



# CITY OF GREENACRES

## 2017 Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2017



**Comprehensive Annual Financial Report**  
**of the**  
**City of Greenacres, Florida**  
**For The Fiscal Year Ended**  
**September 30, 2017**

Prepared by Department of Finance  
James McInnis, Director of Finance

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## INTRODUCTORY SECTION

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# City of Greenacres

Department of Finance

5800 Melaleuca Lane • Greenacres • Florida • 33463-3515

Ph: 561-642-2013 • Fax: 561-642-2037 • Email: [groupfin@greenacresfl.gov](mailto:groupfin@greenacresfl.gov)

Joel Flores, Mayor

Andrea McCue, City Manager

March 16, 2018

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 (CAFR) of Greenacres, Florida for the fiscal year ended September 30, 2017 in compliance with Florida Statutes. The purpose of this report is to provide the City Council, citizens, representatives of financial institutions, and others with detailed information concerning the financial condition and performance of the City. In addition, the report provides assurance that the City presents fairly, in all material respects, its financial position as verified by independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. Management of the City has established a comprehensive internal control framework to provide a reasonable basis for making these representations. This framework is designed to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh the benefits, the City's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Nowlen, Holt & Miner, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide a reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the City's various financial statements included in this document. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles for government entities require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the report entitled Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **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 5.85 square miles with a population of 39,770 (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 City 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 (contracted), 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 2017, Advanced Disposal Services Solid Waste Southeast, Inc. 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. The primary economic sectors in 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. Residential uses account for 65% of the land area, while commercial uses account for 9%, public uses (institutional, recreation, roadways and waterways), account for 22% of the land area with the remaining 4% comprising mixed uses and vacant undeveloped land. It is estimated that the City's population will increase by approximately 14% from the 2010 census figure of 37,572 residents to 42,905 residents in the 2020 census.

The City's economy is primarily driven by residential and commercial developments representing a broad spectrum of the population and business types. The City has no industrial zoning, and as such, has no single large employers within the City limits. The majority of the commercial establishments offer a variety of services, restaurants, retail, and entertainment, mainly located along Lake Worth Road, Forest Hill Boulevard, Tenth Avenue North and Jog Road.

Palm Beach County School District and Palm Beach County government are the two largest local employers, with over 21,656 and 5,930 employees, respectively. The American Community Survey for Palm Beach County lists the three top trades as: 1) Educational services, health care and social assistance, the largest sector at more than 126,000 employees; 2) Professional, scientific, management, administrative, and waste management services at over 98,000; and 3) Retail trade at approximately 86,000.

FY2017 final property values increased by 8.8% from the FY2016 final values. Ad valorem tax revenue increased by \$726,456 while maintaining a millage rate of 6.0854 mills. Additionally, the City continued to close the gap between revenues and expenditures for non-essential services. The City has

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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.

Improved state market conditions stimulated the Greenacres economy and resulted in 51 new residential units being built in the City, with site work underway for an additional 55 units. Construction of a new 5,943 sq. ft. WaWa Gas Station, a 50,625 sq. ft. Nissan dealership with a 121,884 sq. ft. garage and a 25,482 sq. ft. Ross Dress for Less Store were completed and redevelopment of 9,833 sq. ft. began for a Peter Piper Pizza, the first and only location in the state of Florida.

The outlook for 2017 and beyond continues to appear positive as the City's primary intergovernmental revenue sources including half-cent sales tax and State Revenue Sharing showed an increase of \$130,891 and permits and fees which include franchise fees and new construction related building permit fees remained steady. The City also began receipt of the one penny sales surtax that was approved by voters' referendum in 2016. Of the \$1.9 million received in fiscal year 2017, \$441,383 has been expended on various projects such as a state of the art playground equipment with shade structure and a rubberized play surface at Community Hall, lighting enhancements at various city facilities utilizing energy efficient LED lights, with the remaining balance earmarked for a ladder fire truck purchase, sidewalk network connection improvements and drainage restoration at Gladiator Lake. The surtax is projected to be \$2.3 million per year for the next ten years for a total of \$23 million. The short-term future growth rate is expected to remain steady as approved developments are completed and new developments are approved within existing and future annexation boundaries.

## **MAJOR INITIATIVES**

During fiscal year 2017, the City has addressed the following major areas:

- ❖ Investment in Public Safety and security in the City
- ❖ Improving roads, infrastructure, and appearance throughout the City's neighborhoods
- ❖ Development and improvement of parks and recreational facilities for all City residents

Initiatives related to public safety included: 1) Phase II renovations at the Station 94/District 16 headquarters to include remodeling of the former dispatch area and other spaces to support Fire Rescue needs; 2) Replacement of a Fire Rescue ladder truck using Surtax dollars; 3) Purchase of 35 NXG2 Air Packs to replace existing gear which reached the end of its useful life; 4) Purchase and installation of surveillance security camera equipment at City Parks utilizing the Justice Assistance Grant. 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' PPC rating is currently a 2. This benefits residents and business owners as most Insurance Company Underwriters incorporate the ISO Public Protection Classification into their decision making process of whether to insure properties and setting the price for policies written.

Construction was completed on Phase III of the Original Section Drainage Improvement project which included drainage improvement to First Street, between Swain Boulevard and Jackson Avenue and new outfalls to the L11 Canal. Storm sewer maintenance equipment was purchased to help maintain the City's storm sewer system. Roadway resurfacing and refurbishing of asphalt markings and stripes were completed south of 10<sup>th</sup> Avenue North, along Broward Avenue and Swain Boulevard, and installation of irrigation and landscaping was completed on a test median on Jog Road to determine if the City should move forward with irrigation on the remaining medians.

The City is committed to the development of parks and recreation facilities and enhancing "green space" within the City through the allocation of funds for the construction, renovation, expansion and improvement of City parks and recreational areas. During fiscal year 2017, the City replaced the play

structure/shade structure to include the installation of a rubberized play surface at Community Hall. Additionally, to provide for ongoing repairs and upkeep of the City's public parks, exercise equipment was replaced at Bowman Park, sports turf was replaced at Freedom Park, Ira Van Bullock Park and Veterans Park and picnic shelters and sidewalk connections were installed at Burrowing Owl Park.

## **LONG-TERM FINANCIAL PLANNING**

As part of the City's long term financial planning, the City has allocated resources for initiatives, programs, and strategies to achieve long term goals related to the City's mission of improving the quality of life by providing the best and most cost efficient public services and facilities to the City's residents and businesses. The City's strategic plan outlines four (4) strategic priority areas (goals) that include:

- ❖ **Safe City:** For FY2018, \$18.7 million is allocated for public safety programs and activities to provide for physical safety and property protection in the City. This includes adding three battalion chief positions, the replacement of a fire truck and medic rescue truck, installing or upgrading the security cameras at various City facilities, six additional crossing guards and upgrading a deputy officer to a motorcycle deputy.
- ❖ **Well-Planned Attractive Community:** Ongoing maintenance of roads and drainage systems, landscaping, parks and buildings to serve City residents.
- ❖ **Efficient and Effective Government:** Investing in technology to increase efficiency in the delivery of services, increase accessibility and interaction with residents and businesses.
- ❖ **Diversity in Community Life, Leisure and Recreation:** Development of community and recreation programs including events and festivals, recreational athletic leagues, senior activities and afterschool programs.

Management strives to offset the increasing costs associated with the commitment to increased level of services in all areas by careful management of reserves and holding the line on operating costs. The strategic use of reserves is only a short-term fix, however, and these challenges will continue into future years with expenditures expected to outpace revenues over the next five years. It will continue to be a challenging environment, requiring tough decisions by both the Council and staff to balance fiscal realities with the collective expectations of our constituents for exceptional municipal services and their associated costs.

## **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. 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. The fund balances reported in the financial statements are shown pursuant to Statement 54.

### **Internal Controls**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that government assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with

Generally Accepted Accounting Principles (GAAP). The internal control structure of the City of Greenacres is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Controls**

The City of Greenacres adopts fiscal year budgets for all funds. The City maintains budgetary controls through the annual budget public hearing and approval process of GAAP based budgets. The formal budget approval for each fiscal year is accomplished in a manner to comply with Florida State Statute 200.065, commonly referred to as Truth-In-Millage (TRIM). Activities of the General Fund, Debt Service Funds, Arboreous, Youth Programs, and Public Safety Donations Special Revenue Funds, and all Capital Project Funds are included in the annual appropriated budget. Chapter 932, Florida State Statutes prohibits budgeting revenues 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. The City continues to meet its responsibility for sound financial management, as demonstrated by the statements and schedules included in the financial section of this report.

### **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 infrastructure, 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 expresses that "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 that 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, 2016. 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-six consecutive years (fiscal years 1991-2016).

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 GFOA for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year Ended September 30, 2016. The award is valid for one year.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2016. The City has received the Distinguished Budget Presentation award for the last twenty-four years (fiscal years 1994-2017). In order to earn the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, financial plan, operations guide, and communication device.

## **OTHER INFORMATION**


### **Independent Audit**

State Statutes require an annual audit by independent certified public accountants. The accounting firm of Nowlen, Holt & Miner, P. A. performed the City's audit and their report on the financial statements is included in the financial section of this report.

### **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 Nowlen, Holt & Miner, P. A. for their professionalism during the performance of the audit.

