



City of Greenacres

2011 Comprehensive Annual Financial Report

FISCAL YEAR ENDING SEPTEMBER 30, 2011





Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2011

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INTRODUCTORY SECTION



City of Greenacres

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Samuel J. Ferreri
Mayor

Wadie Atallah
City Manager

March 9, 2012

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, 2011, 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. Management's Discussion and Analysis section provides a more detailed explanation of the statements.

The GASB 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 other reports.

- ❖ 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 2010. 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, 2011. The financial section is divided into three identified subsections for the convenience of the reader:
 - Management's Discussion and Analysis
 - Basic Financial Statements Including Notes and Required Supplementary Information
 - Combining and Individual Fund Statements.

John Tharp
Councilman • District I

Peter A. Noble
Councilman • District II

Rochelle Gaenger
Councilwoman • District III

Jonathan G. Pearce
Councilman • District IV

Paula Bousquet
Councilwoman • 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* and the Management Letter in Accordance with the Rules of the Auditor General of the State of Florida.

PROFILE OF THE GOVERNMENT

The City of Greenacres, incorporated in 1926, is located in the central part of Palm Beach County, approximately five miles from the Atlantic Ocean. The City has a land area of 5.8 square miles with a population of 37,873 (BEER Census), making the City the eighth largest of the 38 cities in the county. Greenacres is empowered to levy a property tax on both real and personal properties located within its boundaries and 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 2011, 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.

The financial reporting entity includes all of the funds of the City of Greenacres. There is one subordinate entity reporting to the City and included in this report, the Public Safety Officer and Firefighter Retirement Plan. This subordinate entity was created effective January 1, 1996, to provide retirement, death survivorship, and disability benefits to all Public Safety Officers and Firefighters hired January 1, 1996, and thereafter, consistent with the provisions of Florida Statutes 175 and 185.

ECONOMIC CONDITION AND OUTLOOK

The City is located in the central area of Palm Beach County, Florida, which until 2008, was among the fastest growing metropolitan areas in the country. 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 fiscal year 2011 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 increased by 300 persons while the gross taxable value declined by 16.70% due to continuing declines in home values. Despite market conditions, 15 new residential units were built in the City. A new commercial retail establishment (Greenhouse Market) was built and interior renovations in shopping centers were completed to accommodate new tenants. Overall commercial occupancy remained unchanged while sales tax collection increased slightly.

The preparation of the FY 2009, 2010, 2011 and 2012 budgets continued to be challenging due to the impact of a Constitutional Amendment passed by the voters on January 28, 2008, intended to lower property taxes and the continued 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 2.65% decline in the City's tax base for FY 2012 as the taxable value declined from \$1,226,574,679 to \$1,194,040,235 following 21.94% and 16.70% declines in the prior two fiscal years respectively. Further compounding this situation was the general decline in other revenue sources due to a weak economy.

As part of the City's long term financial planning, and 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 unassigned 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 along with the purchase of fire apparatus and equipment. This resulted in a substantial increase in City fire-rescue service capability. 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 fiscal years 2004 through 2010 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 three ambulances 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, and 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 older shutters on the old City Hall and Public Safety Headquarters, 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, was constructed in phases at an ultimate cost of over \$4.9 million and the last phase was completed in 2009. 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 2010. In 2011 lighting and security improvements were completed at Veterans Park.

GENERAL FINANCIAL INFORMATION

Financial Policies

The City of Greenacres has adopted a set of financial policies that provide the framework for the overall fiscal management of the City. The policies cover a broad range of topics including, but not limited to, accounting, auditing, internal controls, operating and capital budgeting, cash and investment management, asset management, and financial reporting. None of those policies had any impact on the current period's financial statements. Pursuant to Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Type Fund Definitions, the City adopted a fund balance policy including classifications and fund balance reserves within each category and classifications. The fund balances reported in the financial statements are shown pursuant to Statement 54.

Internal Controls

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 identifies projects and 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 are limited to the City of Greenacres Public Safety Officer and Firefighter Retirement Plan which was established effective January 1, 1996, to cover high-risk employees with a defined benefit retirement plan. The Florida League of Cities was selected to provide administrative services for the plan. A pension trust fund was established to account for that new plan in fiscal year 1996.

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, 2010. 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 twenty consecutive years (fiscal years 1991-2010). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The City of Greenacres also received an award from GFOA for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year Ended September 30, 2010. The award is valid for one year.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2011. The City has received this award for the last nineteen years (fiscal years 1992-2010). 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 2012 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 Marcum LLP performed the City's audit and their report on the financial statements is included in the financial section of this report. 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. We also extend our appreciation to the independent certified public accounting firm of Marcum LLP for their professionalism during the performance of the audit.

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.


James McInnis
Assistant Director of Finance
Wadie Atallah
City Manager



PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Samuel J. Ferreri
Mayor

Peter A. Noble
Deputy Mayor- Councilman, District II

John Tharp
Councilman, District I

Rochelle Gaenger
Councilwoman, District III

Jonathan G. Pearce
Councilman, District IV

Paula Bousquet
Councilwoman, District V

SENIOR MANAGEMENT

Wadie Atallah
City Manager

Pamela S. Terranova
City Attorney

Deborah S. Manzo
Assistant City Manager

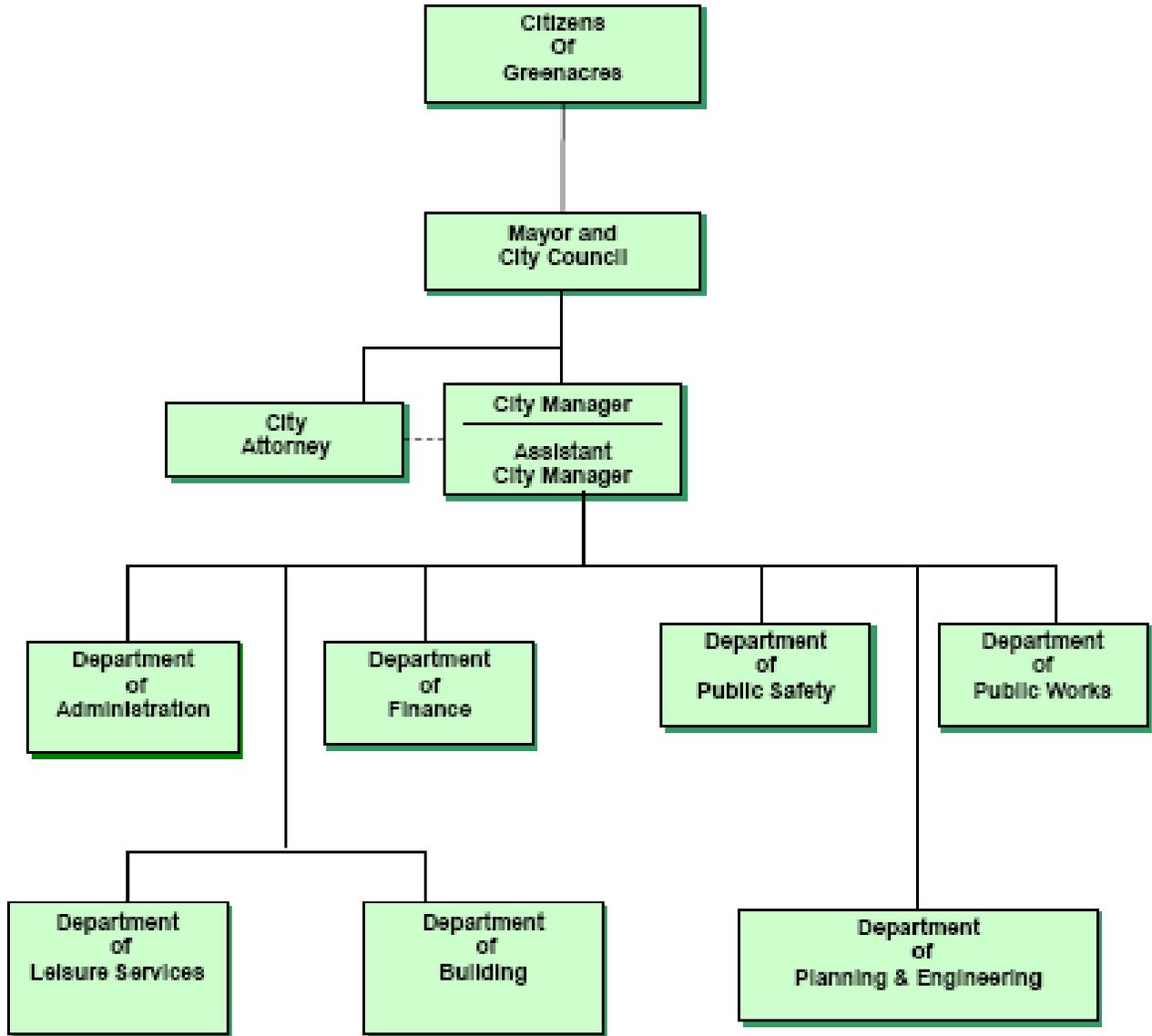
Denise McGrew
City Clerk

As of September 30, 2011

CITY OF GREENACRES, FLORIDA

ORGANIZATIONAL CHART

AS OF SEPTEMBER 30, 2011



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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' 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, 2011, 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, 2011, 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.

As more fully described in Note 1 to the financial statements, the City implemented the requirements of Governmental Accounting Standards board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the classifications of fund balance of governmental funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2012 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 10 and pages 41 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. 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. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 do not express or provide any assurance on them.

Marcum LLP

West Palm Beach, FL
March 9, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

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, 2011. 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 11) and notes to the financial statements (pages 19-40).

FINANCIAL HIGHLIGHTS

- The City's government-wide assets exceeded its liabilities by \$39.3 million (*net assets*), a decrease of \$932 thousand or 2.3% from the prior year's net assets of \$40.3 million. The decrease was largely attributable to an \$850 thousand decrease in tax revenues.
- Capital assets net of related debt totaled \$17.5 million representing 44.5% of total net assets, including 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.
- Governmental activities generated \$21.2 million in revenue which is a decline of 5.4% from the prior year.
- Total expenses of \$22.1 million were \$123 thousand less than the prior year.
- The general fund had a total fund balance of \$11.1 million, of which \$5.6 million was committed or assigned for emergency/disaster reserves, pension obligations, economic conditions mitigation, outstanding liabilities, and the subsequent year's budget, while \$5.3 million was unassigned.

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 first two basic financial statements are *government-wide statements* (pages 11-12) that provide information about the City's overall financial status. The remaining statements (pages 13-16) 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 13-16) to report most of the City's operations, and
- Fiduciary funds statements (pages 17-18) 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 19-40) 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 41-44).

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 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 50-58 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 17-18 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 19-40 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 41-47 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.

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 2010 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 11, shown with comparative financial information for the prior year.

