

City of Greenacres

2012 Comprehensive Annual Financial Report

FISCAL YEAR ENDING SEPTEMBER 30, 2012





Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2012

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INTRODUCTORY SECTION



City of Greenacres

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Samuel J. Ferreri
Mayor

Wadie Atallah
City Manager

March 12, 2013

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, 2012, which also includes the Independent Auditors' 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 2011. 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, 2012. 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 5.82 square miles with a population of 38,079 (BEBR 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 2012, 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 116,000 employees; 2) Professional, scientific and administrative services at over 81,000; and 3) Retail Trade at approximately 78,000. 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 2012 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 206 persons while the gross taxable value declined by 2.30% due to continuing declines in home values. Despite market conditions, 22 new residential units were built in the City, a 9,400 square foot daycare (Kid's World) was completed; a 3,100 square foot private home was converted into a private school (Potentia Academy), and the 5,995 square foot Blockbuster Video building was demolished and replaced with a 3,520 square foot restaurant (Pollo Tropical).

The preparation of the FY 2009 through FY 2013 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 4.55% decline in the City's tax base for FY 2013 as the taxable value declined from \$1,194,441,995 to \$1,138,228,135 following 16.70% and 2.30% declines in the prior two fiscal years respectively. Offsetting the reduced revenues from property values, the City has experienced increased revenues from the Half Cent Sales Tax and State Revenue Sharing which experienced increases in FY 2012 of 16.0% and 9.0% respectively.

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 (4) 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

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 fiscal year 2012, the City purchased and installed 4 additional surveillance cameras and a DVR recorder for video capture utilizing JAG Grant Funds, purchased a state of the art fire pumper rescue vehicle costing \$410,000, and replaced 12 police patrol vehicles.

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 City Hall and Public Works Facility. 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. During fiscal year 2012, the City completed the second phase of a \$1.2 million dollar project (partially funded by a Community Development Block Grant) to extend the sanitary sewer system for 10th Avenue North as part of economic redevelopment and completed median landscaping on Haverhill Road and Melaleuca Lane.

The City has been very active developing parks and recreation facilities and enhancing "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. During fiscal year 2012, the City replaced fencing and backstops at 3 ball fields and completed enhancements to Community Park consisting of new fencing and landscaping of the Joint Use Field and the construction of two new racquetball courts.

GENERAL FINANCIAL INFORMATION

Financial Policies

The City of Greenacres' financial policies 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 five 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. The City has been able to provide the needed funding of the Capital Improvement Program through dedicated sources of revenue such as impact fees and previous transfers.

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, 2011. 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-one consecutive years (fiscal years 1991-2011). 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, 2011. 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, 2012. The City has received this award for the last twenty years (fiscal years 1994-2013). 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.

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.



Thomas A. Hughes
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

Thomas J. Lanahan
Assistant City Manager/ Director
of Planning & Engineering

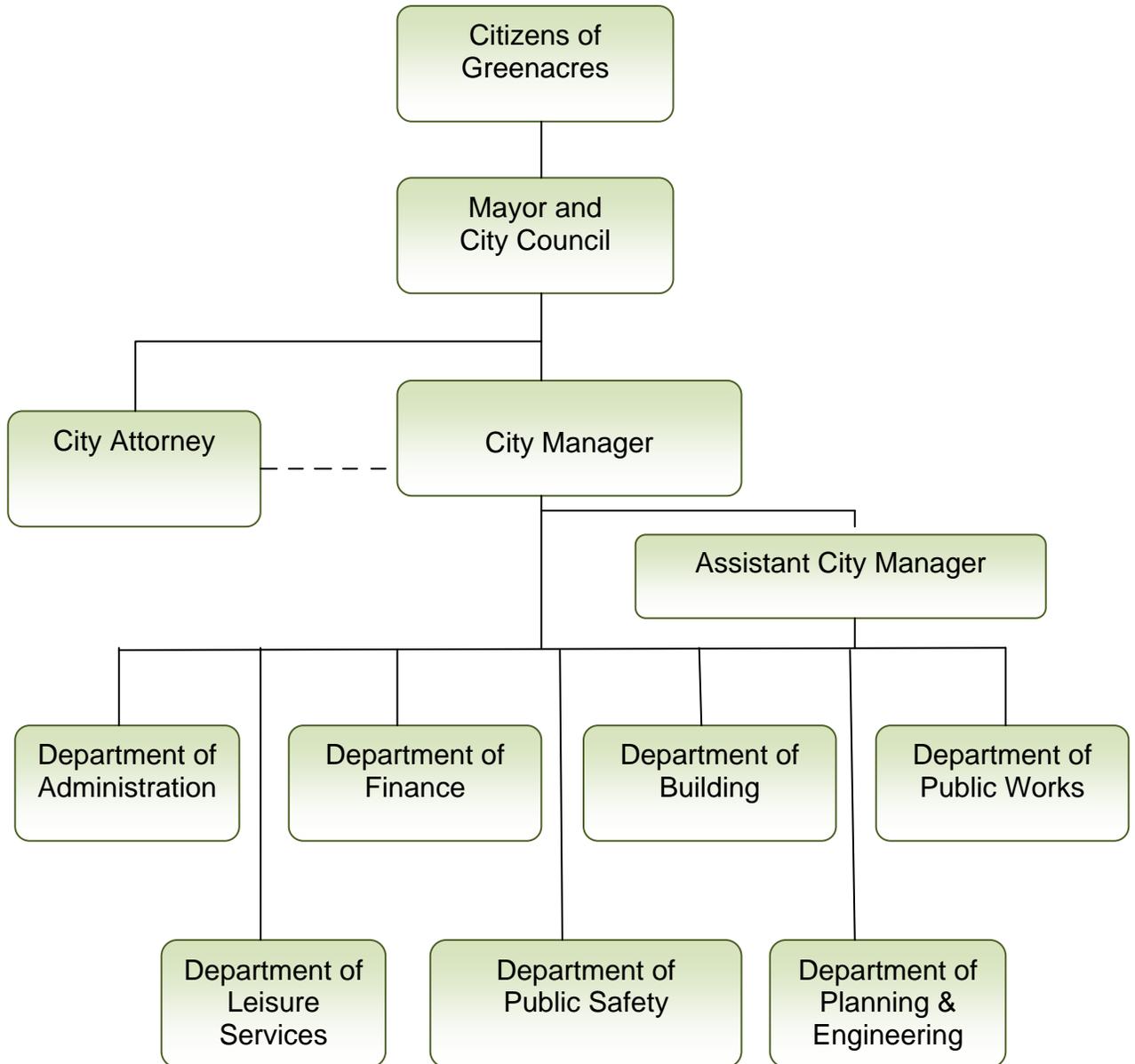
Denise McGrew
City Clerk

As of September 30, 2012

CITY OF GREENACRES, FLORIDA

ORGANIZATIONAL CHART

AS OF SEPTEMBER 30, 2012



Mission Statement

To continually improve the quality of life by providing the best and most cost efficient public services and facilities to exceed the expectations of city residents and businesses.

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, 2011

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.



Christopher P. Morinell

President

Jeffrey R. Emer

Executive Director

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 the City of Greenacres, Florida (City), as of and for the year ended September 30, 2012, 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 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 previously 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, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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, who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The information identified in the table of contents as the Introductory and Statistical Sections are presented for the purposes of analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Marum LLP

West Palm Beach, FL
March 12, 2013

**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, 2012. 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 net assets decreased in fiscal 2012 to \$38.9 million, as expenses were \$420 thousand more than the \$21.8 million generated in tax and other revenues for governmental programs. This compares favorably to last year when expenses exceeded revenues by \$931 thousand.
- In contrast to the reduction in net assets, capital assets net of related debt increased by 3.1%, to \$18.0 million, and represent 46.3% of total net assets. The assets include 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 \$21.8 million in revenues, an increase of \$664 thousand, or 3.1% more than the prior year.
- The total cost of all the City's programs was virtually unchanged, increasing by only \$152 thousand or less than 1 percent, with no new programs added this year.
- The 2012 general fund balance was \$11.8 million, of which \$5.8 million was non-spendable, committed or assigned, while \$6.0 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 13-18) 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 (pages 41-47) that includes a detailed budget analysis of the City's main operating General Fund, as well as funding schedules related to pensions and OPEB.

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 nine (9) individual governmental funds: the General Fund, four (4) Special Revenue Funds, one (1) Debt Service Fund, 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 61-67 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 2011 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.

	<u>2012</u>	<u>2011</u>	<u>Increase / (Decrease)</u>
Current and other assets	\$ 25,143	\$ 26,307	(4.4%)
Capital assets, net	<u>21,844</u>	<u>21,547</u>	1.4%
Total assets	<u>46,987</u>	<u>47,854</u>	(1.8%)
Current liabilities	2,484	2,777	(10.6%)
Long-term liabilities	<u>5,600</u>	<u>5,754</u>	(2.7%)
Total liabilities	<u>8,084</u>	<u>8,531</u>	(5.2%)
Net assets:			
Invested in capital assets, net of related debt	18,037	17,498	3.1%
Restricted	9,290	9,588	(3.1%)
Unrestricted	<u>11,576</u>	<u>12,237</u>	(5.4%)
Total net assets	<u>\$ 38,903</u>	<u>\$ 39,323</u>	(1.1%)

In 2012, Greenacres' assets exceeded liabilities by \$38.9 million and remained virtually unchanged from 2011. The City's net position remains strong despite downward pressure from a slow economy, as reflected by positive balances in all three categories of net assets.

The largest portion of the City's net assets, \$18 million or 46.3% 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 resulted from new additions of \$1.2 million that out-paced depreciation and asset disposals by \$500 thousand. (See also the discussion on Capital Assets on page 9).

The summary of net assets also shows \$9.3 million of net assets with restrictions on their use that are externally imposed (gas taxes, public safety forfeitures, grants) or by enabling legislation (impact fees). Restricted net assets were reduced primarily by capital expenditures from restricted revenue sources (gas taxes and impact fees) that outpaced those restricted revenues received in fiscal 2012.

