11,568,131)	(12,516,624)	(10,114,567)
Total Primary Government Net Expense	(11,327,188)	(11,568,131)	(12,516,624)	(10,114,567)
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
Utility service taxes	3,109,389	3,129,143	3,300,570	3,528,502
Franchise fees based on gross receipts	1,189,054	1,238,976	1,341,265	1,909,999
Intergovernmental shared revenues - unrestricted	2,728,749	3,060,459	3,351,262	3,490,017
Investment earnings - unrestricted	90,241	92,686	412,034	930,024
Miscellaneous revenues	188,505	216,562	401,442	381,786
Total General Revenues	12,378,709	13,619,365	15,726,550	18,580,894
Change in Net Assets				
Governmental activities	1,051,521	2,051,234	3,209,926	8,466,327
Total Primary Government	\$ 1,051,521	\$ 2,051,234	\$ 3,209,926	\$ 8,466,327

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.

2007	2008	2009	2010
\$ 3,952,081	\$ 4,104,229	\$ 3,840,349	\$ 3,218,734
11,236,582	11,814,830	12,114,776	12,904,781
1,893,338	1,566,992	1,493,901	1,394,629
1,824,186	2,790,466	2,265,944	2,015,847
1,648,435	1,860,940	1,828,938	2,515,438
232,741	219,334	205,276	190,778
<u>20,787,363</u>	<u>22,356,791</u>	<u>21,749,184</u>	<u>22,240,207</u>
1,377,656	2,097,369	1,967,450	2,131,909
2,053,213	1,120,173	1,072,221	1,174,844
787,980	831,052	760,751	755,299
<u>4,218,849</u>	<u>4,048,594</u>	<u>3,800,422</u>	<u>4,062,052</u>
851,075	903,201	869,294	779,381
775,525	917,798	757,843	872,896
<u>5,845,449</u>	<u>5,869,593</u>	<u>5,427,559</u>	<u>5,714,329</u>
<u>(14,941,914)</u>	<u>(16,487,198)</u>	<u>(16,321,625)</u>	<u>(16,525,878)</u>
<u>(14,941,914)</u>	<u>(16,487,198)</u>	<u>(16,321,625)</u>	<u>(16,525,878)</u>
10,580,841	9,813,152	8,579,942	7,353,777
3,452,303	3,391,448	3,833,724	3,891,792
1,913,270	1,904,346	1,919,486	1,765,242
3,357,658	3,170,728	2,950,325	2,955,630
1,295,850	333,572	576,386	637,828
124,817	216,449	123,406	73,383
<u>20,724,739</u>	<u>18,829,695</u>	<u>17,983,269</u>	<u>16,677,652</u>
<u>5,782,825</u>	<u>2,342,497</u>	<u>1,661,644</u>	<u>151,774</u>
<u>\$ 5,782,825</u>	<u>\$ 2,342,497</u>	<u>\$ 1,661,644</u>	<u>\$ 151,774</u>

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

Fiscal Year Ended September 30,	2001	2002	2003	2004	2005
General Fund					
Reserved	\$ 82,541	\$ 61,959	\$ 60,987	\$ 145,814	\$ 202,033
Unreserved	4,165,790	3,381,510	4,505,802	5,874,845	7,668,263
Total General Fund	\$4,248,331	\$3,443,469	\$4,566,789	\$6,020,659	\$7,870,296
All Other Governmental Funds					
Reserved	\$1,402,961	\$ 724,492	\$ 728,740	\$ 985,649	\$6,817,305
Unreserved, reported in:					
Special revenue funds	61,318	9,992	32,922	44,074	55,391
Capital projects funds	1,852,039	368,389	100,479	5,592,995	503,721
Debt service funds	145,912	--	--	80,001	--
Total All Other Governmental Funds	\$3,462,230	\$1,102,873	\$ 862,141	\$6,702,719	\$7,376,417

2006	2007	2008	2009	2010
\$ 201,043	\$ 194,968	\$ 175,599	\$ 162,384	\$ 104,783
9,219,768	9,504,009	10,556,999	10,171,263	10,789,322
\$ 9,420,811	\$ 9,698,977	\$10,732,598	\$10,333,647	\$10,894,105
\$ 4,940,452	\$ 2,692,372	\$ 1,375,888	\$ 502,157	\$ 745,074
61,870	64,576	49,078	55,824	85,476
5,928,855	9,638,422	11,572,382	14,119,363	14,054,383
--	--	--	--	212,609
\$10,931,177	\$12,395,370	\$12,997,348	\$14,677,344	\$15,097,542