	City of Greenacres, Florida		
	Summary of Net Assets		
	(in thousands)		
	<u>2011</u>	<u>2010</u>	<u>Increase / (Decrease)</u>
Current and other assets	\$ 26,307	\$ 27,468	(4.2%)
Capital assets, net	<u>21,547</u>	<u>21,418</u>	0.6%
Total assets	<u>47,854</u>	<u>48,886</u>	(2.1%)
Current liabilities	2,777	2,622	5.9%
Long-term liabilities	<u>5,754</u>	<u>6,009</u>	(4.2%)
Total liabilities	<u>8,531</u>	<u>8,631</u>	(1.2%)
Net assets:			
Invested in capital assets, net of related debt	17,498	16,929	3.4%
Restricted	9,588	15,097	(36.5%)
Unrestricted	<u>12,237</u>	<u>8,229</u>	48.7%
Total net assets	<u>\$ 39,323</u>	<u>\$ 40,255</u>	(2.3%)

Net assets may serve as a useful indicator of a government's financial position. In 2011, Greenacres' assets exceeded liabilities by \$39.3 million.

The largest portion of the City's net assets, \$17.5 million or 44.5% 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 increase in capital assets is primarily capital projects that were still in progress at year end, including a software upgrade for Public Safety (\$500 thousand completed from a project budget of \$1 million), and \$83 thousand of site improvements completed by fiscal year end at public safety headquarters, to include new landscaping, irrigation, fencing, and paving. (See also the discussion on Capital Assets on page 9).

Restricted assets of \$9.6 million are also reported. These net assets have restrictions on their use that are externally imposed (gas taxes, public safety forfeitures, grants) and enabling legislation (impact fees). The restricted net assets decreased as a result of the implementation of the new fund balance reporting standard, GASB 54, as approximately \$3.8 million committed to capital projects are now reported in unrestricted net assets.

Changes in Net Assets

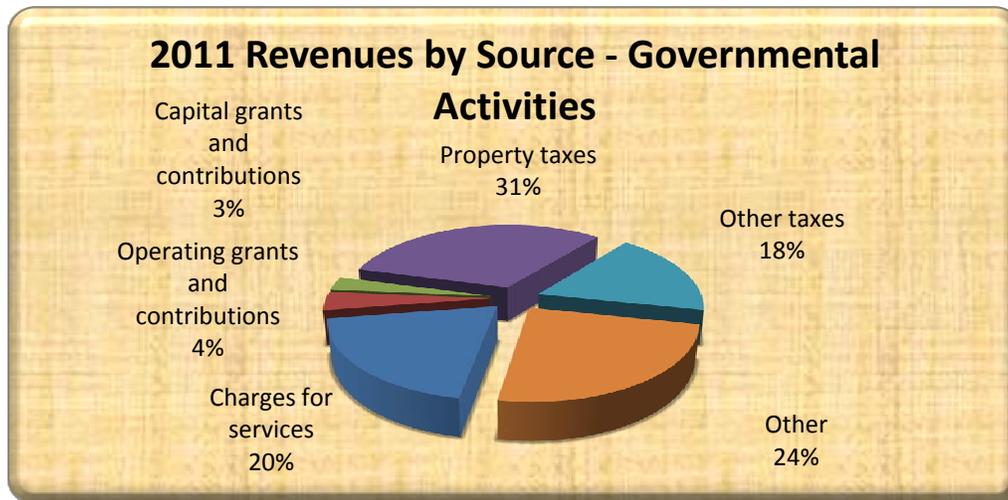
The revenues and expenses for the current and previous fiscal year are compared in the following schedule.

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

	2011	2010	Increase / (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 4,190	\$ 4,062	3.2%
Operating grants and contributions	808	779	3.7%
Capital grants and contributions	596	873	(31.7%)
General revenues:			
Property taxes	6,678	7,354	(9.2%)
Other taxes	3,725	3,892	(4.3%)
Other	5,188	5,432	(4.5%)
Total revenues	21,185	22,392	(5.4%)
Expenses:			
General government	3,512	3,627	(3.2%)
Public safety	13,067	12,905	1.3%
Transportation	1,552	1,394	11.3%
Culture and recreation	1,907	2,016	(5.4%)
Physical environment	1,903	2,107	(9.7%)
Interest and other fiscal charges	176	191	(7.9%)
Total expenses	22,117	22,240	(0.6%)
Increase (decrease) in net assets	(932)	152	(713.2%)
Net assets beginning of year as previously reported	40,255	40,652	(1.0%)
Prior period adjustment	-	(549)	
Net assets beginning of year as restated	40,255	40,103	0.4%
Ending net assets	\$ 39,323	\$ 40,255	(2.3%)

Greenacres' net assets decreased 2.3% in fiscal year 2011, as total revenues fell by 5.4% while the city decreased expenses by 0.6%. Property tax revenue decreased for the fourth consecutive year and fell by \$676 thousand in 2011. The decrease in 2011 was only half of what was experienced in 2010, and the decreases should be reduced further in 2012 as property taxes are expected to fall by only \$100 thousand next year.

Additionally, capital grants and contributions decreased by \$276 thousand, or 31%, in 2011. Several projects received grant funding in 2010 that weren't repeated in 2011, including a project to increase the ability of public safety to detect and deter crime, funded by Justice Assistance Grants (JAG), and community enhancement projects, (sidewalks, drainage, lighting) in the city's original section, funded by community development block grants (CDBG). Several projects begun in 2011 that are due to receive capital grants funding are still underway, and should produce revenues in 2012.



Expenses decreased by 0.6% or \$123 thousand as the City continued with cost cutting measures while maintaining levels of service. General government salaries declined in 2011, affected by large payouts of sick and vacation pay in 2010 as several employees took advantage of a voluntary separation package, and also by reduced wages as filling open positions were delayed or frozen entirely. Property liability and fleet insurance expenses also fell by \$73 thousand in 2011 as a result of a favorable claims history. These decreases were offset by minor increases in Public Safety expenses, which increased by \$162 thousand in 2011 and transportation related expenses that increased by \$158 thousand, largely attributable to the increase in fuel costs.

Financial Analysis of the City of Greenacres' Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Greenacres' 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

	<u>Major Fund Information</u>			
	(in thousands)			
<u>Fiscal Year 2011</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>
Revenues	20,106	110	208	262
Expenditures	19,465	1,128	190	788
Other financing sources (uses)	(410)	-	-	-
Increase (decrease) in fund balance	232	(1,017)	18	(526)

<u>Fiscal Year 2010</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>
Revenues	21,177	418	282	321
Expenditures	19,691	458	254	510
Other financing sources (uses)	(1,240)	-	-	-
Increase (decrease) in fund balance	246	(40)	28	(189)

The General Fund is the chief operating fund of the City. At the end of fiscal year 2011, unassigned fund balance of the general fund was \$5.3 million, while the total fund balance amounted to \$11.1 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and other financing uses. Unassigned fund balance represents 27% of total general fund expenditures and other financing uses, while total fund balance represents 56% of that same amount.

The general fund balance increased by \$232 thousand in 2011, about the same increase as in 2010. Both general fund revenues *and* expenditures including transfers fell by almost the same amount, \$1.1 million, in 2011 and, accordingly, experienced the same result as 2010.

The largest revenue decrease was again property taxes, as property values decreased for a fourth consecutive year, and as a result, property taxes decreased by \$0.7 million in 2011. All of the other general fund revenues combined fell by an additional \$400 thousand, as decreases in permits and franchise fees (\$146 thousand) and interest income (\$273 thousand) were offset by modest increases in intergovernmental revenues (\$116 thousand) and charges for services (\$137 thousand). Transfers out to other funds were reduced by \$830 thousand in 2011 to offset the anticipated decline in revenues. The only transfer was \$410 thousand for debt service on the 2004A Municipal Complex revenue bonds. There were no transfers in 2011 to support capital projects. The City saved another \$73 thousand on fleet and liability insurance after a return of premiums for reduced claims.

A primary reason why the general fund experienced an increase in fund balance in 2011 is that there were no transfers to the New Growth, Parks and Recreation, and Reconstruction and Maintenance Capital Projects Funds. Although the combined fund balances in those funds decreased by \$1.5 million in 2011, there is sufficient fund balance to pay for ongoing and new projects for several more years.

The New Growth capital projects fund balance decreased by \$1 million in 2011. Spending on capital projects amounted to \$1.2 million in 2011, and was offset by grants and investment revenues of \$128 thousand.

The Parks and Recreation capital projects fund balance increased by \$18 thousand in 2011, as cell tower lease revenues and interest income totaling \$207 thousand offset spending of about the same amount on the projects budgeted in 2011.

The Reconstruction and Maintenance capital projects fund balance decreased by \$526 thousand in 2011. Grants revenues and investment income amounted to \$262 thousand in 2011, and was offset by \$788 thousand spent on planned capital projects in 2011.

General Fund Budgetary Highlights

The difference between the 2011 adopted and final amended budget was an increase of \$17 thousand for products and services ordered in fiscal 2010 that were re-appropriated in 2011.

There was a positive budget variance of \$548 thousand in 2011, as actual expenditures came in less than budgeted. In addition, actual revenues also had a positive variance, coming in at \$91 thousand more than budgeted. Some of the primary reasons for the positive budget variance in expenditures were related to lower costs for health insurance of \$205 thousand, state retirement contributions of \$75 thousand, and property and casualty insurance premiums of \$81 thousand. Another significant positive variance was created by \$105 thousand of budgeted contingency funds that were not utilized by the City.

Capital Asset and Debt Administration

Capital assets. The City of Greenacres' investment in capital assets as of September 30, 2011, net of accumulated depreciation, was \$21.5 million, an increase of \$130 thousand from 2010. Total 2011 asset additions of \$1.4 million were offset by \$74 thousand in asset disposals (net), and were further reduced by depreciation of \$1.2 million on existing assets. Most of the additions were recorded in construction in progress for projects that were still ongoing on September 30, 2011.

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

	<u>2011</u>	<u>2010</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,266	\$ 7,266	0.0%
Buildings	7,495	7,744	(3.2%)
Improvements other than buildings	4,173	4,198	(0.6%)
Furniture, fixtures and equipment	477	519	(8.1%)
Vehicles	1,524	1,618	(5.8%)
Construction in Progress	612	73	738.4%
Total	<u>21,547</u>	<u>21,418</u>	0.6%

Additional information can be found in Note 6 Capital Assets on page 30.

Debt administration. At year end 2011, the City had \$4.0 million of debt outstanding, consisting of a public improvement bank note. Fiscal Year 2011 debt service payments reduced the overall debt by \$440 thousand, including the final payments of principal and interest on the revenue refunding bonds.

The debt position of the City is summarized in the following table and is more fully explained in Note 7 Long-Term Liabilities on pages 30-31.

City of Greenacres Outstanding Debt (in thousands)

	<u>2011</u>	<u>2010</u>	<u>Increase / (Decrease)</u>
Revenue Refunding Bonds	\$ -	\$ 207	(100.0%)
Public Improvement Note Payable	4,049	4,282	(5.4%)
Total	<u>\$ 4,049</u>	<u>\$ 4,489</u>	(9.8%)

Economic Factors and Next Year's Budgets and Rates

As a residentially oriented suburb with supporting commercial establishments, the City's economic environment is dependent on Palm Beach County's economic activities as well as that of the State of Florida. The major economic factors include new housing, commercial developments, regional employment and retail activity all of which impact local government revenues.

Housing values affected by foreclosures continues to be a drag on the state and local economy. As an avalanche of looming foreclosures conspire to keep home values depressed, Moody's predicts that prices will slide another 11 percent, reaching bottom in the second quarter of 2012. If those predictions hold true, median prices in Palm Beach County will have plummeted by close to 60 percent since peaking in November 2005. Greenacres property

values fell 17 percent in 2011, down from 22 percent in 2010. Palm Beach County Property Appraiser Gary Nikolits predicts that should improve significantly in 2012, though how much is unclear. County property values may flatten out this year, with a average decline of about 2 percent. Comparatively, however, county property values fell by only 3 percent last year, compared to the 17 percent drop experienced by the city.