Changes in Net Assets

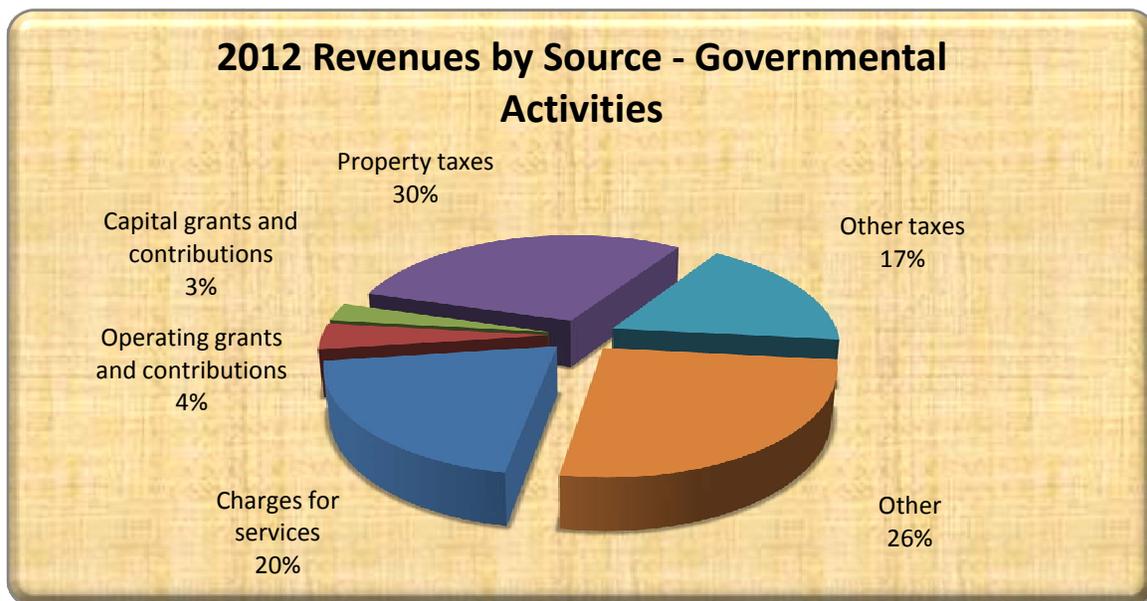
The revenues and expenses for the current and previous fiscal year are compared in the following schedule.

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

	<u>2012</u>	<u>2011</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 4,393	\$ 4,190	4.8%
Operating grants and contributions	868	808	7.4%
Capital grants and contributions	605	596	1.5%
General revenues:			
Property taxes	6,457	6,678	(3.3%)
Other taxes	3,821	3,725	2.6%
Other	5,705	5,188	10.0%
Total revenues	<u>21,849</u>	<u>21,185</u>	3.1%
Expenses:			
General government	3,403	3,512	(3.1%)
Public safety	13,214	13,067	1.1%
Transportation	1,622	1,552	4.5%
Culture and recreation	1,949	1,907	2.2%
Physical environment	1,920	1,903	0.9%
Interest and other fiscal charges	161	176	(8.5%)
Total expenses	<u>22,269</u>	<u>22,117</u>	0.7%
Decrease in net assets	(420)	(932)	(54.9%)
Net assets beginning of year	39,323	40,255	2.3%
Ending net assets	<u>\$ 38,903</u>	<u>\$ 39,323</u>	(1.1%)

During the current fiscal year, net assets for governmental activities decreased only slightly, by \$420 thousand from the prior fiscal year for an ending balance of \$38.9 million. While the current recession certainly had an impact on the City, management was able to take various actions (e.g., increasing rates for certain revenue sources, optimizing grants for programs as well as capital improvements, and analyzing and reducing staffing levels where possible) that neutralized its effect on governmental activities.

Overall, revenues increased 3.1% in 2012, even as property taxes, the City's chief revenue source, fell for the fifth consecutive year (discussed in more detail in the general fund analysis on page 8). The remaining program and general revenue sources increased by a cumulative 6.1%, more than offsetting property taxes. The most significant increase was in intergovernmental shared revenues, where the largest increase was half-cent sales taxes, \$341 thousand. Charges for services, the fees paid by those who benefit directly from governmental programs, also increased in 2012 by 4.8%, up \$403 thousand from \$4.2 million in 2011.



The cost of all governmental activities increased only slightly in 2012, by less than 1 percent, to \$22.3 million, up \$152 thousand from \$22.1 million in 2011. As shown on the Statement of Activities on page 12, the amount financed by taxpayers was about \$15.6 million, while \$4.4 million was paid by those who benefitted directly the programs, and another \$1.5 million was subsidized by other governments and organizations through grants and contributions. See the discussion on the general fund on the next page for more details on notable increases in expenditures that also impacted the increase in overall program 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.

The table at the top of the next page shows the results of operations in 2011 & 2012, the revenues, expenditures, and other financing sources and uses (fund transfers), and the effect on fund balance for the major funds reported by the City.

Major Fund Information

(in thousands)

<u>Fiscal Year 2012</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>
Revenues	\$ 20,805	\$ 69	\$ 202	\$ 264
Expenditures	(19,684)	(339)	(274)	(1,509)
Other financing sources (uses)	(410)	-	-	-
Increase (decrease) in fund balance	<u>\$ 711</u>	<u>\$ (270)</u>	<u>\$ (72)</u>	<u>\$ (1,245)</u>

<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	<u>\$ 231</u>	<u>\$ (1,018)</u>	<u>\$ 18</u>	<u>\$ (526)</u>

The General Fund is the chief operating fund of the City. The general fund balance increased by \$711 thousand in 2012, as revenues rose by \$699 thousand while expenditures increased by \$219 thousand over 2011 levels.

Property values declined for the fifth year in a row, resulting in a fifth year of reduced property tax revenues, the City's single largest revenue source. On a positive note, property taxes fell only 3.4% in 2012, after a decline of 8.9% in 2011, and down from a high of 14.5% in 2010, another sign that the economy is stabilizing as property values continue to recover after the recession. The drop in property tax revenues in 2012 was more than offset by increases in half-cent sales taxes (\$341 thousand), communication service taxes (\$82 thousand), and state shared revenues (\$74 thousand). Building permits increased in 2012, up \$41 thousand, a direct reflection of increased building activity, and a good indicator of an improving economy.

Notable general fund cost increases were liability and fleet insurance, up \$64 thousand, and fuel costs, up \$28 thousand in 2012. Solid waste hauling costs, which by contract are tied to the Consumer Price Index and increased by an average of only \$6 thousand in 2010 and 2011, increased by \$42 thousand in 2012 as the growth in the CPI triggered a 4% increase in 2012. There were no transfers from the general fund to support capital projects in 2012, a trend the City has decided to follow since 2009.

At the end of fiscal year 2012, unassigned fund balance of the general fund was \$6.0 million, while the total fund balance grew to \$11.8 million. The unassigned fund balance represents 30% of total general fund expenditures plus other financing uses, providing better liquidity than the 25% required by the City's fund balance policy.

The New Growth capital projects fund balance decreased by \$270 thousand in 2012, from \$3.5 million to \$3.2 million. Spending on New Growth capital projects amounted to \$339 thousand in 2012, and was offset by grants and investment revenues of \$69 thousand. Total fund balance of \$3.2 million, with \$2.4 million restricted for infrastructure projects and improvements, together with annual revenues from grants, impact fees, and interest earnings, should support planned projects for several more years.

The Parks and Recreation capital projects fund balance decreased by \$72 thousand in 2012, as cell tower lease revenues and interest income totaling \$203 thousand offset spending of about \$274 thousand on projects including 2 new racquetball courts at Community Park (\$116 thousand) and improvements at various city parks including fence repairs and replacements, landscaping, irrigation, and sod replacement (\$138 thousand). The remaining fund balance is \$3.3 million, of which \$2.7 million is restricted for parks and park improvements.

The Reconstruction and Maintenance capital projects fund balance decreased by \$1.2 million in 2012. Grants revenues and investment income amounted to \$264 thousand in 2012, and capital expenditures amounted to \$1.5 million, almost half of which was spent on 12 new police pursuit vehicles (\$349 thousand), a fire truck (\$410

thousand), and the refurbishment of the city-owned building at 301 Swain Blvd into a public safety neighborhood substation, a museum and offices for the Greenacres Historical Society, and the Greenacres branch office of the Palms West Chamber of Commerce (\$269 thousand). The remaining fund balance is \$4.6 million, with \$3.4 million is restricted for future road repairs and replacements.

General Fund Budgetary Highlights

The only revisions to the original adopted budget appropriations in 2012 were for encumbrances: \$72 thousand for products and services ordered in fiscal 2011 that were rolled over and re-appropriated in 2012. There were no revisions to budgeted revenues.

The original adopted 2012 budget projected deficit spending of \$293,706 that would not be covered by projected 2012 revenues, and was appropriated from available fund balance. As the year ended, however, actual revenues came in \$654 thousand higher than budgeted, while actual expenditures were \$424 less than the final amended budget including encumbrances. The result was that the general fund balance increased by \$711 thousand in fiscal 2012. Please refer to the general fund budgetary comparison schedule on pages 41-44 for more details.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets on September 30, 2012 net of accumulated depreciation, was \$21.8 million, an increase of \$297 thousand from 2011. In 2012 the City added assets valued at \$1.6 million and disposed of assets originally valued at \$708 thousand, but were carried at a book value of only \$101 thousand after depreciation. Please refer to the discussion of major funds above (bottom of preceding page and the top of this page) for more details on the major asset additions, and also to Note 6 Capital Assets on page 31.

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

	<u>2012</u>	<u>2011</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,266	\$ 7,266	0.0%
Buildings	7,416	7,495	(1.1%)
Improvements other than buildings	3,989	4,173	(4.4%)
Furniture, fixtures and equipment	414	477	(13.2%)
Vehicles	1,949	1,524	27.9%
Construction in progress	810	612	32.4%
 Total	 <u>\$ 21,844</u>	 <u>\$ 21,547</u>	 1.4%

Debt administration. The City's has very little outstanding debt, consisting only of a public improvement bank note totaling \$3.8 million at year end September 30, 2012. Debt service payments reduced the overall debt by \$242 thousand, or 6%, during the year.

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 31-32.

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

	<u>2012</u>	<u>2011</u>	<u>Increase / (Decrease)</u>
Public Improvement Note Payable	<u>\$ 3,807</u>	<u>\$ 4,049</u>	(6.0%)
 Total	 <u>\$ 3,807</u>	 <u>\$ 4,049</u>	 (6.0%)

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.

After precipitous drops of 17% in 2011 and 22% in 2010, property values stabilized somewhat on the 2011 tax roll with a decline of only 2.4% impacting 2012 property tax revenues. Home values in South Florida are on the rise again as we near the end of 2012, but the City won't see those increases reflected in growing property tax revenues until fiscal 2014 due to a lag more than 18 months between the time property values are assessed for tax purposes, and all of the taxes are eventually collected. So even though values were rising at the end of 2012, ushering in a brighter economic picture, they had already fallen another 4% from the 2011 assessment by July 2012, when the tax roll was set that determines fiscal 2013's property tax revenues.

Other economic factors point to an improving economy. In October 2012, University of Central Florida economist Sean Snaith predicted:

- Payroll job growth will average 1.8 percent during 2013
- Housing starts will begin to accelerate in 2013.
- Retail sales will grow at a pace of 4.1 percent during 2012-2015, after growing in 2011 at the fastest rate since 2005.

Washington Post economic writer Neil Irwin, in an editorial on November 21, 2012 gives five reasons for optimism in 2013:

- 1) Household debt is way down.
- 2) The cost of servicing that debt is way, way down.
- 3) Electricity and natural gas prices are falling.
- 4) Businesses aren't firing people.
- 5) Housing is dramatically more affordable.

For fiscal 2013, the property tax rate of 5.65 mills remained unchanged from 2012 despite the 4% reduction in property values mentioned above. While property tax revenues will decrease by \$300,000, general fund revenues are projected to increase slightly, by 1 percent, or \$201 thousand, to \$20.3 million from the \$20.1 million budgeted in 2012. 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 fourth 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 30% of general fund expenditures plus transfers out in 2012.