Schedule 4

Changes in Fund Balances, Governmental Funds

(Modified accrual basis of accounting)

(Unaudited)

Fiscal Year Ended September 30,	2001	2002	2003	2004	2005
Revenues					
Taxes	\$ 8,221,701	\$ 8,668,419	\$ 9,740,578	\$10,636,124	\$11,963,080
Licenses and permits	1,016,996	1,070,278	1,616,972	1,261,603	1,242,119
Intergovernmental	3,106,122	3,309,268	3,443,306	4,045,416	4,694,599
Charges for services	1,455,503	1,688,496	2,247,315	2,446,893	2,501,932
Fines and forfeitures	127,586	89,450	101,504	135,488	189,988
Impact fees	125,334	499,622	286,679	571,506	327,722
Interest	409,117	152,618	90,241	92,687	412,034
Special assessments	34,804	29,809	19,068	15,318	16,801
Contributions	13,061	60,332	26,571	18,459	14,796
Sales of surplus materials	24,809	27,438	44,937	29,695	20,845
Rental income	59,324	40,539	64,670	92,201	160,661
Miscellaneous revenues	35,062	13,795	141,744	222,967	170,172
Total Revenues	14,629,419	15,650,064	17,823,585	19,568,357	21,714,749
Expenditures					
General government	2,259,138	2,404,839	2,536,410	2,846,270	3,104,802
Public safety	6,461,310	7,151,068	8,322,436	8,848,065	9,105,071
Transportation	1,099,042	1,117,702	1,183,020	1,308,203	1,271,357
Culture/Recreation	1,327,894	1,477,566	1,504,012	1,583,275	1,566,202
Physical environment	1,218,055	1,302,286	1,320,588	1,367,842	1,368,557
Capital outlay	2,477,368	4,772,493	1,486,146	1,232,574	1,955,359
Debt service:					
Principal	316,384	471,430	491,114	511,627	451,526
Interest	52,285	116,899	97,271	76,774	254,537
Other debt service costs	6,500	--	--	--	--
Total expenditures	15,217,976	18,814,283	16,940,997	17,774,630	19,077,411
Excess of revenues over (under) expenditures	(588,557)	(3,164,219)	882,588	1,793,727	2,637,338

2006	2007	2008	2009	2010
\$14,166,773	\$16,320,326	\$13,788,891	\$13,464,277	\$12,226,438
1,412,060	1,001,365	2,223,497	2,242,004	2,147,878
5,978,413	4,534,673	4,850,764	3,822,336	3,915,818
2,530,525	2,685,897	2,890,471	2,591,054	2,908,790
137,506	151,489	214,799	176,004	133,536
1,838,001	81,087	3,656	8,010	3,483
930,022	1,295,853	333,571	425,773	788,441
10,547	6,828	2,511	5,036	--
21,929	13,878	13,193	22,256	55,271
11,638	14,341	72,046	--	--
191,287	193,770	237,970	394,906	448,633
149,079	142,372	229,697	126,132	110,535
<u>27,377,780</u>	<u>26,441,879</u>	<u>24,861,066</u>	<u>23,277,788</u>	<u>22,738,823</u>
3,342,910	3,367,221	3,296,895	3,305,411	3,000,157
9,418,319	10,610,858	10,993,158	11,537,761	12,321,451
1,359,785	1,348,709	1,439,486	1,364,193	1,355,927
1,629,656	1,721,975	1,725,933	1,631,503	1,471,233
1,386,181	1,537,118	1,686,392	1,671,044	2,029,715
4,519,311	5,497,303	3,467,195	1,870,518	1,277,907
370,146	383,143	396,606	410,557	425,011
246,197	233,193	219,802	205,756	191,256
--	--	--	--	--
<u>22,272,505</u>	<u>24,699,520</u>	<u>23,225,467</u>	<u>21,996,743</u>	<u>22,072,657</u>
<u>5,105,275</u>	<u>1,742,359</u>	<u>1,635,599</u>	<u>1,281,045</u>	<u>666,166</u>