Due to the overall economic environment, businesses have been reluctant to expand operations as reflected in the low numbers of commercial building permits. Lastly, the State legislature continues to push unfunded mandates and reductions in local government revenues that will have a negative impact on local budgets. Florida municipalities, through the Florida League of Cities, continue to challenge legislation that is considered especially short sighted, and detrimental to municipal finances.

On a positive note the unemployment rate in December fell to 9.9 percent; from over 12 percent a year ago. Palm Beach County reported a seasonally adjusted rate of 9.7 percent in December.

In total, the various economic factors continue to present uncertainty and remain volatile for the foreseeable future. The City has prepared and planned for uncertainties through long range financial planning. To address budget deficits resulting from revenue declines related to the economic down turn, the City created an economic conditions mitigation reserve to be used specifically to offset the revenue declines and enable the City to have a balanced budget and maintain the levels of service.

For FY 2012, the property tax rate of 5.65 mills remained unchanged from 2011 despite a 2.65% reduction in property values. While property tax revenues will decrease by \$300,000, general fund revenues are projected to increase slightly, by 2 percent, or \$137 thousand, to \$20.1 million from the \$20.0 million that was budgeted in 2011. With adequate funding in place for future capital improvements, the City was able to reduce its 2012 transfers for capital projects to zero for the third consecutive year, while managing to provide for a small cost of living increase in employee salaries, as well as a one-time cash bonus. As a result of its cost cutting measures, the City's financial position remains strong. Unassigned general fund balance maintained a healthy ratio of 28% of general fund expenditures plus transfers out in 2011.

Budgeted 2012 general fund expenditures, including transfers for debt service, are \$20,445,618, an increase of \$39 thousand, or only 0.2%, from the 2011 budget. With 2012 revenues predicted at \$20,151,912, it's expected that a budget deficit of \$294 thousand will be funded from the general fund reserve in 2012, reducing fund balance from \$11.1 million after the results of operations in 2011 to \$10.8 million in 2012.

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.

FINANCIAL STATEMENTS

Statement of Net Assets

September 30, 2011	Governmental Activities
Assets	
Cash and cash equivalents	\$ 610,601
Investments	23,017,620
Receivables (net)	
Accounts	1,807,922
Interest	142,587
Grants	182,577
Assessments	7,188
Inventories	25,907
Prepaid items	512,153
Capital assets:	
Non-depreciable	7,877,660
Depreciable (net of depreciation)	13,669,820
Total Assets	47,854,035
Liabilities	
Accounts payable	455,952
Accrued payroll and related taxes	577,295
Unearned revenue	700,095
Deposits	48,991
Accrued interest payable	449
Due within one year:	
Compensated absences	751,437
Notes payable	242,403
Due in more than one year:	
Compensated absences	1,205,689
Notes payable	3,806,606
Net OPEB obligation	48,000
Net pension obligation	693,875
Total Liabilities	8,530,792
Net Assets	
Invested in capital assets, net of related debt	17,498,471
Restricted for:	
Debt service	508,510
Public safety	181,535
Youth programs	30,967
Arboreous activities	35,239
Capital projects	8,831,251
Unrestricted	12,237,270
Total Net Assets	\$ 39,323,243

The accompanying notes are an integral part of these basic financial statements.

Statement of Activities

For the Fiscal Year Ended September 30, 2011	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	\$ 3,511,862	\$ 446,101	\$ --	\$ --	\$ (3,065,761)
Public safety	13,066,982	2,045,308	460,707	50,094	(10,510,873)
Transportation	1,551,714	--	--	346,459	(1,205,255)
Culture/recreation	1,907,445	306,247	289,858	735	(1,310,605)
Physical environment	1,903,296	1,392,609	57,304	199,019	(254,364)
Interest on long-term debt	175,683	--	--	--	(175,683)
Total Governmental Activities	\$ 22,116,982	\$ 4,190,265	\$ 807,869	\$ 596,307	(16,522,541)

General Revenues:

Taxes:	
Property taxes	6,677,646
Utility service taxes	3,724,801
Franchise fees based on gross receipts	1,726,134
Intergovernmental shared revenues - unrestricted	3,101,479
Investment earnings - unrestricted	311,684
Miscellaneous revenues	49,573
Total general revenues	15,591,317
Change in net assets	(931,224)
Net Assets - beginning	40,254,467
Net Assets - ending	\$ 39,323,243

The accompanying notes are an integral part of these basic financial statements.

Balance Sheet
Governmental Funds

September 30, 2011	General	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
		New Growth	Parks and Recreation	Reconstruction and Maintenance		
Assets						
Cash and cash equivalents	\$ 610,601	\$ --	\$ --	\$ --	\$ --	\$ 610,601
Investments	9,528,188	3,164,361	3,746,610	5,828,912	749,549	23,017,620
Receivables (net)						
Accounts	1,807,922	--	--	--	--	1,807,922
Interest	95,137	--	9,751	37,699	--	142,587
Grants	2,848	6,563	--	154,398	18,768	182,577
Assessments	7,188	--	--	--	--	7,188
Inventories	25,907	--	--	--	--	25,907
Prepaid items	183,560	327,870	--	--	723	512,153
Total Assets	\$ 12,261,351	\$ 3,498,794	\$ 3,756,361	\$ 6,021,009	\$ 769,040	\$ 26,306,555
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 301,964	\$ 13,461	\$ 4,534	\$ 130,060	\$ 5,933	\$ 455,952
Accrued payroll and related taxes	571,008	--	--	--	6,287	577,295
Unearned revenue	213,338	--	412,686	73,502	569	700,095
Deposits	48,991	--	--	--	--	48,991
Total Liabilities	1,135,301	13,461	417,220	203,562	12,789	1,782,333
Fund Balances						
Nonspendable:						
Inventory	25,907	--	--	--	--	25,907
Prepaid items	183,560	--	--	--	--	183,560
Restricted for:						
Public Safety Forfeitures	--	--	--	--	155,378	155,378
Arborous Activities	--	--	--	--	35,239	35,239
Public Safety Donations	--	--	--	--	26,157	26,157
Youth Programs	--	--	--	--	30,967	30,967
Debt service	--	--	--	--	508,510	508,510
Infrastructure	--	2,678,768	--	--	--	2,678,768
Parks	--	--	2,999,004	--	--	2,999,004
Transportation	--	--	--	3,153,479	--	3,153,479
Committed to:						
Emergency and disaster reserve	2,003,562	--	--	--	--	2,003,562
Pension plan reserve	693,875	--	--	--	--	693,875
Assigned for:						
Economic conditions mitigation reserve	2,003,562	--	--	--	--	2,003,562
Subsequent year's expenditures	293,706	--	--	--	--	293,706
Compensated absences reserve	602,845	--	--	--	--	602,845
Capital Projects	--	806,565	340,137	2,663,968	--	3,810,670
Unassigned:	5,319,033	--	--	--	--	5,319,033
Total Fund Balances	11,126,050	3,485,333	3,339,141	5,817,447	756,251	24,524,222
Total Liabilities and Fund Balances	\$ 12,261,351	\$ 3,498,794	\$ 3,756,361	\$ 6,021,009	\$ 769,040	\$ 26,306,555

The accompanying notes are an integral part of these basic financial statements.

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

For the Fiscal Year Ended September 30, 2011

Fund Balances - Total Governmental Funds \$24,524,222

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	\$36,045,996	
Less accumulated depreciation	(14,498,516)	21,547,480

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	\$(1,957,126)	
Notes payable	(4,049,009)	
Accrued interest payable	(449)	
Net OPEB obligation	(48,000)	
Net pension obligation	(693,875)	(6,748,459)

Net Assets of Governmental Activities \$39,323,243

The accompanying notes are an integral part of these basic financial statements.

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

For the Fiscal Year Ended September 30, 2011	General	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
		New Growth	Parks and Recreation	Reconstruction and Maintenance		
Revenues:						
Taxes	\$ 11,373,974	\$ --	\$ --	\$ --	\$ --	\$ 11,373,974
Permits and franchise fees	2,001,829	--	--	--	--	2,001,829
Intergovernmental revenues	3,238,500	60,971	--	214,840	281,910	3,796,221
Charges for services	2,833,679	--	--	--	170,214	3,003,893
Fines and forfeitures	104,530	--	--	--	82,857	187,387
Impact fees	--	11,068	--	--	--	11,068
Interest	179,890	38,175	43,973	47,099	2,545	311,682
Contributions	3,447	--	--	--	11,334	14,781
Rental income	283,744	--	164,004	--	--	447,748
Miscellaneous revenues	87,174	--	--	--	--	87,174
Total revenues	20,106,767	110,214	207,977	261,939	548,860	21,235,757
Expenditures:						
Current:						
General government	3,063,567	--	--	--	--	3,063,567
Public safety	12,465,423	--	--	--	928	12,466,351
Transportation	1,417,778	--	--	--	--	1,417,778
Culture/recreation	858,974	--	--	--	454,665	1,313,639
Physical environment	1,642,876	--	--	--	--	1,642,876
Capital outlay	16,204	1,127,589	189,530	787,926	61,525	2,182,774
Debt service:						
Principal	--	--	--	--	439,986	439,986
Interest	--	--	--	--	176,211	176,211
Total expenditures	19,464,822	1,127,589	189,530	787,926	1,133,315	22,703,182
Excess (deficiency) of revenues over expenditures	641,945	(1,017,375)	18,447	(525,987)	(584,455)	(1,467,425)
Other financing sources (uses):						
Transfers in	--	--	--	--	443,898	443,898
Transfers out	(410,000)	--	--	--	(33,898)	(443,898)
Total other financing sources (uses)	(410,000)	--	--	--	410,000	--
Net change in fund balances	231,945	(1,017,375)	18,447	(525,987)	(174,455)	(1,467,425)
Fund balances - beginning	10,894,105	4,502,708	3,320,694	6,343,434	930,706	25,991,647
Fund balances - ending	\$11,126,050	\$ 3,485,333	\$ 3,339,141	\$ 5,817,447	\$ 756,251	\$24,524,222

The accompanying notes are an integral part of these 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, 2011

Net change in fund balances - total governmental funds \$(1,467,425)

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

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

Expenditures for capital assets	\$ 1,312,894	
Less current year depreciation	(1,182,373)	130,521
<hr/>		

The net effect of the various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net assets. (958)

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	\$ 449	
Compensated absences	(137,030)	
Net OPEB obligation	(20,000)	
Net pension obligation	123,233	(33,348)

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. 439,986

<hr/> Change in Net Assets of Governmental Activities		\$ (931,224)
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The accompanying notes are an integral part of these basic financial statements.

Statement of Fiduciary Net Assets

September 30, 2011	Public Safety Officers' and Firefighters' Pension Plan
<hr/>	
Assets	
Cash and cash equivalents	\$ 199,079
Investments :	
Mutual funds	10,860,861
Contributions receivable	84,689
<hr/>	
Total assets	\$ 11,144,629
Net Assets	
Held in trust for pension benefits	\$ 11,144,629
<hr/> <hr/>	

The accompanying notes are an integral part of these basic financial statements.