Budgeted 2013 general fund expenditures, including transfers for debt service, are \$20,497,224, an increase of \$52 thousand, or only 0.25%, from 2012 budgeted expenditures. With 2013 revenues projected at \$20,352,977, it's expected that a budget deficit of \$144 thousand will be funded from general fund reserves in 2012, reducing fund balance from \$11.8 million after the results of operations in 2012 to an estimated \$11.7 million in 2013.

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.

BASIC FINANCIAL STATEMENTS

Statement of Net Assets

September 30, 2012	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,296,284
Investments	20,273,682
Receivables (net)	
Accounts	1,858,751
Interest	8,419
Grants	113,369
Assessments	6,739
Intergovernmental	27,684
Inventories	26,335
Prepaid items	531,670
Capital assets:	
Non-depreciable	8,075,960
Depreciable (net of depreciation)	13,767,665
Total Assets	46,986,558
Liabilities	
Accounts payable	516,290
Accrued payroll and other liabilities	373,520
Unearned revenue	498,686
Deposits	49,004
Accrued interest payable	422
Due within one year:	
Compensated absences	793,773
Notes payable	252,277
Due in more than one year:	
Compensated absences	1,235,935
Notes payable	3,554,329
Net OPEB obligation	66,000
Net pension obligation	743,804
Total Liabilities	8,084,040
Net Assets	
Invested in capital assets, net of related debt	18,037,019
Restricted for:	
Debt service	517,249
Public safety	242,404
Youth programs	23,874
Arboreous activities	29,491
Capital projects	8,476,703
Unrestricted	11,575,778
Total Net Assets	\$ 38,902,518

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

Statement of Activities

For the Fiscal Year Ended September 30, 2012	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	\$ 3,402,829	\$ 445,290	\$ --	\$ --	\$ (2,957,539)
Public safety	13,214,396	2,313,376	507,961	79,772	(10,313,287)
Transportation	1,621,765	--	--	387,567	(1,234,198)
Culture/recreation	1,949,248	321,587	310,694	7,662	(1,309,305)
Physical environment	1,920,583	1,312,514	49,783	129,486	(428,800)
Interest on long-term debt	160,789	--	--	--	(160,789)
Total Governmental Activities	\$ 22,269,610	\$ 4,392,767	\$ 868,438	\$ 604,487	(16,403,918)

General Revenues:

Taxes:	
Property taxes	6,457,109
Utility service taxes	3,820,784
Franchise fees based on gross receipts	1,672,266
Intergovernmental shared revenues - unrestricted	3,622,263
Investment earnings - unrestricted	279,305
Miscellaneous revenues	131,466
Total general revenues	15,983,193
Change in net assets	(420,725)
Net Assets - beginning	39,323,243
Net Assets - ending	\$ 38,902,518

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

Balance Sheet
Governmental Funds

September 30, 2012	Capital Projects						Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds	
Assets							
Cash and cash equivalents	\$ 2,296,284	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,296,284
Investments	8,412,830	3,033,777	3,519,531	4,497,719	809,825		20,273,682
Receivables (net)							
Accounts	1,858,751	--	--	--	--	--	1,858,751
Interest	8,419	--	--	--	--	--	8,419
Grants	4,672	--	--	89,219	19,478	--	113,369
Assessments	6,739	--	--	--	--	--	6,739
Intergovernmental	--	27,684	--	--	--	--	27,684
Inventories	26,335	--	--	--	--	--	26,335
Prepaid items	189,112	314,209	--	27,600	749	--	531,670
Total Assets	\$ 12,803,142	\$ 3,375,670	\$ 3,519,531	\$ 4,614,538	\$ 830,052	\$ --	\$ 25,142,933
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 310,074	\$ 161,189	\$ 2,901	\$ 33,020	\$ 9,106	\$ --	\$ 516,290
Accrued payroll and other liabilities	367,141	--	--	--	6,379	--	373,520
Unearned revenue	239,090	--	248,682	9,365	1,549	--	498,686
Deposits	49,004	--	--	--	--	--	49,004
Total Liabilities	965,309	161,189	251,583	42,385	17,034	--	1,437,500
Fund Balances							
Nonspendable:							
Inventory	26,335	--	--	--	--	--	26,335
Prepaid items	189,112	--	--	--	--	--	189,112
Restricted for:							
Public Safety Forfeitures	--	--	--	--	220,402	--	220,402
Arborous Activities	--	--	--	--	29,491	--	29,491
Public Safety Donations	--	--	--	--	22,002	--	22,002
Youth Programs	--	--	--	--	23,874	--	23,874
Debt service	--	--	--	--	517,249	--	517,249
New Growth	--	2,377,118	--	--	--	--	2,377,118
Parks	--	--	2,725,578	--	--	--	2,725,578
Transportation	--	--	--	3,374,007	--	--	3,374,007
Committed to:							
Emergency and disaster reserve	2,008,722	--	--	--	--	--	2,008,722
Pension plan reserve	743,804	--	--	--	--	--	743,804
Budget stabilization reserve	2,100,000	--	--	--	--	--	2,100,000
Assigned for:							
Subsequent year's expenditures	144,247	--	--	--	--	--	144,247
Compensated absences reserve	617,969	--	--	--	--	--	617,969
Capital Projects	--	837,363	542,370	1,198,146	--	--	2,577,879
Unassigned:	6,007,644	--	--	--	--	--	6,007,644
Total Fund Balances	11,837,833	3,214,481	3,267,948	4,572,153	813,018	--	23,705,433
Total Liabilities and Fund Balances	\$ 12,803,142	\$ 3,375,670	\$ 3,519,531	\$ 4,614,538	\$ 830,052	\$ --	\$ 25,142,933

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, 2012

Fund Balances - Total Governmental Funds \$ 23,705,433

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	\$ 36,931,979	
Less accumulated depreciation	(15,088,354)	21,843,625

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	\$ (2,029,708)	
Notes payable	(3,806,606)	
Accrued interest payable	(422)	
Net OPEB obligation	(66,000)	
Net pension obligation	(743,804)	(6,646,540)

Net Assets of Governmental Activities \$ 38,902,518

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, 2012	Capital Projects				Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance		
Revenues:						
Taxes	\$ 11,317,684	\$ --	\$ --	\$ --	\$ --	\$ 11,317,684
Permits and franchise fees	2,033,887	--	--	--	--	2,033,887
Intergovernmental revenues	3,795,822	--	--	231,675	295,432	4,322,929
Charges for services	2,932,242	--	--	--	152,048	3,084,290
Fines and forfeitures	108,892	--	--	--	91,365	200,257
Impact fees	--	37,771	150	--	--	37,921
Interest	180,610	30,798	33,230	31,861	2,802	279,301
Contributions	8,483	--	5,000	--	12,302	25,785
Rental income	301,003	--	164,004	--	--	465,007
Miscellaneous revenues	126,866	--	-	--	1,755	128,621
Total revenues	20,805,489	68,569	202,384	263,536	555,704	21,895,682
Expenditures:						
Current:						
General government	3,138,043	--	--	--	--	3,138,043
Public safety	12,441,179	--	--	--	--	12,441,179
Transportation	1,453,990	--	--	--	--	1,453,990
Culture/recreation	916,817	--	--	--	453,514	1,370,331
Physical environment	1,688,818	--	--	--	--	1,688,818
Capital outlay	44,859	339,421	273,577	1,508,830	52,204	2,218,891
Debt service:						
Principal	--	--	--	--	242,403	242,403
Interest	--	--	--	--	160,816	160,816
Total expenditures	19,683,706	339,421	273,577	1,508,830	908,937	22,714,471
Excess (deficiency) of revenues over expenditures	1,121,783	(270,852)	(71,193)	(1,245,294)	(353,233)	(818,789)
Other financing sources (uses):						
Transfers in	--	--	--	--	410,000	410,000
Transfers out	(410,000)	--	--	--	--	(410,000)
Total other financing sources (uses)	(410,000)	--	--	--	410,000	--
Net change in fund balances	711,783	(270,852)	(71,193)	(1,245,294)	56,767	(818,789)
Fund balances - beginning	11,126,050	3,485,333	3,339,141	5,817,447	756,251	24,524,222
Fund balances - ending	\$ 11,837,833	\$ 3,214,481	\$ 3,267,948	\$ 4,572,153	\$ 813,018	\$ 23,705,433

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, 2012

Net change in fund balances - total governmental funds \$ (818,789)

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	\$ 1,492,447	
Less current year depreciation	(1,196,302)	296,145
<hr/>		

The net effect of the various miscellaneous transactions involving capital assets (i.e. sales). (395)

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	\$ 422	
Compensated absences	(72,582)	
Net OPEB obligation	(18,000)	
Net pension obligation	(49,929)	(140,089)
<hr/>		

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. 242,403

Change in Net Assets of Governmental Activities \$ (420,725)

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

Statement of Fiduciary Net Assets

September 30, 2012	Public Safety Officers' and Firefighters' Pension Plan
<hr/>	
Assets	
Cash and cash equivalents	\$ 351,666
Investments:	
Mutual funds	14,301,097
Contributions receivable	80,164
<hr/>	
Total assets	\$ 14,732,927
Net Assets	
Held in trust for pension benefits	\$ 14,732,927
<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, 2012	Public Safety Officers' and Firefighters' Pension Plan
Additions:	
Contributions:	
Employer	\$ 1,026,616
Plan members	205,990
State on-behalf payments	422,864
Total Contributions	1,655,470
Investment income:	
Net increase in fair value of investments	1,990,482
Total additions	3,645,952
Deductions:	
Benefits paid and refunds of member contributions	28,692
Administrative expense	28,962
Total Deductions	57,654
Net Increase	3,588,298
Net Assets Held in Trust for Pension Benefits	
Net assets - beginning	11,144,629
Net assets - ending	\$ 14,732,927

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

NOTES TO BASIC FINANCIAL STATEMENTS

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

Under governmental accounting and financial reporting standards, the City’s reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City is considered financially accountable if it appoints a voting majority of an organization’s governing body and it is able to impose its will on that organization. The City may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization’s governing board. Based on the application of these criteria, there were no organizations that met the criteria described above.

Government-Wide and Fund Financial Statements

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

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

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for solid waste collection fees and ambulance transport fees which are considered available if collected within six months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

Additionally, the City reports the following fund type:

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The City's cash and cash equivalents include cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. 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 business taxes 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, ordinance or council policy) of the City's highest level of decision making authority (the City Council). Resolutions, ordinances, and council policies are all considered the highest level action within the City and are all equally binding. The City's fund balance policy, adopted by the City Council, 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, 2012 are:

Major funds:

General Fund	\$ 60,048
Arboreous Fund	7,474
New Growth Capital Projects Fund	203,322
Reconstruction and Maintenance Capital Projects Fund	194,304

Use of Estimates

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

2 – PROPERTY TAXES

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

Assessed values are established by the Palm Beach County Property Appraiser as of July 1st at approximately fair value. Taxes are collected by the County and remitted to the City. Revenue is recognized at the time monies are received from the County.