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

  
\_\_\_\_\_  
James McInnis  
Director of Finance

  
\_\_\_\_\_  
Andrea McCue  
City Manager



PRINCIPAL OFFICIALS  
As of September 30, 2017

ELECTED OFFICIALS

Joel Flores  
Mayor

Paula Bousquet  
Deputy Mayor, District V

John Tharp  
Councilman, District I

Peter A. Noble  
Councilman, District II

Judith Dugo  
Councilwoman, District III

Anderson Thelusme  
Councilman, District IV

SENIOR MANAGEMENT

Andrea McCue  
City Manager

James D. Stokes  
City Attorney

Kara Irwin-Ferris  
Director of Planning & Engineering

Joanna L. Cunningham  
City Clerk

James McInnis  
Director of Finance

Suzanne Skidmore  
Director of Human Resources

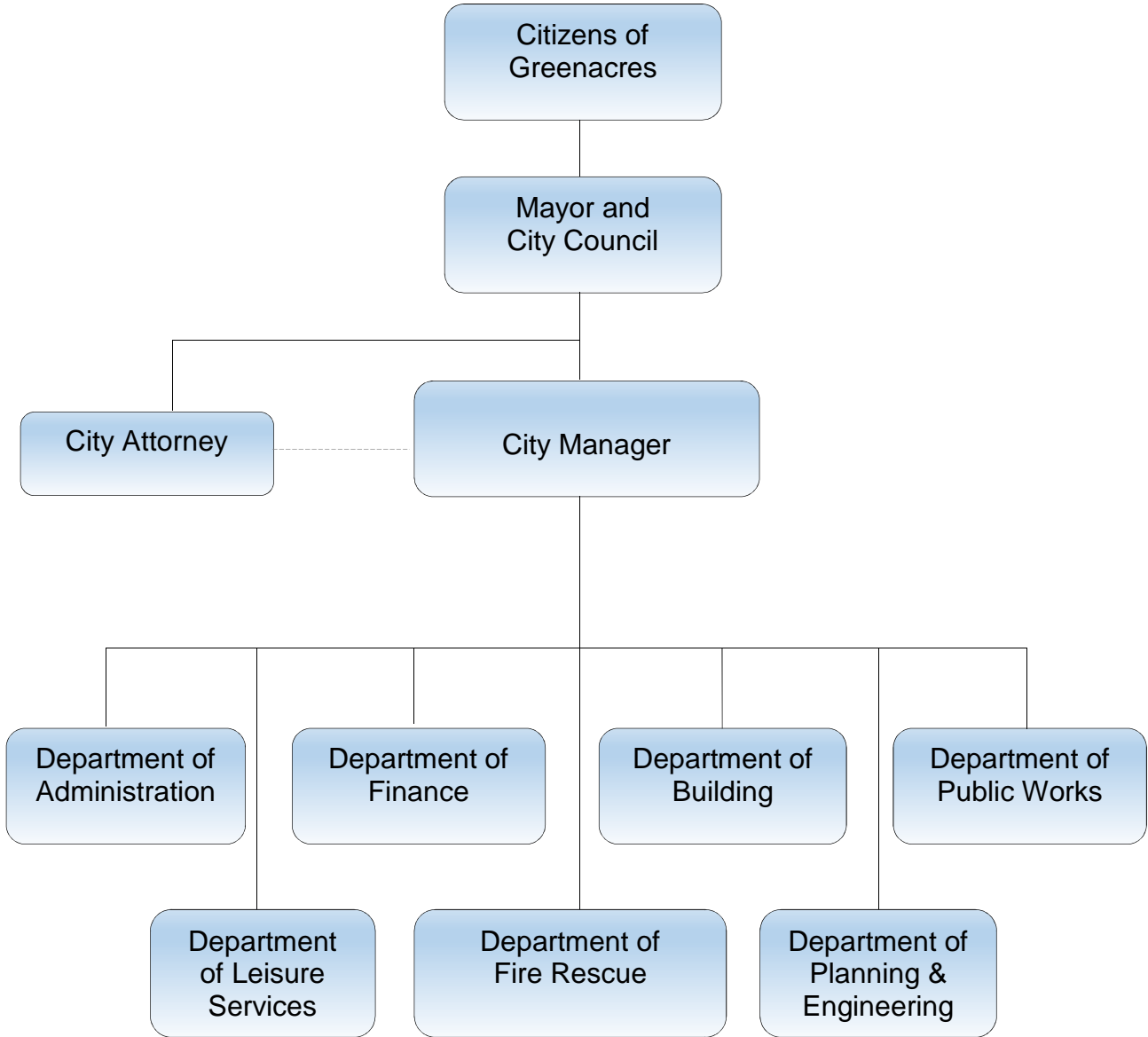
Carlos Cedeño  
Director of Public Works

Mark Pure  
Fire Chief

Michele Thompson  
Director of Leisure Services

Michael Grimm  
Director of Building

# City of Greenacres, Florida 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, 2016**

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

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# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA  
EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCHIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## INDEPENDENT AUDITORS' REPORT

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

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

### 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, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Greenacres, Florida'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 of Greenacres, Florida, as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on pages 71 through 75, the pension schedules on pages 76 through 83, and the schedule of funding progress – other postemployment benefits on page 84 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 of Greenacres, Florida'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 16, 2018 on our consideration of the City of Greenacres, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Greenacres, Florida's internal control over financial reporting and compliance.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 16, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2017. 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 15), and notes to the financial statements (pages 23-70).

### FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2017, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$44.6 million (*net position*). Of this amount, \$17.1 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$2.3 million in 2017, primarily from the proceeds of a new infrastructure surtax, approved by 2016 referendum, that were not yet spent during the 2017 fiscal year. The amount of infrastructure surtax received in 2017 was \$1.9 million, while \$441 thousand was expended on surtax projects. The remaining \$0.4 million was the result of moderate increase of \$1 million in property tax and other revenues offset by an increase of \$0.6 million in operating expenses.
- Combined governmental fund balances increased \$201 thousand in 2017, from \$19.4 million to \$19.6 million. Approximately 41.8% of this amount, or \$8.2 million, is available for spending at the City's discretion (unassigned fund balance).
- At the close of the 2017 fiscal year, the General Fund fund balance (the total of *non-spendable*, *committed*, *assigned*, and *unassigned* components of *fund balance*) was \$10.9 million, with \$2.7 million, or 20.3% that was either non-spendable, 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

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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 ten (10) individual governmental funds: the General Fund, four (4) Special Revenue Funds, one (1) Debt Service Fund, and four (4) 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, the Infrastructure Surtax Fund, all of which are considered *major funds*. Data from the five 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 85-96 of this report.

The City of Greenacres adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement 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 21-22 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-70 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 statement for the general fund,

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and detailed information concerning the City's obligation to provide pension benefits to its employees. The required supplementary information can be found on pages 71-84 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 2016 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44.6 million at the close of the most recent fiscal year.

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

	<b>2017</b>	<b>2016</b>	<b>Increase / (Decrease)</b>
Current and other assets	\$ 25,488	\$ 22,878	11.4%
Capital assets, net	23,266	22,594	3.0%
<b>Total assets</b>	<b>48,754</b>	<b>45,472</b>	<b>7.2%</b>
<b>Deferred Outflows of Resources</b>	<b>7,556</b>	<b>7,506</b>	<b>0.7%</b>
Current liabilities	2,789	2,803	( 0.5% )
Long-term liabilities	4,819	6,566	( 26.6% )
<b>Total liabilities</b>	<b>7,607</b>	<b>9,369</b>	<b>( 18.8% )</b>
<b>Deferred Inflows of Resources</b>	<b>4,131</b>	<b>1,306</b>	<b>216.3%</b>
<b>Net position:</b>			
Net investment in capital assets	20,828	19,860	4.9%
Restricted	6,628	5,013	32.2%
Unrestricted	17,116	17,430	( 1.8% )
<b>Total net position</b>	<b>\$ 44,572</b>	<b>\$ 42,303</b>	<b>5.4%</b>

The largest portion of the City's net position is invested in capital assets (land, buildings, machinery and equipment) less any related debt still outstanding that was used to acquire those assets, and represents 46.7% of total net position. 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. (See also the discussion on Capital Assets on page 12).



Another portion of net position, \$6.6 million, has restrictions on its use that are externally imposed (gas taxes, public safety forfeitures, grants & pensions) or by enabling legislation (impact fees). The remaining net position balance of \$17.1 million, or 38.4% of total net position, is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

**Governmental Activities.** Revenues and expenses for the current and previous fiscal year are compared below:

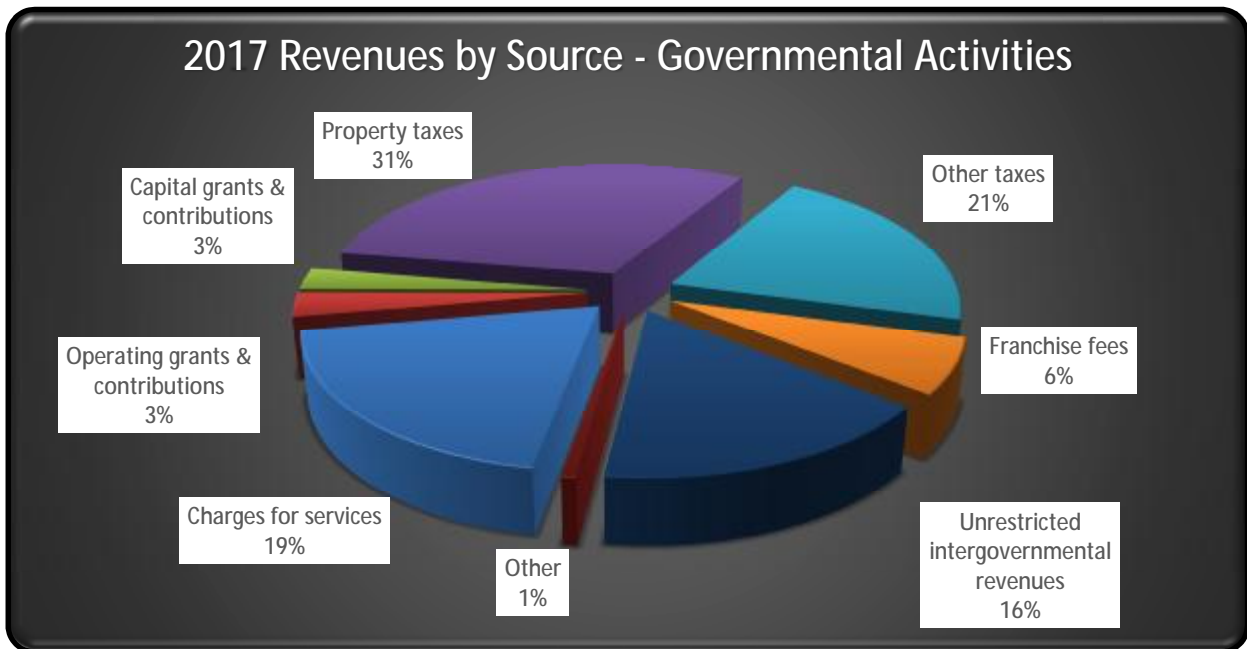
**City of Greenacres, Florida  
Summary of Changes in Net Position (in thousands)**

	<u>2017</u>	<u>2016</u>	<b>Increase / (Decrease)</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 5,673	\$ 5,518	2.8%
Operating grants and contributions	834	865	( 3.6% )
Capital grants and contributions	740	706	4.8%
General revenues:			
Property taxes	8,999	8,273	8.8%
Other taxes	6,012	4,003	50.2%
Other	6,879	6,841	0.6%
<b>Total revenues</b>	<b><u>29,137</u></b>	<b><u>26,206</u></b>	<b>11.2%</b>
<b>Expenses:</b>			
General government	3,696	4,106	( 10.0% )
Public safety	16,405	15,718	4.4%
Transportation	1,614	1,542	4.7%
Culture and recreation	2,632	2,244	17.3%
Physical environment	2,414	2,564	( 5.9% )
Interest and other fiscal charges	107	119	( 10.1% )
<b>Total expenses</b>	<b><u>26,868</u></b>	<b><u>26,293</u></b>	<b>2.2%</b>
Change in net position before special item	2,269	(87)	2708.0%
Special item*	-	(249)	n/a
Change in net position	2,269	(336)	
Net position beginning of year, as restated	<u>42,303</u>	<u>42,639</u>	( 0.8% )
<b>Ending net position</b>	<b><u>\$ 44,572</u></b>	<b><u>\$ 42,303</u></b>	<b>5.4%</b>

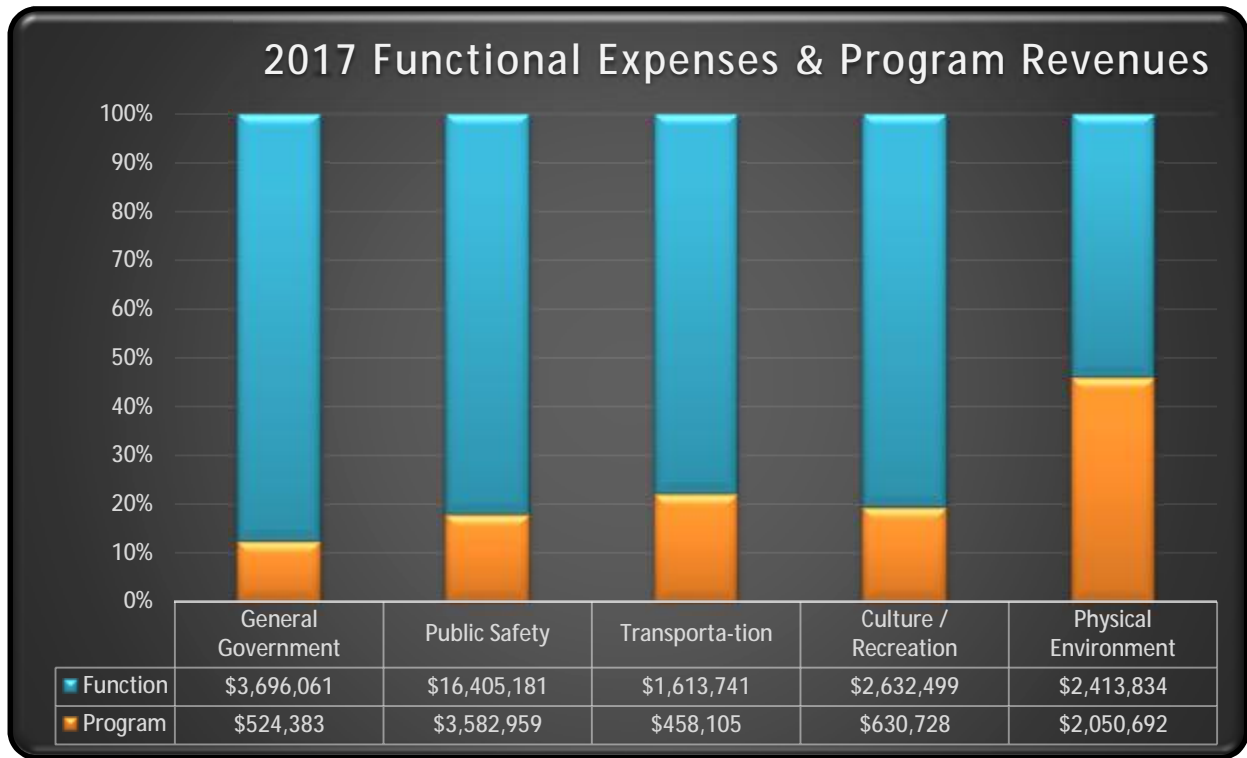
In 2017, net position increased by \$2.3 million. Key elements include:

- Revenues increased by \$2.9 million, or 11.2% compared to the prior year. The most significant increase was \$1.9 million from the new infrastructure surtax starting in fiscal year 2017. Other increases included:
  - Property taxes increased by a moderate \$726 thousand, or 8.8%, resulting from an increase in assessed property values.
  - Charges for services increased by \$155 thousand, or 2.8%, in 2017. The primary factors were:

- § Ambulance fees including the contractual agreement with City of Atlantis, increased by \$86 thousand, net of write-offs;
  - § Solid Waste related fees increased \$23 thousand after an increase in the average annual rate adjustment of 1.7%.
- Total expenses increased by \$0.6 million, or 2.2% in 2017. The largest changes were attributable to:
    - General government expenses decreased by \$410 thousand, or 10%, primarily based on a decrease of termination benefit payouts that occurred in the prior year (e.g. sick and vacation payouts, severance, etc.).
    - Public safety expenses increased by \$687 thousand, or 4.4% compared to a year ago. Law enforcement services increased by \$637 thousand associated with the change to the Palm Beach Sheriff's contractual agreement and fire rescue services increased by \$713 thousand mostly due to added personnel positions and increased retirement contributions. The impact of the increase was lessened by a pension-related credit of \$1.1 million.
    - Culture and recreation expenses increased by \$388 thousand, or 17.3%, due to the combination of increased personnel, operating and capital outlay costs.



The cost of all governmental activities increased 2.2% to \$26.9 million in 2017. As shown on the Statement of Activities on page 16, the amount financed by general revenues (primarily taxpayers) was about \$21.9 million, while \$5.7 million was paid by those who benefitted directly from the programs (charges for services), and another \$1.6 million was subsidized by other governments and organizations through grants and contributions. The following table shows to what extent the functional expenses of the City are supported by the program revenues that directly support those programs. The remainder of the functional expenses are covered by the general revenues of the city, primarily taxes.



#### Financial Analysis of the City of Greenacres Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Greenacres *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for discretionary use. It represents the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City Council.

At September 30, 2017, the City of Greenacres governmental funds reported combined fund balances of \$19.6 million. Approximately 41.8% of total fund balances (\$8.2 million) are *unassigned*, and are available for spending at the government's discretion. The remainder is either *non-spendable*, *restricted*, *committed* or *assigned* to indicate it is:

- a) not in spendable form (non-spendable, \$219 thousand),
- b) restricted for specific purposes by (a) external resource providers such as creditors, grantors, contributors, constitutional provisions or laws and regulations of other governments; or (b) imposed by law through enabling legislation (restricted, \$3.4 million),
- c) committed for specific purposes as formally established by the City Council (committed, \$2.0 million), or
- d) assigned for specific purposes as determined by management of the City, (assigned, \$5.8 million).

The general fund is the chief operating fund of the City. At the end of the 2017 fiscal year, the unassigned fund balance of the general fund was \$8.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. At the close of the 2017 fiscal year, unassigned fund balance represented approximately 30.8% of total general fund expenditures including transfers to other funds, while total fund balance was approximately 41.0% of that same amount.

The following table shows the results of operations in 2017 and 2016, 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.

Major Funds Information  
(in thousands)

<u>Fiscal Year 2017</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>	<u>Infrastructure Surtax</u>
Revenues	\$ 25,751	\$ 179	\$ 342	\$ 305	\$ 1,947
Expenditures	(25,206)	(322)	(538)	(1,359)	(441)
Other financing sources (uses)	(1,430)	-	-	1,000	-
Increase (decrease) in fund balance	<u>\$ (885)</u>	<u>\$ (143)</u>	<u>\$ (196)</u>	<u>\$ (54)</u>	<u>\$ 1,506</u>

<u>Fiscal Year 2016</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>
Revenues	\$ 24,824	\$ 268	\$ 271	\$ 261
Expenditures	(23,921)	(96)	(3,399)	(1,387)
Other financing sources (uses)	(3,327)	100	2,100	663
Increase (decrease) in fund balance	<u>\$ (2,424)</u>	<u>\$ 272</u>	<u>\$ (1,028)</u>	<u>\$ (463)</u>

The general fund balance decreased by \$885 thousand in fiscal 2017 after a decrease of \$2.4 million in 2016. The decrease in 2017 was attributable primarily to increasing operating costs and a transfer of \$1.4 million to other funds. Of the amount transferred, \$1 million was for capital projects and \$400 thousand was for debt service. Overall, total governmental fund balances increased by \$201 thousand, or 1%, to \$19.6 million in 2017, and the increase was attributable to unspent surtax proceeds in the Infrastructure Surtax fund. The most notable capital projects in 2017 were:

- Community Hall playground equipment, \$305 thousand, paid with surtax funds.
- Original section drainage project, including storm water pipes repairs, \$408 thousand.
- Emergency service equipment, \$212 thousand.
- Lighting enhancement at various city facilities, \$160 thousand.
- Sidewalk improvements, \$164 thousand.

General fund expenditures increased \$1.3 million, or 5.2%, in 2017, with the most significant upturn in Public Safety with an increase of \$1.5 million. Of that increase, \$728 thousand was law enforcement and protective inspections spending and \$723 thousand was for fire rescue.

The City uses four 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. In 2017, capital improvements funding was supplemented by \$1 million in transfers from the general fund to Reconstruction and Maintenance Capital Projects Fund. This transfer brought this fund's budget to \$2.2 million, however, the actual expenditures came in at \$1.4 million as several projects got started late or delayed. Of the projects budgeted in 2017, \$389 thousand were reappropriated in 2018.

Capital projects totaling \$604 thousand were budgeted in the New Growth Fund while \$322 thousand was actually spent. The major additions were \$138 thousand for upgrading and adding sidewalks in Palm Beach Villas

II along Empire way and in other areas in the Original Section, \$33 thousand for development of the new City website, and \$25 thousand for a vacuum excavator and EMS chest compression equipment.

In the Parks and Recreation fund, \$538 thousand was expended on project budgets totaling \$655 thousand and of the remaining budget, \$100 thousand was reappropriated in 2018 to replace playground equipment and for parking lot improvements. The Community Center expansion project was completed with \$220 thousand spent in 2017 for a total project cost of \$2.7 million for the building additions, a new HVAC system, and new basketball courts. Expenditures on other projects included \$90 thousand for a couple of audio and visual control systems, \$80 toward a new play structure at Rambo Park (total cost when completed will be \$119 thousand), and \$44 thousand on a video surveillance system. The Parks and Recreation capital expenditures were funded by revenues from grants, impact fees, cellular tower rentals, interest income, and a \$2.1 million interfund transfer from the general fund in 2016 toward the Community Center expansion project. A decision was made to pay for the entire \$3.8 million project to refurbish the Community Center and other facilities in the area by spending down reserves and not taking on any additional debt.

Capital projects totaling \$1.8 million were budgeted in the Reconstruction and Maintenance Fund, with an additional \$319 thousand that was re-appropriated from the previous year, while \$1.4 million was actually spent, and the entire \$700 thousand remaining in the budget for 2017 projects was all rolled over to 2018 for the project completions. The major project spending in 2017 included \$408 thousand for Original Section drainage improvements, \$218 thousand for renovations to fire rescue headquarters, \$212 thousand for firefighters air pack replacements, \$158 thousand for various vehicle replacements, and \$81 thousand for landscaping rejuvenations in the medians on Jog Road.

The new Infrastructure Surtax fund was budgeted for \$1.6 million for various projects including drainage, sidewalks, lighting and park improvements and a fire ladder truck but only \$441 thousand was expended. The lighting and park improvements were completed while the remaining projects will be carried over to next year. The firetruck was pre-ordered and prepaid in the amount of \$778 thousand, but can't be expensed until received.

**General Fund Budgetary Highlights**

**Original budget compared to final budget.** In 2017, the net budget amendments of \$86 thousand were for encumbered amounts in fiscal 2016 that were re-appropriated in 2017.

Functional Expenditures	Original Adopted Budget	Amendments	Amended Budget	Actual Results	Budget vs Actual Over / (Under) Budget
General Government	\$ 3,661,854	\$ 72,483	\$ 3,734,337	\$ 3,336,982	\$ (397,355)
Public Safety	17,091,590	(46,526)	17,045,064	17,007,595	(37,469)
Transportation	1,515,048	18,197	1,533,245	1,505,029	(28,216)
Culture/Recreation	1,489,774	4,860	1,494,634	1,328,500	(166,134)
Physical Environment	1,814,926	35,591	1,850,517	2,001,145	150,628
Capital Outlay	25,637	1,233	26,870	26,749	(121)
	<b>\$ 25,598,829</b>	<b>\$ 85,838</b>	<b>\$25,684,667</b>	<b>\$ 25,206,000</b>	<b>\$ (478,667)</b>

Revenue Source	Adopted Budget*	Actual Results	Over / (Under) Budget
Taxes	\$ 13,917,587	\$ 14,120,614	\$ 203,027
Permits and Franchise Fees	2,524,669	2,720,616	195,947
Intergovernmental	4,956,533	4,860,571	(95,962)
Charges for Services	3,925,782	3,428,546	(497,236)
Fines and Forfeitures	84,300	118,523	34,223
Investment Income	100,572	74,475	(26,097)
Contributions	5,350	24,482	19,132
Rents and Royalties	367,478	301,853	(65,625)
Miscellaneous Revenues	70,250	100,986	30,736
	<b>\$ 25,952,521</b>	<b>\$ 25,750,666</b>	<b>\$ (201,855)</b>

\* No amendments to revenue budget; original budget same as final budget.

**Final budget compared to actual results.** For 2017, general fund revenues fell short of the budget by \$202 thousand. The negative variances of \$497 thousand in charges for services, mainly from ambulance transport fees, \$95 thousand in intergovernmental revenues, \$26 thousand in investment income and \$65 thousand of rental income attributed to the shortfall while positive variances of \$203 thousand in taxes, mainly from property tax, \$196 thousand in permits and other fees soften the negative impact.

