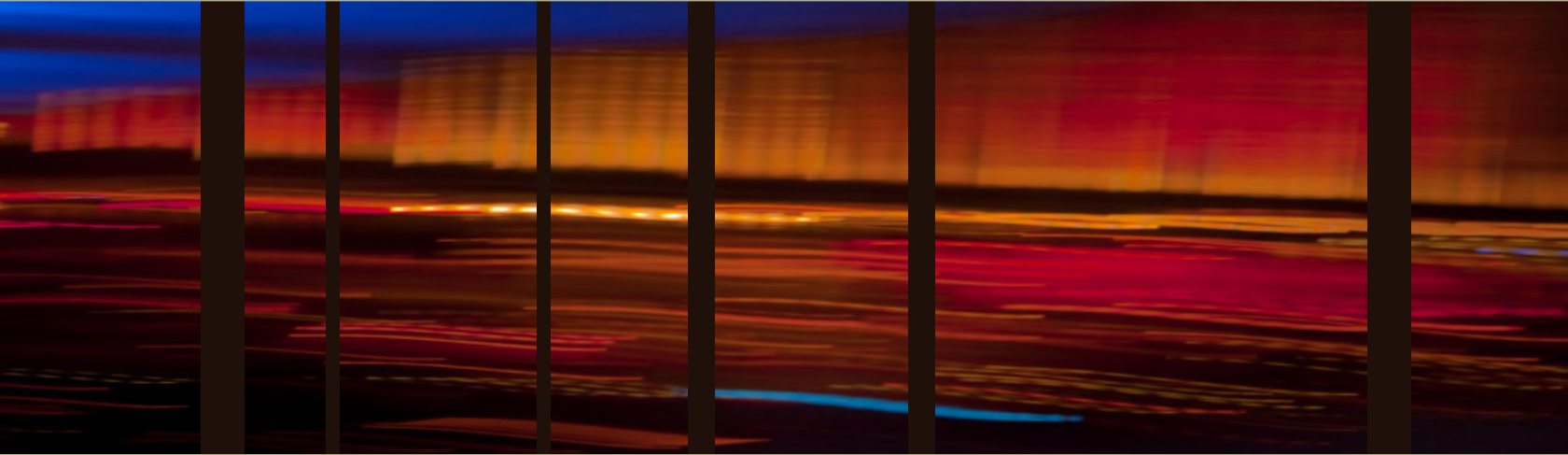


City of Greenacres
Florida



2014 Comprehensive Annual Financial Report

FISCAL YEAR ENDING SEPTEMBER 30, 2014





Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2014

Prepared by Department of Finance
Thomas Hughes, Director of Finance

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INTRODUCTORY SECTION



City of Greenacres

5800 Melaleuca Lane • Greenacres • Florida • 33463-3515
Ph: 561-642-2017 • Fax: 561-642-2004 • Email: cm@ci.greenacres.fl.us

Samuel J. Ferreri
Mayor

Wadie Atallah
City Manager

March 10, 2015

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, 2014, 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 2013. 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, 2014. 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 and Schedules.

Readers are encouraged to pay particular attention to the 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 is presented in accordance with GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

❖ The **other reports section** includes the 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 Management Letter in Accordance with the Rules of the Auditor General of the State of Florida and the Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes.

PROFILE OF THE GOVERNMENT

The City of Greenacres, incorporated in 1926, is located in the central part of Palm Beach County, Florida, approximately five miles from the Atlantic Ocean. The City has a land area of 5.82 square miles with a population of 38,590 (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 2014, Advanced Disposal Services Solid Waste Southeast, Inc. (Veolia ES) 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. The rapid population growth rate in the metropolitan area was severely impacted by the Great Recession, but still managed to register small gains as did the City's population growth rate.

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 123,000 employees; 2) Professional, scientific and administrative services at over 84,000; 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.

Due to the impact of the Great Recession property values declined by 47% between 2008 and 2013 which resulted in a \$3.6 million or 44% reduction in property tax revenues. As part of the City's long term financial planning, and to address the impact of the Great Recession, the City prioritized 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) control 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.

In relation to local economic conditions, there are positive signs that the recovery from the Great Recession is continuing. The final assessed property after the Value Adjustment Board hearings has increased by 3.92% in fiscal year 2014; this is the first increase since a 47% decline between 2008 and 2013. Property tax collections for fiscal year 2014 had the smallest reduction since FY 2008 of approximately \$9,000 less than prior year. The State's economic outlook has continued to improve and will result in projected increases in intergovernmental revenues in the form of the half-cent sales tax and state revenue sharing.

Improved state market conditions stimulated the Greenacres economy and resulted in 22 new residential units being built in the City, construction of a new 10,143 sq. ft. childcare and pre-school, an 8,408 sq. ft. religious Temple, and a 4,242 sq. ft. Cumberland Farms store. The following businesses started undergoing major remodeling on their facilities in Greenacres; Monterey Market, Youfit Health Club, La Brasa Restaurant, and Iglesia Bautista Central Greenacres Church.

The outlook for 2015 and beyond appears positive as the recovery from the Great Recession continues. The City experienced increases in State Revenue Sharing, Electric Franchise Fees, Electric Utility Taxes, Building Permits, and Half Cent Sales Tax as the State economy continued to recover. The short term future growth rate is expected to revert back to pre-2000 levels as approved developments are completed and new developments are approved within existing and future annexation boundaries.

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. The Insurance Services Office (ISO), a principal provider of ratings and statistical information for the insurance industry in the country, evaluates the fire-protection services of a city and assigns a Public Protection Classification (PPC) number from 1 to 10, with 1 being exemplary. The City of Greenacres was assigned a PPC of 3, an improvement from the previous rating of class 5. Since 2004 the City has 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; replaced 6 cardiac monitors and installed surveillance cameras in City parks and buildings. 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 2014, interior renovations of the Public Safety Headquarters were completed.

During fiscal year 2013, the City began work on an upgrade of the Financial and Administrative software system to replace the system that had been purchased and in place since 1992. The implementation was completed during 2014 for all existing components with continued efforts for additional vertical integration relating to new capabilities being focused on in 2015.

In the area of roads, infrastructure, and appearance, the City has undertaken many projects over the years such as sidewalk installation, roadway construction, stormwater drainage enhancement, street lighting, and roadway median landscaping. In fiscal year 2013, a \$478,000 project to improve the capacity of the Canal A and B stormwater drainage system was completed. In fiscal year 2014, construction began on the last phase of a multi-year \$1.93 million project to install sanitary sewer along 10th Avenue North in the Original Section for economic development purposes. This work was partially funded through Community Development Block Grants. Also in fiscal year 2014, construction began on a \$233,108 project to improve the stormwater drainage and sidewalks in the Ramblewood neighborhood.

The City has been very active in developing parks and recreation facilities and enhancing "green space" in the City. After renovations to Ira Van Bullock Park in the late 1990's costing \$1.2 million and construction of Bowman Park in 1999 for \$300,000, the City constructed Greenacres Freedom Park between 2001 and 2009. The 55 acre multi-phase project cost over \$4.9 million. Ira Van Bullock Park was also expanded in 2008 and 2009, at a cost of almost \$400,000, by adding parking and a playground. During fiscal years 2011 and 2012, the landscaping, lighting, and amenities at Veterans Park and Community Park were improved. In fiscal year 2014, an extensive \$485,000 renovation of Community Hall was completed and planning began for a \$3.5 million expansion of the Community Center (originally constructed in 1999 at a cost of \$1.3 million). Also in fiscal year 2014, playground equipment at Veterans Park was replaced as part of the City's regular replacement of obsolete park amenities.

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, 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 annual adoption of the operating budget, the City prepares a Capital Improvement 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. The first year of the program constitutes the capital budget for the current fiscal year and 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, grants, 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, 2013. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. The City of Greenacres has received a Certificate of Achievement for the last twenty-three consecutive years (fiscal years 1991-2013).

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. 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 the GFOA for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year Ended September 30, 2013. The award is valid for one year.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation with Special Recognition for Performance Measures for the Fiscal Year beginning October 1, 2013. The City has received the Distinguished Budget Presentation award for the last twenty-one years (fiscal years 1994-2014), and is one of only 39 governmental organizations in North America to receive the Special Recognition for Performance Measures in fiscal year 2014. In order to earn the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient as a policy document, financial plan, an operations guide, and a communication device.


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 less than \$500,000, therefore, a federal Single Audit in accordance with OMB Circular A-133 was not required to be performed by the City's auditors.

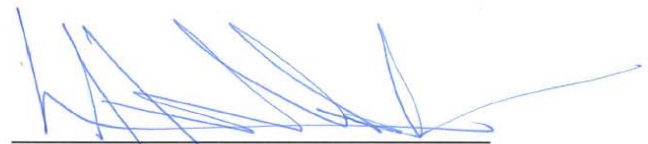
Acknowledgments

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

John Tharp
Deputy Mayor, Councilwoman, District I

Peter A. Noble
Councilman, District II

Judith Dugo
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

Thomas A. Hughes
Director of Finance

Carlos Cedeño
Director of Public Works

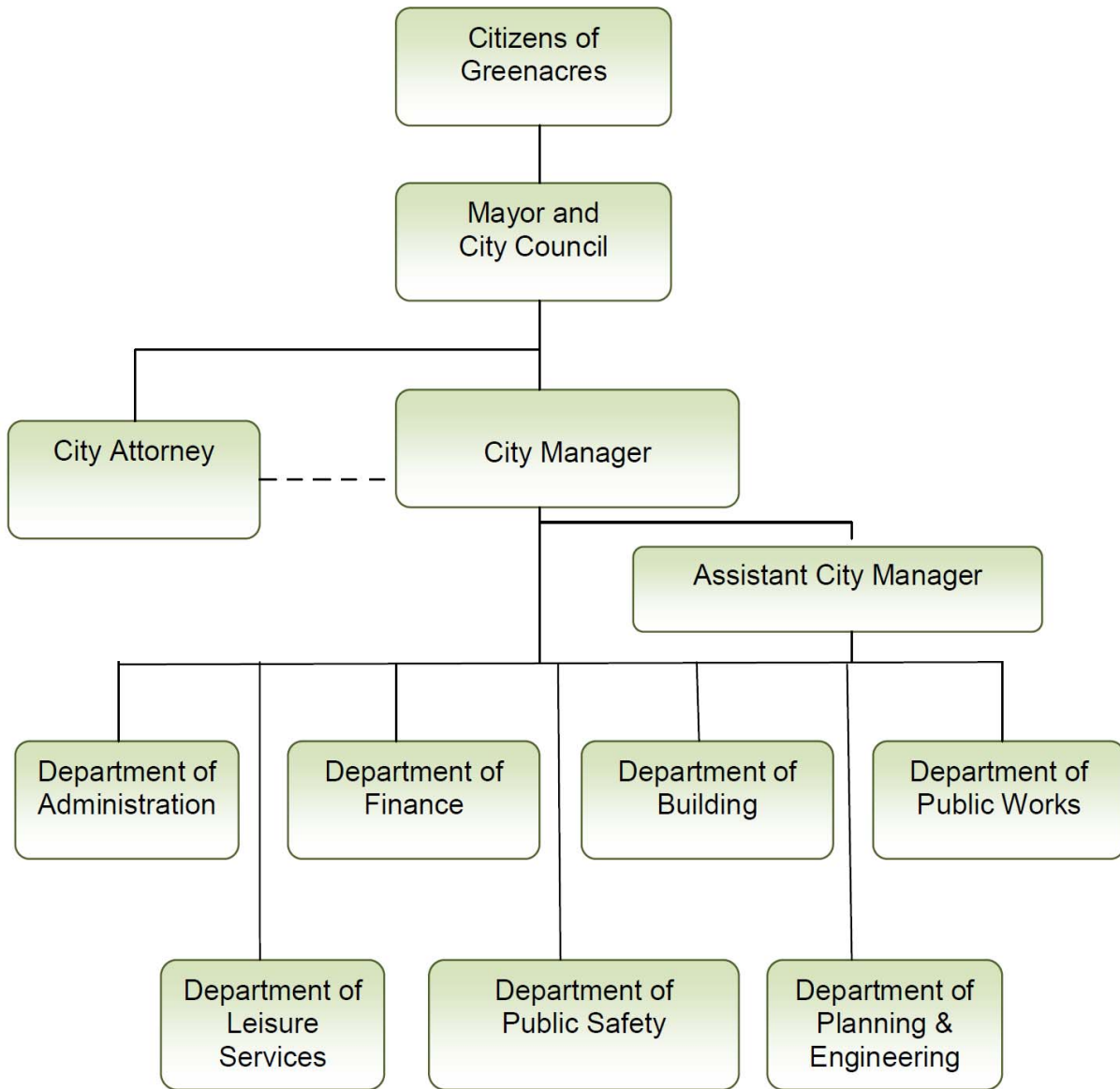
Michael Porath
Director of Public Safety

Michele Thompson
Director of Leisure Services

Michael Grimm
Director of Building

As of September 30, 2014

Organizational Chart



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.