The City is permitted by the Florida Constitution to levy taxes up to \$10 per \$1,000 (10 mills) of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on taxpayer approved general obligation long-term debt. The millage rate levied by the City for the fiscal year ended September 30, 2012 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 \$1 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, 2012, the fair value factor for Fund B was \$.94896811 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, 2012, the City had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
Florida Prime	\$ 4,692,941	39 days	AAAm S&P
Fund B	365,392	4.08 years	Not Rated
FMIvT 0-2 Year High Quality Bond Fund	5,836,867	0.83 years	AAAf/S1 S &P
FMIvT 1-3 Year High Quality Bond Fund	6,141,696	1.67 years	AAA/V2 Fitch
FMIvT Intermediate High Quality Bond Fund	2,236,787	3.30 years	AAA/V3 Fitch
Total Investments	\$ 19,273,683		

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, 2012, 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, 2012, the Plan had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
FMIvT Broad Market High Quality Bond Fund	\$ 5,670,619	5.42 years	AA/V4 Fitch
FMIvT High Quality Growth Portfolio	1,172,221		Not Rated
FMIvT Diversified Small Cap Equity Portfolio	1,201,527		Not Rated
FMIvT Russell 1000 Enhanced Index Fund	3,282,219		Not Rated
FMIvT Diversified Small to Mid Cap	1,523,887		Not Rated
FMIvT International Blend Portfolio	1,450,624		Not Rated
Total Investments	\$ 14,301,097		

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, 2012 are as follows:

	General Fund	New Growth Fund	Parks and Recreation Fund	Reconstruction and Maintenance Fund	Nonmajor Governmental Funds	Total
Receivables:						
Accounts Receivable	\$2,057,688	\$ --	\$ --	\$ --	\$ --	\$2,057,688
Interest Receivable	8,419	--	--	--	--	8,419
Grants Receivable	4,672	--	--	89,219	19,478	113,369
Assessments Receivable	6,739	--	--	--	--	6,739
Intergovernmental	--	27,684	--	--	--	27,684
Total Receivables	2,077,518	27,684	--	89,219	19,478	2,213,899
Less Allowance for Uncollectible Amounts	(198,937)	--	--	--	--	(198,937)
Net Total Receivables	\$1,878,581	\$ 27,684	\$ --	\$ 89,219	\$ 19,478	\$2,014,962

5 – INTERFUND TRANSACTIONS

The following is a summary of interfund transfers for the year ended September 30, 2012:

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

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.

Notes to the Financial Statements

6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 7,265,636	\$ --	\$ --	\$ 7,265,636
Construction-in-progress	612,024	299,413	(101,113)	810,324
Total Capital Assets not Being Depreciated	7,877,660	299,413	(101,113)	8,075,960
Capital Assets Being Depreciated				
Buildings	12,822,197	241,955	--	13,064,152
Improvements other than buildings	8,750,499	203,963	--	8,954,462
Furniture, fixtures, and equipment	2,041,081	70,002	(170,647)	1,940,436
Vehicles	4,554,559	778,227	(435,817)	4,896,969
Total Capital Assets Being Depreciated	28,168,336	1,294,147	(606,464)	28,856,019
Less Accumulated Depreciation for				
Buildings	(5,326,918)	(321,502)	--	(5,648,420)
Improvements other than buildings	(4,576,151)	(389,290)	--	(4,965,441)
Furniture, fixtures, and equipment	(1,564,096)	(132,788)	170,647	(1,526,237)
Vehicles	(3,031,351)	(352,722)	435,817	(2,948,256)
Accumulated Depreciation	(14,498,516)	(1,196,302)	606,464	(15,088,354)
Total Capital Assets Being Depreciated, Net	13,669,820	97,845	--	13,767,665
Total Capital Assets, Net	\$ 21,547,480	\$ 397,258	\$(101,113)	\$21,843,625

Depreciation expense was charged to functions as follows:

Governmental Activities		
General government		\$ 195,301
Public safety		434,045
Transportation		26,405
Culture/recreation		385,680
Physical environment		154,871
Total Depreciation Expense		\$ 1,196,302

7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended September 30, 2012:

	Balance October 1, 2011	Additions	Deletions	Balance September 30, 2012	Due Within One Year
Public improvement note, 2004A	\$ 4,049,009	\$ --	\$ 242,403	\$ 3,806,606	\$ 252,277
Compensated absences	1,957,126	985,774	913,192	2,029,708	793,773
Total	\$ 6,006,135	\$ 985,774	\$ 1,155,595	\$ 5,836,314	\$ 1,046,050

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 \$403,219 and the legally available non-ad valorem revenues totaled \$14,348,382 for the year. At September 30, 2012, principal and interest to maturity in 2024 to be paid from pledged future revenues totaled \$4,839,122. 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			
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	295,959	107,301	403,260
2018-2022	1,670,745	345,556	2,016,301
2023-2024	767,451	39,070	806,521
Total	\$3,806,606	\$1,032,516	\$4,839,122

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.

8 – FLORIDA RETIREMENT SYSTEM (continued)

Florida Retirement System Pension Plan (continued)

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, 2012 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, 2010 through 2012 were \$455,717, \$427,220, and \$309,771, 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.

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 pay-as-you-go annual required contribution (ARC) based on GASB Statement 27 calculated by the consulting actuary in the July 1, 2012, actuarial valuation is 1.71% of active payroll (including DROP payroll). The State's funding policy requires a contribution rate that is different than the annual required contribution based on GASB Statement 27, which is an accounting disclosure. To the extent the contribution rate required to fund the HIS program is different than the computed annual required contribution, adjustments in the net pension obligation occur from year to year. 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.

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, 2012, Plan membership consisted of 53 vested and 21 non-vested active employees and 95 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.

9 – EMPLOYEE RETIREMENT PLANS (Continued)

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

Funding Policy

Funding for the Plan consists of contributions from members, the State of Florida, and the City. Plan members are required to contribute 4.0% of their annual covered compensation. The City is required to contribute the remaining amount to fund the Plan. 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, 2012, \$422,864 was recorded as a revenue and expenditure in the General Fund relating to on-behalf payments received from the State.

Annual Pension Cost and Net Pension Obligation

The City’s current contribution was determined through an actuarial valuation performed as of October 1, 2010. Significant actuarial assumptions in the October 1, 2012 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 adjustment	3.00%
Inflation rate	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.

9 – EMPLOYEE RETIREMENT PLANS (Continued)

Annual Pension Cost and Net Pension Obligation (Continued)

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

Annual Required Contribution (ARC)	\$1,417,807
Interest on Net Pension Obligation (NPO)	50,306
Adjustment to ARC	(30,325)
Annual Pension Cost (APC)	1,437,788
City/State Contributions Made	(1,387,859)
Increase in NPO	49,929
Net Pension Obligation, October 1, 2011	693,875
Net Pension Obligation, September 30, 2012	\$ 743,804

Three-Year Trend Information			
Fiscal Year End	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2010	1,490,458	88.00%	864,931
9/30/2011	1,371,964	112.00%	683,975
9/30/2012	1,437,788	97.00%	743,804

Funded Status and Funding Progress

The funded status and funding progress of the Plan as of the October 1, 2012 actuarial valuation date was as follows:

Actuarial value of assets	\$14,074,637
Actuarial accrued liability (AAL)	\$14,905,359*
Unfunded actuarial accrued liability (UAAL)	\$830,722
Funded ratio	94.43%
Covered payroll	\$5,018,761
UAAL as a percentage of covered payroll	16.55%

* 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.

9 – EMPLOYEE RETIREMENT PLANS (Continued)

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, 2012, were \$220,577 and \$127,354, respectively, which were equal to the required contributions.

Vesting of the City's contributions in the 401(a) plan commences after two years of certified service, with 20% vesting in year two and 20% each year thereafter until fully vested after six years. If an employee terminates before becoming fully vested, forfeited amounts will be used to reduce future City contributions. Certified service begins upon an eligible employee successfully completing six (6) months of service. Plan provisions and contribution requirements are established and may be amended by the City Council. The plan administrator is the Florida League of Cities.

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.

10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

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)		\$ 33,000
Interest		2,000
Adjustment to the ARC		(4,000)
Annual OPEB Cost		31,000
Contributions Made		(13,000)
Increase in Net OPEB Obligation		18,000
Net OPEB Obligation, October 1, 2011		48,000
Net OPEB Obligation, September 30, 2012		\$ 66,000

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012, 2011, and 2010 was:

Fiscal year ended	9/30/2012	9/30/2011	9/30/2010
Annual OPEB cost	\$31,000	\$30,000	\$26,000
Percentage of OPEB cost contributed	42.00%	33.00%	46.15%
Net OPEB Obligation	\$66,000	\$48,000	\$28,000

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%

10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Funded Status and Funding Progress (Continued)

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, 2012 were \$207,188. As of September 30, 2012, the cost of the land and building under the operating lease was \$1,240,164 and accumulated depreciation on the property was \$867,913.

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 adverse 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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 6,476,474	\$ 6,476,474	\$ 6,428,846	\$ (47,628)
Delinquent	20,000	20,000	28,263	8,263
Total ad valorem taxes	6,496,474	6,496,474	6,457,109	(39,365)
Utility service taxes:				
Electric	1,728,027	1,728,027	1,808,707	80,680
Telecommunications	1,453,938	1,453,938	1,529,462	75,524
Water	390,959	390,959	414,978	24,019
Gas	50,000	50,000	45,006	(4,994)
Propane gas	21,500	21,500	22,632	1,132
Total public service taxes	3,644,424	3,644,424	3,820,785	176,361
Local option gas tax	230,609	230,609	263,351	32,742
New local option gas tax	108,522	108,522	124,217	15,695
Local business tax	224,500	224,500	229,358	4,858
Insurance premium tax	410,000	410,000	422,864	12,864
Total taxes	11,114,529	11,114,529	11,317,684	203,155
Permits and franchise fees:				
Building permits	204,300	204,300	260,144	55,844
Electrical permits	8,000	8,000	14,735	6,735
Plumbing permits	10,000	10,000	8,791	(1,209)
Mechanical permits	40,000	40,000	46,926	6,926
Electric franchise fees	1,835,082	1,835,082	1,563,973	(271,109)
Gas franchise fees	30,000	30,000	30,448	448
Solid waste franchise fees	77,426	77,426	77,844	418
Planning and zoning fees	19,200	19,200	27,175	7,975
Other	2,550	2,550	3,851	1,301
Total permits and franchise fees	2,226,558	2,226,558	2,033,887	(192,671)
Intergovernmental revenues:				
State revenue sharing	990,983	990,983	993,423	2,440
Half-cent sales tax	2,374,964	2,374,964	2,465,289	90,325
County occupational license	140,000	140,000	146,268	6,268
Mobile home license	8,500	8,500	9,135	635
Alcoholic beverage license	10,000	10,000	8,149	(1,851)
Motor fuel tax rebate	11,000	11,000	12,248	1,248
Grants	79,300	79,300	116,155	36,855
Other	32,166	32,166	45,155	12,989
Total intergovernmental	3,646,913	3,646,913	3,795,822	148,909