(Continued)

Schedule 4 (continued)

Changes in Fund Balances, Governmental Funds

(Modified accrual basis of accounting)

(Unaudited)

Fiscal Year Ended September 30,	2001	2002	2003	2004	2005
Other Financing Sources (Uses)					
Transfers in	\$ 1,449,523	\$ 2,460,592	\$ 677,844	\$ 645,896	\$ 2,512,829
Transfers out	(1,449,523)	(2,460,592)	(677,844)	(645,896)	(2,512,829)
Bonds issued	1,762,000	--	--	6,835,000	--
Payment on refunded bonds	--	--	--	(1,334,279)	--
Total Other Financing Sources (Uses)	1,762,000	--	--	5,500,721	--
Net Change in Fund Balances	1,173,443	(3,164,219)	882,588	7,294,448	2,637,338
Fund Balances - Beginning, as Restated	6,537,118	7,710,561	4,546,342	5,428,930	12,609,375
Fund Balance - Ending	\$ 7,710,561	\$ 4,546,342	\$ 5,428,930	\$12,723,378	\$15,246,713
Debt Service (Principal and Interest) as a Percentage of Non-Capital Expenditures	2.98%	4.37%	3.92%	3.66%	4.26%

Note: Beginning fund balance restated:

2001 - Accounting changes made to comply with GASB in prior year.

2010 - Adjusted to record revenues in proper period

2006	2007	2008	2009	2010
\$ 4,740,494	\$ 6,150,000	\$ 3,500,000	\$ 3,110,000	\$ 1,240,000
(4,740,494)	(6,150,000)	(3,500,000)	(3,110,000)	(1,240,000)
--	--	--	--	--
--	--	--	--	--
5,105,275	1,742,359	1,635,599	1,281,045	666,166
15,246,713	20,351,988	22,094,347	23,729,946	25,325,481
\$20,351,988	\$22,094,347	\$23,729,946	\$25,010,991	\$25,991,647
3.58%	3.18%	3.04%	3.24%	2.85%

Schedule 5

Assessed Value and Actual Value of Taxable Property

(Unaudited)

Fiscal Year Ended September 30	Residential Property	Commercial Property	Industrial Institutional Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Just Value
2001	\$ --	\$ --	\$ --	\$ 736,702,524	22.65	\$ 975,187,033
2002	--	--	--	813,934,258	22.19	1,090,427,323
2003	--	--	--	933,363,381	22.29	1,227,766,996
2004	--	--	--	1,052,736,724	22.17	1,457,055,900
2005	902,399,971	267,471,402	94,171,170	1,264,042,543	21.88	1,795,206,579
2006	1,238,100,783	229,575,074	82,313,305	1,549,989,162	21.49	2,245,694,407
2007	1,601,142,281	283,864,664	87,128,876	1,972,135,821	20.82	3,005,256,103
2008	1,759,632,182	298,043,570	92,732,821	2,150,408,573	18.71	3,131,575,669
2009	1,481,706,200	325,822,636	87,413,540	1,894,942,376	20.74	2,860,897,300
2010	1,082,373,957	296,277,885	93,954,913	1,472,606,755	21.96	2,179,226,120

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 September 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	
2001	5.57	0.52	4.94	0.54	8.92	0.50	1.03	0.60	0.04	22.66
2002	5.30	0.47	4.94	0.54	8.59	0.57	1.15	0.60	0.04	22.20
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	22.18
2005	5.60	0.08	4.77	0.58	8.43	0.69	1.10	0.60	0.04	21.89
2006	5.57	0.00	4.72	0.63	8.11	0.69	1.08	0.60	0.10	21.50
2007	5.55	0.00	4.48	0.60	7.87	0.62	0.97	0.60	0.14	20.83
2008	4.70	0.00	3.97	0.54	7.25	0.60	1.00	0.53	0.12	18.71
2009	4.70	0.00	4.56	0.55	7.98	0.69	1.15	0.54	0.12	20.29
2010	5.65	0.00	5.00	0.61	8.15	0.75	1.15	0.53	0.12	21.96

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

(2) Florida Inland Navigation District.