Government Finance Officers Association

**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, 2013

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida (the City), as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the Public Safety Officers and Firefighters Retirement Plan schedule of changes in the City's net pension liability and related ratios, schedule of City contributions, schedule of investment returns and the schedule of funding progress – OPEB (required supplementary information), on pages 4 through 13 and pages 48 through 57 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections, and the combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2015 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* in considering City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
March 9, 2015

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, 2014. 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), the City's basic financial statements (beginning on page 14), and notes to the financial statements (pages 22-47).

FINANCIAL HIGHLIGHTS

- The assets of the City of Greenacres exceeded its liabilities and deferred inflows by \$39.3 million (*net position*). Of this amount, \$12.9 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased \$698 thousand in fiscal 2014 as the total cost of all the City's programs decreased by \$843 thousand, or 3.7%, this year, while the total revenues increased by \$401 thousand or 5.9%.
- At the close of the 2014 fiscal year, the governmental funds reported combined fund balances of \$22.8 million, \$64 thousand more than the prior year. Approximately 32.5% of this amount, or \$7.4 million, is available for spending at the City's discretion (*unassigned fund balance*).
- At the close of the 2014 fiscal year, the general fund balance (the total of *committed*, *assigned*, and *unassigned* components of *fund balance*) was \$13.5 million, of which \$5.6 million was committed or assigned.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Greenacres basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected solid waste fees and earned but unused vacation leave).

The governmental activities of the City of Greenacres include general government, public safety, transportation, culture and recreation, and physical environment.

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 Fund, Parks and Recreation Fund, and Reconstruction and Maintenance Fund, 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 58-68 of this report.

The City of Greenacres adopts an annual appropriated budget for all governmental funds. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. (See *Other Information* below.)

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 20-21 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*, including a budgetary comparison schedule for the general fund, and detailed information concerning the City's obligation to provide pension benefits to its employees. The required supplementary information can be found on pages 48-57 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 OVERALL 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 2013 balances have been included so that the results from the prior year can be compared.

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Greenacres, assets exceeded liabilities and deferred inflows of resources by \$39.3 million at the close of the most recent fiscal year.

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

	<u>2014</u>	<u>2013</u>	<u>Increase / (Decrease)</u>
Current and other assets	\$ 25,636	\$ 24,962	2.7%
Capital assets, net	<u>22,223</u>	<u>21,832</u>	1.8%
Total assets	<u>47,859</u>	<u>46,794</u>	2.3%
Current liabilities	3,432	2,752	24.7%
Long-term liabilities	<u>4,944</u>	<u>5,243</u>	(5.7%)
Total liabilities	<u>8,376</u>	<u>7,995</u>	4.8%
Deferred Inflows of Resources	<u>215</u>	<u>229</u>	(6.1%)
Net position:			
Net investment in capital assets	18,888	18,199	3.8%
Restricted	7,463	8,352	(10.6%)
Unrestricted	<u>12,917</u>	<u>12,019</u>	7.5%
Total net position	<u>\$ 39,268</u>	<u>\$ 38,570</u>	1.8%

The largest portion of the City's net position (48.1%) reflects its investment in capital assets (land, buildings, machinery and equipment) less any related debt still outstanding that was used to acquire those assets plus any deferred inflows/outflows associated with debt. 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. New additions of \$2.0 million were offset by accumulated depreciation and asset disposals, resulting in a net increase of \$391 thousand in capital assets. (See also the discussion on Capital Assets on pages 11 and 12).

Another portion of net position, \$7.5 million, has restrictions on its use that are externally imposed (gas taxes, public safety forfeitures, grants) or by enabling legislation (impact fees). Restricted net position was reduced primarily by capital expenditures from restricted revenue sources (gas taxes and impact fees) that outpaced those restricted revenues received in fiscal 2014. The remaining net position balance of \$12.9 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

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

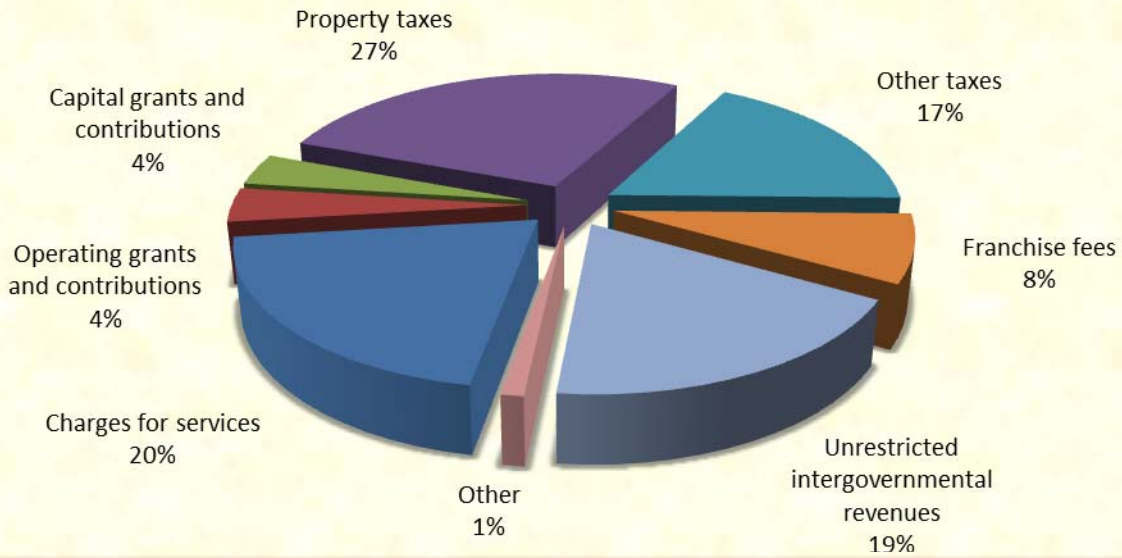
**City of Greenacres, Florida
Summary of Changes in Net Position (in thousands)**

	<u>2014</u>	<u>2013</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 4,641	\$ 4,737	(2.0%)
Operating grants and contributions	902	835	8.0%
Capital grants and contributions	836	1,208	(30.8%)
General revenues:			
Property taxes	6,201	6,211	(0.2%)
Other taxes	3,991	3,901	2.3%
Other	6,275	5,766	8.8%
Total revenues	<u>22,846</u>	<u>22,658</u>	0.8%
Expenses:			
General government	3,553	3,526	0.8%
Public safety	12,941	13,278	(2.5%)
Transportation	1,569	1,478	6.2%
Culture and recreation	1,869	1,844	1.4%
Physical environment	2,075	2,714	(23.5%)
Interest and other fiscal charges	141	151	(6.6%)
Total expenses	<u>22,148</u>	<u>22,991</u>	(3.7%)
Increase in net position	698	(333)	(309.6%)
Net position beginning of year	38,570	38,903	0.9%
Ending net position	<u>\$ 39,268</u>	<u>\$ 38,570</u>	1.8%

During the current fiscal year, net position for governmental activities increased by \$698 thousand after decreasing by \$333 thousand in 2013. The primary reason for the increase in net position was a significant decrease of \$843 thousand in spending on all government programs in 2014, primarily in the areas of public safety and physical environment, while revenues increased by \$401 thousand.

Spending on physical environment functional programs decreased significantly by \$639 thousand in 2014 as a major canal dredging project was substantially completed in 2013, while spending on the 10th Avenue North sewer system upgrade was lower in 2014 due to project delays. Decreases of \$337 thousand in public safety expenses were due primarily to lower personnel costs as result of vacancies that occurred during the year. While there were at least 14 new hires, 13 of the new hires were employed less than 6 months in 2014, and 9 of 14 new employees were with the City less than 3 months.

2014 Revenues by Source - Governmental Activities



The cost of all governmental activities decreased 3.7% to \$22.1 million in 2014. As shown on the Statement of Activities on page 15, the amount financed by general revenues (primarily taxpayers) was about \$16.5 million, while \$4.6 million was paid by those who benefitted directly the programs (charges for services), and another \$1.7 million was subsidized by other governments and organizations through grants and contributions. The table below shows to what extent the functional expenses of the City are supported by revenues that directly support those programs.

2014 Functional Expenses & Program Revenues



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 of Greenacres financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Greenacres itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At September 30, 2014, the City of Greenacres governmental funds reported combined fund balances of \$22.8 million, an increase of \$64 thousand in comparison with the prior year. Approximately 32.5% of this amount (\$7.4 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate it is 1) not in spendable form (\$461 thousand), 2) restricted for particular purposes (\$7.5 million), 3) committed for particular purposes (\$4.8 million), or 4) assigned for particular purposes (\$2.7 million).

The table below shows the results of operations in 2014 & 2013, the revenues, expenditures, and other financing sources and uses (fund transfers), and the change in fund balance for the major funds reported by the City.

<u>Major Fund Information</u>				
(in thousands)				
<u>Fiscal Year 2014</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction And Maintenance</u>
Revenues	\$ 21,514	\$ 127	\$ 474	\$ 223
Expenditures	(19,680)	(547)	(565)	(1,121)
Other financing sources (uses)	(460)	-	-	-
Increase (decrease) in fund balance	<u>\$ 1,375</u>	<u>\$ (420)</u>	<u>\$ (91)</u>	<u>\$ (898)</u>
<u>Fiscal Year 2013</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction And Maintenance</u>
Revenues	\$ 20,656	\$ 294	\$ 341	\$ 618
Expenditures	(19,996)	(953)	(136)	(1,304)
Other financing sources (uses)	(410)	-	-	-
Increase (decrease) in fund balance	<u>\$ 250</u>	<u>\$ (659)</u>	<u>\$ 205</u>	<u>\$ (686)</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7.4 million, while total fund balance increased to \$13.5 million from \$12.1 million in 2013. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 37% of total general fund expenditures, while total fund balance represents approximately 67% of that same amount.

The general fund balance increased by \$1.4 million in 2014 as compared to a \$250 thousand increase in 2013. This improvement over 2013 results can be attributed to revenues increasing by \$858 thousand over the prior year and expenditures decreasing by \$316 thousand. The most notable increases in revenues over 2013 were:

-
- Intergovernmental revenues increased by \$344 thousand; the most significant were state revenue sharing (\$141 thousand), and half-cent sales taxes (\$183 thousand).
 - Charges for services increased by \$253 thousand, primarily in residential solid waste fees (\$232 thousand).
 - Permits and franchise fees increased by \$239 thousand, primarily building permits (\$145 thousand) and electric franchise fees (\$129 thousand).
 - Taxes increased by \$130 thousand, with significant increases in electric utility taxes (\$188 thousand) and minor increases in water utility taxes and insurance premium taxes (\$61 thousand collectively), offset by a decrease of \$135 thousand in communications service taxes.

The most significant decreases in expenditures were in public safety personnel costs (salaries, overtime, and pensions). These decreases also had a significant effect on overall program expenditures, and were discussed at the bottom of page 7 under changes in net position.

The City uses three capital projects funds to budget and account for capital improvement projects and asset purchases in excess of \$10,000 for each project or purchase. All of the capital projects funds are major funds. As part of the financial planning process after the downturn in the economy, the funding for the City's capital improvement projects has been from grants and other restricted revenue sources such as impact fees, as well as fund balance reserves. The spending and resulting decreases of the respective fund balances in the capital projects funds have been part of the capital improvement planning process.

As can be seen in the preceding schedule, the fund balances in the New Growth, Parks & Recreation, and Reconstruction and Maintenance capital projects funds decreased in 2014 by \$420 thousand, \$91 thousand, and \$898 thousand respectively. Capital projects totaling \$1.9 million were budgeted in the New Growth fund in 2014 while actual expenditures came in considerably lower, at \$547 thousand. The expenditures were offset by revenues (grants, impact fees and interest income) of \$127 thousand.

In the Parks & Recreation fund, projects totaling \$1.3 million were budgeted while \$565 thousand was actually spent. The project to renovate the Community Center didn't get started in 2014, and the entire budget of \$560 thousand was re-appropriated, along with an additional \$3.25 million, in 2015. Most of the spending in 2014 (\$395 thousand) was on the Community Hall renovations.

Capital projects totaling \$1.6 million were budgeted in the Reconstruction and Maintenance fund and \$1.1 million was spent. Those expenditures were offset by \$223 thousand in grant revenues and interest income, and \$898 thousand was financed from reserves.

General Fund Budgetary Highlights

Original budget compared to final budget. As a part of the annual budget process, all purchase orders (budget encumbrances) that remain open at fiscal year end are re-appropriated in the new fiscal year by resolution. The 2014 expenditure budget included amendments of approximately \$51 thousand for products and services ordered but not received in fiscal 2013 and were rolled over and re-appropriated in 2014. The only other amended budget items throughout 2014 were reductions of approximately \$2 thousand for remaining balances on 2013 purchase orders that were cancelled, resulting in a final variance of \$49 thousand between the original adopted budget and the final amended budget.