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Fiscal Year Ended September 30, 2011	Public Safety Officers' and Firefighters' Pension Plan
Additions:	
Contributions:	
Employer	\$ 1,173,130
Plan members	197,738
State on-behalf payments	398,613
Total Contributions	1,769,481
Investment income:	
Net increase in fair value of investments	24,955
Total additions	1,794,436
Deductions:	
Benefits paid and refunds of member contributions	33,223
Administrative expense	47,185
Total Deductions	80,408
Net Increase	1,714,028
Net Assets Held in Trust for Pension Benefits	
Net assets - beginning	9,430,601
Net assets - ending	\$ 11,144,629

The accompanying notes are an integral part of these basic financial statements.

NOTES TO 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. 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 the nonspendable fund balance component 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)

Assets, Liabilities, and Net Assets or Equity (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 expenses are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates that they do not constitute “available spendable resources,” even though they are a component of current assets.

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

Deferred/Unearned Revenue

Deferred 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 which does not significantly differ from the effective interest 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

Nature and purpose of classifications. In the financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent.

The City reports the following classifications:

Non-spendable fund balances. Amounts that cannot be spent because they are either a) not in spendable form (like inventories, or prepaid expenditures), or b) legally or contractually required to remain intact.

Restricted fund balances. Amounts that are restricted to specific purposes by either a) externally enforceable legal restrictions imposed by parties outside the government, such as creditors (through debt covenants), grantors, contributors, or other governments (through laws and regulations), or b) by law through the City's own constitution, or enabling legislation, (legislation that authorizes the City to assess, levy, charge, or otherwise mandate payments from external service providers, and with a legally enforceable requirement that those resources may be used only for the specific purposes stipulated in the legislation).

Committed fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution or ordinance) of the City's highest level of decision making authority (the City Council). The City's fund balance policy, adopted by council resolution, establishes reserves to be reported under this classification, the purposes for which the reserved funds may be utilized, and the procedures for replenishing the reserve funds if used.

Assigned fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management by the authority of the fund balance policy, adopted by City Council resolution.

Unassigned fund balances. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Minimum Level of Unassigned Fund Balance Policy

The City's fund balance policy establishes a minimum unassigned fund balance level of 25% of the operating expenditures of the current fiscal year. If unassigned fund balance falls below the established level, a plan to replenish that amount back to the required level over a three year period will be developed.

The fund balance policy also establishes a spending order when a qualifying expenditure is incurred for which those funds are available, of restricted fund balances first, followed by committed, then assigned, and finally unassigned fund balances.

Notes to the Financial Statements

Encumbrances

Purchase orders are issued throughout the year to encumber budgets for expenditures. Significant encumbrances as of September 30, 2011 are:

Major funds:

General Fund	\$ 82,365
New Growth Capital Projects Fund	32,716
Parks and Recreation Capital Projects Fund	116,059
Reconstruction and Maintenance Capital Projects Fund	117,835

New Accounting Pronouncements

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City implemented this standard in fiscal year 2011. Changes to the fund balance reporting in the governmental funds are reflected in the financial statements and schedules, and related disclosures are included in Note 1 under "Fund Equity," "Minimum Level of Unassigned Fund Balance Policy," and "Encumbrances."

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.

2 – PROPERTY TAXES (Continued)

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, 2011 was 5.650.

3 – 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 depositors 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 \$3 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. 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.

3 – DEPOSITS AND INVESTMENTS (Continued)**Investments – City** (Continued)

The State Board of Administration (SBA) administers the Florida PRIME, 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, 2011, the fair value factor for Fund B was \$.7568386 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, 2011, the City had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
Florida Prime	\$ 5,577,980	38 days	AAAm S&P
Fund B	354,102	4.82 years	Not Rated
FMIvT 0-2 Year High Quality Bond Fund	5,816,348	0.73 years	AAAf/S1 S &P
FMIvT 1-3 Year High Quality Bond Fund	6,088,395	1.64 years	AAA/V2 Fitch
FMIvT Intermediate High Quality Bond Fund	2,166,733	3.59 years	AAA/V3 Fitch
Total Investments	\$ 20,003,559		

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.

3 – DEPOSITS AND INVESTMENTS (Continued)**Investments – City** (Continued)**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, 2011, 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, 2011, the Plan had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
FMIvT Broad Market High Quality Bond Fund	\$ 4,766,833	6.74 years	AA/V4 Fitch
FMIvT High Quality Growth Portfolio	774,196		Not Rated
FMIvT Diversified Small Cap Equity Portfolio	807,376		Not Rated
FMIvT Russell 1000 Enhanced Index Fund	2,388,947		Not Rated
FMIvT Diversified Small to Mid Cap	1,139,174		Not Rated
FMIvT International Blend Portfolio	984,335		Not Rated
Total Investments	\$ 10,860,861		

3 – 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 at 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 at 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

4 – RECEIVABLES

Receivables for the City’s individual major funds and non-major funds in the aggregate, including applicable allowances as of September 30, 2011 are as follows:

	General Fund	New Growth Fund	Parks and Recreation Fund	Reconstruction and Maintenance Fund	Nonmajor Governmental Funds	Total
Receivables:						
Accounts Receivable	\$1,980,319	\$ --	\$ --	\$ --	\$ --	\$1,980,319
Interest Receivable	95,137	--	9,751	37,699	--	142,587
Grants Receivable	2,848	6,563	--	154,398	18,768	182,577
Assessments Receivable	7,188	--	--	--	--	7,188
Total Receivables	2,085,492	6,563	9,751	192,097	18,768	2,312,671
Less Allowance for Uncollectible Amounts	(172,397)	--	--	--	--	(172,397)
Net Total Receivables	\$1,913,095	\$ 6,563	\$ 9,751	\$ 192,097	\$ 18,768	\$2,140,274

5 – INTERFUND TRANSACTIONS

The following is a summary of interfund transfers for the year ended September 30, 2011:

Fund	Transfers In	Transfers Out
Major Fund		
General Fund	\$ --	\$ 410,000
Nonmajor Governmental Funds	443,898	33,898
Total Interfund Transfers	\$ 443,898	\$ 443,898

Transfers to the nonmajor funds include \$410,000 to the Municipal Complex debt service fund for principal and interest payments on the Public Improvement Note, Series 2004A and a residual equity transfer of \$33,898 from the Fire Safety debt service fund to the Municipal Complex debt service fund. The final debt service payment for the Fire Safety Revenue Refunding Note Series 2004B was made in fiscal 2011 and the fund was closed. The remaining fund balance will be used for future payments of debt service on the Municipal Complex Public Improvement Note Series 2004A.

Notes to the Financial Statements

6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 7,265,636	\$ --	\$ --	\$ 7,265,636
Construction-in-progress	72,928	612,024	(72,928)	612,024
Total Capital Assets not Being Depreciated	7,338,564	612,024	(72,928)	7,877,660
Capital Assets Being Depreciated				
Buildings	12,749,533	72,664	--	12,822,197
Improvements other than buildings	8,393,108	357,391	--	8,750,499
Furniture, fixtures, and equipment	2,005,193	106,502	(70,614)	2,041,081
Vehicles	4,531,012	237,241	(213,694)	4,554,559
Total Capital Assets Being Depreciated	27,678,846	773,798	(284,308)	28,168,336
Less Accumulated Depreciation for				
Buildings	(5,005,378)	(321,540)	--	(5,326,918)
Improvements other than buildings	(4,195,267)	(380,884)	--	(4,576,151)
Furniture, fixtures, and equipment	(1,486,204)	(147,471)	69,579	(1,564,096)
Vehicles	(2,912,565)	(332,478)	213,692	(3,031,351)
Accumulated Depreciation	(13,599,414)	(1,182,373)	283,271	(14,498,516)
Total Capital Assets Being Depreciated, Net	14,079,432	(408,575)	(1,037)	13,669,820
Total Capital Assets, Net	\$ 21,417,996	\$ 203,449	\$ (73,965)	\$21,547,480

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 197,440
Public safety	406,068
Transportation	40,563
Culture/recreation	391,491
Physical environment	146,811
Total Depreciation Expense	\$ 1,182,373

7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended September 30, 2011:

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011	Due Within One Year
Public improvement note, 2004A	\$ 4,281,925	\$ --	\$ 232,916	\$ 4,049,009	\$ 242,403
Revenue refunding note, 2004B	207,070	--	207,070	--	--
Compensated absences	1,820,096	974,332	837,302	1,957,126	751,437
Total	\$ 6,309,091	\$ 974,332	\$ 1,277,288	\$ 6,006,135	\$ 993,840

7 – 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 \$403,195 and the legally available non-ad valorem revenues totaled \$12,896,465 for the year. At September 30, 2011, principal and interest to maturity in 2024 to be paid from pledged future revenues totaled \$5,242,382. 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			
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	284,376	118,884	403,260
2017-2021	1,605,356	410,945	2,016,301
2022-2024	1,128,798	80,982	1,209,780
Total	\$4,049,008	\$1,193,373	\$5,242,381

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 \$203,003 and pledged public services taxes totaled \$483,437 for the year. At September 30, 2011, principal and interest were fully paid off.

8 – 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. A defined contribution plan alternative to the Pension Plan, the Florida Retirement System Investment Plan, is available to Florida Retirement System members.

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

The Florida Retirement System funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. The FRS pension plan allocation rates include a required 3% employee contribution. In addition, the City's employer contribution rates by job class for the City's employees at September 30, 2011 were as follows: regular employees 4.91%, special risk employees 14.10%, senior management employees 6.27% and elected officials 11.14%. The City's combined contributions to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program (see below) for the fiscal years ending September 30, 2009 through 2011 were \$464,042, \$454,647, and \$403,147, respectively, which were equal to 100% of the required contributions for each fiscal year.

Employer and employee contribution rates are established by state law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. Unfunded actuarial liability as a result of past and future plan benefit changes, assumption changes, or methodology changes, and actuarial gains and losses are being amortized over 30 years, using level percentage of payroll amounts. Only gains reserved for rate stabilization will be amortized on a rolling 10 percent basis, as a level dollar amount.

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 section 112.363, Florida Statutes, which may be amended by the Florida Legislature.

8 – 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 percent of annual covered payroll. The consulting actuary recommends rates based on the biannual 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, 2010, actuarial valuation for the fiscal year ending June 30, 2011 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. See the Florida Retirement System Pension Plan for contributions related to the Retiree Health Insurance Subsidy Program.

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.

9 – 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.

9 – 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, 2011, Plan membership consisted of 73 active employees and 88 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, 2011, \$398,613 was recorded as a revenue and expenditure in the General Fund relating to on-behalf payments received from the State.