Schedule 7
Principal Property Taxpayers
(Unaudited)

Current and Ten Years Ago

2010			2001		
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	\$ 46,147,247	3.13%	Okecheelee Apt. Partners	\$ 19,634,000	2.67%
MSKP Riverbridge (Riverbridge)	30,600,488	2.08%	CIN Riverbridge (Riverbridge)	19,000,713	2.58%
Keystone - West Palm Beach (Island Shores Apts.)	21,074,161	1.43%	Keystone - West Palm Beach (Island Shores Apts.)	17,287,613	2.35%
Batmasian, James H. (Waterway Village)	14,964,509	1.02%	Batmasian, James H (Waterway Village)	11,000,000	1.49%
Gator Green Acres Ltd. (Greenacres Plaza)	11,937,250	0.81%	JBH Limited Co. (Woodlakes Plaza)	10,025,000	1.36%
SCM Realty Inc. (Steve Moore Chevrolet)	11,006,577	0.75%	Chelsea Commons Ltd.	9,401,260	1.28%
JBH Limited Co. (Woodlakes Plaza)	10,416,543	0.71%	SCM Realty, Inc. (Steve Moore Chevrolet)	8,698,059	1.18%
Pickwick Mobile Home Park LLC	9,971,904	0.68%	Dayton Hudson Corp.	8,210,683	1.11%
Dayton Hudson Corp.	9,370,035	0.64%	Gator Green Acres Ltd. (Greenacres Plaza)	7,884,786	1.07%
Colonial MHC LTD Partnership	8,713,420	0.59%	Wal-Mart Stores	7,500,000	1.02%
Total	\$ 174,202,134	11.83%		\$ 118,642,114	16.10%

Source: Palm Beach County Property Appraiser's Office.

Schedule 8

Property Tax Levies and Collections

(Unaudited)

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 4,487,844	\$ 4,314,573	96.14%	\$ 12,362	\$ 4,326,935	96.41%
2002	4,699,249	4,515,760	96.10%	16,146	4,531,906	96.44%
2003	5,261,756	5,056,624	96.10%	18,364	5,074,988	96.45%
2004	6,077,975	5,863,174	96.47%	16,147	5,879,321	96.73%
2005	7,171,545	6,908,271	96.33%	14,324	6,922,595	96.53%
2006	8,638,865	8,326,242	96.38%	22,820	8,349,062	96.65%
2007	10,945,354	10,558,021	96.46%	23,615	10,581,636	96.68%
2008	10,111,651	9,789,537	96.81%	36,255	9,825,792	97.17%
2009	8,910,398	8,543,686	95.88%	45,059	8,588,745	96.39%
2010	7,583,925	7,308,718	96.37%	--	7,308,718	96.37%

Source: Tax Collector, Palm Beach County.

Schedule 9

Ratios of Outstanding Debt by Type

(Unaudited)

Fiscal Year Ended	September 30	Population (1)	Median Family Income (2)	Outstanding Debt by Type				Percentage Personal Income	Per Capita
				General Obligation Income	Revenue Bonds	Bank Notes	Total		
2001		28,013	\$ 51,007	\$ 1,117,620	\$ 1,762,000	\$ --	\$ 2,879,620	0.20%	102.80
2002		29,359	52,769	748,658	1,619,532	--	2,368,190	0.15%	80.66
2003		29,883	56,870	446,620	1,470,456	--	1,917,076	0.11%	64.15
2004		30,533	55,996	90,984	--	6,835,000	6,925,984	0.41%	226.84
2005		31,270	57,677	--	--	6,474,458	6,474,458	0.36%	207.05
2006		31,734	62,603	--	--	6,104,312	6,104,312	0.31%	192.36
2007		32,105	64,794	--	--	5,721,169	5,721,169	0.28%	178.20
2008		32,548	66,000 *	--	--	5,324,563	5,324,563	0.25%	163.59
2009		32,370	67,600 *	--	--	4,914,006	4,914,006	0.22%	151.81
2010		32,267	67,600 *	--	--	4,488,995	4,488,995	0.21%	139.12

Source:

(1) Bureau of Economic & Business Research (BEBR).