General fund expenditures in 2017 were \$479 thousand less than budgeted, mainly due to savings from unfilled vacant positions, some unspent obligations (encumbrances) and contingency reserve. Most functional areas such as general government, public safety, transportation and culture and recreation all showed positive variances due to the reasons stated above while physical environment showed a negative variance of \$151 thousand mainly due to unbudgeted hurricane debris removal.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets on September 30, 2017, net of accumulated depreciation, was \$23.3 million, an increase of \$672 thousand or 3% more than 2016. The primary reason for the increase was the Community Center renovation project discussed above. In 2017, the City added other assets valued at \$0.7 million and asset disposals plus depreciation were a combined \$1.3 million.

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

	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,271	\$ 7,271	0.0%
Buildings	9,189	6,582	39.6%
Improvements other than buildings	3,122	2,874	8.6%
Furniture, fixtures and equipment	1,445	1,092	32.3%
Vehicles	846	989	( 14.5% )
Construction in Progress	1,393	3,786	( 63.2% )
Total	<u>\$ 23,266</u>	<u>\$ 22,594</u>	3.0%

Please refer to the prior discussion of major funds above for more details on capital spending, and also Note 6 Capital Assets on page 41.

**Debt administration.** The City's has very little outstanding debt, consisting only of a public improvement bank note totaling \$2.4 million at year end September 30, 2017. Debt service payments reduced the overall debt by \$296 thousand, or 10.8%, 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 page 42.

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

	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>
Public Improvement Note Payable	\$ 2,438	\$ 2,734	( 10.8% )
Total	<u>\$ 2,438</u>	<u>\$ 2,734</u>	( 10.8% )

**Economic Factors and Next Year's Budgets and Rates**

As a residentially oriented suburb with supporting commercial establishments, the City's economic environment is dependent on Palm Beach County's economic activities as well as that of the State of Florida. Although strong growth is predicted for the economy in Florida near-term to \$1 trillion, the impact to the City will be minimal due to limitation on its population and property value growth. Other major economic factors include new housing, commercial developments, regional employment, and retail activity all of which impact local government revenues.

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

- Increasing property values. Property values increased by 10.5%\* in 2017 following a 9.1%\* increase in 2016. This the fifth consecutive increase since the great recession in 2008 as the economy continues its recovery. To lessen the burden to the taxpayers, the City decided to keep the millage rate at 6.0854 mills, the same as the previous year. Using that rate, the increased property values could result in up to \$915 thousand of additional property tax revenues in fiscal 2018.  
\*Based on the Property Appraiser's final certified values, *prior* to changes by the Value Adjustment Board.
- Increasing tax revenues. Sales, Gas and Utility tax revenues are anticipated to continue increasing moderately as consumer and business confidence level edge higher with improving economy.
- Steady stream of infrastructure surtax revenue. This new revenue source from the voters' approved additional one cent sales surtax will enable the City to fund various needed improvements and accelerate local economic development.
- Limitation on revenue growth. Due to the City being nearly built out, revenues will remain steady while expenditures will most likely outpace the revenue increases.

The City's financial position remains strong, with very low debt and unassigned general fund balance having a healthy ratio of 30.8% of total general fund expenditures in 2017. While the current fund balance ratio is above

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the required level, it is expected to be a challenge to maintain such level as budget deficits are projected for fiscal years 2019 through 2022 due to continuing rise in operating expenditures.

Budgeted 2018 general fund expenditures, including transfers to other funds, are \$27 million, a decrease of \$299 thousand, or 1.1%, from 2017 budgeted expenditures plus transfers out. The decreased expenditures include a reduction in interfund transfers of \$1.4 million dollars for debt services and capital projects, but those reductions are offset by an increase of \$1.1 million in operating and personnel costs. With 2018 revenues projected similarly at \$27 million, it's expected that a budget deficit of \$72 thousand will be funded from general fund reserves in 2018, keeping the fund balance at \$11 million, substantially unchanged from the results of operations in 2017. Projected revenue increases mainly will come from property, utility and other taxes while decreases will be anticipated from other revenues such as permits and charges for services when comparing to last year.

### **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.



**City of Greenacres, Florida**  
**Statement of Net Position**  
**September 30, 2017**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,225,219
Investments	17,819,621
Receivables (net)	
Accounts	1,409,343
Intergovernmental	764,173
Taxes	671,044
Interest	16,582
Grants	94,846
Assessments	5,539
Net pension asset	3,261,896
Inventories	23,239
Prepaid items	195,673
Capital assets:	
Non-depreciable	8,664,185
Depreciable (net of accumulated depreciation)	<u>14,602,180</u>
Total Assets	<u>48,753,540</u>
<b>Deferred Outflows of Resources</b>	
Pension related items	<u>7,556,311</u>
Total Deferred Outflows of Resources	<u>7,556,311</u>
<b>Liabilities</b>	
Accounts payable	432,266
Contracts and retainage payable	347,249
Accrued payroll and related liabilities	572,797
Unearned revenue	394,139
Deposits and other liabilities	95,889
Accrued interest payable	272
Due within one year:	
Compensated absences	638,283
Notes payable	308,014
Due in more than one year:	
Compensated absences	738,823
Notes payable	2,130,180
Net OPEB obligation	237,257
Net pension liability	<u>1,712,353</u>
Total Liabilities	<u>7,607,522</u>
<b>Deferred Inflows of Resources</b>	
Deferred revenue	281,537
Pension related items	<u>3,848,988</u>
Total Deferred Inflows of Resources	<u>4,130,525</u>
<b>Net Position</b>	
Net investment in capital assets	20,828,171
Restricted for:	
Pensions	3,261,896
Public safety	314,660
Arboreous activities	27,231
Capital projects	3,023,958
Unrestricted	<u>17,115,888</u>
Total Net Position	<u>\$ 44,571,804</u>

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

**City of Greenacres, Florida**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
General government	\$ 3,696,061	\$ 507,017	\$ 17,366	\$ --	\$ (3,171,678)
Public safety	16,405,181	3,058,853	496,428	27,678	(12,822,222)
Transportation	1,613,741	--	--	458,105	(1,155,636)
Culture/recreation	2,632,499	341,771	288,619	338	(2,001,771)
Physical environment	2,413,834	1,765,299	31,996	253,397	(363,142)
Interest on long-term debt	107,219	--	--	--	(107,219)
<b>Total Governmental Activities</b>	<b>\$ 26,868,535</b>	<b>\$ 5,672,940</b>	<b>\$ 834,409</b>	<b>\$ 739,518</b>	<b>(19,621,668)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes					8,999,275
Utility service taxes					4,068,823
Infrastructure surtax					1,943,133
Franchise fees based on gross receipts					1,885,113
Intergovernmental shared revenues - unrestricted					4,795,980
Investment earnings - unrestricted					79,464
Miscellaneous revenues					118,538
<b>Total General Revenues</b>					<b>21,890,326</b>
Change in Net Position					2,268,658
Net Position - Beginning					42,303,146
Net Position - Ending					<b>\$ 44,571,804</b>

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

**City of Greenacres, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2017**

	Capital Projects						Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax	Nonmajor Governmental Funds	
<b>Assets</b>							
Cash and cash equivalents	\$ 1,225,219	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,225,219
Investments	8,873,265	2,130,359	2,458,557	2,327,335	1,091,064	939,041	17,819,621
Receivables (net)							
Accounts	1,409,343	--	--	--	--	--	1,409,343
Intergovernmental	741,763	--	--	22,410	--	--	764,173
Taxes	248,325	--	--	--	422,719	--	671,044
Interest	16,582	--	--	--	--	--	16,582
Grants	3,430	--	--	84,263	--	7,153	94,846
Assessments	5,539	--	--	--	--	--	5,539
Inventories	23,239	--	--	--	--	--	23,239
Prepaid items	194,563	--	--	--	--	1,110	195,673
Total Assets	<u>\$ 12,741,268</u>	<u>\$ 2,130,359</u>	<u>\$ 2,458,557</u>	<u>\$ 2,434,008</u>	<u>\$ 1,513,783</u>	<u>\$ 947,304</u>	<u>\$ 22,225,279</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 427,498	\$ --	\$ --	\$ --	\$ --	\$ 4,768	\$ 432,266
Contracts and retainage payable	--	1,888	80,362	257,299	7,700	--	347,249
Accrued payroll and related liabilities	558,001	--	--	--	--	14,796	572,797
Unearned revenue	47,315	86,446	259,338	--	--	1,040	394,139
Deposits and other liabilities	66,014	29,875	--	--	--	--	95,889
Total Liabilities	<u>1,098,828</u>	<u>118,209</u>	<u>339,700</u>	<u>257,299</u>	<u>7,700</u>	<u>20,604</u>	<u>1,842,340</u>
<b>Deferred Inflows of Resources</b>							
Deferred revenue	281,537	--	--	--	--	--	281,537
Unavailable revenue	450,660	--	--	68,762	--	--	519,422
Total Deferred Inflows of Resources	<u>732,197</u>	<u>--</u>	<u>--</u>	<u>68,762</u>	<u>--</u>	<u>--</u>	<u>800,959</u>
<b>Fund Balances</b>							
<b>Nonspendable:</b>							
Inventory	23,239	--	--	--	--	--	23,239
Prepaid items	194,563	--	--	--	--	1,110	195,673
<b>Restricted for:</b>							
Public Safety Forfeitures	--	--	--	--	--	312,461	312,461
Arborous Activities	--	--	--	--	--	27,231	27,231
Public Safety Donations	--	--	--	--	--	2,199	2,199
New Growth	--	1,044,016	--	--	--	--	1,044,016
Transportation	--	--	--	473,859	--	--	473,859
Infrastructure	--	--	--	--	1,506,083	--	1,506,083
<b>Committed to:</b>							
Emergency and disaster reserve	2,000,000	--	--	--	--	--	2,000,000
<b>Assigned for:</b>							
Subsequent year's expenditures	179,422	--	--	--	--	--	179,422
Compensated absences reserve	319,142	--	--	--	--	--	319,142
Youth Programs	--	--	--	--	--	16,687	16,687
Debt service	--	--	--	--	--	567,012	567,012
Capital Projects	--	968,134	2,118,857	1,634,088	--	--	4,721,079
Unassigned:	8,193,877	--	--	--	--	--	8,193,877
Total Fund Balances	<u>10,910,243</u>	<u>2,012,150</u>	<u>2,118,857</u>	<u>2,107,947</u>	<u>1,506,083</u>	<u>926,700</u>	<u>19,581,980</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,741,268</u>	<u>\$ 2,130,359</u>	<u>\$ 2,458,557</u>	<u>\$ 2,434,008</u>	<u>\$ 1,513,783</u>	<u>\$ 947,304</u>	<u>\$ 22,225,279</u>

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

**City of Greenacres, Florida**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2017**

Fund Balances - Total Governmental Funds \$ 19,581,980

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	\$ 41,834,563	
Less accumulated depreciation	<u>(18,568,198)</u>	23,266,365

The net pension asset related to defined benefit pension plans does not represent available spendable resources and is not reported in the governmental funds.

3,261,896

Revenues earned but not collected within 60 days of the fiscal year end are not current financial resources and are not reported in the governmental funds.

519,422

Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:

Compensated absences	\$ (1,377,106)	
Notes payable	(2,438,194)	
Accrued interest payable	(272)	
Net OPEB obligation	(237,257)	
Net pension liability	<u>(1,712,353)</u>	(5,765,182)

Deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans are applicable to future eriods and are not reported in the governmental funds.