Final budget compared to actual results. Revenues and expenditures budget versus actual amounts at September 30, 2014 for the General Fund are compared below. General fund revenues in 2014 were \$729 thousand or 3.5% more than budgeted. Revenues with significant budget variances included:

Revenue Source	Original Adopted Budget*	Actual Results	Budget vs Actual: Over / (Under) Budget
Security-Special Detail	132,000	20,228	(111,772)
Building Permits	181,050	350,242	169,192
Property Taxes	6,378,649	6,201,214	(177,435)
Electric Utility Taxes	1,820,000	2,118,618	298,618
Electric Franchise Fees	1,500,000	1,679,938	179,938
State Revenue Sharing	1,100,000	1,305,331	205,331
Half-Cent Sales Tax	2,650,000	2,800,931	150,931
Totals	\$13,561,699	\$14,288,750	\$727,051

- There were no budget amendments to general fund revenues in fiscal 2014.

Most of the positive variances (over budget) in the table above are a reflection of an improving economy in fiscal 2014. Building activity in 2014 was more than was anticipated, with multiple units being added in two new residential developments, Verona Estates and Pine Grove Farms, a formerly undeveloped plot in the Riverbridge development. Commercial activity included a new pharmacy and convenience store, a new daycare center/preschool, and major renovations for two supermarkets in the City.

Electric utility taxes increased by 7% and 10%, respectively, the last two years, and electric franchise fees finally ticked back up after declining steadily since 2008.

The State Department of Revenue provides forecasts of the half-cent sales tax and shared revenues that are used to determine the budgets for those items. The positive variances of those revenues continue to be a welcome indicator that the state economy is moving in a positive direction, however, the City will continue to follow a conservative approach in budgeting those items as the local economy continues to improve.

Significant negative budget variances were receipts from Security Special Detail and property taxes. Security-Special Detail is contracted security provided by the City's law enforcement officers. The decline in revenues is attributable almost entirely to one business that discontinued using the detail. Property tax collections, at 97% of amounts budgeted, are in line with recent years.

General fund expenditures in 2014 were \$853 thousand or 4.28% less than budgeted mostly due to under spending in public safety personnel costs (\$436 thousand) due to vacant positions and lower operating costs (\$162,000). Other variances included spending \$114,000 less than budgeted amounts in public works due to lower operating costs, and budgeted contingency reserves of \$113,000 that were not utilized.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets on September 30, 2014, net of accumulated depreciation, was \$22.2 million, an increase of \$391 thousand or 1.8% from 2013. In 2014 the City added assets valued at \$2.0 million and asset disposals and depreciation were a combined \$1.7 million.

Significant capital asset events during the 2014 fiscal year included:

- Addition of a new software system for public administration in the amount of \$581 thousand. A significant part of that amount, \$208 thousand, was included in the prior year's additions as construction in progress.
- Construction in progress of \$395 thousand for Community Hall renovations.
- A new ambulance was purchased for \$191 thousand.

- Seven law enforcement vehicles were added totaling \$222 thousand.
- Three EMS cardiac monitors/defibrillators were purchased for \$68 thousand.

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

	<u>2014</u>	<u>2013</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,274	\$ 7,274	0.0%
Buildings	6,765	7,090	(4.6%)
Improvements other than buildings	3,457	3,709	(6.8%)
Furniture, fixtures and equipment	1,684	1,091	54.4%
Vehicles	1,822	1,791	1.7%
Construction in progress	<u>1,221</u>	<u>877</u>	39.2%
 Total	 <u>\$ 22,223</u>	 <u>\$ 21,832</u>	 1.8%

Please refer to the prior discussion of major funds above for more details on capital spending, and also Note 6 Capital Assets on page 35.

Debt administration. The City's has very little outstanding debt, consisting only of a public improvement bank note totaling \$3.3 million at September 30, 2014. Debt service payments reduced the overall debt by \$262 thousand, or 7.4%, 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 35-36.

City of Greenacres Outstanding Debt
(in thousands)

	<u>2014</u>	<u>2013</u>	<u>Increase / (Decrease)</u>
Public Improvement Note Payable	<u>\$ 3,292</u>	<u>\$ 3,554</u>	(7.4%)

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.

Other economic factors affecting the City of Greenacres in the new fiscal year include:

- Increasing property values. Property values increased by 8.4%* in 2014 following a 4.3%* increase in 2013. The City elected not to go to a roll back millage rate, but kept the millage rate from the previous year. This could result in up to \$500 thousand of additional property tax revenues in fiscal 2015.

*Based on the property appraiser's final certified values, *prior to* changes by the Value Adjustment Board.

-
- Increased sales tax revenues. Sales tax revenues increased for a second consecutive year in 2014, another sign of an improving economy (noted earlier).
 - Building activity increased in 2014, as evidenced by increased revenues from building permits, inspections, and impact fees and is expected to continue in 2015.
 - Casualty liability & fleet insurance rates increased 7.2% going into the new fiscal year after remaining relatively flat in 2014. Health insurance rates will increase by 5.0 percent in 2015.

The City's financial position remains strong, with very low debt and unassigned general fund balance having a healthy ratio of 37% of total general fund expenditures in 2014, twelve percentage points above the minimum 25% required in the Fund Balance Policy.

Budgeted 2015 general fund expenditures, including transfers to other funds, are \$22,333,806, an increase of \$1.3 million, or 6.4%, from 2014 budgeted expenditures. With 2015 revenues projected at \$22,187,769, it's expected that a budget deficit of \$146 thousand will be funded from general fund reserves in 2015, reducing fund balance from \$13.5 million after the results of operations in 2014 to an estimated \$13.3 million in 2015.

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 Position

September 30, 2014	Governmental Activities
<hr/>	
Assets	
Cash and cash equivalents	\$ 2,665,580
Investments	19,319,187
Receivables (net)	
Accounts	2,396,500
Interest	8,485
Grants	706,118
Assessments	6,039
Intergovernmental	73,329
Inventories	23,758
Prepaid items	437,444
Capital assets:	
Non-depreciable	8,494,907
Depreciable (net of accumulated depreciation)	13,727,720
Total Assets	47,859,067
Liabilities	
Accounts payable	1,091,005
Accrued payroll and related liabilities	469,825
Unearned revenue	669,847
Deposits and other liabilities	84,160
Accrued interest payable	365
Due within one year:	
Compensated absences	843,290
Notes payable	273,246
Due in more than one year:	
Compensated absences	1,318,936
Notes payable	3,018,531
Net OPEB obligation	100,000
Net pension obligation	506,612
Total Liabilities	8,375,817
Deferred Inflows of Resources	215,477
<hr/>	
Net Position	
Net investment in capital assets	18,887,900
Restricted for:	
Debt service	533,303
Public safety	214,067
Youth programs	103,195
Arboreous activities	14,820
Capital projects	6,597,373
Unrestricted	12,917,115
Total Net Position	\$ 39,267,773

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

Statement of Activities

For the Fiscal Year Ended September 30, 2014	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental Activities:					
General government	\$ 3,553,289	\$ 530,527	\$ --	\$ --	\$ (3,022,762)
Public safety	12,941,095	2,437,433	546,394	115,554	(9,841,714)
Transportation	1,569,082	--	--	393,237	(1,175,845)
Culture/recreation	1,869,520	285,708	330,442	6,400	(1,246,970)
Physical environment	2,074,593	1,387,773	24,913	320,672	(341,235)
Interest on long-term debt	140,578	--	--	--	(140,578)
Total Governmental Activities	\$ 22,148,157	\$ 4,641,441	\$ 901,749	\$ 835,863	(15,769,104)

General Revenues:

Taxes:	
Property taxes	6,201,214
Utility service taxes	3,991,265
Franchise fees based on gross receipts	1,796,500
Intergovernmental shared revenues - unrestricted	4,239,490
Investment earnings - unrestricted	49,228
Miscellaneous revenues	189,398
Total general revenues	16,467,095
Change in net position	697,991
Net Position - beginning	38,569,782
Net Position - ending	\$ 39,267,773

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

Balance Sheet
Governmental Funds

September 30, 2014	Capital Projects						Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Nonmajor Governmental Funds		
Assets							
Cash and cash equivalents	\$ 2,665,580	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,665,580
Investments	9,673,273	2,100,983	4,060,879	2,623,167	860,885		19,319,187
Receivables (net)							
Accounts	2,396,500	--	--	--	--	--	2,396,500
Interest	8,485	--	--	--	--	--	8,485
Grants	2,685	--	235,142	448,183	20,108		706,118
Assessments	6,039	--	--	--	--	--	6,039
Intergovernmental	--	73,329	--	--	--	--	73,329
Inventories	23,758	--	--	--	--	--	23,758
Prepaid items	436,749	--	--	-	695		437,444
Total Assets	\$15,213,069	\$2,174,312	\$4,296,021	\$ 3,071,350	\$ 881,688		\$25,636,440
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 733,926	\$ 9,087	\$ 261,070	\$ 83,114	\$ 3,808	\$ 1,091,005	
Accrued payroll and related liabilities	459,812	--	--	--	10,013	469,825	
Unearned revenue	14,561	--	653,499	--	1,787	669,847	
Deposits and other liabilities	54,285	\$ 29,875	--	--	--	84,160	
Total Liabilities	1,262,584	38,962	914,569	83,114	15,608	2,314,837	
Deferred Inflows of Resources	487,325	--	--	--	--	487,325	
Fund Balances							
Nonspendable:							
Inventories	23,758	--	--	--	--	23,758	
Prepaid items	436,749	--	--	--	695	437,444	
Restricted for:							
Public Safety Forfeitures	--	--	--	--	199,857	199,857	
Arborous Activities	--	--	--	--	14,820	14,820	
Public Safety Donations	--	--	--	--	14,210	14,210	
Youth Programs	--	--	--	--	103,195	103,195	
Debt service	--	--	--	--	533,303	533,303	
New Growth	--	1,282,996	--	--	--	1,282,996	
Parks	--	--	2,418,762	--	--	2,418,762	
Transportation	--	--	--	2,895,615	--	2,895,615	
Committed to:							
Emergency and disaster reserve	2,163,381	--	--	--	--	2,163,381	
Pension plan reserve	506,612	--	--	--	--	506,612	
Budget stabilization reserve	2,100,000	--	--	--	--	2,100,000	
Assigned for:							
Subsequent year's expenditures	146,037	--	--	--	--	146,037	
Compensated absences reserve	659,468	--	--	--	--	659,468	
Capital Projects	--	852,354	962,690	92,621	--	1,907,665	
Unassigned:	7,427,155	--	--	--	--	7,427,155	
Total Fund Balances	13,463,160	2,135,350	3,381,452	2,988,236	866,080	22,834,278	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$15,213,069	\$2,174,312	\$4,296,021	\$ 3,071,350	\$ 881,688	\$25,636,440	

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

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

September 30, 2014

Fund Balances - Total Governmental Funds \$ 22,834,278

Amounts reported for governmental activities in the statement of net position 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	\$ 39,366,821	
Less accumulated depreciation	(17,144,194)	22,222,627

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

271,848

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	\$ (2,162,226)	
Notes payable	(3,291,777)	
Accrued interest payable	(365)	
Net OPEB obligation	(100,000)	
Net pension obligation	(506,612)	(6,060,980)

Net Position of Governmental Activities \$ 39,267,773

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, 2014	General	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
		New Growth	Parks and Recreation	Reconstruction and Maintenance		
Revenues:						
Taxes	\$11,319,062	\$ --	\$ --	\$ --	\$ --	\$11,319,062
Permits and franchise fees	2,280,110	--	--	--	--	2,280,110
Intergovernmental revenues	4,350,862	14,930	235,142	184,499	319,064	5,104,497
Charges for services	3,053,010	--	--	--	142,719	3,195,729
Fines and forfeitures	98,949	--	--	--	73,061	172,010
Impact fees	--	55,835	--	--	--	55,835
Investment	14,725	8,626	12,653	11,759	1,465	49,228
Contributions	8,878	47,322	-	27,043	10,555	93,798
Rental income	304,430	--	226,123	--	--	530,553
Miscellaneous revenues	84,134	--	-	--	1,027	85,161
Total revenues	21,514,160	126,713	473,918	223,301	547,891	22,885,983
Expenditures:						
Current:						
General government	3,235,568	--	--	--	--	3,235,568
Public safety	12,277,486	--	--	--	--	12,277,486
Transportation	1,469,380	--	--	--	--	1,469,380
Culture/recreation	894,869	--	--	--	454,869	1,349,738
Physical environment	1,743,688	--	--	--	--	1,743,688
Capital outlay	58,538	546,883	565,081	1,120,938	51,536	2,342,976
Debt service:						
Principal	--	--	--	--	262,552	262,552
Interest	--	--	--	--	140,607	140,607
Total expenditures	19,679,529	546,883	565,081	1,120,938	909,564	22,821,995
Excess (deficiency) of revenues over expenditures	1,834,631	(420,170)	(91,163)	(897,637)	(361,673)	63,988
Other financing sources (uses):						
Transfers in	--	--	--	--	460,000	460,000
Transfers out	(460,000)	--	--	--	--	(460,000)
Total other financing sources (uses)	(460,000)	--	--	--	460,000	--
Net change in fund balances	1,374,631	(420,170)	(91,163)	(897,637)	98,327	63,988
Fund balances - beginning	12,088,529	2,555,520	3,472,615	3,885,873	767,753	22,770,290
Fund balances - ending	\$13,463,160	\$2,135,350	\$3,381,452	\$ 2,988,236	\$ 866,080	\$22,834,278

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, 2014

Net change in fund balances - total governmental funds \$ 63,988

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	\$ 1,750,075	
Less current year depreciation	(1,359,242)	390,833
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds:

Solid waste collection fees	(15,978)
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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	\$ 29	
Compensated absences	(114,830)	
Net OPEB obligation	(16,000)	
Net pension obligation	127,397	(3,404)
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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 position.