(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 September 30	Population (1)	Taxable Value (2)	General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2001	28,013	\$ 736,702,524	\$ 2,879,620	0.39%	\$ 102.80
2002	29,359	813,934,258	2,368,190	0.29%	80.66
2003	29,883	933,363,381	1,917,076	0.21%	64.15
2004	30,533	1,052,736,724	90,984	0.01%	2.98
2005	31,270	1,264,042,543	--	0.00%	--
2006	31,734	1,549,989,162	--	0.00%	--
2007	32,105	1,972,135,821	--	0.00%	--
2008	32,548	2,150,408,573	--	0.00%	--
2009	32,370	1,894,942,376	--	0.00%	--
2010	32,267	1,472,606,755	--	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, 2010

Governmental Unit	Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Share of Overlapping Debt
Debt Repaid with Property Taxes			
Palm Beach School District	\$ 32,855,000	1.164%	\$ 382,508
Palm Beach County	250,470,000	1.164%	2,916,049
Subtotal, Overlapping Debt	283,325,000		3,298,557
City Direct Debt	--		--
Total Direct and Overlapping Debt	\$ 283,325,000		\$ 3,298,557

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Greenacres.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is with the City's boundaries and dividing it by the county's total taxable assessed value.

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 September 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	134%	--	--	--	--
2003	312,338	149,076	71,321	142%	--	--	--	--
2004	315,868	155,991	64,411	143%	**	--	--	--
2005	347,979	177,240	35,864	163%	\$ 12,791,145	\$ 183,302	\$ 216,867	3196%
2006	356,929	179,378	33,730	167%	14,009,894	190,768	212,492	3474%
2007	371,969	184,604	28,471	175%	13,352,005	198,539	204,722	3311%
2008	387,527	189,981	23,212	182%	12,611,991	206,625	196,590	3128%
2009	436,962	195,515	17,527	205%	12,561,840	215,042	188,229	3115%
2010	463,851	201,211	11,846	218%	13,359,449	223,800	179,410	3313%

(1) Included natural and propane gas and water

(*) 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 September 30	Median Family Population (1)	Income (2)	Average House Sale (3)	School Enrollment (4)	Civilian Labor Force (5)	Unemployment Rate (6)
2001	28,013	\$ 51,007	\$ 120,100	7,718	13,650	4.20%
2002	29,359	52,769	130,600	8,072	13,942	5.00%
2003	29,883	56,870	133,500	8,296	14,104	4.70%
2004	30,533	55,996	134,100	9,527	14,392	4.20%
2005	31,270	57,677	140,500	10,645	15,569	3.20%
2006	31,734	62,603	237,500	9,892	16,021	2.70%
2007	32,105	64,794	204,242	9,883	16,330	3.40%
2008	32,548	66,000	139,336	9,726	16,335	6.40%
2009	32,370	67,600	149,154	10,168	16,311	9.80%
2010	32,267	67,600	98,859	10,378	15,399	10.80%

Sources:

- (1) Bureau of Economic & Business Research (BEBR).
- (2) U.S. Census Bureau, American Community Survey (Palm Beach County).
- (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: 2010 School Enrollment based on 11-Day Count.
 2010 Unemployment & Labor Force Rate based on 10 month average.
 2010 Average House Sale July PBC.

Schedule 15
Principal Employers*
(Unaudited)

Current and Ten Years Ago

2010			2001		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
School Board	21,718	3.98%	School Board	18,000	3.23%
Palm Beach County	11,381	2.09%	Palm Beach County	9,000	1.62%
Tenet Healthcare Corp.	5,127	0.94%	State Government	8,600	1.54%
HCA (Hospital Corp. of America)	4,150	0.76%	Federal Government	5,200	0.93%
Florida Power and Light	3,658	0.67%	Columbia Palm Beach Health Care System	4,000	0.72%
Wackenhut Corporation	3,000	0.55%	Intracoastal Healthcare Systems, Inc.	3,200	0.57%
Florida Atlantic University	2,776	0.51%	Applied Cards (Financial Credit Cards)	2,500	0.45%
Bethesda Memorial Hospital	2,300	0.42%	Florida Crystals	2,300	0.41%
Veterans Health Administration	2,205	0.40%	Florida Power and Light	2,300	0.41%
Boca Raton Resort and Club	2,200	0.40%	Boca Raton Resort and Club	1,850	0.33%
Total	58,515	10.73%		56,950	10.22%