(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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,104,129	\$ 1,104,129	\$ 1,158,633	\$ 54,504
Security services	22,858	22,858	133,840	110,982
Administrative fees	136,151	136,151	144,369	8,218
Sales of documents	38,500	38,500	52,042	13,542
Culture/recreation	81,051	81,051	77,655	(3,396)
Protective inspections	26,200	26,200	40,431	14,231
Ambulance transport	1,258,374	1,258,374	1,303,220	44,846
Other	22,665	22,665	22,052	(613)
Total charges for services	2,689,928	2,689,928	2,932,242	242,314
Fines and forfeitures:				
Judgments and fines	79,670	79,670	85,767	6,097
Violations of local ordinances	15,000	15,000	22,313	7,313
Other	900	900	812	(88)
Total fines and forfeitures	95,570	95,570	108,892	13,322
Interest:				
Bank	7,916	7,916	11,073	3,157
State Board of Administration	4,368	4,368	102,959	98,591
FMIvT	50,000	50,000	63,651	13,651
Tax collector interest	1,295	1,295	2,901	1,606
Other interest	100	100	26	(74)
Total interest	63,679	63,679	180,610	116,931
Contributions	1,750	1,750	8,483	6,733
Rental fees	278,385	278,385	301,003	22,618
Miscellaneous:				
Vending machine royalties	--	--	--	--
Refunds - prior year	6,100	6,100	26,912	20,812
Insurance proceeds	--	--	--	--
Sales of surplus materials	17,500	17,500	22,407	4,907
Other	11,000	11,000	77,547	66,547
Total miscellaneous	34,600	34,600	126,866	92,266
Total Revenues	\$ 20,151,912	\$ 20,151,912	\$ 20,805,489	\$ 653,577

(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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
General government:				
Administrative:				
City Manager	\$ 476,993	\$ 476,993	\$ 442,264	\$ 34,729
Mayor and City Council	160,621	160,621	145,341	15,280
Legal counsel	113,533	113,533	142,860	(29,327)
Human resources	142,140	142,140	136,247	5,893
City Clerk	178,209	183,538	182,962	576
Total administration	1,071,496	1,076,825	1,049,674	27,151
Finance:				
Administration	320,207	320,207	227,405	92,802
Financial operations	467,399	467,399	456,929	10,470
Purchasing	151,753	151,753	143,837	7,916
Information technology	353,235	353,235	340,013	13,222
Total finance	1,292,594	1,292,594	1,168,184	124,410
Planning and development	516,680	557,223	521,882	35,341
Risk management	414,240	414,240	398,303	15,937
Contingency	100,000	103,200	--	103,200
Other	13,000	13,000	--	13,000
Total general government	3,408,010	3,457,082	3,138,043	319,039
Public safety:				
Administration	232,835	233,219	229,634	3,585
Uniform patrol	4,903,887	4,912,998	5,052,443	(139,445)
EMS	4,559,061	4,559,061	4,575,617	(16,556)
Support services	1,725,845	1,725,994	1,462,236	263,758
Protective inspections	721,214	721,214	698,385	22,829
Other Public Safety	410,000	410,000	422,864	(12,864)
Total public safety	12,552,842	12,562,486	12,441,179	121,307
Transportation:				
Public works administration	174,982	174,982	172,345	2,637
Streets and grounds maintenance	686,190	687,915	658,851	29,064
Vehicle maintenance	567,750	567,750	622,794	(55,044)
Total transportation	1,428,922	1,430,647	1,453,990	(23,343)
Culture/recreation:				
Administration	482,757	489,257	475,967	13,290
Parks and grounds maintenance	189,401	189,401	184,306	5,095
Community center	294,600	294,600	256,544	38,056
Total culture/recreation	966,758	973,258	916,817	56,441

(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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Expenditures (continued)</u>				
Physical environment:				
Building services	\$ 592,203	\$ 592,203	\$ 595,104	\$ (2,901)
Solid waste collection and disposal	1,059,513	1,059,513	1,093,714	(34,201)
<u>Total physical environment</u>	<u>1,651,716</u>	<u>1,651,716</u>	<u>1,688,818</u>	<u>(37,102)</u>
Capital outlay (all departments and functions)	27,370	32,351	44,859	(12,508)
<u>Total Expenditures</u>	<u>20,035,618</u>	<u>20,107,540</u>	<u>19,683,706</u>	<u>423,834</u>
Excess of Revenues Over Expenditures	116,294	44,372	1,121,783	1,077,411
Other Financing Uses				
Transfers out	(410,000)	(410,000)	(410,000)	--
<u>Net Change in Fund Balance</u>	<u>(293,706)</u>	<u>(365,628)</u>	<u>711,783</u>	<u>1,077,411</u>
<u>Fund Balance - Beginning</u>	<u>293,706</u>	<u>365,628</u>	<u>11,126,050</u>	<u>10,760,422</u>
<u>Fund Balances - Ending</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 11,837,833</u>	<u>\$ 11,837,833</u>

See accompanying notes to the budgetary comparison schedule.

Note To The Budgetary Comparison Schedule
General Fund

September 30, 2012

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 \$71,922.
- ❖ 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, 2012

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
10/1/2007	\$ 6,021,159	\$ 4,435,716	\$ --	135.74%	\$ 3,419,643	-
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%
10/1/2012	14,074,637	14,905,359	830,722	94.43%	5,018,761	16.55%

* 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
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%
2012	1,417,807	206.00%

Required Supplementary Information

Other Post Employment Benefits

For the Fiscal Year Ended September 30, 2012

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.

**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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 88,918	\$ 118,918	\$ --	\$ (118,918)
Impact fees	23,724	23,724	37,771	14,047
Interest	26,230	26,230	30,798	4,568
Total Revenues	138,872	168,872	68,569	(100,303)
Expenditures:				
Capital outlay	989,950	3,336,256	339,421	2,996,835
Deficiency of Revenues Over Expenditures	(851,078)	(3,167,384)	(270,852)	2,896,532
Fund Balance - Beginning	851,078	3,167,384	3,485,333	317,949
Fund Balance - Ending	\$ --	\$ --	\$ 3,214,481	\$ 3,214,481

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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 30,000	\$ 30,000	\$ 33,230	\$ 3,230
Rental income	115,826	115,826	164,004	48,178
Contributions	-	-	5,000	5,000
Impact Fees	-	-	150	150
Total Revenues:	145,826	145,826	202,384	56,558
Expenditures:				
Capital outlay	158,500	274,559	273,577	982
Deficiency of Revenues Over Expenditures	(12,674)	(128,733)	(71,193)	57,540
Fund Balance - Beginning	12,674	128,733	3,339,141	3,210,408
Fund Balance - Ending	\$ --	\$ --	\$ 3,267,948	\$ 3,267,948

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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 52,336	\$ 52,336	\$ 231,675	\$ 179,339
Interest	25,000	25,000	31,861	6,861
Total Revenues	77,336	77,336	263,536	186,200
Expenditures:				
Capital outlay	1,496,256	1,857,201	1,508,830	348,371
Deficiency of Revenues Over Expenditures	(1,418,920)	(1,779,865)	(1,245,294)	534,571
Fund Balance - Beginning	1,418,920	1,779,865	5,817,447	4,037,582
Fund Balance - Ending	\$ --	\$ --	\$ 4,572,153	\$ 4,572,153

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2012	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Investments	\$ 222,305	\$ 32,101	\$ 22,002	\$ 16,168
Grants receivable	--	--	--	19,478
Prepays	--	--	--	749
Total Assets	\$ 222,305	\$ 32,101	\$ 22,002	\$ 36,395
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,903	\$ 2,610	\$ --	\$ 4,593
Accrued payroll and related taxes	--	--	--	6,379
Unearned revenue	--	--	--	1,549
Total Liabilities	1,903	2,610	--	12,521
Fund Balances:				
Restricted for:				
Public Safety Forfeitures	220,402	--	--	--
Arboreous Activities	--	29,491	--	--
Public Safety Donations	--	--	22,002	--
Youth Programs	--	--	--	23,874
Debt Service	--	--	--	--
Total Fund Balances	220,402	29,491	22,002	23,874
Total Liabilities and Fund Balances	\$ 222,305	\$ 32,101	\$ 22,002	\$ 36,395

Debt
Service Fund

		Total Nonmajor Governmental Funds
	Municipal Complex	
	\$ 517,249	\$ 809,825
	--	19,478
	--	749
	<u>\$ 517,249</u>	<u>\$ 830,052</u>
	\$ --	\$ 9,106
		6,379
	--	1,549
		<u>17,034</u>
	--	220,402
	--	29,491
	--	22,002
	--	23,874
	<u>517,249</u>	<u>517,249</u>
	<u>517,249</u>	<u>813,018</u>
	<u>\$ 517,249</u>	<u>\$ 830,052</u>

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

For the Fiscal Year Ended September 30, 2012	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ 295,432
Charges for services	--	--	--	152,048
Fines and forfeitures	91,365	--	--	--
Interest	616	101	70	57
Contributions	--	2,662	2,860	6,780
Miscellaneous	--	--	--	1,755
Total Revenues	91,981	2,763	2,930	456,072
Expenditures:				
Current:				
Public safety	--	--	--	--
Culture/recreation	--	--	--	453,514
Capital outlay	26,957	8,511	7,085	9,651
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	26,957	8,511	7,085	463,165
Excess (Deficiency) of Revenues Over Expenditures	65,024	(5,748)	(4,155)	(7,093)
Other Financing Sources or Uses				
Transfers in	--	--	--	--
Net Change in Fund Balances	65,024	(5,748)	(4,155)	(7,093)
Fund Balances - Beginning of Year	155,378	35,239	26,157	30,967
Fund Balances - End of Year	\$ 220,402	\$ 29,491	\$ 22,002	\$ 23,874

<u>Debt</u>			
<u>Service Fund</u>			
Municipal		Total	
Complex		Nonmajor	
		Governmental	
		Funds	
\$	--	\$	295,432
	--		152,048
	--		91,365
	1,958		2,802
	--		12,302
	--		1,755
	<u>1,958</u>		<u>555,704</u>
	--		--
	--		453,514
	--		52,204
	242,403		242,403
	160,816		160,816
	<u>403,219</u>		<u>908,937</u>
	(401,261)		(353,233)
	<u>410,000</u>		<u>410,000</u>
	8,739		56,767
	<u>508,510</u>		<u>756,251</u>
<u>\$</u>	<u>517,249</u>	<u>\$</u>	<u>813,018</u>

Arboreous Special Revenue Fund

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

For the Fiscal Year Ended September 30, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 111	\$ 111	\$ 101	\$ (10)
Contributions	3,000	3,000	2,662	(338)
Total Revenues	3,111	3,111	2,763	(348)
Expenditures:				
Capital outlay	10,000	13,456	8,511	4,945
Deficiency of Revenues Over Expenditures	(6,889)	(10,345)	(5,748)	4,597
Fund Balance - Beginning	6,889	10,345	35,239	24,894
Fund Balance - Ending	\$ --	\$ --	\$ 29,491	\$ 29,491