262,552

Change in Net Position of Governmental Activities	\$ 697,991
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The accompanying notes are an integral part of these basic financial statements.

Statement of Fiduciary Net Position

September 30, 2014	Public Safety Officers and Firefighters Pension Plan Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 207,726
Investments:	
Mutual funds	20,564,853
Contributions receivable	477,621
<hr/>	
Total assets	\$ 21,250,200
Net Position	
held in trust for pension benefits	\$ 21,250,200
<hr/> <hr/>	

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

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended September 30, 2014	Public Safety Officers and Firefighters Pension Plan Fund
Additions:	
Contributions:	
Employer	\$ 899,018
Plan members	201,235
State on-behalf payments	477,621
Total Contributions	1,577,874
Investment income:	
Net increase in fair value of investments	1,593,099
Total additions	3,170,973
Deductions:	
Benefits paid and refunds of member contributions	75,908
Administrative expense	64,740
Total Deductions	140,648
Net Increase	3,030,325
Net Position held in trust for pension benefits	
Net position - beginning	18,219,875
Net position - ending	\$ 21,250,200

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 is either able to impose its will on that organization, or has a financial benefit/burden relationship with the organization. The City may also be financially accountable if an organization is fiscally dependent on the primary government and the two also have a financial benefit or burden relationship. 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 position 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 fund 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, 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)

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, Deferred Inflows of Resources and Net Position/Fund Balance

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. 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, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental funds, prepaid items are 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 position. 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

Unearned Revenue

Unearned revenue represents the increase in assets prior to eligibility criteria being met.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. There are two types of items that qualify for reporting in this category:

- 1) Business tax receipts that are received by the City prior to the period for which the taxes are levied are reported as deferred inflows on both the government-wide statement of net position, and on the governmental funds balance sheet.
- 2) Solid waste fees that are not received within six months of the end of the fiscal year don't meet the availability criterion of the modified accrual basis of accounting, and therefore are reported as deferred inflows only on the governmental funds balance sheet.

As of September 30, 2014 the City had reported the following deferred inflows of resources in the Governmental Funds Balance Sheet:

Unearned revenue-business tax licenses	\$215,477
Unavailable revenue-solid waste fees	271,848
<u>Total Deferred inflows of resources</u>	<u>\$487,325</u>

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.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

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 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 expensed as incurred.

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 Position

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, 3) unrestricted. Net investment in capital assets consist of capital assets reduced by accumulated depreciation and by any outstanding debt and deferred inflows/outflows of resources incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Restricted net position is that portion of net position 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 position consists of net position that does not meet the definition of either of the other two components.

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 items), 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).

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Fund Equity (continued)

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 Manager 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.

Encumbrances

Purchase orders are issued throughout the year to encumber budgeted amounts for expenditures. Significant encumbrances as of September 30, 2014 are:

Major funds:

General Fund	\$ 59,282
Parks and Recreation Capital Projects Fund	450,727
New Growth Capital Projects Fund	932,516
Reconstruction and Maintenance Capital Projects Fund	296,919

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

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.

Implementation of Governmental Accounting Standards Board Statements with Impact on the Financial Statements

The City implemented the following GASB Statement during the fiscal year ended September 30, 2014:

GASB Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25

The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The requirements of this Statement improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that is presented by the pension plans that are within its scope. The new information enhances the decision-usefulness of the financial reports of these pension plans, their value for assessing accountability, and their transparency by providing information about measures of net pension liabilities and explanations of how and why those liabilities changed from year to year. The net pension liability information, including ratios, offers an up-to-date indication of the extent to which the total pension liability is covered by the fiduciary net position of the pension plan.

2 – PROPERTY TAXES

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

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

2 – PROPERTY TAXES (Continued)

The City is permitted by the Florida Constitution to levy taxes up to \$10 per \$1,000 (10 mills) of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on taxpayer approved general obligation long-term debt. The millage rate levied by the City for the fiscal year ended September 30, 2014 was 5.4284.

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 depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. As of September 30, 2014, 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 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, which is 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. 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 investment in the Florida PRIME is 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, 2014, the City had the following investments:

Investment	Fair Value	Weighted Average Maturity	Credit Rating
Florida PRIME	\$ 7,085,680	39 days	AAAm S&P
FMIvT 0-2 Year High Quality Bond Fund	5,853,932	0.75 years	AAA/V1 Fitch
FMIvT 1-3 Year High Quality Bond Fund	5,173,890	1.49 years	AAA/V2 Fitch
FMIvT Intermediate High Quality Bond Fund	205,685	3.96 years	AAA/V3 Fitch
Certificate of Deposit	1,000,000	N/A	Not Rated
Total Investments	\$ 19,319,187		

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.

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).

3 – DEPOSITS AND INVESTMENTS (Continued)**Investments – City** (Continued)**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, 2014, 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

Investments 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. Included in Plan total investments is an amount of \$955,610 related to the City's Public Safety Firefighters' and Officers' Share Plan.

At September 30, 2014, the Plan had the following investments:

Investment	Fair Value Public Safety Officers' and Firefighters' Pension Plan	Weighted Average Maturity	Credit Rating
FMIvT Russell 1000 Enhanced Index Fund	\$ 5,733,232		Not Rated
FMIvT Core Plus Fixed Income	3,801,381	6.52	Not Rated
FMIvT Diversified Small Cap Equity Portfolio	2,762,753		Not Rated
FMIvT Broad Market High Quality Bond Fund	2,430,392	6.47	AA/V4 Fitch
FMIvT High Quality Growth Portfolio	2,035,713		Not Rated
FMIvT International Blend Portfolio	1,911,077		Not Rated
FMIvT Diversified Small to Mid Cap	1,890,305		Not Rated
Total Investments	\$ 20,564,853		

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.

3 – DEPOSITS AND INVESTMENTS (Continued)

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

Credit Risk

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

Concentration of Credit Risk

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

Risks and Uncertainties

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

4 – RECEIVABLES

Receivables for the City's individual major funds and non-major funds in the aggregate, including applicable allowances as of September 30, 2014 are as follows:

	General Fund	New Growth Fund	Parks and Recreation Fund	Reconstruction and Maintenance Fund	Nonmajor Governmental Funds	Total
Receivables:						
Accounts	\$2,618,091	\$ --	\$ --	\$ --	\$ --	\$2,618,091
Interest	8,485	--	--	--	--	8,485
Grants	2,685	--	235,142	448,183	20,108	706,118
Assessments	6,039	--	--	--	--	6,039
Intergovernmental	--	73,329	--	--	--	73,329
Total Receivables	2,635,300	73,329	235,142	448,183	20,108	3,412,062
Less Allowance for Uncollectible Amounts	(221,591)	--	--	--	--	(221,591)
Net Total Receivables	\$2,413,709	\$ 73,329	\$235,142	\$ 448,183	\$ 20,108	\$3,190,471

5 – INTERFUND TRANSACTIONS

The following is a summary of interfund transfers for the year ended September 30, 2014:

Fund	Transfers In	Transfers Out
Major Fund		
General Fund	\$ --	\$ 460,000
Nonmajor Governmental Funds	460,000	--
Total Interfund Transfers	\$ 460,000	\$ 460,000

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 and \$50,000 to Youth Programs Fund to subsidize operations.

6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 7,274,036	\$ --	\$ --	\$ 7,274,036
Construction-in-progress	877,379	555,547	(212,055)	1,220,871
Total Capital Assets not Being Depreciated	8,151,415	555,547	(212,055)	8,494,907
Capital Assets Being Depreciated				
Buildings	13,064,152	--	--	13,064,152
Improvements other than buildings	9,063,542	232,251	--	9,295,793
Furniture, fixtures, and equipment	2,631,962	736,775	(160,161)	3,208,576
Vehicles	4,705,675	437,557	--	5,143,232
Total Capital Assets Being Depreciated	29,465,331	1,406,583	(160,161)	30,711,753
Less Accumulated Depreciation for				
Buildings	(5,973,694)	(325,274)	--	(6,298,968)
Improvements other than buildings	(5,355,308)	(483,725)	--	(5,839,033)
Furniture, fixtures, and equipment	(1,540,905)	(144,233)	160,161	(1,524,977)
Vehicles	(2,915,045)	(406,010)	--	(3,321,055)
Accumulated Depreciation	(15,784,952)	(1,359,242)	160,161	(16,984,033)
Total Capital Assets Being Depreciated, Net	13,680,379	47,341	--	13,727,720
Total Capital Assets, Net	\$ 21,831,794	\$ 602,888	\$(212,055)	\$ 22,222,627

Depreciation expense was charged to functions as follows:

Governmental Activities		
Public safety		\$ 571,312
Culture/recreation		405,044
General government		206,504
Physical environment		110,033
Transportation		66,349
Total Depreciation Expense		\$ 1,359,242

7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the fiscal year ended September 30, 2014:

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014	Due Within One Year
Public improvement note, 2004A	\$ 3,554,329	\$ -	\$ 262,552	\$ 3,291,777	\$ 273,246
Compensated absences	2,047,396	926,413	811,583	2,162,226	843,290
Total	\$ 5,601,725	\$ 926,413	\$ 1,074,135	\$ 5,454,003	\$ 1,116,536

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 4.03%. The note is payable from the City's legally available non-ad valorem revenues and at September 30, 2014, principal and interest to maturity in 2024 to be paid from pledged future revenues totaled \$4,032,600. 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			
2015	273,246	130,014	403,260
2016	284,376	118,884	403,260
2017	295,959	107,301	403,260
2018	308,014	95,246	403,260
2019	320,560	82,700	403,260
2020-2024	1,809,620	206,680	2,016,300
Total	\$ 3,291,777	\$ 740,825	\$ 4,032,600

8 – FRS - FLORIDA RETIREMENT SYSTEM PENSION PLAN AND FRS – RETIREE HEALTH INSURANCE SUBSIDIARY PROGRAM**FRS - 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 – FRS - FLORIDA RETIREMENT SYSTEM PENSION PLAN AND FRS – RETIREE HEALTH INSURANCE SUBSIDIARY PROGRAM (Continued)

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, 2014 were as follows: regular employees 7.37%, special risk employees 19.82%, senior management employees 21.14% and elected officials 43.24%. 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 ended September 30, 2012 through 2014 were \$309,771, \$332,754, and \$382,095, 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. Any 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.

FRS - 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 and administered by the State of Florida.

Funding Policy

The State's current funding policy for the HIS is a pay-as-you-go funding structure. As of the valuation date, accumulated HIS assets constituted approximately three months of projected benefit payments. Further, without adjustment the contribution rate currently in effect likely will not be sufficient to pay HIS benefits in full even in the very near-term. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

The pay-as-you-go rate for the next 10 years of the program is projected to be approximately 1.4%. The rate is highly sensitive to both the actual rate of growth in projected payroll and to individual member behavior regarding timing of retirement elections. Having benefit payments greater than projection or having actual payroll less than projection could lead to the projected 1.4% pay-as-you-go rate being less than fully sufficient.

The most recent actuarial valuation of the HIS Program as a defined benefit plan was the result of the July 1, 2014 valuation. The valuation uses the same data, methods, and assumptions that were used for the GASB 67 valuation of the Florida Retirement System, except as noted. The valuation's primary purpose is to estimate the financial reporting entries of HIS under GASB 67. In addition, in the next subsection there are estimates of both near-term "pay-as-you go" contribution rates and of the projected contribution rates to migrate the HIS program to a partially pre-funded status over time.

9 – EMPLOYEE RETIREMENT PLANS

Public Safety Officers’ and Firefighters’ Retirement Plan

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

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.

Plan Description

Plan administration. The City of Greenacres Public Safety Officers’ and Firefighters’ Retirement Plan and Trust (the “Plan”) is a single employer defined benefit pension plan that provides pensions for all permanent, full-time public safety employees of the City (police officers and firefighters). The Plan was established by City Ordinance 96-35 effective January 1, 1996, and is also governed by Chapters 112, 175 and 185 of the Florida Statutes. 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.

Management of the Plan is vested in the Board of Trustees, which consists of five members, one full-time firefighter and one full-time police officer elected by a majority of plan members, two City residents appointed by the City Council, and a fifth member chosen by the previous four members. The Plan Administrator is the Florida League of Cities.