9 – 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, 2009. Significant actuarial assumptions in the October 1, 2010 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)	\$1,346,918
Interest on Net Pension Obligation (NPO)	62,707
Adjustment to ARC	(37,661)
Annual Pension Cost (APC)	1,371,964
City/State Contributions Made	(1,543,020)
Decrease in NPO	(171,056)
Net Pension Obligation, October 1, 2010	864,931
Net Pension Obligation, September 30, 2011	\$ 693,875

Three-Year Trend Information			
Fiscal Year End	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	1,204,955	43.00%	\$683,334
9/30/2010	1,490,458	88.00%	864,931
9/30/2011	1,371,964	112.00%	693,875

9 – EMPLOYEE RETIREMENT PLANS (Continued)

Funded Status and Funding Progress

The funded status and funding progress of the Plan as of the October 1, 2010 actuarial valuation date was as follows:

Actuarial value of assets	\$8,879,484
Actuarial accrued liability (AAL)	\$10,811,719*
Unfunded actuarial accrued liability (UAAL)	\$1,932,235
Funded ratio	82.13%
Covered payroll	\$4,753,155
UAAL as a percentage of covered payroll	40.65%

* 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’s plan establishes two accounts, or plans; a 401(a) plan into which the City makes pension contributions on behalf of the employees, and a 457(b) plan for the employees to make voluntary contributions to supplement their pensions. Vesting applies only to the 401(a) plan, as described below. Employee contributions to the 457(b) plan are completely owned by the employees.

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, 2011, were \$207,903 and \$121,068, respectively, which were equal to the required contributions.

9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees’ Retirement Plan – Defined Contribution Plan (Continued)

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

10 – 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)	\$ 31,000
Interest	1,000
Adjustment to the ARC	(2,000)
Annual OPEB Cost	30,000
Contributions Made	(10,000)
Increase in Net OPEB Obligation	20,000
Net OPEB Obligation, October 1, 2010	28,000
Net OPEB Obligation, September 30, 2011	\$ 48,000

10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**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 2011, 2010, and 2009 was:

Fiscal year ended	9/30/2011	9/30/2010	9/30/2009
Annual OPEB cost	\$30,000	\$26,000	\$201,860
Percentage of OPEB cost contributed	33.00%	46.15%	0%
Net OPEB Obligation	\$48,000	\$28,000	\$201,860

Funded Status and Funding Progress

The funded status of the plan as of October 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial valuation date	10/01/10
Actuarial accrued liability	\$183,000
Actuarial value of plan assets	\$ --
Unfunded actuarial accrued liability (UAAL)	\$183,000
Funded ratio	0.0%
Covered payroll	\$8,712,000
UAAL as a percentage of covered payroll	2.1%

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, 2010
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	4.0% (includes inflation at 2.75%)
Healthcare inflation rate	10% for 2010/11 graded to 6% for 2018/19; 5% ultimate per annum

11 – 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 have been no reductions in insurance coverage from the coverage in the prior year. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

12 – 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, 2011 were \$204,148. As of September 30, 2011, the cost of the land and building under the operating lease was \$1,240,164 and accumulated depreciation on the property was \$860,616.

13 – 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
(OTHER THAN MANAGEMENT'S
DISCUSSION AND ANALYSIS)**

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

For the Fiscal Year Ended September 30, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 6,583,640	\$ 6,583,640	\$ 6,655,676	\$ 72,036
Delinquent	20,000	20,000	21,969	1,969
Total ad valorem taxes	6,603,640	6,603,640	6,677,645	74,005
Utility service taxes:				
Electric	1,700,000	1,700,000	1,785,411	85,411
Telecommunications	1,610,000	1,610,000	1,455,953	(154,047)
Water	380,000	380,000	413,921	33,921
Gas	50,000	50,000	46,938	(3,062)
Propane gas	23,000	23,000	22,577	(423)
Total public service taxes	3,763,000	3,763,000	3,724,800	(38,200)
Local option gas tax	247,000	247,000	236,342	(10,658)
New local option gas tax	116,000	116,000	110,118	(5,882)
Local business tax	222,400	222,400	226,456	4,056
Insurance premium tax	480,000	480,000	398,613	(81,387)
Total taxes	11,432,040	11,432,040	11,373,974	(58,066)
Permits and franchise fees:				
Building permits	200,600	200,600	203,605	3,005
Electrical permits	7,000	7,000	16,534	9,534
Plumbing permits	10,100	10,100	8,994	(1,106)
Mechanical permits	7,400	7,400	46,127	38,727
Electric franchise fees	1,800,000	1,800,000	1,634,914	(165,086)
Gas franchise fees	30,000	30,000	12,726	(17,274)
Solid waste franchise fees	76,800	76,800	78,494	1,694
Other	800	800	435	(365)
Total permits and franchise fees	2,132,700	2,132,700	2,001,829	(130,871)
Intergovernmental revenues:				
State revenue sharing	800,000	800,000	911,699	111,699
Half-cent sales tax	2,130,000	2,130,000	2,124,728	(5,272)
County occupational license	70,000	70,000	47,570	(22,430)
Mobile home license	9,000	9,000	8,431	(569)
Alcoholic beverage license	9,000	9,000	9,051	51
Motor fuel tax rebate	11,000	11,000	8,942	(2,058)
Grants	120,400	120,400	95,924	(24,476)
Other	30,660	30,660	32,155	1,495
Total intergovernmental	3,180,060	3,180,060	3,238,500	58,440

(Continued)

See accompanying notes to the budgetary comparison schedule.

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, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,146,000	\$ 1,146,000	\$ 1,265,213	\$ 119,213
Zoning fees	23,800	23,800	23,800	--
Administrative fees	105,000	105,000	109,412	4,412
Sales of documents	21,200	21,200	49,587	28,387
Culture/recreation	65,231	65,231	45,672	(19,559)
Security services	47,000	47,000	51,795	4,795
Ambulance transport	1,297,000	1,297,000	1,233,672	(63,328)
Other	24,850	24,850	54,528	29,678
Total charges for services	2,730,081	2,730,081	2,833,679	103,598
Fines and forfeitures:				
Judgments and fines	80,500	80,500	87,282	6,782
Violations of local ordinances	20,000	20,000	15,945	(4,055)
Other	500	500	1,303	803
Total fines and forfeitures	101,000	101,000	104,530	3,530
Interest:				
Bank	34,800	34,800	43,130	8,330
State Board of Administration	4,000	4,000	65,411	61,411
FMLvT	24,000	24,000	70,474	46,474
Tax collector interest	5,000	5,000	844	(4,156)
Other interest	100	100	31	(69)
Total interest	67,900	67,900	179,890	111,990
Contributions	8,330	8,330	3,447	(4,883)
Rental fees	272,257	272,257	283,744	11,487
Miscellaneous:				
Vending machine royalties	3,000	3,000	2,500	(500)
Refunds - prior year	21,000	21,000	10,894	(10,106)
Insurance proceeds	5,000	5,000	3,341	(1,659)
Sales of surplus materials	10,000	10,000	20,874	10,874
Other	52,075	52,075	49,565	(2,510)
Total miscellaneous	91,075	91,075	87,174	(3,901)
Total Revenues	\$ 20,015,443	\$ 20,015,443	\$ 20,106,767	\$ 91,324

(Continued)

See accompanying notes to the budgetary comparison schedule.

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, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
General government:				
Administrative:				
City Manager	\$ 485,675	\$ 486,013	\$ 463,782	\$ 22,231
Mayor and City Council	167,639	167,639	151,485	16,154
Legal counsel	113,594	113,594	117,017	(3,423)
Human resources	137,960	137,960	129,932	8,028
City Clerk	185,865	185,865	178,992	6,873
Total administration	1,090,733	1,091,071	1,041,208	49,863
Finance:				
Administration	324,661	324,661	311,554	13,107
Financial operations	454,131	454,131	445,116	9,015
Purchasing	144,823	144,823	144,461	362
Information technology	346,760	346,760	331,156	15,604
Total finance	1,270,375	1,270,375	1,232,287	38,088
Planning and development	536,420	536,968	453,185	83,783
Risk management	416,210	416,210	334,512	81,698
Contingency	100,000	103,200	--	103,200
Other	--	--	2,375	(2,375)
Total general government	3,413,738	3,417,824	3,063,567	354,257
Public safety:				
Administration	672,313	672,313	610,487	61,826
Uniform patrol	4,753,403	4,756,219	4,880,382	(124,163)
EMS	4,493,816	4,493,816	4,547,371	(53,555)
Support services	1,458,124	1,461,746	1,337,625	124,121
Protective inspections	690,941	691,170	690,945	225
Other Public Safety	480,000	480,000	398,613	81,387
Total public safety	12,548,597	12,555,264	12,465,423	89,841
Transportation:				
Public works administration	173,319	173,319	162,962	10,357
Streets and grounds maintenance	700,931	700,931	704,828	(3,897)
Vehicle maintenance	529,184	529,184	549,988	(20,804)
Total transportation	1,403,434	1,403,434	1,417,778	(14,344)
Culture/recreation:				
Administration	476,009	480,042	445,911	34,131
Parks and grounds maintenance	180,478	180,478	174,157	6,321
Community center	294,521	294,619	238,906	55,713
Total culture/recreation	951,008	955,139	858,974	96,165

(Continued)

See accompanying notes to the budgetary comparison schedule.

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, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued)				
Physical environment:				
Building services	\$ 603,969	\$ 605,823	\$ 590,037	\$ 15,786
Solid waste collection and disposal	1,057,520	1,057,520	1,052,839	4,681
Total physical environment	1,661,489	1,663,343	1,642,876	20,467
Capital outlay (all departments and functions)	18,300	18,300	16,204	2,096
Total Expenditures	19,996,566	20,013,304	19,464,822	548,482
Excess of Revenues Over Expenditures	18,877	2,139	641,945	639,806
Other Financing Uses				
Transfers out	(410,000)	(410,000)	(410,000)	--
Net Change in Fund Balance	(391,123)	(407,861)	231,945	639,806
Fund Balance - Beginning	391,123	407,861	10,894,105	10,486,244
Fund Balances - Ending	\$ --	\$ --	\$11,126,050	\$11,126,050

See accompanying notes to the budgetary comparison schedule.