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, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 90	\$ 90	\$ 70	\$ (20)
Contributions	3,000	3,000	2,860	(140)
Total Revenues	3,090	3,090	2,930	(160)
Expenditures:				
Capital outlay	4,000	5,116	7,085	(1,969)
Total Expenditures	4,000	5,116	7,085	(1,969)
Deficiency of Revenues Over Expenditures	(910)	(2,026)	(4,155)	(2,129)
Fund Balance - Beginning	910	2,026	26,157	24,131
Fund Balance - Ending	\$ --	\$ --	\$ 22,002	\$ 22,002

Youth Programs Special Revenue Fund

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

For the Fiscal Year Ended September 30, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 309,225	\$ 309,225	\$ 295,432	\$ (13,793)
Charges for services	175,097	175,097	152,048	(23,049)
Interest	48	48	57	9
Contributions	1,650	1,650	6,780	5,130
Miscellaneous	-	-	1,755	1,755
Total Revenues	486,020	486,020	456,072	(29,948)
Expenditures:				
Current:				
Culture/recreation	480,490	480,490	453,514	26,976
Capital outlay	--	--	9,651	(9,651)
Total Expenditures	480,490	480,490	463,165	17,325
Excess (Deficiency) of Revenues Over Expenditures	5,530	5,530	(7,093)	(12,623)
Net Change in Fund Balance	5,530	5,530	(7,093)	(12,623)
Fund Balance - Beginning	(5,530)	(5,530)	30,967	36,497
Fund Balance - Ending	\$ --	\$ --	\$ 23,874	\$ 23,874

Municipal Complex Debt Service Fund

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

For the Fiscal Year Ended September 30, 2012	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	1,580	1,580	1,958	\$ 378
Expenditures:				
Debt service:				
Principal	242,403	242,403	242,403	--
Interest	160,857	160,857	160,816	41
Total Expenditures	403,260	403,260	403,219	41
Deficiency of Revenues Over Expenditures	(401,680)	(401,680)	(401,261)	419
Other Financing Sources				
Transfers in	410,000	410,000	410,000	--
Net Change in Fund Balance	8,320	8,320	8,739	419
Fund Balance - Beginning	(8,320)	(8,320)	508,510	516,830
Fund Balance - Ending	\$ --	\$ --	\$ 517,249	\$ 517,249

STATISTICAL SECTION

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>		
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2	Changes in Net Assets.....	67
3	Fund Balances, Governmental Funds.....	68
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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.....	73
7	Principal Property Tax Payers.....	74
8	Property Tax Levies and Collections.....	75
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>		
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<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>		
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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.....	84
18	Capital Asset Statistics by Function/Program.....	85

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

(Accrual basis of accounting)

(unaudited)

Fiscal Year Ended 9/30	2003	2004	2005
Primary government - Governmental activities			
Invested in capital assets, net of related debt	\$ 13,733,266	\$ 13,766,688	\$ 13,927,169
Restricted	220,845	188,348	7,330,386
Unrestricted	4,369,674	6,419,983	2,411,964
Total primary government net assets	\$ 18,323,785	\$ 20,375,019	\$ 23,669,519

Note: The city has no business-type activities.

2006	2007	2008	2009	2010	2011	2012
\$ 13,616,882	\$ 15,242,622	\$ 16,647,292	\$ 17,233,772	\$ 16,929,001	\$ 17,498,471	\$ 18,037,019
10,935,508	12,539,737	13,061,468	14,723,706	15,096,565	9,587,502	9,289,721
7,583,456	8,865,089	9,281,185	8,694,111	8,228,901	12,237,270	11,575,778
<u>\$ 32,135,846</u>	<u>\$ 36,647,448</u>	<u>\$ 38,989,945</u>	<u>\$ 40,651,589</u>	<u>\$ 40,254,467</u>	<u>\$ 39,323,243</u>	<u>\$ 38,902,518</u>

Schedule 2

Changes in Net Assets

(Accrual basis of accounting)

(unaudited)

Fiscal Year Ended 9/30	2003	2004	2005
Expenses			
Governmental activities:			
General government	\$ 2,697,863	\$ 2,651,973	\$ 3,454,422
Public Safety	9,297,049	9,327,155	9,745,475
Transportation	1,263,925	1,551,007	1,357,200
Culture/recreation	1,988,141	2,095,196	2,081,419
Physical environment	1,334,025	1,777,267	1,435,927
Interest on long term investments	92,222	76,342	256,928
Total primary government expenses	16,673,225	17,478,940	18,331,371
Program Revenues			
Governmental activities:			
Charges for Services:			
Public Safety	986,419	1,258,050	1,339,180
Physical Environment	2,187,256	1,861,873	2,446,643
Other	1,089,987	1,496,182	770,315
Total Charges for Services	4,263,662	4,616,105	4,556,138
Operating Grants and Contributions	349,967	493,651	584,840
Capital Grants and Contributions	732,408	801,053	673,769
Total primary government program revenues	5,346,037	5,910,809	5,814,747
Net (Expense)/Revenue			
Governmental activities	(11,327,188)	(11,568,131)	(12,516,624)
Total primary government net expense	(11,327,188)	(11,568,131)	(12,516,624)
General Revenues and Other Changes in Net Assets			
Governmental activities			
Taxes:			
Property taxes	5,072,771	5,881,539	6,919,977
Utility service taxes	3,109,389	3,129,143	3,300,570
Franchise fees based on gross receipts	1,189,054	1,238,976	1,341,265
Intergovernmental shared revenues - unrestricted	2,728,749	3,060,459	3,351,262
Investment earnings	90,241	92,686	412,034
Miscellaneous revenues	188,505	216,562	401,442
Total general revenues	12,378,709	13,619,365	15,726,550
Change in Net Assets			
Governmental activities	1,051,521	2,051,234	3,209,926
Total primary government	\$ 1,051,521	\$ 2,051,234	\$ 3,209,926

Note: Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.
The City has no business type activities.

	2006	2007	2008	2009	2010	2011	2012
\$	3,605,207	\$ 3,952,081	\$ 4,104,229	\$ 3,840,349	\$ 3,218,734	\$ 3,511,862	\$ 3,402,829
	9,986,194	11,236,582	11,814,830	12,114,776	12,904,781	13,066,982	13,214,396
	1,465,701	1,893,338	1,566,992	1,493,901	1,394,629	1,551,714	1,621,765
	2,165,534	1,824,186	2,790,466	2,265,944	2,015,847	1,907,445	1,949,248
	1,450,246	1,648,435	1,860,940	1,828,938	2,515,438	1,903,296	1,920,583
	245,757	232,741	219,334	205,276	190,778	175,683	160,789
	18,918,639	20,787,363	22,356,791	21,749,184	22,240,207	22,116,982	22,269,610
	1,324,642	1,377,656	2,097,369	1,967,450	2,131,909	2,045,308	2,313,376
	4,166,525	2,053,213	1,120,173	1,072,221	1,174,844	1,392,609	1,312,514
	729,406	787,980	831,052	760,751	755,299	752,348	766,877
	6,220,573	4,218,849	4,048,594	3,800,422	4,062,052	4,190,265	4,392,767
	877,953	851,075	903,201	869,294	779,381	807,869	868,438
	1,705,546	775,525	917,798	757,843	872,896	596,307	604,487
	8,804,072	5,845,449	5,869,593	5,427,559	5,714,329	5,594,441	5,865,692
	(10,114,567)	(14,941,914)	(16,487,198)	(16,321,625)	(16,525,878)	(16,522,541)	(16,403,918)
	(10,114,567)	(14,941,914)	(16,487,198)	(16,321,625)	(16,525,878)	(16,522,541)	(16,403,918)
	8,340,566	10,580,841	9,813,152	8,579,942	7,353,777	6,677,646	6,457,109
	3,528,502	3,452,303	3,391,448	3,833,724	3,891,792	3,724,801	3,820,784
	1,909,999	1,913,270	1,904,346	1,919,486	1,765,242	1,726,134	1,672,266
	3,490,017	3,357,658	3,170,728	2,950,325	2,955,630	3,101,479	3,622,263
	930,024	1,295,850	333,572	576,386	637,828	311,684	279,305
	381,786	124,817	216,449	123,406	73,383	49,573	131,466
	18,580,894	20,724,739	18,829,695	17,983,269	16,677,652	15,591,317	15,983,193
	8,466,327	5,782,825	2,342,497	1,661,644	151,774	(931,224)	(420,725)
\$	\$ 8,466,327	\$ 5,782,825	\$ 2,342,497	\$ 1,661,644	\$ 151,774	\$ (931,224)	\$ (420,725)

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

Fiscal Year Ended 9/30	2003	2004	2005	2006
General Fund				
Reserved	\$ 60,987	\$ 145,814	\$ 202,033	\$ 201,043
Unreserved	4,505,802	5,874,845	7,668,263	9,219,768
Non-spendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ 4,566,789	\$ 6,020,659	\$ 7,870,296	\$ 9,420,811
All Other Governmental Funds				
Reserved	\$ 728,740	\$ 985,649	\$ 6,817,305	\$ 4,940,452
Unreserved, reported in:				
Special revenue funds	32,922	44,074	55,391	61,870
Capital projects funds	100,479	5,592,995	503,721	5,928,855
Debt service funds	-	80,001	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	\$ 862,141	\$ 6,702,719	\$ 7,376,417	\$ 10,931,177
Total fund balances, all funds	\$ 5,428,930	\$ 12,723,378	\$ 15,246,713	\$ 20,351,988

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

(2) *General Fund Committed and Assigned fund Balances were restated to reflect the adoption of the City's new Fund Balance Policy creating a new classification of Budget Stabilization Reserve replacing Economic Conditions Mitigation Reserve.*

2007	2008	2009	2010	2011 (1)(2)	2012 (2)
\$ 194,968	\$ 175,599	\$ 162,384	\$ 104,783	\$ -	\$ -
9,504,009	10,556,999	10,171,263	10,789,322	-	-
-	-	-	-	209,467	215,447
-	-	-	-	4,700,999	4,852,526
-	-	-	-	896,551	762,216
-	-	-	-	5,319,033	6,007,644
<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>	<u>\$ 11,837,833</u>
\$ 2,692,372	\$ 1,375,888	\$ 502,157	\$ 745,074	\$ -	\$ -
64,576	49,078	55,824	85,476	-	-
9,638,422	11,572,382	14,119,363	14,054,383	-	-
-	-	-	212,609	-	-
-	-	-	-	9,587,502	9,289,721
-	-	-	-	3,810,670	2,577,879
<u>\$ 12,395,370</u>	<u>\$ 12,997,348</u>	<u>\$ 14,677,344</u>	<u>\$ 15,097,542</u>	<u>\$ 13,398,172</u>	<u>\$ 11,867,600</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>	<u>\$ 23,705,433</u>