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 September 30,	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
Administration	7	8	8	8	8	8	8	8	8	7.5
Finance	15	15	15	15	15	15	15	14	14	14.0
Planning and engineering	6	6	7	7	6	7	7	7	7	6.0
Building	11	11	11	11	11	11	11	11	10	9.5
Public safety	94	106	104	104	108	113	117	113	113	109.0
Public works	23	23	23	23	23	23	24	23	23	20.0
Leisure services	16	17	17	17	17	17	11	11	10	8.0
Total	172	186	185	185	188	194	193	187	185	174.0

Source: City of Greenacres Department of

Schedule 17

Operating Indicators by Function/Program

(Unaudited)

Fiscal Year Ended September 30,	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program								
General government								
Population	29,883	30,533	31,270	31,734	32,105	32,548	32,370	32,267
Number of residential units	15,374	15,777	16,171	16,245	16,443	16,520	17,035	17,075
Number of solid waste accounts billed	7,118	7,439	7,731	7,805	8,002	8,080	8,212	8,251
Number of revenue transactions processed	19,151	19,505	20,882	21,779	22,015	23,923	19,822	21,888
Public safety								
Total calls for responded service*	24,651	26,236	25,137	26,728	26,242	28,759	28,326	27,014
Number of arrests by police officers	1,817	2,319	2,851	2,801	3,252	4,625	3,252	1,571
Number of traffic citations issued	5,106	7,298	7,017	7,533	8,018	10,813	10,577	6,819
EMS average response times (minutes)	4.4	4.4	4.3	4.3	4.3	4.3	5.4**	5.4
Number of EMS calls (incl. in total calls)	4,214	4,668	4,839	4,956	4,996	4,659	4,800	4,911
Number of code enforcement inspections	1,500	1,600	2,036	2,215	2,000	2,022	2,770	3,446
Transportation								
Number of lane miles maintained	22	22	22	22	22	22	22	23
Number of vehicle repair orders completed	--	1,394	1,412	1,215	1,152	1,418	1,261	1,290
Number of city vehicles maintained	--	93	93	95	95	97	101	100
Physical environment								
Total park acreage maintained	71	71	71	71	77	78	82	82
Average cost per acre to mow	--	--	1,674	1,852	1,940	2,052	2,066	1,753
Cultural and recreation								
Number of community events presented	14	13	13	13	11	7	7	6
Number of registrants in athletic programs	--	1,000	1,053	1,373	1,081	1,036	771	270
Number of participants in after school aged programs	143	149	160	160	171	170	170	150

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

*Formerly Titled 911 Calls

**EMS Response Times reflect fractional times as required by LOS Guidelines.

Schedule 18

Capital Asset Statistics by Function/Program

(Unaudited)

Fiscal Year Ended September 30,	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program								
General government								
Office buildings	7	7	7	7	9	9	9	9
Public safety								
Public safety stations	2	2	2	2	2	2	2	2
Police patrol vehicles	26	26	26	28	28	32	34	34
Fire trucks	5	5	5	5	5	4	4	4
EMS units (ambulances)	4	4	4	4	4	4	4	4
Transportation								
Street (miles)	43.94	43.94	44.50	44.50	44.50	44.54	44.54	49.52
Traffic signs	950	950	950	986	1,096	922	1,091	1,091
Stormwater inlets	407	407	407	407	407	428	452	633
Physical environment								
Baseball/softball diamonds	6	6	6	6	6	7	7	7
Soccer fields	2	2	2	2	2	3	4	4
Cultural and recreation								
Playgrounds	13	13	13	13	13	13	14	14
Community centers	1	1	1	1	1	1	1	1
Parks	13	13	13	13	13	13	13	13

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

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Mayor and Members of the City Council
The 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 (the City) as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 28, 2011. 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 10-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and accordingly, we express no opinion on them.

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

Marcum LLP

Fort Lauderdale, FL
February 28, 2011

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida (the City) as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 28, 2011.

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. We have issued our Independent Auditors' 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*. Disclosures in that report, which is dated February 28, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There was no findings reported in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- 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. In connection with our audit, our findings and recommendations are incorporated in the attached schedule of findings and responses.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuses that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse; and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, our findings and recommendations are disclosed in the accompanying schedule of findings and responses.
- 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. The City has made these disclosures in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental 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, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information of the City Council, and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
February 28, 2011

SCHEDULE OF FINDINGS AND RESPONSES

FISCAL YEAR ENDED SEPTEMBER 30, 2010

Section I - Financial Statement Findings

Material Weakness

10-01 Prior Period Adjustments

Criteria

A net pension obligation arises when a government does not fully fund its annual required contribution to a single employer plan. This obligation should be reported as a liability in the government-wide statement of net assets.