Note To The Budgetary Comparison Schedule
General Fund

September 30, 2011

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. There were supplemental appropriations of \$16,738.
- ❖ 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.
- ❖ The preceding schedule is presented at the functional level and not the departmental level. 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, 2011

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
10/1/2006	\$ 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%
10/1/2010	8,879,484	10,811,719	1,932,235	82.13%	4,753,155	40.65%
10/1/2011	10,564,789	12,924,608	2,359,819	81.74%	4,865,229	48.50%

* 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 Employer Contributions

Fiscal Year Ended September 30	Annual Required Contribution	Percentage Contributed
2006	\$ 512,744	100.00%
2007	392,946	100.00%
2008	572,880	100.00%
2009	1,204,955	43.00%
2010	1,470,192	89.00%
2011	1,346,918	106.00%

Required Supplementary Information

Other Post Employment Benefits

For the Fiscal Year Ended September 30, 2011

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%
10/1/2010	\$ --	\$ 183,000	\$ 183,000	0.00%	\$ 8,712,000	2.10%

The City implemented GASB Statement No. 45 during the fiscal year ended September 30, 2009 and obtains actuarial valuations every three years, therefore the above schedule reflects the data for the two actuarial valuations that the City has obtained.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

New Growth Capital Projects Fund

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

For the Fiscal Year Ended September 30, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ --	\$ --	\$ 60,971	\$ 60,971
Impact fees	47,138	47,138	11,068	(36,070)
Interest	26,230	26,230	38,175	11,945
Total Revenues	73,368	73,368	110,214	36,846
Expenditures:				
Capital outlay	1,699,420	3,403,970	1,127,589	2,276,381
Deficiency of Revenues Over Expenditures	(1,626,052)	(3,330,602)	(1,017,375)	2,313,227
Fund Balance - Beginning	1,626,052	3,330,602	4,502,708	1,172,106
Fund Balance - Ending	\$ --	\$ --	\$ 3,485,333	\$ 3,485,333

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, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 54,690	\$ 54,690	\$ 43,973	\$ (10,717)
Rental income	115,826	115,826	164,004	48,178
Total Revenues:	170,516	170,516	207,977	37,461
Expenditures:				
Capital outlay	253,800	305,615	189,530	116,085
Excess (Deficiency) of Revenues Over Expenditures	(83,284)	(135,099)	18,447	153,546
Fund Balance - Beginning	83,284	135,099	3,320,694	3,185,595
Fund Balance - Ending	\$ --	\$ --	\$ 3,339,141	\$ 3,339,141

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, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 538,951	\$ 558,949	\$ 214,840	\$ (344,109)
Interest	45,000	45,000	47,099	2,099
Total Revenues	583,951	603,949	261,939	(342,010)
Expenditures:				
Capital outlay	1,416,070	1,455,981	787,926	668,055
Deficiency of Revenues Over Expenditures	(832,119)	(852,032)	(525,987)	326,045
Fund Balance - Beginning	832,119	852,032	6,343,434	5,491,402
Fund Balance - Ending	\$ --	\$ --	\$ 5,817,447	\$ 5,817,447

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2011	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Investments	\$155,378	\$ 35,239	\$ 28,433	\$ 21,989
Grants receivable	--	--	--	18,768
Prepays	--	--	--	723
Total Assets	\$155,378	\$ 35,239	\$ 28,433	\$ 41,480
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 2,276	\$ 3,657
Accrued payroll and related taxes	--	--	--	6,287
Unearned revenue	--	--	--	569
Total Liabilities	--	--	2,276	10,513
Fund Balances:				
Restricted for:				
Public Safety Forfeitures	155,378	--	--	--
Arborous Activities	--	35,239	--	--
Public Safety Donations	--	--	26,157	--
Youth Programs	--	--	--	30,967
Debt Service	--	--	--	--
Total Fund Balances	155,378	35,239	26,157	30,967
Total Liabilities and Fund Balances	\$155,378	\$ 35,239	\$ 28,433	\$ 41,480

<u>Debt Service Funds</u>			Total
Fire	Municipal	Governmental	Nonmajor
Safety	Complex	Funds	
\$ --	\$ 508,510	\$ 749,549	
--	--	18,768	
--	--	723	
<hr/>			
\$ --	\$ 508,510	\$ 769,040	
<hr/>			
\$ --	\$ --	\$ 5,933	
--	--	6,287	
--	--	569	
<hr/>			
--	--	12,789	
<hr/>			
--	--	155,378	
--	--	35,239	
--	--	26,157	
--	--	30,967	
--	508,510	508,510	
<hr/>			
--	508,510	756,251	
<hr/>			
\$ --	\$ 508,510	\$ 769,040	
<hr/>			

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

For the Fiscal Year Ended September 30, 2011	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ 281,910
Charges for services	--	--	--	170,214
Fines and forfeitures	82,857	--	--	--
Interest	329	87	79	51
Contributions	--	735	6,099	4,500
Total Revenues	83,186	822	6,178	456,675
Expenditures:				
Current:				
Public safety	--	--	928	--
Culture/recreation	--	--	--	454,665
Capital outlay	41,326	2,674	16,648	877
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	41,326	2,674	17,576	455,542
Excess (Deficiency) of Revenues Over Expenditures	41,860	(1,852)	(11,398)	1,133
Other Financing Sources or Uses				
Transfers in	--	--	--	--
Transfers (out)	--	--	--	--
Net Change in Fund Balances	41,860	(1,852)	(11,398)	1,133
Fund Balances - Beginning of Year	113,518	37,091	37,555	29,834
Fund Balances - End of Year	\$ 155,378	\$ 35,239	\$ 26,157	\$ 30,967

<u>Debt Service Funds</u>			Total
Fire	Municipal		Nonmajor
Safety	Complex	Governmental	Funds
\$ --	\$ --	\$	281,910
--	--		170,214
--	--		82,857
491	1,508		2,545
--	--		11,334
<u>491</u>	<u>1,508</u>		<u>548,860</u>
--	--		928
--	--		454,665
--	--		61,525
207,071	232,915		439,986
5,932	170,279		176,211
<u>213,003</u>	<u>403,194</u>		<u>1,133,315</u>
(212,512)	(401,686)		(584,455)
--	443,898		443,898
(33,898)	--		(33,898)
(246,410)	42,212		(174,455)
<u>246,410</u>	<u>466,298</u>		<u>930,706</u>
\$ --	\$ 508,510	\$	756,251

Arboreous Special Revenue Fund

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

For the Fiscal Year Ended September 30, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 74	\$ 74	\$ 87	\$ 13
Contributions	3,000	3,000	735	(2,265)
Total Revenues	3,074	3,074	822	(2,252)
Expenditures:				
Capital outlay	10,000	10,000	2,674	7,326
Deficiency of Revenues Over Expenditures	(6,926)	(6,926)	(1,852)	5,074
Fund Balance - Beginning	6,926	6,926	37,091	30,165
Fund Balance - Ending	\$ --	\$ --	\$ 35,239	\$ 35,239

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, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 98	\$ 98	\$ 79	\$ (19)
Contributions	1,900	1,900	6,099	4,199
Total Revenues	1,998	1,998	6,178	4,180
Expenditures:				
Current:				
Public safety	--	--	928	(928)
Capital outlay	4,000	4,000	16,648	(12,648)
Total Expenditures	4,000	4,000	17,576	(13,576)
Deficiency of Revenues Over Expenditures	(2,002)	(2,002)	(11,398)	(9,396)
Fund Balance - Beginning	2,002	2,002	37,555	35,553
Fund Balance - Ending	\$ --	\$ --	\$ 26,157	\$ 26,157

Youth Programs Special Revenue Fund

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

For the Fiscal Year Ended September 30, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 320,286	\$320,286	\$ 281,910	\$ (38,376)
Charges for services	161,184	161,184	170,214	9,030
Interest	--	--	51	51
Contributions	1,650	1,000	4,500	3,500
Total Revenues	483,120	482,470	456,675	(25,795)
Expenditures:				
Current:				
Culture/recreation	493,950	494,496	454,665	39,831
Capital outlay	--	877	877	--
Total Expenditures	493,950	495,373	455,542	39,831
Deficiency of Revenues Over Expenditures	(10,830)	(12,903)	1,133	14,036
Net Change in Fund Balance	(10,830)	(12,903)	1,133	14,036
Fund Balance - Beginning	10,830	12,903	29,834	16,931
Fund Balance - Ending	\$ --	\$ --	\$ 30,967	\$ 30,967

Fire Safety Debt Service Fund

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

For the Fiscal Year Ended September 30, 201	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 494	\$ 494	\$ 491	\$ (3)
Expenditures:				
Debt service:				
Principal	207,071	207,071	207,071	--
Interest	6,033	6,033	5,932	101
Total Expenditures	213,104	213,104	213,003	101
Deficiency of Revenues Over Expenditures	(212,610)	(212,610)	(212,512)	98
Other Financing Uses				
Transfers out	--	(33,800)	(33,898)	(98)
Net Change in Fund Balance	(212,610)	(246,410)	(246,410)	--
Fund Balance - Beginning	212,610	246,410	246,410	--
Fund Balance - Ending	\$ --	\$ --	\$ --	\$ --

Municipal Complex Debt Service Fund

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

For the Fiscal Year Ended September 30, 2011	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 573	\$ 573	\$ 1,508	\$ 935
Expenditures:				
Debt service:				
Principal	223,800	223,800	232,915	(9,115)
Interest	179,460	179,460	170,279	9,181
Total Expenditures	403,260	403,260	403,194	66
Deficiency of Revenues Over Expenditures	(402,687)	(402,687)	(401,686)	1,001
Other Financing Sources				
Transfers in	410,000	443,800	443,898	98
Net Change in Fund Balance	7,313	41,113	42,212	1,099
Fund Balance - Beginning	(7,313)	(41,113)	466,298	507,411
Fund Balance - Ending	\$ --	\$ --	\$508,510	\$ 508,510

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.

<u>Schedule</u>	<u>Contents</u>	<u>Page</u>
Financial Trends		
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:</i>		
1	Net Assets by Component.....	61-62
2	Changes in Net Assets.....	63-64
3	Fund Balances, Governmental Funds.....	65-66
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Revenue Capacity		
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>		
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6	Direct and Overlapping Property Tax Rates.....	70
7	Principal Property Tax Payers.....	71-72
8	Property Tax Levies and Collections.....	73
Debt Capacity		
<i>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.</i>		
9	Ratios of Outstanding Debt by Type.....	74
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11	Direct and Overlapping Governmental Activities Debt.....	76
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Demographic and Economic Information		
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>		
14	Demographic and Economic Information.....	79
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Operating Information		
<i>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.</i>		
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17	Operating Indicators by Function/Program.....	82
18	Capital Asset Statistics by Function/Program.....	83

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1
Net Assets by Component
 (unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006
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	2011
\$ 15,242,622	\$ 16,647,292	\$ 17,233,772	\$ 16,929,001	\$ 17,498,471
12,539,737	13,061,468	14,723,706	15,096,565	9,587,502
8,651,866	9,281,185	8,694,111	8,228,901	12,237,270
<u>\$ 36,434,225</u>	<u>\$ 38,989,945</u>	<u>\$ 40,651,589</u>	<u>\$ 40,254,467</u>	<u>\$ 39,323,243</u>

Schedule 2
Changes in Net Assets
(unaudited)

Fiscal Year Ended 9/30	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 investments	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	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	2011
\$ 3,952,081	\$ 4,104,229	\$ 3,840,349	\$ 3,218,734	\$ 3,511,862
11,236,582	11,814,830	12,114,776	12,904,781	13,066,982
1,893,338	1,566,992	1,493,901	1,394,629	1,551,714
1,824,186	2,790,466	2,265,944	2,015,847	1,907,445
1,648,435	1,860,940	1,828,938	2,515,438	1,903,296
232,741	219,334	205,276	190,778	175,683
<u>20,787,363</u>	<u>22,356,791</u>	<u>21,749,184</u>	<u>22,240,207</u>	<u>22,116,982</u>

1,377,656	2,097,369	1,967,450	2,131,909	2,045,308
2,053,213	1,120,173	1,072,221	1,174,844	1,392,609
787,980	831,052	760,751	755,299	752,348
<u>4,218,849</u>	<u>4,048,594</u>	<u>3,800,422</u>	<u>4,062,052</u>	<u>4,190,265</u>
851,075	903,201	869,294	779,381	807,869
775,525	917,798	757,843	872,896	596,307
<u>5,845,449</u>	<u>5,869,593</u>	<u>5,427,559</u>	<u>5,714,329</u>	<u>5,594,441</u>

(14,941,914)	(16,487,198)	(16,321,625)	(16,525,878)	(16,522,541)
<u>(14,941,914)</u>	<u>(16,487,198)</u>	<u>(16,321,625)</u>	<u>(16,525,878)</u>	<u>(16,522,541)</u>