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

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007
Revenues					
Taxes	\$ 9,740,578	\$ 10,636,124	\$ 11,963,080	\$ 14,166,773	\$ 16,320,326
Permits and franchise fees	1,616,972	1,261,603	1,242,119	1,412,060	1,001,365
Intergovernmental	3,443,306	4,045,416	4,694,599	5,978,413	4,534,673
Charges for services	2,247,315	2,446,893	2,501,932	2,530,525	2,685,897
Fines and forfeitures	101,504	135,488	189,988	137,506	151,489
Impact fees	286,679	571,506	327,722	1,838,001	81,087
Interest	90,241	92,687	412,034	930,022	1,295,853
Special assessments	19,068	15,318	16,801	10,547	6,828
Contributions	26,571	18,459	14,796	21,929	13,878
Sales of surplus materials	44,937	29,695	20,845	11,638	14,341
Rental income	64,670	92,201	160,661	191,287	193,770
Miscellaneous revenues	141,744	222,967	170,172	149,079	142,372
Total revenues	17,823,585	19,568,357	21,714,749	27,377,780	26,441,879
Expenditures					
General government	2,536,410	2,846,270	3,104,802	3,342,910	3,367,221
Public Safety	8,322,436	8,848,065	9,105,071	9,418,319	10,610,858
Transportation	1,183,020	1,308,203	1,271,357	1,359,785	1,348,709
Culture/Recreation	1,504,012	1,583,275	1,566,202	1,629,656	1,721,975
Physical environment	1,320,588	1,367,842	1,368,557	1,386,181	1,537,118
Capital outlay	1,486,146	1,232,574	1,955,359	4,519,311	5,497,303
Debt service					
Principal	491,114	511,627	451,526	370,146	383,143
Interest	97,271	76,774	254,537	246,197	233,193
Total expenditures	16,940,997	17,774,630	19,077,411	22,272,505	24,699,520
Excess of revenues over (under) expenditures	882,588	1,793,727	2,637,338	5,105,275	1,742,359
Other Financing Sources (Uses)					
Transfers in	677,844	645,896	2,512,829	4,740,494	6,150,000
Transfers out	(677,844)	(645,896)	(2,512,829)	(4,740,494)	(6,150,000)
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	882,588	7,294,448	2,637,338	5,105,275	1,742,359
Fund balances - beginning, as restated	4,546,342	5,428,930	12,609,375	15,246,713	20,351,988
Fund balance - ending	\$ 5,428,930	\$ 12,723,378	\$ 15,246,713	\$ 20,351,988	\$ 22,094,347
Debt services (principal & interest) as a percentage of non-capital expenditures	3.92%	3.66%	4.26%	3.58%	3.18%

Beginning fund balance restated:

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

	2008	2009	2010	2011	2012
\$	13,788,891	\$ 13,464,277	\$ 12,226,438	\$ 11,373,974	\$ 11,317,684
	2,223,497	2,242,004	2,147,878	2,001,829	2,033,887
	4,850,764	3,822,336	3,915,818	3,796,221	4,322,929
	2,890,471	2,761,054	2,908,790	3,003,893	3,084,290
	214,799	176,004	133,536	187,387	200,257
	3,656	8,010	3,483	11,068	37,921
	333,571	425,773	788,441	311,683	279,301
	2,511	5,036	-	-	-
	13,193	22,256	55,271	14,781	25,785
	72,046	-	-	-	-
	237,970	394,906	448,633	447,748	465,007
	229,697	126,132	110,535	87,174	128,621
	<u>24,861,066</u>	<u>23,447,788</u>	<u>22,738,823</u>	<u>21,235,758</u>	<u>21,895,682</u>
	3,296,895	3,305,411	3,000,157	3,063,567	3,138,043
	10,993,158	11,537,761	12,321,451	12,466,351	12,441,179
	1,439,486	1,364,193	1,355,927	1,417,778	1,453,990
	1,725,933	1,631,503	1,471,233	1,313,639	1,370,331
	1,686,392	1,671,044	2,029,715	1,642,876	1,688,818
	3,467,195	1,870,518	1,277,907	2,182,774	2,218,891
	396,606	410,557	425,011	439,987	242,403
	219,802	205,756	191,256	176,211	160,816
	<u>23,225,467</u>	<u>21,996,743</u>	<u>22,072,657</u>	<u>22,703,183</u>	<u>22,714,471</u>
	1,635,599	1,451,045	666,166	(1,467,425)	(818,789)
	3,500,000	3,110,000	1,240,000	443,897	410,000
	(3,500,000)	(3,110,000)	(1,240,000)	(443,897)	(410,000)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>1,635,599</u>	<u>1,451,045</u>	<u>666,166</u>	<u>(1,467,425)</u>	<u>(818,789)</u>
	<u>22,094,347</u>	<u>23,729,946</u>	<u>25,325,481</u>	<u>25,991,647</u>	<u>24,524,222</u>
\$	<u>23,729,946</u>	<u>\$ 25,180,991</u>	<u>\$ 25,991,647</u>	<u>\$ 24,524,222</u>	<u>\$ 23,705,433</u>
	3.04%	3.08%	2.94%	2.97%	1.94%

Schedule 5

Assessed Value and Actual Value of Taxable Property

(unaudited)

<u>Fiscal Year</u> <u>Ended 9/30</u>	<u>Residential</u> <u>Property⁽¹⁾</u>	<u>Non-Residential</u> <u>Real Property⁽¹⁾⁽²⁾</u>	<u>Tangible</u> <u>Personal</u> <u>Property⁽¹⁾</u>	<u>Total Taxable</u> <u>Assessed</u> <u>Value</u>	<u>Total</u> <u>Direct</u> <u>Tax Rate</u>	<u>Total Actual</u> <u>Just Value</u>
2003	\$ -	\$ -	\$ -	\$ 911,363,381	5.7735	\$ 1,227,766,996
2004	-	-	-	1,052,736,724	5.7735	1,457,055,900
2005	902,399,971	301,198,699	60,443,873	1,264,042,543	5.6735	1,795,206,579
2006	1,238,100,783	250,216,571	61,671,808	1,549,989,162	5.5735	2,245,694,407
2007	1,601,142,281	303,609,295	67,384,245	1,972,135,821	5.5500	3,004,924,329
2008	1,759,632,182	322,196,339	68,580,052	2,150,408,573	4.7022	3,124,743,908
2009	1,481,706,200	350,975,743	62,260,433	1,894,942,376	4.7022	2,860,897,300
2010	1,082,373,957	323,608,586	66,624,212	1,472,606,755	5.1500	2,179,226,120
2011	876,108,913	278,247,734	67,842,583	1,222,199,230	5.6500	1,800,408,426
2012	852,805,455	271,318,182	68,318,358	1,192,441,995	5.6500	1,753,479,955

Note: (1) Information from 2003 to 2004 is not available. Detail values by property class available from the Palm Beach County Property Appraiser's Office starting in FY 2005.

(2) Non-Residential Real Property includes Industrial, Institutional, and Agricultural property.

Source: Palm Beach County Property Appraiser's Office Schedules DR-403 V and Usecode-F (DRPC_AUTH)

Schedule 6
Direct and Overlapping Property Tax Rates
 (unaudited)

Fiscal Year Ended 9/30	Greenacres			Overlapping Rates ⁽¹⁾				
	General Fund	Debt Service	Total City of Greenacres	Palm Beach County			Special Taxing Districts	Total
				BoCC ⁽²⁾⁽³⁾	Library System ⁽²⁾	School Board		
2003	5.3502	0.4233	5.7735	4.8084	0.5403	8.7790	2.4883	22.3895
2004	5.4065	0.3670	5.7735	4.7910	0.5403	8.5710	2.5557	22.2315
2005	5.5962	0.0773	5.6735	4.7677	0.5833	8.4320	2.5257	21.9822
2006	5.5735	0.0000	5.5735	4.7192	0.5807	8.1060	2.5042	21.4836
2007	5.5500	0.0000	5.5500	4.4775	0.6250	7.8720	2.3254	20.8499
2008	4.7022	0.0000	4.7022	3.9813	0.5989	7.3560	2.1308	18.7692
2009	4.7022	0.0000	4.7022	3.9656	0.5400	7.2510	2.2569	18.7157
2010	5.1500	0.0000	5.1500	4.5614	0.5518	7.9830	2.4934	20.7396
2011	5.6500	0.0000	5.6500	4.9960	0.6069	8.1540	2.5549	21.9618
2012	5.6500	0.0000	5.6500	4.9925	0.6081	8.1800	2.3433	21.7739

Note: (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Greenacres. Not all overlapping rates apply to all Greenacres property owners. For instance, the rates for special districts apply only to Greenacres properties located within the geographic boundaries of the district.

(2) Combined operating plus debt service millage

(3) Board of County Commissioners

Source: Palm Beach County Property Appraiser's office.

Schedule 7
Principal Property Tax Payers
(unaudited)

Current Year and Nine Years Ago

Taxpayers	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Okeeheltee Apt. Partners	\$ 46,703,798	1	3.92%	\$ 39,450,000	1	4.33%
Florida Power & Light ¹	31,284,850	2	2.62%			
MSKP River Bridge LLC (River Bridge Plaza)	27,819,830	3	2.33%	19,466,815	3	2.14%
Keystone WPB Holding Corp. (Island Shores Apts.)	20,925,029	4	1.75%	22,014,265	2	2.42%
JHB Florida Properties, LLC (Waterway Village)	14,829,010	5	1.24%	11,000,000	4	1.21%
Gator Green Acres (Greenacres Plaza)	11,550,210	6	0.97%	7,884,786	9	0.87%
Pickwick Mobile Home Park	10,550,692	7	0.88%	7,669,274	10	0.84%
Steve Moore Chevrolet	10,463,085	8	0.88%	9,552,660	6	1.05%
Colonial Mobile Home Park Ltd Partnership	9,365,220	9	0.79%			
Dayton Hudson Corp	9,220,455	10	0.77%	9,528,647	7	1.05%
Chelsea Commons Ltd.				10,400,000	5	1.14%
III T Greenacres LLC				9,500,000	8	1.04%
Total	\$ 192,712,179		16.16%	\$ 126,566,447		16.07%

Note: (1) FPL has no real property (land parcels) in the City, but pays taxes on tangible personal property only (lines, poles, transformers, etc.

Source: Top Ten Taxpayers Report provided by Palm Beach County Property Appraiser's Office.

Schedule 8
Property Tax Levies and Collections
(unaudited)

<u>Fiscal Year Ended 9/30</u>	<u>Taxes Levied for the Fiscal Year⁽¹⁾</u>	<u>Collections in the Year of Levy</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years⁽²⁾</u>	<u>Total Collections To Date</u>	<u>Percentage of Levy</u>
2003	\$ 5,073,799	\$ 4,977,861	98.1%	\$ 97,127	\$ 5,074,988	100.0%
2004	\$ 5,863,671	\$ 5,757,928	98.2%	\$ 121,393	\$ 5,879,321	100.3%
2005	\$ 6,914,578	\$ 6,769,948	97.9%	\$ 152,647	\$ 6,922,595	100.1%
2006	\$ 8,320,803	\$ 8,104,844	97.4%	\$ 244,218	\$ 8,349,062	100.3%
2007	\$ 10,574,330	\$ 10,086,244	95.4%	\$ 495,392	\$ 10,581,636	100.1%
2008	\$ 9,776,050	\$ 9,055,687	92.6%	\$ 770,105	\$ 9,825,792	100.5%
2009	\$ 8,610,847	\$ 8,040,007	93.4%	\$ 548,738	\$ 8,588,745	99.7%
2010	\$ 7,328,407	\$ 6,998,795	95.5%	\$ 331,893	\$ 7,330,688	100.0%
2011	\$ 6,668,162	\$ 6,439,683	96.6%	\$ 244,256	\$ 6,683,939	100.2%
2012	\$ 6,508,800	\$ 6,253,252	96.1%	\$ 175,594	\$ 6,428,846	98.8%
Totals	\$ 75,639,447	\$ 72,484,250	95.8%	\$ 3,181,363	\$ 75,665,613	100.0%

Note (1) Net of tax collector's discounts for early payment.