Pension related deferred outflows	\$ 7,556,311	
Pension related deferred inflows	<u>(3,848,988)</u>	<u>3,707,323</u>

Net Position of Governmental Activities

\$ 44,571,804

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

**City of Greenacres, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Capital Projects					Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax		
<b>Revenues:</b>							
Taxes	\$14,120,614	\$ --	\$ --	\$ 142,072	\$ 1,943,133	\$ --	\$ 16,205,819
Permits and franchise fees	2,720,616	--	--	--	--	--	2,720,616
Intergovernmental revenues	4,860,571	21,309	3,000	151,397	--	274,555	5,310,832
Charges for services	3,428,546	--	--	--	--	186,180	3,614,726
Fines and forfeitures	118,523	--	--	--	--	8,165	126,688
Impact fees	--	112,193	172,976	--	--	6,308	291,477
Investment income	74,475	2,696	3,412	11,736	4,333	8,911	105,563
Contributions	24,482	--	--	--	--	1,130	25,612
Rental income	301,853	43,223	162,768	--	--	--	507,844
Miscellaneous revenues	100,986	--	--	--	--	1,322	102,308
<b>Total revenues</b>	<b>25,750,666</b>	<b>179,421</b>	<b>342,156</b>	<b>305,205</b>	<b>1,947,466</b>	<b>486,571</b>	<b>29,011,485</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	3,336,982	--	--	--	--	--	3,336,982
Public safety	17,007,595	--	--	--	--	--	17,007,595
Transportation	1,505,029	--	--	--	--	--	1,505,029
Culture/recreation	1,328,500	--	--	--	--	539,810	1,868,310
Physical environment	2,001,145	--	--	--	--	--	2,001,145
Capital outlay	26,749	322,156	538,483	1,359,348	441,383	--	2,688,119
<b>Debt service:</b>							
Principal	--	--	--	--	--	295,959	295,959
Interest	--	--	--	--	--	107,252	107,252
<b>Total Expenditures</b>	<b>25,206,000</b>	<b>322,156</b>	<b>538,483</b>	<b>1,359,348</b>	<b>441,383</b>	<b>943,021</b>	<b>28,810,391</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>544,666</b>	<b>(142,735)</b>	<b>(196,327)</b>	<b>(1,054,143)</b>	<b>1,506,083</b>	<b>(456,450)</b>	<b>201,094</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in	--	--	--	1,000,000	--	430,000	1,430,000
Transfers out	(1,430,000)	--	--	--	--	--	(1,430,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,430,000)</b>	<b>--</b>	<b>--</b>	<b>1,000,000</b>	<b>--</b>	<b>430,000</b>	<b>--</b>
<b>Net Change in Fund Balances</b>	<b>(885,334)</b>	<b>(142,735)</b>	<b>(196,327)</b>	<b>(54,143)</b>	<b>1,506,083</b>	<b>(26,450)</b>	<b>201,094</b>
<b>Fund Balances - Beginning</b>	<b>11,795,577</b>	<b>2,154,885</b>	<b>2,315,184</b>	<b>2,162,090</b>	<b>--</b>	<b>953,150</b>	<b>19,380,886</b>
<b>Fund Balances - Ending</b>	<b>\$10,910,243</b>	<b>\$2,012,150</b>	<b>\$2,118,857</b>	<b>\$ 2,107,947</b>	<b>\$ 1,506,083</b>	<b>\$ 926,700</b>	<b>\$ 19,581,980</b>

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

**City of Greenacres, Florida**  
**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, 2017**

Net change in fund balances - total governmental funds \$ 201,094

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	\$ 1,940,679	
Less current year depreciation	<u>(1,265,398)</u>	675,281
Net book value of capital asset disposals		(3,112)

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		126,570
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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:

Change in accrued interest payable	\$ 33	
Change in accrued compensated absences	(65,756)	
Change in other postemployment benefits	(106,257)	
Change in net pension liability and related deferred amounts	<u>1,144,846</u>	972,866

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.

		<u>295,959</u>
Change in Net Position of Governmental Activities		<u><u>\$ 2,268,658</u></u>

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

**City of Greenacres, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**September 30, 2017**

	Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 253,048
Investments	
External investment pool - high quality bond portfolio	3,511,041
External investment pool - core plus fixed income portfolio	5,472,164
External investment pool - high quality growth portfolio	3,099,837
External investment pool - diversified small cap equity portfolio	2,910,053
External investment pool - Russell 1000 enhanced index portfolio	8,919,941
External investment pool - diversified small to mid cap portfolio	4,143,661
External investment pool - international blend portfolio	3,321,255
Contributions receivable	132,272
 Total assets	 \$ 31,763,272
 Net Position Restricted for Pensions	 \$ 31,763,272

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

**City of Greenacres, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Fiscal Year Ended September 30, 2017**

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 1,321,959
Plan members	218,017
State on-behalf payments	469,244
Total Contributions	<u>2,009,220</u>
Investment income:	
Net increase in fair value of investments	<u>3,988,167</u>
Total additions	<u>5,997,387</u>
Deductions:	
Benefits paid and refunds of member contributions	141,805
Administrative expense	81,166
Total Deductions	<u>222,971</u>
Net Increase	5,774,416
Net Position Restricted for Pensions	
Net Position - Beginning	<u>25,988,856</u>
Net Position - Ending	<u><u>\$ 31,763,272</u></u>

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



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## NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**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 are 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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

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

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

Property taxes, franchise fees, business taxes, 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 and recreation facilities.

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.

The *Infrastructure Surtax Fund*, a capital projects fund, is used to account for financial resources used for infrastructure improvements, parks, public safety initiatives, and economic development funded by infrastructure surtax revenues.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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 and the Public Safety Officers' and Firefighters' Share Plan.

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. Money market depository accounts that the City intends to rollover into investments are considered part of the investment portfolio and are reported as investments. 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.

Investments are stated at fair value, except as discussed below. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of fair value measurement in both cases is the same, that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The City categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

Investments include amounts held in the Florida PRIME investment pool administered by the State Board of Administration. Florida PRIME is a Securities and Exchange Commission Rule 2a-7 like pool that measures all of the investments in the pool at amortized cost. The City reports its investment in Florida PRIME at amortized cost. Investments in Florida PRIME are exempt from the GASB 72 fair value hierarchy disclosures.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Investments also include amounts held in the Florida Municipal Investment Trust (FMIT) administered by the Florida League of Cities. The City reports its investments in the FMIT at fair value in accordance with the GASB 72 fair value hierarchy.

Certificates of deposit are stated at cost. If the original maturities are greater than three months at the date of acquisition they are reported as investments. They are exempt from reporting under the GASB 72 fair value hierarchy.

**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.

**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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

**Capital Assets** (Continued)

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. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value. 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.

**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 only pension related 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 three 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.
- 3) Pension related items

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

**Compensated Absences**

The City's employees are granted a specific amount of vacation and sick leave, which is payable upon separation of service in varying amounts based on length of service. Accrued vacation leave is paid in full upon separation of employment up to a maximum of 240 hours for employees and 320 hours for the City Manager. For bargaining unit employees hired before June 28, 2000 and general employees hired before October 16, 2006 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. When an employee is vested and applies for retirement under the City's retirement plan, accrued sick leave is paid in full up to 960 hours. Vacation is accrued as a liability in the government-wide statements when the employee earns the benefit. This means that the employee has rendered services that give rise to a vacation liability and it is probable that the City will compensate the employee in some manner, for example, in cash or paid time off, now or upon termination or retirement. The City uses the vesting method in accruing the sick leave liability. Under the vesting method, a liability for sick leave is accrued for employees who are eligible to receive termination benefits upon separation.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the general fund.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts 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.

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 an other 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:

Net investment in capital assets Consists 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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

**Net Position** (Continued)

Restricted net position Consists of net position with constraints placed on the 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).

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.



**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

**Fund Equity** (Continued)

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**

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Appropriations expire at year end, even if encumbered, but it is the City's policy to re-appropriate such amounts at the beginning of the next fiscal year.

**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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

The City implemented the following GASB Statements during the fiscal year ended September 30, 2017:

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement improves the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local government OPEB plans for making decisions and assessing accountability. The implementation of this Statement did not impact the City's financial statements.

In August 2015 the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. The implementation of this Statement did not impact the City's financial statements.

In December 2015 the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this Statement did not impact the City's financial statements.

In January 2016 the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement no. 14*. This Statement improves financial reporting by clarifying the financial statement presentation for certain component units. The implementation of this Statement did not impact the City's financial statements.

**Recently Issued Accounting Pronouncements**

A brief description of new accounting pronouncements that might have a significant impact on the City's financial statements is presented below. Management is currently evaluating the impact of adoption of these statements in the City's financial statements.

In June 2015 the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for the fiscal year ending September 30, 2018.

In March 2016 the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreement*. This Statement will improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement is effective for the fiscal year ending September 30, 2018.

In November 2016 the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for an asset retirement obligation. This Statement is effective for the fiscal year ending September 30, 2019.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Recently Issued Accounting Pronouncements** (Continued)

In January 2017 the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2020.

In March 2017 the GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This Statement is effective for the fiscal year ending September 30, 2018.

In May 2017 the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement will improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement is effective for the fiscal year ending September 30, 2018.

In May 2017 the GASB issued Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2021.

**2 – PROPERTY TAXES**

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

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

The City is permitted by the Florida Constitution to levy taxes up to \$10 per \$1,000 (10 mills) of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on taxpayer approved general obligation long-term debt. The millage rate levied by the City for the fiscal year ended September 30, 2017 was 6.0854.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**3 – DEPOSITS AND INVESTMENTS**

***Deposits***

The City's deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depositories by the State Treasurer. State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act* requires that every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At year end, the City's deposits included \$2,993,519 of certificates of deposit with terms to maturity of more than three months when purchased. These certificates of deposits are reported as investments. The City's deposits also included \$3,581,688 of money market accounts that are reported as investments.

The certificates of deposit were acquired through the Certificate of Deposit Account Registry Service<sup>®</sup> (CDARS<sup>®</sup>). The funds were initially deposited in a qualified public depository. The selected depository arranged for depositing the funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation in one or more federally insured banks or saving and loan associations, wherever located, for the account of the City. The full amount of the principal and accrued interest of each financial deposit instrument is insured by the FDIC. The selected depository acts as custodian for the City with respect to each financial deposit instrument issued for its account.

***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 Florida Local Government Surplus Funds Trust Fund (State Board of Administration – SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act (Florida Statute Section 163.01). For example, the Florida League of Cities' "Florida Municipal Investment Trust", and the Florida Association of Court Clerks' "Florida Local Government Investment Trust" would qualify.
2. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government at the then prevailing market price for such securities (U.S. "Treasuries" and "Agencies").
3. U.S. Government Agency Securities and Instrumentalities of Government Sponsored Enterprises carrying the implied faith and credit of the U.S. Government, including participation certificates and mortgage pass-throughs.
4. Interest bearing time deposits or savings accounts in qualified public depositories as prescribed by the Florida Security for Public Deposits Act, Chapter 280.02, Florida Statutes.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

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

***Investments – City*** (Continued)

5. Certificates of deposit and other evidences of deposit at, qualified depositories, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1 or D-1 or higher) by a nationally recognized rating agency.
6. Shares of any money market mutual fund that is registered with the Securities and Exchange Commission, has the highest credit quality rating from a Nationally Recognized Statistical Rating Organization and has a portfolio which is limited to direct obligations of the United States Government or any agency or instrumentality thereof.

The State Board of Administration (SBA) administers the Florida PRIME investment pool, 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 investment in Florida PRIME is reported at amortized cost in accordance with GASB Statement No. 79, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 79). The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

GASB 79 requires that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

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

**Investments – City** (Continued)

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value in the Florida PRIME.

The Florida Municipal Investment Trust (FMIvT) 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 FMIvT is a Local Government Investment Pool and is considered an external investment pool for GASB reporting purposes. The City reports its investment in the FMIvT at fair value in accordance with the GASB 72 fair value hierarchy.

GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

- Level 1: Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3: Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

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

**Investments – City** (Continued)

As of September 30, 2017, the City reported the following investments:

Investments by Fair Value Level	Balance	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
FMIvT 0-2 Year High Quality Bond Fund	\$ 2,089,569	\$ --	\$ 2,089,569	\$ --
FMIvT 1-3 Year High Quality Bond Fund	2,073,693	--	2,073,693	--
FMIvT Intermediate High Quality Bond Fund	2,416,164	--	2,416,164	--
	<u>6,579,426</u>	<u>\$ --</u>	<u>\$ 6,579,426</u>	<u>\$ --</u>
Investments Measured at Cost				
Certificates of Deposit	2,993,519			
Investments Measured at Amortized Cost				
Florida PRIME Investment Pool	<u>4,664,988</u>			
Total Investments	<u>\$ 14,237,933</u>			

The City's investments also include \$3,581,688 of deposits in money market checking accounts that are reported as investments for total investments of \$17,819,621.

As of September 30, 2017, the weighted average maturity and the credit ratings for the City's investments were as follows:

Investment	Balance	Weighted Average Maturity	Credit Rating
FMIvT 0-2 Year High Quality Bond Fund	\$ 2,089,569	0.80 years	AAAf/S1 Fitch
FMIvT 1-3 Year High Quality Bond Fund	2,073,693	1.50 years	AAAf/S2 Fitch
FMIvT Intermediate High Quality Bond Fund	2,416,164	3.80 years	AAAf/S3 Fitch
Florida PRIME Investment Pool	4,664,988	51 days	AAAm Standard & Poor's
Certificates of Deposit	2,993,519	432 days	Not rated
	<u>\$ 14,237,933</u>		

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

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

***Investments – City*** (Continued)

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has an investment policy of structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements.

**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 minimizes risk by limiting investments to the safest types of securities; prequalifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**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, 2017, 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 and Share Plan***

Funds are held for the City's Public Safety Officers' and Firefighters' Retirement Plan (the "Plan") in the Florida Municipal Pension Trust Fund (FMPTF), administered by the Florida League of Cities. The assets of the City's Public Safety Firefighters' and Officers' Share Plan (the "Share Plan") are invested together with the assets of the Retirement Plan. The program was established for the purpose of collectively managing individually designed pension plans of participating investment and administrative services for eligible governmental agencies in Florida. Any agency or political subdivision in the State of Florida is eligible to participate. Each participating entity must agree to abide by the terms, duties, rights, and obligations as set forth in the Trust Joinder Agreement and the Master Trust Agreement of the Florida Municipal Pension Trust Fund. Pension plan assets are invested by the FMPTF through the Florida Municipal Investment Trust. The City reports its investment in the FMPTF at fair value in accordance with the GASB 72 fair value hierarchy. Cash and cash equivalents reported in the Pension Trust Fund consist of cash and money market funds held in the Florida Municipal Investment Trust.



**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

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

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

As of September 30, 2017, the Pension Plans reported the following investments in the FMPTF:

Investments by Fair Value Level	Balance	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
FMlVT Broad Market High Quality Bond Fund	\$ 3,511,041	\$ --	\$ 3,511,041	\$ --
FMlVT Core Plus Fixed Income	5,472,164	--	--	5,472,164
FMlVT High Quality Growth Portfolio	3,099,837	--	3,099,837	--
FMlVT Diversified Small Cap Equity Portfolio	2,910,053	--	2,910,053	--
FMlVT Russell 1000 Enhanced Index Fund	8,919,941	--	8,919,941	--
FMlVT Diversified Small to Mid Cap	4,143,661	--	4,143,661	--
FMlVT International Blend Portfolio	3,321,255	--	3,321,255	--
Total Investments	<u>\$ 31,377,952</u>	<u>\$ --</u>	<u>\$ 25,905,788</u>	<u>\$ 5,472,164</u>

As of September 30, 2017, the weighted average maturity and the credit ratings for the Pension Plan’s investments in the FMPTF were as follows:

Investment	Balance	Weighted Average Maturity	Credit Rating
FMlVT Broad Market High Quality Bond Fund	\$ 3,511,041	6.10 years	AAf/S4 Fitch
FMlVT Core Plus Fixed Income	5,472,164	7.40 years	Not Rated
FMlVT High Quality Growth Portfolio	3,099,837	N/A	Not Rated
FMlVT Diversified Small Cap Equity Portfolio	2,910,053	N/A	Not Rated
FMlVT Russell 1000 Enhanced Index Fund	8,919,941	N/A	Not Rated
FMlVT Diversified Small to Mid Cap	4,143,661	N/A	Not Rated
FMlVT International Blend Portfolio	3,321,255	N/A	Not Rated
Total Investments	<u>\$ 31,377,952</u>		

**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 and Share Plan have 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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

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

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

**Credit Risk**

The Plan and Share 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.

**Investing in Foreign Markets**

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

**Concentration of Credit Risk**

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

**Risks and Uncertainties**

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

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**4 – RECEIVABLES**

Receivables for the City’s individual major funds and non-major funds in the aggregate, including applicable allowances as of September 30, 2017 are as follows:

	General Fund	Reconstruction and Maintenance Fund	Infrastructure Surtax Fund	Nonmajor Governmental Funds	Total
Receivables:					
Accounts	\$ 1,805,650	\$ --	\$ --	\$ --	\$1,805,650
Intergovernmental	741,763	22,410	-	-	764,173
Taxes	248,325	-	422,719	-	671,044
Interest	16,582	--	--	--	16,582
Grants	3,430	84,263	--	7,153	94,846
Assessments	5,539	--	--	--	5,539
<b>Total Receivables</b>	<b>2,821,289</b>	<b>106,673</b>	<b>422,719</b>	<b>7,153</b>	<b>3,357,834</b>
Less Allowance for Uncollectible Amounts	(396,307)	--	--	--	(396,307)
<b>Net Total Receivables</b>	<b>\$ 2,424,982</b>	<b>\$ 106,673</b>	<b>\$ 422,719</b>	<b>\$ 7,153</b>	<b>\$2,961,527</b>

**5 – INTERFUND TRANSACTIONS**

The following is a summary of interfund transfers for the year ended September 30, 2017:

Fund	Transfers In	Transfers Out
Major Fund		
General Fund	\$ --	\$ 1,430,000
Reconstruction and Maintenance Fund	1,000,000	-
Nonmajor Governmental Funds	430,000	-
<b>Total Interfund Transfers</b>	<b>\$ 1,430,000</b>	<b>\$ 1,430,000</b>

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 \$20,000 to the Youth Programs special revenue fund to pay operating costs.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**6 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 7,270,974	\$ --	\$ --	\$ 7,270,974
Construction in Progress	3,785,642	899,929	(3,292,360)	1,393,211
Total assets not being depreciated	<u>11,056,616</u>	<u>899,929</u>	<u>(3,292,360)</u>	<u>8,664,185</u>
<b>Capital assets being depreciated:</b>				
Buildings	13,307,010	2,991,525	--	16,298,535
Improvements other than buildings	9,230,357	631,119	--	9,861,476
Furniture, fixtures, and equipment	2,663,270	636,964	(16,108)	3,284,126
Vehicles	3,652,739	73,502	--	3,726,241
Total assets being depreciated	<u>28,853,376</u>	<u>4,333,110</u>	<u>(16,108)</u>	<u>33,170,378</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(6,724,852)	(384,779)	--	(7,109,631)
Improvements other than buildings	(6,356,314)	(383,129)	--	(6,739,443)
Furniture, fixtures, and equipment	(1,570,635)	(280,894)	12,997	(1,838,532)
Vehicles	(2,663,996)	(216,596)	--	(2,880,592)
Accumulated depreciation	<u>(17,315,797)</u>	<u>(1,265,398)</u>	<u>12,997</u>	<u>(18,568,198)</u>
Total Capital Assets Being Depreciated, Net	<u>11,537,579</u>	<u>3,067,712</u>	<u>(3,111)</u>	<u>14,602,180</u>
Capital assets, net	<u>\$22,594,195</u>	<u>\$3,967,641</u>	<u>\$(3,295,471)</u>	<u>\$23,266,365</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Culture/recreation	\$ 467,197
Public safety	332,110
General government	266,185
Transportation	100,626
Physical environment	99,280
Total Depreciation Expense	<u>\$ 1,265,398</u>

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**7 – LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities during the year ended September 30, 2017:

	Beginning			Ending	Due Within
	Balance	Additions	Deletions	Balance	One Year
Public Improvement Note, 2004A	\$ 2,734,153	\$ --	\$ 295,959	\$ 2,438,194	\$ 308,014
Net pension liability - FRS	3,228,456	--	1,516,103	1,712,353	--
Other postemployment benefits	131,000	106,257	--	237,257	--
Compensated absences	1,311,350	641,506	575,750	1,377,106	638,283
<b>Total</b>	<b>\$ 7,404,959</b>	<b>\$ 747,763</b>	<b>\$ 2,387,812</b>	<b>\$ 5,764,910</b>	<b>\$ 946,297</b>

The general fund has typically been used to liquidate the liabilities for pensions, other postemployment benefits, compensated absences, and the net pension liability.

***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 29<sup>th</sup> and September 29<sup>th</sup>, with interest at 4.03%. The note is payable from the City's legally available non-ad valorem revenues and at September 30, 2017, principal and interest to maturity in 2024 to be paid from pledged future revenues totaled \$2,822,820. 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:

Year Ending	Principal	Interest	Total
September 30			
2018	\$ 308,014	\$ 95,246	\$ 403,260
2019	320,560	82,700	403,260
2020	333,617	69,643	403,260
2021	347,205	56,055	403,260
2022	361,348	41,912	403,260
2023-2024	767,450	39,070	806,520
<b>Total</b>	<b>\$ 2,438,194</b>	<b>\$ 384,626</b>	<b>\$ 2,822,820</b>

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM**

**General Information**

All full-time employees hired before January 1, 1996 are eligible to participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site [www.dms.myflorida.com](http://www.dms.myflorida.com).

**Significant Accounting Policies**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Florida Retirement System Pension Plan***

**Plan Description**

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Elected Officials Class
- Senior Management Service Class

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Florida Retirement System Pension Plan** (Continued)

**Benefits Provided** (Continued)

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Elected Officials Class	3.00%
Senior Management Service Class	2.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.



**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Florida Retirement System Pension Plan** (Continued)

**Contributions**

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year ended September 30, 2017 were as follows:

Class	10/01/16 through 06/30/17	07/01/17 through 09/30/17
Regular Class	7.52%	7.92%
Senior Management Service Class	21.77%	22.71%
Special Risk Class	22.57%	23.27%
Elected Officials Class	42.47%	45.50%
DROP	12.99%	13.26%

The employer contribution rates include a 1.66% HIS Plan subsidy. Except for the DROP, the rates also include 0.06% for administrative costs of the Public Employee Optional Retirement Program.

For the fiscal year ended September 30, 2017, the City made contributions of \$119,408 to the Pension Plan and the City's employees made contributions of \$21,327 for total contributions of \$140,735.