Plan membership. At September 30, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	22
Active plan members	<u>73</u>
	<u>98</u>

9 – EMPLOYEE RETIREMENT PLANS (Continued)

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

Plan Description (Continued)

Benefits provided. 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.

Contributions. 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 based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year. For the fiscal year ended September 30, 2014, the City's contribution rate was 24.26 percent of annual payroll, reduced by funds received from the State of Florida pursuant to Chapters 175 and 185 of the Florida Statutes. 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.

Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties are collected by the State and remitted to the Plan. This amount totaled \$477,621 for the fiscal year ended September 30, 2014: \$257,205 for property insurance contracts for firefighters under Chapter 175 and \$220,416 for casualty insurance contracts for police officers under Chapter 185.

Share Plan. Included in the Plan is the amount of insurance premium taxes the City may use to supplement its actuarially determined contributions to the Plan, which is capped at \$336,416. Insurance premium taxes in excess of that amount may be used only to purchase additional benefits. To comply with this requirement, a separate defined-contribution Share Plan was established on February 6, 2012. For the fiscal year ended September 30, 2014, excess premium taxes of \$141,205 were deposited into the Share Plan.

9 – EMPLOYEE RETIREMENT PLANS (Continued)**Public Safety Officers' and Firefighters' Retirement Plan (Continued)****Investments****Method Used to Value Investments**

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

Target allocation. The Plan's policy establishes the following target allocation:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. large cap equity	47%
Multi-Sector	18
U.S. small cap equity	13
Core bonds	12
Non-U.S. equity	<u>10</u>
Total	<u>100%</u>

Rate of return. For the fiscal year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.54 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the money-weighted rate of return calculation are determined on a monthly basis.

Funded Status and Funding Progress

The funded status and funding progress of the Plan as of the October 1, 2014 actuarial valuation date was as follows:

Actuarial value of assets	\$ 20,145,669
Actuarial accrued liability (AAL)	18,823,093 *
Unfunded actuarial accrued liability (UAAL)	--
Funded ratio	107.03%
Covered payroll	4,906,570
UAAL as a percentage of covered payroll	0.00%

* 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)**Public Safety Officers' and Firefighters' Retirement Plan (Continued)****Annual Pension Cost and Net Pension Obligation**

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

Annual Required Contribution (ARC)	\$ 1,089,112
Interest on Net Pension Obligation (NPO)	46,018
Adjustment to ARC	(27,092)
Annual Pension Cost (APC)	1,108,038
City/State Contributions Made	(1,235,435)
(Decrease) in NPO	(127,397)
Net Pension Obligation, October 1, 2013	634,009
Net Pension Obligation, September 30, 2014	<u>\$ 506,612</u>

Fiscal Year End	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2012	\$1,437,788	97.00%	\$743,804
9/30/2013	1,308,745	108.00%	634,009
9/30/2014	1,108,038	111.00%	506,612

Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2014, were as follows:

Total pension liability	\$ 14,740,326
Plan fiduciary net position	<u>(20,145,669)</u>
City's net pension liability	<u>\$ (5,405,343)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>136.7%</u>

9 – EMPLOYEE RETIREMENT PLANS (Continued)**Public Safety Officers' and Firefighters' Retirement Plan (Continued)****Annual Pension Cost and Net Pension Obligation****Significant Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.59% per annum
Salary increases	8.00% for employees with less than one year of service, 7.00% for employees with one to two years of service, 6.00% for employees with two to three years of service, 5.50% for employees with three to four years of service, and 5.00% per annum for employees with at least four years of service
Investment rate of return	8.39% Including inflation, net of investing expenses
Cost of living increases	3.00% per year
Mortality basis	Sex-distinct rates set forth in the RP-2000 mortality table for annuitants and non-annuitants, projected to 2007 by Scale AA as published by the Internal Revenue Service (IRS) for purposes of IRC section 430; future generational improvements in mortality have not been reflected.
Retirement	15% are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during the two years after normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 45.
Future contributions	Contributions from the employer and employee are assumed to be made as legally required.

Long-term Expected Rate of Return

The long-term expected rates of return on classes of pension plan investments were developed by the investment consultant Asset Consulting Group (ACG) using Monte Carlo Simulations to analyze a range of possible outcomes and assist in making educated investment decisions. The output of the Monte Carlo Simulation is based on ACG's capital market assumptions that are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions. The long-term expected rate of return was calculated by weighting the expected future real rates of return of each asset class by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

9 – EMPLOYEE RETIREMENT PLANS (Continued)**Public Safety Officers' and Firefighters' Retirement Plan (Continued)****Long-term Expected Rate of Return (Continued)**

<u>Investment Category</u>	<u>Expected Long-Term Real Return</u>	<u>Weighted Average Return</u>
Core Bonds	2.29%	0.30%
Multi-Sector	2.78%	0.50%
U.S. Large Cap Equity	5.68%	2.70%
U.S. Small Cap Equity	6.24%	0.80%
Non U.S. Equity	5.44%	<u>0.50%</u>
		4.80%
Add estimated long-term rate of inflation		<u>3.59%</u>
Estimated long-term rate of return on pension assets (the discount rate)		<u>8.39%</u>

Discount Rate

The discount rate used to measure the total pension liability was 8.39 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, there was no need to adjust the long-term expected rate of return on pension plan investments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 8.39 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.39 percent) or 1-percentage-point higher (9.39 percent) than the current rate:

	1% Decrease <u>(7.39%)</u>	Current Discount Rate <u>(8.39%)</u>	1% Increase <u>(9.39%)</u>
City's net pension liability	\$(2,941,066)	\$(5,405,343)	\$(7,713,434)

9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement Plan – Defined Contribution and Deferred Compensation 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 Plan is administered by a third party administrator.

The City's plan established two accounts, or plans; a 401(a) plan into which the City makes pension contributions on behalf of the employees, and a 457(b) (a deferred compensation plan) 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, 2014, were \$224,040 and \$129,659, 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 and until the age of 65, to continue to obtain health, dental and other insurance benefits upon retirement. After the age of 65, retirees and their beneficiaries may continue to receive health benefits only as supplemental insurance to Medicare. 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)	\$ 36,000
Interest	3,000
Adjustment to the ARC	(8,000)
Annual OPEB Cost	31,000
Contributions Made	(15,000)
Increase in Net OPEB Obligation	16,000
Net OPEB Obligation, October 1, 2013	84,000
Net OPEB Obligation, September 30, 2014	\$ 100,000

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014, 2013, and 2012 was:

Fiscal year ended	9/30/2014	9/30/2013	9/30/2012
Annual OPEB cost	\$31,000	\$31,000	\$31,000
Percentage of OPEB cost contributed	48.00%	42.00%	42.00%
Net OPEB Obligation	\$100,000	\$84,000	\$66,000

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

Funded Status and Funding Progress

The funded status of the plan as of October 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) ÷ (2)	(4) Covered Payroll	UAAL As % of Covered Payroll (3) ÷ (4)
October 1, 2014	0	241,000	241,000	0.0%	9,766,000	2.5%

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:

<i>Valuation date</i>	October 1, 2014
<i>Actuarial cost method</i>	Projected unit credit
<i>Amortization method</i>	15-year open period; level-dollar payment
<i>Investment return</i>	4.00% per annum (includes inflation at 2.75 per annum)
<i>Healthcare cost trend rate(s)</i>	
	<u>Insurance Premiums</u>
<i>Select rates</i>	8.00% for 2014/15 graded to 5.5% for 2019/20
<i>Ultimate rate</i>	5.00% 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

In December 2008, the City entered into a lease agreement with the Palm Beach County Health Department (administered by the Florida Department of Management Services). The term of the lease was for a 5-year period commencing on December 1, 2008, with an option to renew the lease for an additional five year term. On December 1, 2013, the Health Department exercised its option to renew the lease for an additional 5-year term at a rental rate of \$19.16 per square foot, resulting in an annual rent amount of \$208,020 annual rate increases of \$0.30 cents per square foot. Total lease payments received during the fiscal year ended September 30, 2014 were \$208,491. As of September 30, 2014, the cost of the land and building under the operating lease was \$1,240,164 and accumulated depreciation on the building was \$882,507.

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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 6,178,649	\$ 6,178,649	\$ 6,013,462	\$ (165,187)
Delinquent	200,000	200,000	187,752	(12,248)
Total ad valorem taxes	6,378,649	6,378,649	6,201,214	(177,435)
Utility service taxes:				
Electric	1,820,000	1,820,000	2,118,618	298,618
Telecommunications	1,400,000	1,400,000	1,318,215	(81,785)
Water	420,000	420,000	468,358	48,358
Gas	46,000	46,000	50,617	4,617
Propane gas	24,000	24,000	35,456	11,456
Total public service taxes	3,710,000	3,710,000	3,991,264	281,264
Local option gas tax	265,200	265,200	267,121	1,921
New local option gas tax	122,400	122,400	126,116	3,716
Local business tax	241,500	241,500	255,726	14,226
Insurance premium tax	431,320	431,320	477,621	46,301
Total taxes	11,149,069	11,149,069	11,319,062	169,993
Permits and franchise fees:				
Building permits	203,050	203,050	370,356	167,306
Electrical permits	15,000	15,000	13,534	(1,466)
Plumbing permits	10,000	10,000	10,506	506
Mechanical permits	40,000	40,000	34,003	(5,997)
Electric franchise fees	1,500,000	1,500,000	1,679,938	179,938
Gas franchise fees	20,000	20,000	29,053	9,053
Solid waste franchise fees	87,049	87,049	87,509	460
Planning and zoning fees	39,288	39,288	47,872	8,584
Other	1,550	1,550	7,339	5,789
Total permits and franchise fees	1,915,937	1,915,937	2,280,110	364,173
Intergovernmental revenues:				
State revenue sharing	1,100,000	1,100,000	1,305,331	205,331
Half-cent sales tax	2,650,000	2,650,000	2,800,931	150,931
County occupational license	130,000	130,000	117,565	(12,435)
Mobile home license	8,500	8,500	10,492	1,992
Alcoholic beverage license	8,000	8,000	5,171	(2,829)
Motor fuel tax rebate	11,000	11,000	10,153	(847)
Grants	63,500	63,500	60,493	(3,007)
Other	33,386	33,386	40,726	7,340
Total intergovernmental	4,004,386	4,004,386	4,350,862	346,476

(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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,211,220	\$ 1,211,220	\$ 1,222,713	\$ 11,493
Security services	132,000	132,000	20,228	(111,772)
Administrative fees	145,064	145,064	156,197	11,133
Sales of documents	45,500	45,500	50,447	4,947
Culture/recreation	73,184	73,184	48,598	(24,586)
Protective inspections	44,312	44,312	43,805	(507)
Ambulance transport	1,469,162	1,469,162	1,480,201	11,039
Other	20,753	20,753	30,821	10,068
Total charges for services	3,141,195	3,141,195	3,053,010	(88,185)
Fines and forfeitures:				
Judgments and fines	98,100	98,100	68,812	(29,288)
Violations of local ordinances	27,600	27,600	29,531	1,931
Other	1,000	1,000	606	(394)
Total fines and forfeitures	126,700	126,700	98,949	(27,751)
Investment:				
Bank	10,000	10,000	12,072	2,072
State Board of Administration	24,000	24,000	(13,624)	(37,624)
FMLvT	63,000	63,000	16,070	(46,930)
Tax collector interest	1,200	1,200	179	(1,021)
Other interest	50	50	28	(22)
Total investment	98,250	98,250	14,725	(83,525)
Contributions	3,800	3,800	8,878	5,078
Rental fees	287,091	287,091	304,430	17,339
Miscellaneous:				
Refunds - prior year	6,950	6,950	15,315	8,365
Sales of surplus materials	25,000	25,000	6,110	(18,890)
Other	27,000	27,000	62,709	35,709
Total miscellaneous	58,950	58,950	84,134	25,184
Total Revenues	\$ 20,785,378	\$ 20,785,378	\$ 21,514,160	\$ 728,782