(2) 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	Outstanding Debt by Type				Percentage Personal Income ⁽¹⁾	Per Capita
	General Obligation Bonds	Revenue Bonds	Bank Notes	Total		
2003	446,620	1,470,456	-	1,917,076	n/a	64.15
2004	90,984	-	6,835,000	6,925,984	n/a	226.84
2005	-	-	6,474,458	6,474,458	n/a	207.05
2006	-	-	6,104,312	6,104,312	n/a	192.36
2007	-	-	5,721,169	5,721,169	0.77%	178.20
2008	-	-	5,324,563	5,324,563	0.72%	163.59
2009	-	-	4,914,006	4,914,006	0.71%	151.81
2010	-	-	4,488,995	4,488,995	0.64%	139.12
2011	-	-	4,256,079	4,256,079	0.55%	112.38
2012	-	-	3,806,605	3,806,605	0.46%	99.97

Note: The City has no business-type activities.

Source: (1) Calculated a Total Debt / (Population x Per Capita Income); see also Schedule 14 Demographic and Economic Information

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
2003	29,883	911,363,381	446,620	0.05%	14.95
2004	30,533	1,052,736,724	90,984	0.01%	2.98
2005	31,270	1,264,042,543	-	0.00%	-
2006	31,734	1,549,989,162	-	0.00%	-
2007	32,105	1,972,135,821	-	0.00%	-
2008	32,548	2,150,408,573	-	0.00%	-
2009	32,370	1,894,942,376	-	0.00%	-
2010	32,267	1,472,606,755	-	0.00%	-
2011	37,873	1,222,199,230	-	0.00%	-
2012	38,079	1,192,441,995	-	0.00%	-

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

Schedule 11
Direct and Overlapping Governmental Activities Debt
(unaudited)

As of September 30, 2012	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Palm Beach School District	\$ 30,650,000	0.960%	\$ 294,240
Palm Beach County	207,340,000	0.960%	1,990,464
Subtotal, overlapping debt	237,990,000		2,284,704
City direct debt	-		-
Total direct and overlapping debt	\$ 237,990,000		\$ 2,284,704

Note: Estimated percentage applicable is based on city's proportional total assessed property values as a percentage of the county total. Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Greenacres. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Palm Beach County School District.

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	Public Improvement Note 2004A ⁽¹⁾				
	Non Ad Valorem Revenues	Debt Service			Coverage
		Principal	Interest	Total	
2003	n/a				
2004	n/a				
2005	\$ 12,791,145	\$ 183,302	\$ 216,867	\$ 400,169	3.13%
2006	14,009,894	190,768	212,492	403,260	2.88%
2007	13,352,005	198,538	204,722	403,260	3.02%
2008	12,611,991	206,625	196,590	403,215	3.20%
2009	12,561,840	215,042	188,229	403,271	3.21%
2010	15,385,046	223,800	179,460	403,260	2.62%
2011	13,429,122	232,916	170,344	403,260	3.00%
2012	14,348,380	242,403	160,857	403,260	2.81%

Note: (1) Issued Public Improvement Note 2004A at the end of 2004, with first debt service payments due in fiscal 2005. Financed the municipal complex, including a new city hall and public works facilities

Schedule 14
Demographic and Economic Information
 (unaudited)

Fiscal Year	Population ⁽¹⁾	Median Age ⁽²⁾	Per Capita Income ⁽²⁾	Average Home Sale Price ⁽³⁾	School Enrollment ⁽⁴⁾	Civilian Labor Force ⁽⁵⁾	Unemployment Rate ⁽⁵⁾
2003	29,883	n/a	n/a	100,567	8,072	14,115	4.9%
2004	30,533	n/a	n/a	125,533	8,296	14,245	4.3%
2005	31,270	n/a	n/a	168,825	9,527	14,959	3.7%
2006	31,734	n/a	n/a	195,692	10,645	15,257	3.1%
2007	32,105	n/a	23,199	199,450	9,892	15,992	3.4%
2008	32,548	n/a	22,688	151,900	9,883	15,749	5.2%
2009	32,370	n/a	21,399	103,300	9,726	15,521	8.6%
2010	32,267	40.7	21,589	92,042	10,168	16,538	9.8%
2011	37,873	36.3	20,359	67,300	10,378	17,194	9.6%
2012	38,079	n/a	21,959	63,755	10,601	17,242	8.1%

Source: (1) Bureau of Economic & Business Research (BEBR).
 (2) U.S. Census Bureau FactFinder
 (3) Zillow.com
 (4) Palm Beach County School District. 11-day count
 (5) U.S. Bureau of Labor Statistics, Bureau of Labor Statistics.
 2007 -2012 Reflects revised inputs, re-estimations, & controlling to new statewide totals

n/a = not available

Schedule 15

Principal Employers County Wide

(unaudited)

Current Year and Ten Years Ago

Employer	2011		Employer*	2003	
	Employees	Percentage of Total Employment		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	8,216	1.46%
FPL (Headquarters)	3,632	0.54%	Federal Government	5,819	1.03%
G4S (Headquarters)	3,000	0.65%	Columbia Plm Bch Healthcare Sys.	4,000	0.71%
Hospital Corp. of America (HCA)	2,714	0.49%	Tenant Healthcare Corp.	3,040	0.54%
Florida Atlantic University	2,706	0.48%	Florida Power and Light	2,800	0.50%
Bethesda Memorial Hospital	2,391	0.43%	Boca Resort & Club	2,380	0.42%
Office Depot (Headquarters)	2,250	0.40%	U.S. Sugar Corp	2,200	0.39%
Veterans Health Administration	2,207	0.39%	Florida Crystals	2,000	0.36%
Total	57,876	10.36%	Total	58,132	10.33%

Note: 2012 numbers were no available at time of publication

Source: Business Development Board of Palm Beach County.

Schedule 16

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

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Function/Program</u>										
Administration	11	11	11	11	11	11	11	11	11	11
Finance	15	15	15	15	15	14	14	14	14	14
Planning & Engineering	7	7	6	7	7	7	7	6	6	6
Public Works	23	23	23	23	24	23	23	20	21	20
Public Safety	104	104	108	113	117	113	113	109	109.5	109.5
Leisure Services ⁽¹⁾	26.75	28.5	27.5	23.75	23.75	17.75	16.75	14.25	13	13
Building	11	11	11	11	11	11	10	9.5	9.5	9.5
Total	197.75	199.5	201.5	203.75	208.75	196.75	194.75	183.25	183.5	182

Note: (1) Some personnel associated with Youth Program in fund 105

Source: 2013 Budget City of Greenacres - Budget Overview-Personnel Summary

Schedule 17

Operating Indicators by Function/Program

(unaudited)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Function/Program</u>										
General Government										
Population	29,883	30,533	31,270	31,734	32,105	32,548	32,370	32,267	37,873	38,079
Number of residential units	15,374	15,777	16,171	16,245	16,443	16,520	17,035	17,075	17,092	17,104
Number of solid waste accounts billed	7,118	7,439	7,731	7,805	8,002	8,080	8,212	8,251	8,263	8,283
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	18,217 ⁽¹⁾
Number of arrests by police officers	1,817	2,319	2,851	2,801	3,252	4,625	3,252	1,571	2,042	1,840
Number of traffic citations issued	5,106	7,298	7,017	7,533	8,018	10,813	10,577	6,819	6,952	6,984
EMS average response times (minutes)	4.4	4.4	4.3	4.3	4.3	4.3	5.4 ⁽²⁾	5.4	6.2	6.0
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	5,407
Number of code enforcement inspections	1,500	1,600	2,036	2,215	2,000	2,022	2,770	3,446	2,670	2,517
Transportation										
Number of paved miles maintained	21.97	21.97	22.25	22.25	22.27	22.27	22.27	23.37	23	23
Number of vehicle repair orders completed	-	1,394	1,412	1,215	1,152	1,418	1,261	1,290	1,258	1,264
Number of city vehicles maintained	-	93	93	95	95	97	101	100	100	99
Physical Environment										
Total park acreage maintained	71	71	71	71	77	78	82	82	82	134 ⁽³⁾
Average cost per acre to mow	-	-	1,674	1,852	1,940	2,052	2,066	1,753	1,852	1,822
Cultural & Recreation										
Number of community events presented	14	13	13	13	11	7	7	6	8	8
Number of registrants in athletic programs	-	1,000	1,053	1,373	1,081	1,036	771	270	767	752
Number of participants in after-school programs	143	149	160	160	171	170	170	150	124	135

Note: ⁽¹⁾ Law enforcement only

⁽²⁾ EMS Response Times reflect fractional times as required by LOS Guidelines.

⁽³⁾ Total adjusted to include lakes, landscaped, vegetative and asphalt area.

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

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
General Government										
Office Buildings	7	7	7	7	9	9	9	9	9	9
Public Safety										
Public Safety Stations	2	2	2	2	2	2	2	2	2	2
Police Patrol Vehicles	26	26	26	28	28	32	34	34	34	34
Fire Trucks	5	5	5	5	5	4	4	4	4	4
EMS Units (Ambulances)	4	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	49.52
Traffic Signs	950	950	950	986	1,096	922	1,091	1,091	1,084	1,195
Storm Water Inlets ⁽¹⁾	407	407	407	407	407	428	452	633	633	639
Physical Environment										
Baseball/Softball Fields	6	6	6	6	6	7	7	7	7	7
Soccer Fields	2	2	2	2	2	3	4	4	4	4
Cultural & Recreation										
Playgrounds	13	13	13	13	13	13	14	14	14	14
Community Centers	1	1	1	1	1	1	1	1	1	1
Parks	13	13	13	13	13	13	13	13	13	13

Note: (1) 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 12, 2013. 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

Management of the City of Greenacres is responsible for establishing and maintaining effective 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 entity'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 first 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 management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

West Palm Beach, FL
March 12, 2013

**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 financial statements of the City of Greenacres, Florida (the City) as of and for the year ended September 30, 2012, and have issued our report thereon dated March 12, 2013.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 12, 2013, 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 auditors' 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. There were no 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, 2012, 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, 2012. 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.
- Management has determined that the City was not subject to either a Federal or Florida Single Audit for the fiscal year ended September 30, 2012. Nothing came to our attention during our audit that changed that determination.

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 12, 2013