Condition

The actuarial valuation performed as of October 1, 2007 for the Firefighters' and Police Officers' Retirement Plan, dated February 10, 2008, indicated that the City's cash contribution to the plan due in the 2008/2009 plan year was \$521,621. The revised actuarial valuation performed as of October 1, 2008, dated March 27, 2009, indicated that the annual required contribution for the 2008/2009 plan year was \$1,204,955. The revised report reflected a change in plan assumptions as well as an amendment to the plan which allowed certain employees a one-time option to become members of the plan. As a result, as of September 30, 2009, the City had a net pension obligation of \$683,334. However, this liability was not recorded as of the 2009 fiscal year end.

Our review of the City's actuarial valuations also indicated that the advance pension contribution reported as of September 30, 2009 in the City's government-wide financial statements did not reflect the amounts applied to the 2009 contribution. The City reported a balance of \$295,236, however \$180,052 was applied leaving a balance of \$115,184 as of September 30, 2009.

As a result of the above findings, the beginning government-wide net assets reported in the September 30, 2010 financial statement have been restated. The total prior period adjustments recorded related to the pension totaled \$863,386 and accordingly decreased net assets.

Cause

The Finance Department did not record a pension obligation or adjust the advance pension contribution using their most recent actuarial valuation.

Effect

The potential effect was that without the above noted adjustments, the City's financial statements could have been materially misstated.

Recommendation

The City should implement procedures to ensure that, at the end of the fiscal year all assets and long-term liabilities are properly recorded in the government-wide statements.

View of Responsible Officials and Planned Corrective Actions

An Actuarial Valuation is performed by an actuarial services firm contracted by the pension plan to determine and update the assumptions and factors used in the funding and reporting for the pension plan for two distinct purposes. First, this valuation determines the estimated minimum required pension contribution for the upcoming fiscal year and is used in the budget process. And secondly for financial reporting, it also determines whether there is a net pension obligation (a liability for the pension plan) or a net pension asset (an asset for the pension plan) for the preceding fiscal year from the updated economic

SCHEDULE OF FINDINGS AND RESPONSES

FISCAL YEAR ENDED SEPTEMBER 30, 2010

Section I - Financial Statement Findings (continued)

Material Weakness (continued)

10-01 Prior Period Adjustments (continued)

factors and results. The net pension obligation and net pension asset, if they exist, are used for the financial reporting process and included in the financial statements.

During preparation of the September 30, 2009 financial statements in February and March of 2010, Finance Staff had included t0068e estimated pension liability obtained from an Actuarial Valuation dated February 10, 2008. A subsequent Actuarial Valuation dated March 29, 2009 was received, however the valuation did not include a number for the net pension obligation and there were other concerns and questions with the valuation. The note to the financial statements was therefore not updated for FY 2009 using the March 29, 2009 valuation. Governmental Accounting Standards Board Statement Number 27 does allow the use of these valuation studies for two years. The City did request a new Actuarial Valuation for 2010 but it was not received until after the publication date of the FY 2009 financial statements.

During the current year audit, Finance Staff suggested that the FY 2009 financial statements that did not include the results of a newer calculated net pension obligation be adjusted in FY 2010 as added pension expense that would update the ending FY 2010 financial statements. In discussion with the audit manager on site during the current audit, this option of adjusting in FY 2010 as an expense was presented and noted as an alternative. When the auditor determined instead that a restatement of net assets in the financial statements for FY 2009 was necessary, Finance Staff noted that it is still nonetheless an estimate of pension expense that is based on many factors and assumptions that will change annually and would not impact the funding of the minimum required contributions to the pension plan.

Using either option, adding the expense in FY 2010 or restating the FY 2009 financial statements, the same net pension obligation would be reflected in the FY 2010 financial statements. The net pension obligation as presented in the financial statements has never had any effect on the funding of the pension plan and the pension plan is funded at the required level through the minimum required pension contribution. With the cooperation and feedback of the auditors and the actuary, Finance Staff has revised current procedures so that going forward the pension disclosure will be updated appropriately.