(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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
General government:				
Administrative:				
City Manager	\$ 414,686	\$ 414,686	\$ 370,288	\$ 44,398
Mayor and City Council	157,586	157,586	151,470	6,116
Legal counsel	135,184	135,184	153,859	(18,675)
Human resources	171,662	171,662	139,287	32,375
City Clerk	203,926	207,192	204,779	2,413
Total administration	1,083,044	1,086,310	1,019,683	66,627
Finance:				
Administration	286,312	286,312	280,060	6,252
Financial operations	472,872	472,872	466,320	6,552
Purchasing	112,913	112,913	98,171	14,742
Information technology	377,365	377,365	371,082	6,283
Total finance	1,249,462	1,249,462	1,215,633	33,829
Planning and development	576,283	576,283	556,359	19,924
Risk management	414,240	414,240	413,993	247
Contingency	100,000	103,200	29,900	73,300
Other	13,000	32,200	--	32,200
Total general government	3,436,029	3,461,695	3,235,568	226,127
Public safety:				
Administration	243,783	243,783	238,302	5,481
Uniform patrol	4,250,691	4,272,126	3,988,784	283,342
EMS	4,534,142	4,534,142	4,531,187	2,955
Support services	2,578,584	2,578,584	2,271,759	306,825
Protective inspections	774,786	774,786	769,833	4,953
Other Public Safety	401,000	401,000	477,621	(76,621)
Total public safety	12,782,986	12,804,421	12,277,486	526,935
Transportation:				
Public works administration	181,566	181,566	178,654	2,912
Streets and grounds maintenance	704,606	704,606	684,885	19,721
Vehicle maintenance	628,239	628,239	605,841	22,398
Total transportation	1,514,411	1,514,411	1,469,380	45,031
Culture/recreation:				
Administration	496,351	496,926	456,283	40,643
Parks and grounds maintenance	192,030	192,030	191,444	586
Community center	267,800	267,800	247,142	20,658
Total culture/recreation	956,181	956,756	894,869	61,887

(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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued)				
Physical environment:				
Building services	\$ 622,166	\$ 622,166	\$ 593,460	\$ 28,706
Solid waste collection and disposal	1,137,636	1,137,636	1,137,577	59
Insured Claims and Judgments	11,000	11,935	12,651	(716)
Total physical environment	1,770,802	1,771,737	1,743,688	28,765
Capital outlay (all departments and functions)	71,697	71,697	58,538	13,159
Total Expenditures	20,532,106	20,580,717	19,679,529	901,904
Excess of Revenues Over Expenditures	253,272	204,661	1,834,631	1,629,970
Other Financing Uses				
Transfers out	(460,000)	(460,000)	(460,000)	--
Net Change in Fund Balance	(206,728)	(255,339)	1,374,631	1,629,970
Fund Balance - Beginning	206,728	255,339	12,088,529	11,833,190
Fund Balances - Ending	\$ --	\$ --	\$ 13,463,160	\$ 13,463,160

See accompanying notes to the budgetary comparison schedule.

Note To The Budgetary Comparison Schedule
General Fund

September 30, 2014

1. BUDGETARY ACCOUNTING

The City annually adopts an operating budget for all funds. 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 \$45,346.
- ❖ 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
Police Officers and Firefighters Pension Trust Fund
Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2014
Total Pension Liability	
Service cost	\$ 271,224
Interest	1,146,049
Changes of benefit plans	--
Differences between expected and actual experience	--
Changes of assumptions	--
Benefit payments, including refunds of member contributions	(128,259)
Net Change in Total Pension Liability	1,289,014
Total Pension Liability - Beginning	13,451,312
Total Pension Liability - Ending (a)	\$ 14,740,326
Plan Fiduciary Net Position	
Contributions - employer/state	\$ 1,228,034
Contributions - member	201,235
Net Investment income	1,518,010
Benefit payments, including refunds of member contributions	(47,292)
Administrative expense	(62,873)
Other	--
Net Change in Plan Fiduciary Net Position	2,837,114
Plan Fiduciary Net Position - Beginning	17,308,555
Plan Fiduciary Net Position - Ending (b)	\$ 20,145,669
City's Net Pension Liability - Ending (a) - (b)	\$ (5,405,343)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	136.67%
Covered Employee Payroll	\$ 4,941,623
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	-109.38%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

Required Supplementary Information
Police Officers and Firefighters Pension Trust Fund
Schedule of City Contributions

	2014
Actuarially determined contribution	\$ 1,228,034
Contributions in relation to the actuarially determined contribution	1,228,034
Contribution deficiency (excess)	\$ --
Covered-employee payroll	\$ 4,941,623
Contributions as a percentage or covered-employee payroll	24.85%

Notes to Schedule of City Contributions

Valuation date: 10/1/2012

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate cost method
Amortization method	Level percentage, open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate	7.25%
Inflation	2.50%
COLA adjustment	2.50%
Salary increases	8.00% for employees with less than one year of service, 7.00% for employees with one to two years of service, 6.00% for employees with two to three years of service, 5.50% for employees with three to four years of service, and 5.00% per annum for employees with at least four years of service.
Investment rate of return	7.25% per annum.
Retirement age	15% are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during the two years after normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 45.
Mortality	Sex-distinct rates set forth in the RP-2000 mortality table for annuitants and non-annuitants, projected to 2007 by Scale AA as published by the Internal Revenue Service (IRS) for purposes of IRC section 430; future generational improvements in mortality have not been reflected in the Mortality Table.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

Required Supplementary Information
Police Officers and Firefighters Pension Trust Fund
Schedule of Investment Returns

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	8.54%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

Required Supplementary Information
Public Safety Officers and Firefighters Retirement Plan
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
10/1/2009	\$ 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	14,004,298	14,905,359	901,061	93.95%	5,018,761	17.95%
10/1/2013	17,308,555	16,650,146	--	103.95%	4,941,623	0.00%
10/1/2014	20,145,669	18,823,093	--	107.03%	4,906,570	0.00%

* 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.

Required Supplementary Information
Other Post Employment Benefits
For the Fiscal Year Ended September 30, 2014

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%
10/1/2011	--	183,000	183,000	0.00%	8,712,000	2.10%
10/1/2014	--	241,000	241,000	0.00%	9,766,000	2.47%

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 three 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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 631,231	\$ 631,231	\$ 14,930	\$ (616,301)
Impact fees	30,605	30,605	55,835	25,230
Investment	11,300	11,300	8,626	(2,674)
Contributions	--	--	47,322	47,322
Total Revenues	673,136	673,136	126,713	(546,423)
Expenditures:				
Capital outlay	1,122,907	1,919,345	546,883	1,372,462
Increase (Decrease) of Revenues Over Expenditures	(449,771)	(1,246,209)	(420,170)	826,039
Fund Balance - Beginning	449,771	1,246,209	2,555,520	1,309,311
Fund Balance - Ending	\$ --	\$ --	\$ 2,135,350	\$ 2,135,350

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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 382,291	\$ 382,291	\$ 235,142	\$ (147,149)
Investment	17,000	17,000	12,653	(4,347)
Rental income	182,900	182,900	226,123	43,223
Total Revenues:	582,191	582,191	473,918	(108,273)
Expenditures:				
Capital outlay	1,324,612	1,340,275	565,081	775,194
Increase (Decrease) of Revenues Over Expenditures	(742,421)	(758,084)	(91,163)	666,921
Fund Balance - Beginning	742,421	758,084	3,472,615	2,714,531
Fund Balance - Ending	\$ --	\$ --	\$ 3,381,452	\$ 3,381,452

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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 260,590	\$ 260,590	\$ 184,499	\$ (76,091)
Investment	19,500	19,500	11,759	(7,741)
Contribution	--	--	27,043	27,043
Miscellaneous	15,000	15,000	--	(15,000)
Total Revenues	295,090	295,090	223,301	(71,789)
Expenditures:				
Capital outlay	1,271,700	1,634,756	1,120,938	513,818
Increase (Decrease) of Revenues Over Expenditures				
	(976,610)	(1,339,666)	(897,637)	442,029
Fund Balance - Beginning	976,610	1,339,666	3,885,873	2,546,207
Fund Balance - Ending	\$ --	\$ --	\$ 2,988,236	\$ 2,988,236

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2014	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Investments	\$ 199,857	\$ 14,820	\$ 14,210	\$ 98,695
Grants receivable	--	--	--	20,108
Prepays	--	--	--	695
Total Assets	\$ 199,857	\$ 14,820	\$ 14,210	\$119,498
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ 3,808
Accrued payroll and related taxes	--	--	--	10,013
Unearned revenue	--	--	--	1,787
Total Liabilities	--	--	--	15,608
Fund Balances:				
Nonspendable:				
Prepaid items	--	--	--	695
Restricted for:				
Public Safety Forfeitures	199,857	--	--	--
Arboreous Activities	--	14,820	--	--
Public Safety Donations	--	--	14,210	--
Youth Programs	--	--	--	103,195
Debt Service	--	--	--	--
Total Fund Balances	199,857	14,820	14,210	103,890
Total Liabilities and Fund Balances	\$ 199,857	\$ 14,820	\$ 14,210	\$119,498

Debt
Service Fund

	Total Nonmajor Governmental Funds	
Municipal Complex		
\$ 533,303	\$ 860,885	
--	20,108	
--	695	
<u>\$ 533,303</u>	<u>\$ 881,688</u>	

\$ --	\$ 3,808
	10,013
--	1,787
<u>--</u>	<u>15,608</u>

--	695
--	199,857
--	14,820
--	14,210
--	103,195
<u>533,303</u>	<u>533,303</u>
<u>533,303</u>	<u>866,080</u>
<u>\$ 533,303</u>	<u>\$ 881,688</u>

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

For the Fiscal Year Ended September 30, 2014	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ 319,064
Charges for services	--	--	--	142,719
Fines and forfeitures	73,061	--	--	--
Investment	276	25	30	117
Contributions	--	6,400	1,655	2,500
Miscellaneous	--	--	--	1,027
Total Revenues	73,337	6,425	1,685	465,427
Expenditures:				
Current:				
Public safety	--	--	--	--
Culture/recreation	--	--	--	454,869
Capital outlay	30,680	7,715	13,141	--
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	30,680	7,715	13,141	454,869
Increase (Decrease) of Revenues Over Expenditures	42,657	(1,290)	(11,456)	10,558
Other Financing Sources or Uses				
Transfers in	--	--	--	50,000
Net Change in Fund Balances	42,657	(1,290)	(11,456)	60,558
Fund Balances - Beginning of Year	157,200	16,110	25,666	43,332
Fund Balances - End of Year	\$ 199,857	\$ 14,820	\$ 14,210	\$ 103,890

<u>Debt</u>			
<u>Service Fund</u>			
		Total	
Municipal		Nonmajor	
Complex		Governmental	
		Funds	
\$	--	\$	319,064
	--		142,719
	--		73,061
	1,017		1,465
	--		10,555
	--		1,027
			<hr/>
	1,017		547,891
			<hr/>
	--	--	
	--		454,869
	--		51,536
			<hr/>
	262,552		262,552
	140,607		140,607
			<hr/>
	403,159		909,564
			<hr/>
	(402,142)		(361,673)
			<hr/>
	410,000		460,000
			<hr/>
	7,858		98,327
			<hr/>
	525,445		767,753
			<hr/>
\$	533,303	\$	866,080
			<hr/> <hr/>

Arboreous Special Revenue Fund

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

For the Fiscal Year Ended September 30, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 50	\$ 50	\$ 25	\$ (25)
Contributions	3,150	3,150	6,400	3,250
Total Revenues	3,200	3,200	6,425	3,225
Expenditures:				
Capital outlay	10,000	10,000	7,715	2,285
Increase (Decrease) of Revenues Over Expenditures	(6,800)	(6,800)	(1,290)	5,510
Fund Balance - Beginning	6,800	6,800	16,110	9,310
Fund Balance - Ending	\$ --	\$ --	\$ 14,820	\$ 14,820

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, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 50	\$ 50	\$ 30	\$ (20)
Contributions	2,500	2,500	1,655	(845)
Total Revenues	2,550	2,550	1,685	(865)
Expenditures:				
Current:				
Public safety	--	--	--	--
Capital outlay	5,000	5,000	13,141	(8,141)
Total Expenditures	5,000	5,000	13,141	(8,141)
Increase (Decrease) of Revenues Over Expenditures	(2,450)	(2,450)	(11,456)	(9,006)
Fund Balance - Beginning	2,450	2,450	25,666	23,216
Fund Balance - Ending	\$ --	\$ --	\$ 14,210	\$ 14,210

Youth Programs Special Revenue Fund

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

For the Fiscal Year Ended September 30, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 288,215	\$288,215	\$ 319,064	\$ 30,849
Charges for services	176,232	176,232	142,719	(33,513)
Investment	46	46	117	71
Contributions	2,660	2,660	2,500	(160)
Miscellaneous	475	475	1,027	552
Total Revenues	467,628	467,628	465,427	(2,201)
Expenditures:				
Current:				
Culture/recreation	458,134	458,134	454,869	3,265
Capital outlay	--	--	--	--
Total Expenditures	458,134	458,134	454,869	3,265
Increase (Decrease) of Revenues Over Expenditures	9,494	9,494	10,558	1,064
Other Financing Sources				
Transfers in	50,000	50,000	50,000	--
Net Change in Fund Balance	59,494	59,494	60,558	1,064
Fund Balance - Beginning	(59,494)	(59,494)	43,332	102,826
Fund Balance - Ending	\$ --	\$ --	\$ 103,890	\$ 103,890

Municipal Complex Debt Service Fund

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

For the Fiscal Year Ended September 30, 2014	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 1,550	\$ 1,550	\$ 1,017	\$ (533)
Expenditures:				
Debt service:				
Principal	262,552	262,552	262,552	--
Interest	140,708	140,708	140,607	101
Total Expenditures	403,260	403,260	403,159	101
Increase (Decrease) of Revenues Over Expenditures	(401,710)	(401,710)	(402,142)	(432)
Other Financing Sources				
Transfers in	410,000	410,000	410,000	--
Net Change in Fund Balance	8,290	8,290	7,858	(432)
Fund Balance - Beginning	(8,290)	(8,290)	525,445	533,735
Fund Balance - Ending	\$ --	\$ --	\$533,303	\$ 533,303

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

Schedule 1
Net Position by Component
(Accrual basis of accounting)
(unaudited)

Primary Government - Governmental Activities

Fiscal Year Ended 9/30	Net investment in Capital Assets	Restricted	Unrestricted	Total primary government net position
2005	\$ 13,927,169	\$7,330,386	\$ 2,411,964	\$ 23,669,519
2006	13,616,882	10,935,508	7,583,456	32,135,846
2007	15,242,622	12,539,737	8,865,089	36,647,448
2008	16,647,292	13,061,468	9,281,185	38,989,945
2009	17,233,772	14,723,706	8,694,111	40,651,589
2010	16,929,001	15,096,565	8,228,901	40,254,467
2011	17,498,471	9,587,502	12,237,270	39,323,243
2012	18,037,019	9,289,721	11,575,778	38,902,518
2013	18,198,964	8,352,052	12,018,766	38,569,782
2014	18,887,900	7,462,758	12,917,115	39,267,773

Note: The City has no business-type activities.