At September 30, 2017, the City reported a liability of \$1,386,380 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's 2016-2017 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members. At June 30, 2017, the City's proportionate share was 0.004686988% percent, which was a decrease of 0.005459754% from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$53,314 related to the Plan. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Florida Retirement System Pension Plan** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 127,236	\$ 7,680
Change of assumptions	465,921	-
Net difference between projected and actual earnings on Pension Plan investments	-	34,358
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	-	1,179,018
City Pension Plan contributions subsequent to the measurement date	26,947	-
Total	<u>\$ 620,104</u>	<u>\$ 1,221,056</u>

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Florida Retirement System Pension Plan** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The deferred outflows of resources related to the Pension Plan, totaling \$26,947 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	September 30	Amount
2018	\$	(212,290)
2019		(93,026)
2020		(84,317)
2021		(159,053)
2022		(60,931)
Thereafter		(18,282)
	\$	<u>(627,899)</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date	July 1, 2017
Measurement date	June 30, 2017
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Florida Retirement System Pension Plan** (Continued)

**Actuarial Assumptions** (Continued)

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate (Property)	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	9.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.60%	1.90%

(1) As outlined in the Pension Plan's investment policy

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Florida Retirement System Pension Plan** (Continued)

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.10%	7.10%	8.10%
City's proportionate share of the net pension liability	\$ 2,509,263	\$ 1,386,380	\$ 454,129

**Pension Plan Fiduciary Net Position**

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the Pension Plan**

At September 30, 2017, the City reported a payable in the amount of \$10,182 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2017.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Retiree Health Insurance Subsidy Program (HIS Plan)***

**Plan Description**

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided**

For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2017, the HIS contribution was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$15,273 for the fiscal year ended September 30, 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2017, the City reported a liability of \$325,973 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2016-2017 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members. At June 30, 2017, the City's proportionate share was 0.003048622 percent, which was a decrease of 0.002669266 percent from its proportionate share measured as of June 30, 2016.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Retiree Health Insurance Subsidy Program (HIS Plan)** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$16,134. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 679
Change of assumptions	45,821	28,187
Net difference between projected and actual earnings on Pension Plan investments	181	-
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	-	368,893
City Pension Plan contributions subsequent to the measurement date	3,302	-
Total	<u>\$ 49,304</u>	<u>\$ 397,759</u>

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Retiree Health Insurance Subsidy Program (HIS Plan)** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The deferred outflows of resources related to the HIS Plan, totaling \$3,302 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30	
2018	\$ (62,351)
2019	(62,385)
2020	(62,402)
2021	(56,391)
2022	(55,936)
Thereafter	(52,292)
	<u>\$ (351,757)</u>

**Actuarial Assumptions**

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2016
Measurement date	June 30, 2017
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.58%
Investment rate of return	N/A
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.



**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

**Retiree Health Insurance Subsidy Program (HIS Plan)** (Continued)

**Discount Rate**

The discount rate used to measure the total pension liability was 3.58%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.58%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
City's proportionate share of the net pension liability	\$ 371,978	\$ 325,973	\$ 287,653

**Pension Plan Fiduciary Net Position**

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the Pension Plan**

At September 30, 2017, the City reported a payable in the amount of \$1,068 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2017.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Florida Retirement System Investment Plan***

**Plan Description**

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature. The Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

**Funding Policy**

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), such as the defined benefit pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the fiscal year ended September 30, 2017 were as follows:

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the City's employees for the fiscal year ended September 30, 2017, are as follows:

Class	10/01/16 through 06/30/17	07/01/17 through 09/30/17
Regular Class	7.52%	7.92%
Senior Management Service Class	21.77%	22.71%
Special Risk Class	22.57%	23.27%
Elected Officials Class	42.47%	45.50%
DROP	12.99%	13.26%

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**8 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Florida Retirement System Investment Plan*** (Continued)

**Funding Policy** (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City did not have any employees enrolled in the Investment Plan during the fiscal year ended September 30, 2017, and consequently did not have any pension expense.

**9 – PUBLIC SAFETY OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN**

The following brief description of the Plan is 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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN** (Continued)

**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.

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 Board of Trustees, which consists of five members – two full-time firefighters or police officers 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.

*Plan membership:* At October 1, 2016, 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	38
Active plan members	<u>66</u>
	<u>107</u>

*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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN** (Continued)

**Plan Description** (Continued)

*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, 2017, the contribution rate was 29.24% percent of annual payroll for firefighters and 23.59% of annual payroll for public safety officers, reduced by funds received from the State of Florida pursuant to Chapters 175 and 185 of 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 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 is collected by the State and is remitted to the Plan. This amount totaled \$469,244 for the fiscal year ended September 30, 2017. These consisted of \$213,087 for property insurance contracts for firefighters under Chapter 175 and \$256,157 for casualty insurance contracts for police officers under Chapter 185. For the fiscal year ended September 30, 2017, on-behalf payments in the amount of \$469,244 received from the state were recognized as an expenditure and revenue in the General Fund.

*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 \$330,796. 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, 2017, excess premium taxes of \$57,200 were deposited into the Share Plan. See Note 10.

**Investments**

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

*Rate of Return:* For the year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was x.xx 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

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN** (Continued)

**Investments** (Continued)

*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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Return	Weighted Average Return
U.S. large cap equity	47%	6.00%	2.82%
Core plus	18%	1.00%	0.18%
U.S. small cap equity	13%	6.75%	0.88%
Core bonds	12%	0.50%	0.06%
Non-U.S. equity	10%	6.75%	0.67%
Total	<u>100%</u>		<u>4.61%</u>
Add estimated long-term rate of inflation			<u>2.89%</u>
Estimated long-term rate of return			<u>7.50%</u>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50 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 rates equal to the difference between actuarially determined contribution rates and the member 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, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN** (Continued)

**Net Pension Liability**

The components of the net pension liability of the City at September 30, 2017 were as follows:

Description	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance September 30, 2016	\$ 23,699,148	\$ (24,589,932)	\$ (890,784)
Changes due to:			
Service cost	439,369	--	439,369
Expected interest growth	1,802,712	(1,908,940)	(106,228)
Unexpected investment income	--	(1,873,175)	(1,873,175)
Demographic experience	(660,793)	--	(660,793)
Employer contributions	--	(1,739,887)	(1,739,887)
Employee contributions	--	(211,101)	(211,101)
Benefit payments and refunds	(114,916)	114,916	-
Administrative expenses	--	79,114	79,114
Change in benefit terms	--	--	-
Assumption changes	1,701,589	--	1,701,589
Total changes	<u>3,167,961</u>	<u>(5,539,073)</u>	<u>(2,371,112)</u>
Balance September 30, 2017	<u>\$ 26,867,109</u>	<u>\$ (30,129,005)</u>	<u>\$ (3,261,896)</u>

The amount reported as assumption changes is because the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Blue Collar Mortality Table as required by State law.

**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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	\$ 2,482,600	\$ (3,261,896)	\$ (7,676,910)

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN** (Continued)

At September 30, 2017, the City reported a net pension asset of \$3,261,896 for the Police Officers’ and Firefighters’ Retirement Plan. The liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2016. The City’ net pension asset was based on a projection of the pension plan relative to the projected contributions during the fiscal year ended September 30, 2017.

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$771,635. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance September 30, 2016	\$ 6,353,515	\$ 240,027
Changes due to:		
Amortization of payments	(1,168,201)	(543,822)
Investment gain/loss	--	1,873,175
Demographic gain/loss	--	660,793
Change of assumptions	1,701,589	--
Total changes	<u>533,388</u>	<u>1,990,146</u>
Balance September 30, 2017	<u>\$ 6,886,903</u>	<u>\$ 2,230,173</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Amortization
2018	\$ 1,168,201	\$ 543,821	\$ 624,380
2019	1,168,202	519,813	648,389
2020	824,675	519,811	304,864
2021	824,675	471,810	352,865
2022	824,675	97,175	727,500
Thereafter	2,076,475	77,743	1,998,732
	<u>\$ 6,886,903</u>	<u>\$ 2,230,173</u>	<u>\$ 4,656,730</u>



**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN** (Continued)

**Significant Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2016 using the following significant actuarial assumptions and other inputs:

Measurement date	September 30, 2017
Valuation date	October 1, 2016
Asset valuation method	Market value
Expected long-term real rate of return on investments	4.61%
Inflation	2.89%
Discount rate	7.50% (2.89% is attributable to inflation) This rate was used to discount all future benefit payments
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, 5.00% per annum for employees with at least four years of service
Cost-of-living increase	3.00%
Mortality:	Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using scale BB.
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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**10 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ SHARE PLAN**

The Public Safety Officers’ and Firefighters’ Share Plan is single employer defined contribution pension plan. 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. As discussed in Note 9, premium taxes on certain insurance contracts written on properties located within the City are collected by the State and remitted to the Public Safety Officers’ and Firefighters’ Retirement Plan. Annual premium taxes in excess of \$330,796 are used to fund the Share Plan. The City and plan members do not make contributions to the Share Plan. For the fiscal year ended September 30, 2017, premium taxes of \$57,200 were deposited into the Share Plan. The Share Plan does not issue a standalone financial report.

Plan benefits are allocated to participants based upon their service during the year and the level of funding received during the year. Participants are fully vested with at least six years of credited service in the Plan. All benefits are paid in a lump sum format where participants may also elect not to withdraw or to partially withdraw, his or her retirement funds.

For the fiscal year ended September 30, 2017, the City did not recognize any pension expense for the Share Plan and had no liability to the plan as of the fiscal year end.

**11 – GENERAL EMPLOYEES’ RETIREMENT PLAN**

The City of Greenacres General Employees’ Retirement Plan is a single employer 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. Because the City does not hold or administer funds for the Plan, the Plan does not meet the criteria for inclusion in the City’s financial statements as a fiduciary fund. The Plan does not issue a standalone financial report.

The City’s plan establishes two accounts, or plans; a 401(a) plan into which the City makes pension contributions on behalf of the employees, and a 457(b) (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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**11 – GENERAL EMPLOYEES’ RETIREMENT PLAN** (Continued)

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

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$221,177 for the General Employees’ Retirement Plan and had no liability to the plan as of the fiscal year end. Forfeitures totaled \$12,153 for the fiscal year.

**12 – DEFINED BENEFIT PENSION PLAN SUMMARY DATA**

The following table provides a summary of significant information related to the City’s defined benefit pension plans for the year ended September 30, 2017. The information for the Florida Retirement System Pension Plan and the Florida Retirement System Health Insurance Subsidy Program are the City’s proportionate share of the items

Description	Florida Retirement System Pension Plan	Florida Retirement System HIS Program	Public Safety Officers' and Firefighters' Pension Plan	Total
Total pension liability	\$ 8,606,837	\$ 331,409	\$ 26,867,109	\$ 35,805,355
Plan fiduciary net position	7,220,458	5,436	30,129,005	37,354,899
Net pension liability (asset)	1,386,380	325,973	(3,261,896)	(1,549,543)
Deferred outflows of resources	620,104	49,304	6,886,903	7,556,311
Deferred inflows of resources	1,221,056	397,759	2,230,173	3,848,988
Pension expense (revenue)	53,314	42,902	(825,533)	(729,317)

**13 – 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 health benefits only as supplemental insurance to Medicare. The benefits of the plan conform with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**13 – 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 postemployment 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 15 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)		\$145,456
Interest		5,240
Adjustment to the ARC		<u>(8,733)</u>
Annual OPEB Cost		141,963
Contributions Made		<u>(35,706)</u>
Increase in Net OPEB Obligation		106,257
Net OPEB Obligation, October 1, 2016		<u>131,000</u>
Net OPEB Obligation, September 30, 2017		<u><u>\$237,257</u></u>

**Three Year Trend Information**

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2015	\$ 31,000	48.39%	\$ 116,000
9/30/2016	\$ 33,000	54.55%	\$ 131,000
9/30/2017	\$ 141,963	25.15%	\$ 237,257

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
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**13 – OTHER POST EMPLOYMENT BENEFITS (OPEB)** (Continued)

***Funded Status***

The funded status of the plan as of October 1, 2016, the date of the most recent actuarial valuation, was as follows:

Actuarial valuation date	October 1, 2016
Accrued actuarial liability (AAL)	\$ 787,148
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 787,148
Funded ratio	0.00%
Covered payroll	\$ 6,308,527
UAAL as a percentage of covered payroll	12.48%

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.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**13 – OTHER POST EMPLOYMENT BENEFITS (OPEB)** (Continued)

***Actuarial Methods and Assumptions*** (Continued)

Significant methods and assumptions were as follows:

Valuation date	October 1, 2016
Actuarial cost method	Entry Age Normal Cost Method with an increasing Normal Cost pattern consistent with the salary increase assumptions used in the City's retirement plan valuations
Amortization method	15-year closed period; level percent of payroll with an assumed rate of payroll growth of 4.00%
Investment return	4.00% per annum
Payroll growth rate	4.00% per annum
Salary increases	3.70% - 7.80% per annum
Mortality Tables	
Active employees	RP-2000 Combined Healthy Participant
Retirees	RP-2000 Mortality Table for Annuitants, as projected from the year 2000 using Projection Scale B
General employees - male	Adjusted to be a blend of 50% White Collar and 50% Blue Collar
General employees - female	100% White Collar
Firefighters – male	Adjusted to be a blend of 10% White Collar and 90% Blue Collar
Firefighters - female	100% White Collar
Healthcare cost trend rates	
Select rates	7.00% for 2018 trending to 4.73% in 2057
Ultimate rate	4.73% per annum

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**14 – 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.