10,580,841	9,813,152	8,579,942	7,353,777	6,677,646
3,452,303	3,391,448	3,833,724	3,891,792	3,724,801
1,913,270	1,904,346	1,919,486	1,765,242	1,726,134
3,357,658	3,170,728	2,950,325	2,955,630	3,101,479
1,295,850	333,572	576,386	637,828	311,684
124,817	216,449	123,406	73,383	49,573
<u>20,724,739</u>	<u>18,829,695</u>	<u>17,983,269</u>	<u>16,677,652</u>	<u>15,591,317</u>

5,782,825	2,342,497	1,661,644	151,774	(931,224)
<u>\$ 5,782,825</u>	<u>\$ 2,342,497</u>	<u>\$ 1,661,644</u>	<u>\$ 151,774</u>	<u>\$ (931,224)</u>

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

Fiscal Year Ended 9/30	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
Non-spendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
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	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Total all other governmental funds	3,462,230	1,102,873	862,141	6,702,719	7,376,417
Total fund balances, all funds	\$ 7,710,561	\$ 4,546,342	\$ 5,428,930	\$ 12,723,378	\$ 15,246,713

(1) The City implemented Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting* for the fiscal year ended September 30, 2011

2006	2007	2008	2009	2010	2011 (1)
\$ 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	-
-	-	-	-	-	209,467
-	-	-	-	-	2,697,437
-	-	-	-	-	2,900,113
-	-	-	-	-	5,319,033
<u>\$ 9,420,811</u>	<u>\$ 9,698,977</u>	<u>\$ 10,732,598</u>	<u>\$ 10,333,647</u>	<u>\$ 10,894,105</u>	<u>\$ 11,126,050</u>
\$ 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	-
-	-	-	-	-	9,587,502
-	-	-	-	-	3,810,670
10,931,177	12,395,370	12,997,348	14,677,344	15,097,542	13,398,172
<u>\$ 20,351,988</u>	<u>\$ 22,094,347</u>	<u>\$ 23,729,946</u>	<u>\$ 25,010,991</u>	<u>\$ 25,991,647</u>	<u>\$ 24,524,222</u>

Schedule 4

Changes in Fund Balances, Governmental Funds

(Modified accrual basis of accounting)

(unaudited)

Fiscal Year Ended 9/30	2002	2003	2004	2005	2006
Revenues					
Taxes	\$ 8,668,419	\$ 9,740,578	\$ 10,636,124	\$ 11,963,080	\$ 14,166,773
Licenses and permits	1,070,278	1,616,972	1,261,603	1,242,119	1,412,060
Intergovernmental	3,309,268	3,443,306	4,045,416	4,694,599	5,978,413
Charges for services	1,688,496	2,247,315	2,446,893	2,501,932	2,530,525
Fines and forfeitures	89,450	101,504	135,488	189,988	137,506
Impact fees	499,622	286,679	571,506	327,722	1,838,001
Interest	152,618	90,241	92,687	412,034	930,022
Special assessments	29,809	19,068	15,318	16,801	10,547
Contributions	60,332	26,571	18,459	14,796	21,929
Sales of surplus materials	27,438	44,937	29,695	20,845	11,638
Rental income	40,539	64,670	92,201	160,661	191,287
Miscellaneous revenues	13,795	141,744	222,967	170,172	149,079
Total revenues	15,650,064	17,823,585	19,568,357	21,714,749	27,377,780
Expenditures					
General government	2,404,839	2,536,410	2,846,270	3,104,802	3,342,910
Public Safety	7,151,068	8,322,436	8,848,065	9,105,071	9,418,319
Transportation	1,117,702	1,183,020	1,308,203	1,271,357	1,359,785
Culture/Recreation	1,477,566	1,504,012	1,583,275	1,566,202	1,629,656
Physical environment	1,302,286	1,320,588	1,367,842	1,368,557	1,386,181
Capital outlay	4,772,493	1,486,146	1,232,574	1,955,359	4,519,311
Debt service					
Principal	471,430	491,114	511,627	451,526	370,146
Interest	116,899	97,271	76,774	254,537	246,197
Total expenditures	18,814,283	16,940,997	17,774,630	19,077,411	22,272,505
Excess of revenues over (under) expenditures	(3,164,219)	882,588	1,793,727	2,637,338	5,105,275
Other Financing Sources (Uses)					
Transfers in	2,460,592	677,844	645,896	2,512,829	4,740,494
Transfers out	(2,460,592)	(677,844)	(645,896)	(2,512,829)	(4,740,494)
Refunding bonds proceeds	-	-	-	-	-
Payment on refunded bonds	-	-	(1,334,279)	-	-
Net proceeds	-	-	6,835,000	-	-
Total other financing sources (uses)	-	-	5,500,721	-	-
Net Change in fund balances	(3,164,219)	882,588	7,294,448	2,637,338	5,105,275
Fund balances - beginning, as restated	7,710,561	4,546,342	5,428,930	12,609,375	15,246,713
Fund balance - ending	\$ 4,546,342	\$ 5,428,930	\$ 12,723,378	\$ 15,246,713	\$ 20,351,988
Debt services (principal & interest) as a percentage of non-capital expenditures	4.37%	3.92%	3.66%	4.26%	3.58%

Beginning fund balance restated:

Note: 2005 - Adjusted to eliminate FEMA grant revenues recorded in prior year.

2007	2008	2009	2010	2011
\$ 16,320,326	\$ 13,788,891	\$ 13,464,277	\$ 12,226,438	\$ 11,373,974
1,001,365	2,223,497	2,242,004	2,147,878	2,001,829
4,534,673	4,850,764	3,822,336	3,915,818	3,796,221
2,685,897	2,890,471	2,761,054	2,908,790	3,003,893
151,489	214,799	176,004	133,536	187,387
81,087	3,656	8,010	3,483	11,068
1,295,853	333,571	425,773	788,441	311,683
6,828	2,511	5,036	-	-
13,878	13,193	22,256	55,271	14,781
14,341	72,046	-	-	-
193,770	237,970	394,906	448,633	447,748
142,372	229,697	126,132	110,535	87,174
26,441,879	24,861,066	23,447,788	22,738,823	21,235,758
3,367,221	3,296,895	3,305,411	3,000,157	3,063,567
10,610,858	10,993,158	11,537,761	12,321,451	12,466,351
1,348,709	1,439,486	1,364,193	1,355,927	1,417,778
1,721,975	1,725,933	1,631,503	1,471,233	1,313,639
1,537,118	1,686,392	1,671,044	2,029,715	1,642,876
5,497,303	3,467,195	1,870,518	1,277,907	2,182,774
383,143	396,606	410,557	425,011	439,987
233,193	219,802	205,756	191,256	176,211
24,699,520	23,225,467	21,996,743	22,072,657	22,703,183
1,742,359	1,635,599	1,451,045	666,166	(1,467,425)
6,150,000	3,500,000	3,110,000	1,240,000	443,898
(6,150,000)	(3,500,000)	(3,110,000)	(1,240,000)	(443,898)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,742,359	1,635,599	1,451,045	666,166	(1,467,425)
20,351,988	22,094,347	23,729,946	25,325,481	25,991,647
\$ 22,094,347	\$ 23,729,946	\$ 25,180,991	\$ 25,991,647	\$ 24,524,222
3.18%	3.04%	3.24%	3.23%	3.12%

Schedule 5

Assessed Value and Actual Value of Taxable Property

(unaudited)

Fiscal Year Ended 9/30	Residential Property ⁽²⁾	Commercial Property ⁽²⁾	Tangible Personal Property and Other ^{(1) (2)}	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Just Value
2002	\$ -	\$ -	\$ -	\$ 813,934,258	22.19%	\$ 1,090,427,323
2003	-	-	-	911,363,381	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
2011	876,108,913	256,867,183	88,863,134	1,221,839,230	21.48%	1,670,249,399

⁽¹⁾"Other" include Industrial, Institutional, and Agricultural and in total comprise less than 1% of taxable value

Source: Palm Beach County Property Appraiser's Office

⁽²⁾Information from 2002 to 2004 not available.'

Schedule 6
Direct and Overlapping Property Tax Rates
 (unaudited)

Fiscal Year Ended 9/30	Greenacres		Overlapping Rates (1)						
	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
2002	5.30	0.47	4.94	0.54	8.59	0.57	1.15	0.60	0.04
2003	5.35	0.42	4.81	0.54	8.78	0.62	1.13	0.60	0.04
2004	5.41	0.37	4.79	0.58	8.57	0.69	1.13	0.60	0.04
2005	5.60	0.08	4.77	0.58	8.43	0.69	1.10	0.60	0.04
2006	5.57	0.00	4.72	0.63	8.11	0.69	1.08	0.60	0.10
2007	5.55	0.00	4.48	0.60	7.87	0.62	0.97	0.60	0.14
2008	4.70	0.00	3.97	0.54	7.25	0.60	1.00	0.53	0.12
2009	4.70	0.00	4.56	0.55	7.98	0.69	1.15	0.54	0.12
2010	5.15	0.00	5.00	0.61	8.15	0.75	1.15	0.53	0.12
2011	5.65	0.00	4.99	0.61	8.08	0.75	1.13	0.18	0.10

Source: Palm Beach County Property Appraiser's office.

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

(2) Florida Inland Navigation District.

Schedule 7
Principal Property Tax Payers
 (unaudited)

Current Year and Nine Years Ago

Taxpayers	Taxable Assessed Value	2011 Percentage of Total City Taxable Assessed Value
Okecheelee Apt. Partners	\$ 46,147,247	3.78%
Florida Power & Light	31,174,646	2.55%
MSKP River Bridge LLC	29,482,273	2.41%
Keystone WPB Property Holding Corp.	21,074,161	1.72%
Batmasian, James H	14,964,509	1.22%
Gator Green Acres	11,937,250	0.98%
Steve Moore Chevrolet	11,006,577	0.90%
Pickwick Mobile Home Park	9,971,904	0.82%
Dayton Hudson Corp	9,370,035	0.77%
Colonial MHC Ltd Partnership	8,713,420	0.71%
Total	\$ 193,842,022	15.86%

Source: Palm Beach County Property Appraiser's Office.

2002		
Taxpayers	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Okecheelee Apt. Partners	\$ 35,000,000	2.86%
CIN Riverbridge (Riverbridge)	19,407,713	1.59%
Keystone - West Palm Beach (Island Shores Apts.)	17,377,731	1.42%
Batmasian, James H (Waterway Village)	11,000,000	0.90%
JBH Limited Co. (Woodlakes Plaza)	10,025,000	0.82%
Chelsea Commons Ltd.	9,401,260	0.77%
SCM Realty, Inc. (Steve Moore Chevrolet)	8,585,348	0.70%
Dayton Hudson Corp.	8,295,673	0.68%
Gator Green Acres Ltd. (Greenacres Plaza)	7,884,786	0.65%
Pickwick Mobile Home Park	7,651,221	0.63%
Total	\$ 134,628,732	11.02%

Schedule 8
Property Tax Levies and Collections
 (unaudited)

Fiscal Year Ended 9/30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 4,699,249	\$ 4,515,760	96.1%	\$ 16,146	\$ 4,531,906	96.4%
2003	5,261,756	5,056,624	96.1%	18,364	5,074,988	96.5%
2004	6,077,975	5,863,174	96.5%	16,147	5,879,321	96.7%
2005	7,171,545	6,908,271	96.3%	14,324	6,922,595	96.5%
2006	8,638,865	8,326,242	96.4%	22,820	8,349,062	96.6%
2007	10,945,354	10,558,021	96.5%	23,615	10,581,636	96.7%
2008	10,111,651	9,789,537	96.8%	36,255	9,825,792	97.2%
2009	8,910,398	8,543,686	95.9%	45,059	8,588,745	96.4%
2010	7,583,925	7,308,718	96.4%	21,970	7,330,688	96.7%
2011	6,903,392	6,655,676	96.4%	-	6,655,676	96.4%
Totals	\$ 76,304,110	\$ 73,525,710	96.4%	\$ 227,062	\$ 71,411,669	93.6%

* Collections in subsequent years are not tracked specifically for the year levied; amounts shown are all delinquent taxes received during that fiscal year. For that reason, some years will show more collections than levied (see 2008). Totals are shown on the bottom row to give a better representation of collections, including delinquent taxes, over time.