Schedule 2

Changes in Net Position

(Accrual basis of accounting)

(unaudited)

Fiscal Year Ended 9/30	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 3,454,422	\$ 3,605,207	\$ 3,952,081	\$ 4,104,229
Public Safety	9,745,475	9,986,194	11,236,582	11,814,830
Transportation	1,357,200	1,465,701	1,893,338	1,566,992
Culture/recreation	2,081,419	2,165,534	1,824,186	2,790,466
Physical environment	1,435,927	1,450,246	1,648,435	1,860,940
Interest on long term investments	256,928	245,757	232,741	219,334
Total primary government expenses	18,331,371	18,918,639	20,787,363	22,356,791
Program Revenues				
Governmental activities:				
Charges for Services:				
Public Safety	1,339,180	1,324,642	1,377,656	2,097,369
Physical Environment	2,446,643	4,166,525	2,053,213	1,120,173
Other	770,315	729,406	787,980	831,052
Total Charges for Services	4,556,138	6,220,573	4,218,849	4,048,594
Operating Grants and Contributions	584,840	877,953	851,075	903,201
Capital Grants and Contributions	673,769	1,705,546	775,525	917,798
Total primary government program revenues	5,814,747	8,804,072	5,845,449	5,869,593
Net (Expense)/Revenue				
Governmental activities	(12,516,624)	(10,114,567)	(14,941,914)	(16,487,198)
Total primary government net expense	(12,516,624)	(10,114,567)	(14,941,914)	(16,487,198)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	6,919,977	8,340,566	10,580,841	9,813,152
Utility service taxes	3,300,570	3,528,502	3,452,303	3,391,448
Franchise fees based on gross receipts	1,341,265	1,909,999	1,913,270	1,904,346
Intergovernmental shared revenues - unrestricted	3,351,262	3,490,017	3,357,658	3,170,728
Investment earnings	412,034	930,024	1,295,850	333,572
Miscellaneous revenues	401,442	381,786	124,817	216,449
Total general revenues	15,726,550	18,580,894	20,724,739	18,829,695
Change in Net Position				
Governmental activities	3,209,926	8,466,327	5,782,825	2,342,497
Total primary government	\$ 3,209,926	\$ 8,466,327	\$ 5,782,825	\$ 2,342,497

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

	2009	2010	2011	2012	2013	2014
\$	3,840,349	\$ 3,218,734	\$ 3,511,862	\$ 3,402,829	\$ 3,525,732	\$ 3,553,289
	12,114,776	12,904,781	13,066,982	13,214,396	13,278,168	12,941,095
	1,493,901	1,394,629	1,551,714	1,621,765	1,478,368	1,569,082
	2,265,944	2,015,847	1,907,445	1,949,248	1,843,248	1,869,520
	1,828,938	2,515,438	1,903,296	1,920,583	2,713,871	2,074,593
	205,276	190,778	175,683	160,789	150,900	140,578
	21,749,184	22,240,207	22,116,982	22,269,610	22,990,287	22,148,157
	1,967,450	2,131,909	2,045,308	2,313,376	2,389,614	2,437,433
	1,072,221	1,174,844	1,392,609	1,312,514	1,551,473	1,387,773
	760,751	755,299	752,348	766,877	795,711	816,235
	3,800,422	4,062,052	4,190,265	4,392,767	4,736,798	4,641,441
	869,294	779,381	807,869	868,438	834,528	901,749
	757,843	872,896	596,307	604,487	1,208,371	835,863
	5,427,559	5,714,329	5,594,441	5,865,692	6,779,697	6,379,053
	(16,321,625)	(16,525,878)	(16,522,541)	(16,403,918)	(16,210,590)	(15,769,104)
	(16,321,625)	(16,525,878)	(16,522,541)	(16,403,918)	(16,210,590)	(15,769,104)
	8,579,942	7,353,777	6,677,646	6,457,109	6,210,647	6,201,214
	3,833,724	3,891,792	3,724,801	3,820,784	3,901,169	3,991,265
	1,919,486	1,765,242	1,726,134	1,672,266	1,655,466	1,796,500
	2,950,325	2,955,630	3,101,479	3,622,263	3,918,371	4,239,490
	576,386	637,828	311,684	279,305	41,552	49,228
	123,406	73,383	49,573	131,466	150,649	189,398
	17,983,269	16,677,652	15,591,317	15,983,193	15,877,854	16,467,095
	1,661,644	151,774	(931,224)	(420,725)	(332,736)	697,991
\$	\$ 1,661,644	\$ 151,774	\$ (931,224)	\$ (420,725)	\$ (332,736)	\$ 697,991

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

Fiscal Year Ended 9/30	2005	2006	2007	2008
General Fund				
Reserved	\$ 202,033	\$ 201,043	\$ 194,968	\$ 175,599
Unreserved	7,668,263	9,219,768	9,504,009	10,556,999
Non-spendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ 7,870,296	\$ 9,420,811	\$ 9,698,977	\$ 10,732,598
All Other Governmental Funds				
Reserved	\$ 6,817,305	\$ 4,940,452	\$ 2,692,372	\$ 1,375,888
Unreserved, reported in:				
Special revenue funds	55,391	61,870	64,576	49,078
Capital projects funds	503,721	5,928,855	9,638,422	11,572,382
Debt service funds	-	-	-	-
Non-spendable				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	\$ 7,376,417	\$ 10,931,177	\$ 12,395,370	\$ 12,997,348
Total fund balances, all funds	\$ 15,246,713	\$ 20,351,988	\$ 22,094,347	\$ 23,729,946

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.*

2009	2010	2011 (1)(2)	2012 (2)	2013	2014
\$ 162,384	\$ 104,783	\$ -	\$ -	\$ -	\$ -
10,171,263	10,789,322	-	-	-	-
-	-	209,467	215,447	215,682	460,507
-	-	4,700,999	4,852,526	4,787,220	4,769,993
-	-	896,551	762,216	823,418	805,505
-	-	5,319,033	6,007,644	6,262,209	7,427,155
<u>\$ 10,333,647</u>	<u>\$ 10,894,105</u>	<u>\$ 11,126,050</u>	<u>\$ 11,837,833</u>	<u>\$ 12,088,529</u>	<u>\$ 13,463,160</u>
\$ 502,157	\$ 745,074	\$ -	\$ -	\$ -	\$ -
55,824	85,476	-	-	-	-
14,119,363	14,054,383	-	-	-	-
-	212,609	-	-	-	-
-	-	9,587,502	9,289,721	269,605	695
-	-	3,810,670	2,577,879	8,352,052	7,462,758
				2,060,104	1,907,665
<u>\$ 14,677,344</u>	<u>\$ 15,097,542</u>	<u>\$ 13,398,172</u>	<u>\$ 11,867,600</u>	<u>\$ 10,681,761</u>	<u>\$ 9,371,118</u>
<u>\$ 25,010,991</u>	<u>\$ 25,991,647</u>	<u>\$ 24,524,222</u>	<u>\$ 23,705,433</u>	<u>\$ 22,770,290</u>	<u>\$ 22,834,278</u>

Schedule 4

Changes in Fund Balances, Governmental Funds

(Modified accrual basis of accounting)
(unaudited)

Fiscal Year Ended 9/30	2005	2006	2007	2008	2009
Revenues					
Taxes	\$ 11,963,080	\$ 14,166,773	\$ 16,320,326	\$ 13,788,891	\$ 13,464,277
Permits and franchise fees	1,242,119	1,412,060	1,001,365	2,223,497	2,242,004
Intergovernmental	4,694,599	5,978,413	4,534,673	4,850,764	3,822,336
Charges for services	2,501,932	2,530,525	2,685,897	2,890,471	2,761,054
Fines and forfeitures	189,988	137,506	151,489	214,799	176,004
Impact fees	327,722	1,838,001	81,087	3,656	8,010
Interest	412,034	930,022	1,295,853	333,571	425,773
Special assessments	16,801	10,547	6,828	2,511	5,036
Contributions	14,796	21,929	13,878	13,193	22,256
Sales of surplus materials	20,845	11,638	14,341	72,046	-
Rental income	160,661	191,287	193,770	237,970	394,906
Miscellaneous revenues	170,172	149,079	142,372	229,697	126,132
Total revenues	21,714,749	27,377,780	26,441,879	24,861,066	23,447,788
Expenditures					
General government	3,104,802	3,342,910	3,367,221	3,296,895	3,305,411
Public Safety	9,105,071	9,418,319	10,610,858	10,993,158	11,537,761
Transportation	1,271,357	1,359,785	1,348,709	1,439,486	1,364,193
Culture/Recreation	1,566,202	1,629,656	1,721,975	1,725,933	1,631,503
Physical environment	1,368,557	1,386,181	1,537,118	1,686,392	1,671,044
Capital outlay	1,955,359	4,519,311	5,497,303	3,467,195	1,870,518
Debt service					
Principal	451,526	370,146	383,143	396,606	410,557
Interest	254,537	246,197	233,193	219,802	205,756
Total expenditures	19,077,411	22,272,505	24,699,520	23,225,467	21,996,743
Excess of revenues over (under) expenditures	2,637,338	5,105,275	1,742,359	1,635,599	1,451,045
Other Financing Sources (Uses)					
Transfers in	2,512,829	4,740,494	6,150,000	3,500,000	3,110,000
Transfers out	(2,512,829)	(4,740,494)	(6,150,000)	(3,500,000)	(3,110,000)
Refunding bonds proceeds					
Payment on refunded bonds	-	-	-	-	-
Net proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in fund balances	2,637,338	5,105,275	1,742,359	1,635,599	1,451,045
Fund balances - beginning	12,609,375	15,246,713	20,351,988	22,094,347	23,729,946
Fund balance - ending	\$ 15,246,713	\$ 20,351,988	\$ 22,094,347	\$ 23,729,946	\$ 25,180,991
Debt services (principal & interest) as a percentage of non-capital expenditures	4.08%	3.45%	3.08%	2.95%	2.98%

	2010	2011	2012	2013	2014
\$	12,226,438	\$ 11,373,974	\$ 11,317,684	\$ 11,188,626	\$ 11,319,062
	2,147,878	2,001,829	2,033,887	2,041,415	2,280,110
	3,915,818	3,796,221	4,322,929	5,127,073	5,104,497
	2,908,790	3,003,893	3,084,290	2,926,104	3,195,729
	133,536	187,387	200,257	167,664	172,010
	3,483	11,068	37,921	244,211	55,835
	788,441	311,683	279,301	41,552	49,228
	-	-	-	-	-
	55,271	14,781	25,785	34,996	93,798
	-	-	-	-	-
	448,633	447,748	465,007	495,430	530,553
	110,535	87,174	128,621	140,597	85,161
	<u>22,738,823</u>	<u>21,235,758</u>	<u>21,895,682</u>	<u>22,407,668</u>	<u>22,885,983</u>
	3,000,157	3,063,567	3,138,043	3,145,262	3,235,568
	12,321,451	12,466,351	12,441,179	12,702,323	12,277,486
	1,355,927	1,417,778	1,453,990	1,449,676	1,469,380
	1,471,233	1,313,639	1,370,331	1,372,083	1,349,738
	2,029,715	1,642,876	1,688,818	1,723,865	1,743,688
	1,277,907	2,182,774	2,218,891	2,546,397	2,342,976
	425,011	439,987	242,403	252,277	262,552
	191,256	176,211	160,816	150,928	140,607
	<u>22,072,657</u>	<u>22,703,183</u>	<u>22,714,471</u>	<u>23,342,811</u>	<u>22,821,995</u>
	666,166	(1,467,425)	(818,789)	(935,143)	63,988
	1,240,000	443,897	410,000	410,000	460,000
	(1,240,000)	(443,897)	(410,000)	(410,000)	(460,000)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	666,166	(1,467,425)	(818,789)	(935,143)	63,988
	<u>25,325,481</u>	<u>25,991,647</u>	<u>24,524,222</u>	<u>23,705,433</u>	<u>22,770,290</u>
\$	<u>25,991,647</u>	<u>\$ 24,524,222</u>	<u>\$ 23,705,433</u>	<u>\$ 22,770,290</u>	<u>\$ 22,834,278</u>
	2.85%	2.88%	1.90%	1.83%	1.91%