Source: Tax Collector, Palm Beach County.

Schedule 9

Ratios of Outstanding Debt by Type
(unaudited)

Fiscal Year Ended 9/30	Population ⁽¹⁾	Median Family Income ⁽²⁾	Outstanding Debt by Type				Percentage Personal Income	Per Capita
			General Obligation Bonds	Revenue Bonds	Bank Notes	Total		
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
2011	37,873	63,300	-	-	4,256,079	4,256,079	0.18%	112.38

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

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

* Estimate

Note: The City has no business-type activities.

Schedule 10
Ratios of General Bonded Debt Outstanding
 (unaudited)

Fiscal Year Ended 9/30	Population(1)	Taxable Value(2)	General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2002	29,359	\$ 813,934,257	\$ 2,368,190	0.29%	\$ 80.66
2003	29,883	911,439,077	1,917,076	0.21%	64.15
2004	30,533	1,052,736,724	90,984	0.01%	2.98
2005	31,270	1,264,042,542	-	0.00%	-
2006	31,734	1,549,989,162	-	0.00%	-
2007	32,105	2,153,031,638	-	0.00%	-
2008	32,548	1,898,563,747	-	0.00%	-
2009	32,370	1,481,871,956	-	0.00%	-
2010	32,267	1,227,337,334	-	0.00%	-
2011	37,873	1,192,897,902	-	0.00%	-

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

Schedule 11
Direct and Overlapping Governmental Activities Debt
 (unaudited)

As of September 30, 2011	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Palm Beach School District	\$ 37,215,000	0.957%	\$ 356,171
Palm Beach County	226,545,000	0.957%	2,168,181
Subtotal, overlapping debt	263,760,000		2,524,352
City direct debt	-		-
Total direct and overlapping debt	\$ 263,760,000		\$ 2,524,352

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

Schedule 12
Legal Debt Margin Information
(unaudited)

The City of Greenacres has no legal debt margin.

Schedule 13
Pledged-Revenue Coverage
(unaudited)

Fiscal Year Ended 9/30	Refunding Note 2004B				Public Improvement Note 2004A			
	Public Service Tax (1)	Debt Service		Coverage	Non Ad Valorem Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2002	\$ 296,294	\$ 142,468	\$ 77,925	74.38%				
2003	312,338	149,076	71,321	70.56%				
2004	315,868	155,991	64,411	69.78%	**			
2005	347,979	177,240	35,864	61.24%	\$ 12,791,145	\$ 183,302	\$ 216,867	3.13%
2006	356,929	179,378	33,730	59.71%	14,009,894	190,768	212,492	2.88%
2007	371,969	184,604	28,471	57.28%	13,352,005	198,539	204,722	3.02%
2008	387,527	189,981	23,212	55.01%	12,611,991	206,625	196,590	3.20%
2009	436,962	195,515	17,527	48.76%	12,561,840	215,042	188,229	3.21%
2010	463,851	201,211	11,895	45.94%	15,385,046	223,800	179,460	2.62%
2011	483,437	207,071	6,033	44.08%	13,429,122	232,916	170,343	3.00%

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

(*) Issued Fire Safety Revenue Bond at the end of 2001, refunded 2004, paid in full 2011.

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

Schedule 14
Demographic and Economic Information
(unaudited)

Fiscal Year	Population ⁽¹⁾	Median Median Age ⁽²⁾	Per Capita Income ⁽³⁾	Average Home Sale Price ⁽⁴⁾	School Enrollment ⁽⁵⁾	Civilian Labor Force ⁽⁶⁾	Unemployment Rate ⁽⁶⁾
2002	29,359	N/A	42,430	81,100	8,072	13,922	5.2%
2003	29,883	41.8	43,626	97,600	8,296	14,115	4.9%
2004	30,533	41.8	43,830	119,800	9,527	14,245	4.3%
2005	31,270	41.8	44,050	162,300	10,645	14,959	3.7%
2006	31,734	41.7	44,518	199,200	9,892	15,257	3.1%
2007	32,105	38.1	46,630	186,800	9,883	15,601	3.5%
2008	32,548	38.2	55,311	138,900	9,726	15,704	5.2%
2009	32,370	43.2	59,147	96,800	10,168	15,553	8.5%
2010	32,267	43.2	58,358	76,800	10,378	15,476	10.3%
2011	37,873	43.5	57,461	67,300	10,601	15,572	10.3%

- Sources:
- (1) Bureau of Economic & Business Research (BEBR).
 - (2) U.S. Census Bureau FactFinder
 - (3) U.S. Dept. of Commerce, Bureau of Economic Analysis
 - (4) Zillow.com
 - (5) Palm Beach County School District.
 - (6) U.S. Bureau of Labor Statistics, Bureau of Labor Statistics.

Notes: (5) 2011 School Enrollment based on 11-Day Count.

Schedule 15
Principal Employers*
 (unaudited)

Current Year and Nine Years Ago

2011			2002		
Employer	Employees	Percentage of Total Employment	Employer*	Employees	Percentage of Total Employment
School Board	21,495	3.85%	School Board	18,677	3.32%
Palm Beach County	11,381	2.04%	Palm Beach County	9,000	1.60%
Tenet Healthcare Corp.	6,100	1.09%	State Government	8,705	1.55%
Florida Power & Light (Headquarters)	3,632	0.54%	Federal Government	5,660	1.01%
G4S (Headquarters)	3,000	0.65%	Columbia Palm Beach Health Care System	4,000	0.71%
Hospital Corporation of America	2,714	0.49%	Tenant Healthcare Corp.	3,040	0.54%
Florida Atlantic University	2,706	0.48%	U.S. Sugar Corp.	3,000	0.53%
Bethesda Memorial Hospital	2,391	0.43%	Florida Power & Light	2,800	0.50%
Office Depot (Headquarters)	2,250	0.40%	Boca Resort & Club	2,380	0.42%
Veterans Health Administration	2,207	0.39%	Florida Crystals	2,000	0.36%
Total	57,876	10.36%	Total	59,262	10.53%

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)

<u>Fiscal Year Ended 9/30</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Function/Program</u>										
Administration	8	8	8	8	8	8	8	8	7.5	7.5
Finance	15	15	15	15	15	15	14	14	14	14
Planning & Engineering	6	7	7	6	7	7	7	7	6	5
Building	11	11	11	11	11	11	11	10	9.5	9.5
Public Safety	106	104	104	108	113	117	113	113	109	109
Public Works	23	23	23	23	23	24	23	23	20	20
Leisure Services	17	17	17	17	17	11	11	10	8	8
Total	186	185	185	188	194	193	187	185	174	173

Source: City of Greenacres Department of Finance.

Schedule 17

Operating Indicators by Function/Program
(unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program									
General Government									
Population	29,883	30,533	31,270	31,734	32,105	32,548	32,370	32,267	37,573
Number of residential units	15,374	15,777	16,171	16,245	16,443	16,520	17,035	17,075	17,092
Number of solid waste accounts billed	7,118	7,439	7,731	7,805	8,002	8,080	8,212	8,251	8,263
Number of revenue transactions processed	19,151	19,505	20,882	21,779	22,015	23,923	19,882	21,888	20,689
Public Safety									
Total calls for responded service*	24,651	26,236	25,137	26,728	26,242	28,759	28,326	27,014	25,044
Number of arrests by police officers	1,817	2,319	2,851	2,801	3,252	4,625	3,252	1,571	2,042
Number of traffic citations issued	5,106	7,298	7,017	7,533	8,018	10,813	10,577	6,819	6,952
EMS average response times (minutes)	4.4	4.4	4.3	4.3	4.3	4.3	5.4**	5.4	6.2
Number of EMS calls (incl. in total calls)	4,214	4,668	4,839	4,956	4,996	4,659	4,800	4,911	4,802
Number of code enforcement inspections	1,500	1,600	2,036	2,215	2,000	2,022	2,770	3,446	2,670
Transportation									
Number of paved miles maintained	21.97	21.97	22.25	22.25	22.27	22.27	22.27	23.37	23.00
Number of vehicle repair orders completed	-	1,394	1,412	1,215	1,152	1,418	1,261	1,290	1,258
Number of city vehicles maintained	-	93	93	95	95	97	101	100	100
Physical Environment									
Total park acreage maintained	71	71	71	71	77	78	82	82	82
Average cost per acre to mow	-	-	1,674	1,852	1,940	2,052	2,066	1,753	1,852
Cultural & Recreation									
Number of community events presented	14	13	13	13	11	7	7	6	8
Number of registrants in athletic programs	-	1,000	1,053	1,373	1,081	1,036	771	270	767
Number of participants in after-school aged programs	143	149	160	160	171	170	170	150	124

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.

***2010 US Census

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

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Function/Program</u>									
General Government									
Office Buildings	7	7	7	7	9	9	9	9	9
Public Safety									
Public Safety Stations	2	2	2	2	2	2	2	2	2
Police Patrol Vehicles	26	26	26	28	28	32	34	34	34
Fire Trucks	5	5	5	5	5	4	4	4	4
EMS Units (Ambulances)	4	4	4	4	4	4	4	4	4
Transportation									
Street lane (miles)	43.94	43.94	44.50	44.50	44.50	44.54	44.54	49.52	49.52
Traffic Signs	950	950	950	986	1,096	922	1,091	1,091	1,084
Storm Water Inlets*	407	407	407	407	407	428	452	633	633
Physical Environment									
Baseball/Softball Fields	6	6	6	6	6	7	7	7	7
Soccer Fields	2	2	2	2	2	3	4	4	4
Cultural & Recreation									
Playgrounds	13	13	13	13	13	13	14	14	14
Community Centers	1	1	1	1	1	1	1	1	1
Parks	13	13	13	13	13	13	13	13	13

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

*Inlets, Outfalls, Control Structures and Manholes

OTHER REPORTS SECTION

**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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 9, 2012. 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.

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.

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

Compliance and Other Matters

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

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

Marcum LLP

West Palm Beach, FL
March 9, 2012

**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, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 9, 2012.

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. Disclosures in that report, which is dated March 9, 2012, 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 or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made 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, we did not have any such recommendations.
- 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, we did not have any such findings.
- 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, 2011, 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, 2011. 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, 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

West Palm Beach, FL
March 9, 2012