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</u>	<u>Non-Residential</u> <u>Real Property⁽¹⁾</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>
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
2013	803,700,888	268,021,137	64,977,847	1,136,699,872	5.6500	1,656,239,281
2014	838,576,548	276,300,334	66,368,209	1,181,245,091	5.4284	1,723,537,715

Note: (1) 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		
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
2013	5.6500	0.0000	5.6500	4.9902	0.6066	7.7780	2.3154	21.3402
2014	5.4284	0.0000	5.4284	4.9852	0.6065	7.5860	2.2280	20.8341

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	2014			2005		
	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	\$ 56,568,767	1	4.78%	\$ 47,754,390	1	3.78%
Florida Power & Light ¹	33,905,517	2	2.86%			
MSKP River Bridge LLC (River Bridge Plaza)	29,285,798	3	2.47%	30,759,362	2	2.43%
Keystone WPB Holding Corp. (Island Shores Apts.)	25,161,497	4	2.12%	22,865,209	3	1.81%
JHB Florida Properties, LLC (Waterway Village)	18,626,161	5	1.57%	11,000,000	4	0.87%
Gator Green Acres (Greenacres Plaza)	11,946,096	6	1.01%	10,133,682	8	0.80%
Pickwick Mobile Home Park	11,292,013	7	0.95%	7,680,593	10	0.61%
Colonial Mobile Home Park Ltd Partnership	10,996,603	8	0.93%			
Steve Moore Chevrolet	10,263,685	9	0.87%	10,304,240	7	0.82%
Publix Super Markets Inc.	9,500,000	10	0.80%			
Chelsea Commons Ltd.				10,400,000	5	0.82%
Dayton Hudson Corp			0.00%	10,381,080	6	0.82%
III T Greenacres LLC				9,500,000	9	0.75%
Total	\$ 217,546,137		18.37%	\$ 170,778,556		13.51%

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)

Fiscal Year Ended 9/30	Taxes Levied for the Fiscal Year	Collections in the Year of Levy	Percentage of Levy	Collections in Subsequent Years ⁽¹⁾	Total Collections To Date	Percentage of Levy
2005	\$ 7,171,545	\$ 6,672,692	93.0%	\$ 154,470	\$ 6,827,162	95.2%
2006	8,638,865	8,104,844	93.8%	235,722	8,340,566	96.5%
2007	10,945,354	10,086,244	92.2%	494,597	10,580,841	96.7%
2008	10,111,651	9,055,687	89.6%	757,465	9,813,152	97.0%
2009	8,910,398	8,040,008	90.2%	539,934	8,579,942	96.3%
2010	7,583,925	6,998,795	92.3%	354,982	7,353,777	97.0%
2011	6,905,426	6,439,683	93.3%	237,963	6,677,646	96.7%
2012	6,737,297	6,258,439	92.9%	198,670	6,457,109	95.8%
2013	6,422,354	5,991,612	93.3%	219,035	6,210,647	96.7%
2014	6,412,271	6,013,462	93.8%	187,752	6,201,214	96.7%

Note (1) Collections in subsequent years are not tracked specifically for the year levied; amounts shown are all delinquent taxes received during that fiscal year. Totals are shown on the bottom row to give a better representation of collections, including delinquent taxes, over time.

Schedule 9
Ratios of Outstanding Debt by Type
 (unaudited)

Fiscal Year Ended 9/30	Bank Notes	Total	Percentage Personal Income ⁽¹⁾	Per Capita
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	0.54%	99.97
2013	3,554,328	3,554,328	0.53%	93.11
2014	3,291,777	3,291,777	n/a	85.30

Note: *The City has no business-type activities.
 The City has no General Obligation Bonds or Revenue Bonds*

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

n/a = not available

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
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%	-
2013	38,172	1,136,699,872	-	0.00%	-
2014	38,590	1,181,245,091	-	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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Overlapping			
Palm Beach School District	\$ 21,885,000	0.91%	\$ 198,935
Palm Beach County	163,630,000	0.91%	1,487,397
Subtotal, overlapping debt	185,515,000		1,686,331
City direct debt	3,291,777	100.00%	3,291,777
Total direct and overlapping debt	\$ 188,806,777		\$ 4,978,108

Note: (1) 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⁾					Coverage
	Non Ad Valorem Revenues	Debt Service			Total	
		Principal	Interest			
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	13,429,121	232,916	170,344	403,260	3.00%	
2012	14,348,379	242,403	160,857	403,260	2.81%	
2013	14,445,614	252,277	150,928	403,204	2.79%	
2014	15,312,947	262,552	140,708	403,260	2.63%	

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⁾	Median Home Sale Price ⁽³⁾	School Enrollment ⁽⁴⁾	Civilian Labor Force ⁽⁵⁾	Unemployment Rate ⁽⁵⁾
2005	31,270	n/a	n/a	\$ 168,814	9,527	14,959	3.7%
2006	31,734	n/a	n/a	195,679	10,645	15,257	3.1%
2007	32,105	37.3	23,199	199,424	9,892	15,740	3.4%
2008	32,548	36.5	22,688	151,875	9,883	15,740	5.2%
2009	32,370	36.2	21,399	103,263	9,726	15,524	8.6%
2010	32,267	37.2	21,589	92,034	10,168	16,617	9.9%
2011	37,873	38.3	20,359	67,756	10,378	17,279	9.5%
2012	38,079	36.9	18,664	72,841	10,601	17,677	8.0%
2013	38,172	37.4	27,884	77,853	11,006	17,982	6.6%
2014	38,590	n/a	n/a	96,792	11,196	18,370	5.4%

Source: (1) Bureau of Economic & Business Research (BEER).
 (2) U.S. Census Bureau, American Community Survey 3-Year Estimates
 (3) Zillow.com
 (4) Palm Beach County School District. 11th Day Enrollment Count
 (5) U.S. Bureau of Labor Statistics, Bureau of Labor Statistics.

n/a = not available

Schedule 15
Principal Employers County Wide
 (unaudited)

Current Year and Nine Years Ago

2013			2005		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
School Board	21,449	3.55%	School Board	21,618	3.72%
Palm Beach County *	11,010	1.82%	Palm Beach County *	10,432	1.80%
Tenet Healthcare Corp.	6,100	1.01%	Tenet Healthcare Corp.	5,000	0.86%
FP & L (Headquarters)	3,804	0.50%	Columbia PB Healthcare System	3,750	0.65%
G4S (Headquarters)	3,000	0.63%	FP & L (Headquarters)	2,924	0.50%
Florida Atlantic University	2,980	0.49%	Office Depot (Headquarters)	2,680	0.46%
Hospital Corp. of America (HCA)	2,714	0.45%	Boca Raton Resort & Club	2,200	0.38%
Veterans Health Administration	2,700	0.45%	U.S. Sugar Corp.	2,100	0.36%
Bethesda Memorial Hospital	2,643	0.44%	Florida Crystals	2,000	0.34%
Boca Raton Regional Hospital	2,250	0.37%	City of Boca Raton	1,991	0.34%
Total	58,650	9.70%	Total	54,695	9.42%

Note: 2014 numbers were not available at time of publication

Source: Business Development Board of Palm Beach County
 *Palm Beach County Comprehensive Annual Financial Report

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

Fiscal Year Ended 9/30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Function/Program</u>										
Administration	11	11	11	11	11	11	11	11	11	11
Finance	15	15	15	14	14	14	14	14	13	13
Planning & Engineering	6	7	7	7	7	6	6	6	6	6
Public Works	23	23	24	23	23	20	21	20	21	21
Public Safety	108	113	117	113	113	109	109.5	109.5	109.5	110.5
Leisure Services ⁽¹⁾	27.5	23.75	23.75	17.75	16.75	14.25	13	13	13	13.5
Building	11	11	11	11	10	9.5	9.5	9.5	10	10
Total	201.5	203.75	208.75	196.75	194.75	183.25	183.5	182	183.5	185

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

Source: 2014 Budget City of Greenacres - Budget Overview-Personnel Summary

Schedule 17
Operating Indicators by Function/Program
(unaudited)

Fiscal Year Ended 9/30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Function/Program</u>										
General Government										
Population	31,270	31,734	32,105	32,548	32,370	32,267	37,873	38,079	38,172	38,590
Number of residential units	16,171	16,245	16,443	16,520	17,035	17,075	17,092	17,104	17,123	17,140
Number of solid waste accounts billed	7,731	7,805	8,002	8,080	8,212	8,251	8,263	8,283	8,300	8,325
Public Safety										
Total calls for responded service	25,137	26,728	26,242	28,759	28,326	27,014	25,044	18,217 ⁽¹⁾	19,214	20,389
Number of arrests by police officers	2,851	2,801	3,252	4,625	3,252	1,571	2,042	1,840	1,874	1,501
Number of traffic citations issued	7,017	7,533	8,018	10,813	10,577	6,819	6,952	6,984	5,747	4,415
EMS average response times (minutes)	4.3	4.3	4.3	4.3	5.4 ⁽²⁾	5.4	6.2	6.0	5.6	6.2
Number of EMS calls (incl. in total calls)	4,839	4,956	4,996	4,659	4,800	4,911	4,802	5,407	5,262	5,533
Number of code enforcement inspections	2,036	2,215	2,000	2,022	2,770	3,446	2,670	2,517	2,126	1,616
Transportation										
Number of paved miles maintained	22.25	22.25	22.27	22.27	22.56	23.00	23.00	23.00	23.24	23.37
Number of vehicle repair orders completed	1,412	1,215	1,152	1,418	1,261	1,290	1,258	1,264	1,161	1,285
Number of city vehicles maintained	93	95	95	97	101	100	100	99	99	99
Physical Environment										
Total park acreage maintained	71	71	77	78	82	82	82	134 ⁽³⁾	134	134
Average cost per acre to mow	1,674	1,852	1,940	2,052	2,066	1,753	1,852	1,822	1,688	n/a
Average cost per acre to maintain ⁽⁴⁾	-	-	-	-	-	-	-	-	-	3,403
Cultural & Recreation										
Number of community events presented	13	13	11	7	7	6	8	8	6	5
Number of registrants in athletic programs	1,053	1,373	1,081	1,036	771	270	767	752	631	890
Number of participants in after-school programs	160	160	171	170	170	150	124	135	144	156

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.

⁽⁴⁾ Average cost per acre to mow is now average cost per acre to maintain and includes additional costs.

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

Fiscal Year Ended 9/30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
General Government										
Office Buildings	7	7	9	9	9	9	9	9	9	9
Public Safety										
Public Safety Stations	2	2	2	2	2	2	2	2	2	2
Public Safety Sub-Stations										1
Police Patrol Vehicles	26	28	28	32	34	34	34	34	36	36
Fire Trucks	5	5	5	4	4	4	4	4	4	4
EMS Units (Ambulances)	4	4	4	4	4	4	4	4	4	4
Transportation										
Street lane (miles)	44.50	44.50	44.50	44.54	44.54	49.52	49.52	49.52	45.80	45.80
Traffic Signs	950	986	1,096	922	1,091	1,091	1,084	1,195	1,193	1,184
Stormwater Structures ⁽¹⁾	407	407	407	428	452	633	633	639	639	632
Physical Environment										
Baseball/Softball Fields	6	6	6	7	7	7	7	7	7	6
Soccer Fields	2	2	2	3	4	4	4	4	4	4
Cultural & Recreation										
Playgrounds	13	13	13	13	14	14	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**

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

We have audited, in accordance with the 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, 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 fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
March 9, 2015

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Greenacres, Florida (the City), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 9, 2015.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

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*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 9, 2015, should be considered in conjunction with this management letter.

Official Title and Legal Authority

Section 10.554(1)(i)4., 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. The City did not have any component units for the fiscal year ended September 30, 2014.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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. This assessment was done as of the fiscal year end.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., 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)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

West Palm Beach, FL
March 9, 2015

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
PURSUANT TO SECTION 218.415 FLORIDA STATUTES**

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

We have examined City of Greenacres' compliance with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2014. Management is responsible for City of Greenacres' compliance with those requirements. Our responsibility is to express an opinion on City of Greenacres' compliance based on our examination.

Our examination was conducted in accordance with Section 601 of the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about City of Greenacres' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on City of Greenacres' compliance with specified requirements.

In our opinion, the City of Greenacres complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

This report is intended solely for the information and use of management, City Council, others within the City of Greenacres' and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

West Palm Beach, FL
March 9, 2015