Florida Statutes limit the City's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in federal courts.

**15 – 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) to lease the old City Hall facility located at 5985 10<sup>th</sup> Avenue North. The term of the lease was for a 5-year period commencing on December 1, 2008, with an option to renew for an additional 5-year term. On December 1, 2013, the Health Department exercised its option to renew the lease. The Health Department has the right to terminate the lease without penalty in the event a State owned building becomes available for occupancy, upon giving six months written notice to the City. Total lease payments received under the lease during the fiscal year ended September 30, 2017 were \$217,249. As of September 30, 2017, the cost of the land and building under the operating lease was \$1,240,164 and accumulated depreciation on the property was \$904,398.

**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**16 – 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

**17 – INTERLOCAL AGREEMENT – PALM BEACH COUNTY SHERIFFS OFFICE**

In August 2015, the City entered into an agreement with the Palm Beach County Sheriff's Office (PBSO) for the provision of law enforcement services to the City. The agreement is for a ten year term beginning February 1, 2016 and ending January 31, 2026. The City or the PBSO may terminate the agreement with or without cause upon written notice to the other party. Written notice shall be delivered by June 30, of any given year for termination to be effective on October 1, of that year.

Under the terms of the agreement, the City was required to pay the PBSO \$8,982,729 for services during the year beginning February 1, 2016 and ending January 31, 2017 plus the cost of any third-party agreements requested by the City related to the performance of the agreement, including additional crime scene analysis and audit functions as determined to be necessary and approved by the City. For future contract years, the PBSO shall provide to the City a proposed costing for renewal of law enforcement services no later than May 31<sup>st</sup> prior to each fiscal year through the term of the agreement. However, for contract years beginning in 2017, 2018, 2019, 2020, and 2021, the annual increase shall not exceed 7%. The parties shall meet on or about February 1, 2021, to negotiate a cap to any increase in contract price for contract years beginning 2022 and thereafter. For the fiscal year ended September 30, 2017, the City paid \$9,324,787 pursuant to the agreement. The contract amount for the fiscal year ending September 30, 2018 is \$9,608,252.

**18 – INTERLOCAL AGREEMENT – CITY OF ATLANTIS FIRE PROTECTION AND EMS**

In May 2012, the City of Greenacres (Greenacres) entered into an interlocal agreement with the City of Atlantis (Atlantis) for the provision of fire protection and emergency medical services to Atlantis. The agreement became effective on October 1, 2012 and is for a period of five years ending on September 30, 2017. Thereafter, the agreement shall automatically renew for an additional five year period, without further action by the parties, unless either party shall notify the other in writing on or before March 1<sup>st</sup> of any year prior to the final year of its intent not to renew. The agreement shall not be terminated by either party, at any time during its term or any renewal thereof, unless either party shall default on any of its material obligations and fail to cure the default in accordance with the agreement. The agreement may be terminated for good cause only in the event of breach of its terms or in the event of breach of its terms or in the event of the inability of Greenacres to provide the specified services.

In consideration of the services provided, Atlantis shall pay Greenacres an annual service fee in twelve equal monthly payments due on or before the first business day of each month. The annual service fee shall be adjusted annually effective October 1<sup>st</sup> of each succeeding year. The adjustment will be based on the percent change as reflected in the United States Department of Labor, Consumer Price Index (CPI) for All Urban Consumers, All Items, for the Miami-Fort Lauderdale area, from February of the prior year to February of the current year, or four percent, whichever is greater. For the year ended September 30, 2017, Greenacres received payments in the amount of \$836,449 pursuant to the agreement. The contract amount for the year ending September 30, 2018 is \$869,900.



**City of Greenacres, Florida**  
**Notes to the Financial Statements**  
**September 30, 2017**

**19 – COMMITMENTS**

As of September 30, 2017, the City had the following significant contractual commitments:

Project	Contract Amount	Amount Completed	Balance to Complete
Building Improvements	\$ 409,618	\$ 222,240	\$ 187,378
Drainage Improvements	221,193	14,910	206,283
Park Improvements	118,762	--	118,762
Sidewalk Improvements	148,700	25,620	123,080
Vehicle Replacement	902,318	--	902,318
	<u>\$ 1,800,591</u>	<u>\$ 262,770</u>	<u>\$ 1,537,821</u>

Significant encumbrances as of September 30, 2017 are as follows:

Major funds:

General Fund	\$107,711
New Growth Capital Projects Fund	67,158
Parks and Recreation Capital Projects Fund	99,518
Reconstruction and Maintenance Capital Projects Fund	389,041
Infrastructure Surtax Capital Projects Fund	1,187,009

Nonmajor Funds 546

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REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MANAGEMENT'S  
DISCUSSION AND ANALYSIS)

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**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 8,770,299	\$ 8,770,299	\$ 8,751,853	\$ (18,446)
Delinquent	150,000	150,000	247,422	97,422
Total ad valorem taxes	<u>8,920,299</u>	<u>8,920,299</u>	<u>8,999,275</u>	<u>78,976</u>
Utility service taxes:				
Electric	2,230,000	2,230,000	2,294,157	64,157
Telecommunications	1,143,384	1,143,384	1,164,809	21,425
Water	490,000	490,000	505,699	15,699
Gas	58,000	58,000	66,621	8,621
Propane gas	33,000	33,000	37,537	4,537
Total public service taxes	<u>3,954,384</u>	<u>3,954,384</u>	<u>4,068,823</u>	<u>114,439</u>
Local option gas tax	285,000	285,000	304,655	19,655
Local business tax	279,400	279,400	278,617	(783)
Insurance premium tax	478,504	478,504	469,244	(9,260)
Total other taxes	<u>1,042,904</u>	<u>1,042,904</u>	<u>1,052,516</u>	<u>9,612</u>
Total taxes	<u>13,917,587</u>	<u>13,917,587</u>	<u>14,120,614</u>	<u>203,027</u>
Permits and franchise fees:				
Building permits	504,000	504,000	729,391	225,391
Electrical permits	-	-	2,960	2,960
Electric franchise fees	1,800,000	1,800,000	1,744,014	(55,986)
Gas franchise fees	30,000	30,000	40,561	10,561
Solid waste franchise fees	93,994	93,994	100,538	6,544
Planning and zoning fees	63,825	63,825	55,593	(8,232)
Other	32,850	32,850	47,559	14,709
Total permits and franchise fees	<u>2,524,669</u>	<u>2,524,669</u>	<u>2,720,616</u>	<u>195,947</u>
Intergovernmental revenues:				
State revenue sharing	1,600,000	1,600,000	1,600,973	973
Half-cent sales tax	3,187,033	3,187,033	3,054,176	(132,857)
County occupational license	106,800	106,800	127,408	20,608
Mobile home license	10,000	10,000	9,212	(788)
Alcoholic beverage license	6,000	6,000	4,211	(1,789)
Motor fuel tax rebate	12,600	12,600	5,411	(7,189)
Grants	-	-	13,814	13,814
Other	34,100	34,100	45,366	11,266
Total intergovernmental revenues	<u>4,956,533</u>	<u>4,956,533</u>	<u>4,860,571</u>	<u>(95,962)</u>

(Continued)

See accompanying notes to the budgetary comparison schedule

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2017**

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,294,975	\$ 1,294,975	\$ 1,251,425	\$ (43,550)
Administrative fees	132,863	132,863	147,551	14,688
Sales of documents	86,190	86,190	71,049	(15,141)
Culture/recreation	88,176	88,176	64,212	(23,964)
Protective inspections	36,900	36,900	83,315	46,415
Ambulance transport	2,276,449	2,276,449	1,776,073	(500,376)
Other	10,229	10,229	34,921	24,692
Total charges for services	<u>3,925,782</u>	<u>3,925,782</u>	<u>3,428,546</u>	<u>(497,236)</u>
Fines and forfeitures:				
Judgments and fines	37,000	37,000	96,029	59,029
Violations of local ordinances	47,000	47,000	22,224	(24,776)
Other	300	300	270	(30)
Total fines and forfeitures	<u>84,300</u>	<u>84,300</u>	<u>118,523</u>	<u>34,223</u>
Investment:				
Bank	27,100	27,100	28,643	1,543
State Board of Administration	5,672	5,672	26,690	21,018
FMIvT	67,500	67,500	18,865	(48,635)
Tax collector interest	250	250	259	9
Other interest	50	50	18	(32)
Total investment	<u>100,572</u>	<u>100,572</u>	<u>74,475</u>	<u>(26,097)</u>
Contributions	5,350	5,350	24,482	19,132
Rental fees	367,478	367,478	301,853	(65,625)
Miscellaneous:				
Refunds - prior year	42,150	42,150	28,066	(14,084)
Sales of surplus materials	20,000	20,000	6,583	(13,417)
Other	3,100	3,100	26,928	23,828
Insurance proceeds	5,000	5,000	39,409	34,409
Total miscellaneous	<u>70,250</u>	<u>70,250</u>	<u>100,986</u>	<u>30,736</u>
Total Revenues	<u>\$ 25,952,521</u>	<u>\$ 25,952,521</u>	<u>\$ 25,750,666</u>	<u>\$ (201,855)</u>

(Continued)

See accompanying notes to the budgetary comparison schedule

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2017**

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>General government:</b>				
<b>Administrative:</b>				
City Manager	\$ 315,087	\$ 315,087	\$ 318,722	\$ (3,635)
Mayor and City Council	174,425	174,582	154,052	20,530
Legal counsel	138,516	138,516	164,684	(26,168)
Human resources	302,043	302,043	277,648	24,395
City Clerk	227,114	227,114	223,652	3,462
<b>Total administration</b>	<b>1,157,185</b>	<b>1,157,342</b>	<b>1,138,758</b>	<b>18,584</b>
<b>Finance:</b>				
Administration	306,147	306,147	308,916	(2,769)
Financial operations	554,745	554,745	438,139	116,606
Purchasing	126,723	126,723	129,090	(2,367)
Information technology	454,699	454,699	427,020	27,679
<b>Total finance</b>	<b>1,442,314</b>	<b>1,442,314</b>	<b>1,303,165</b>	<b>139,149</b>
Planning and development	657,355	678,377	567,567	110,810
Risk management	292,000	292,000	326,187	(34,187)
Contingency	100,000	151,304	1,305	149,999
Other	13,000	13,000	-	13,000
<b>Total general government</b>	<b>3,661,854</b>	<b>3,734,337</b>	<b>3,336,982</b>	<b>397,355</b>
<b>Public safety:</b>				
EMS	6,176,941	6,220,415	6,265,093	(44,678)
Protective inspections	1,028,009	938,009	917,362	20,647
Other Public Safety	9,886,640	9,886,640	9,825,140	61,500
<b>Total public safety</b>	<b>17,091,590</b>	<b>17,045,064</b>	<b>17,007,595</b>	<b>37,469</b>
<b>Transportation:</b>				
Public works administration	201,334	201,334	218,988	(17,654)
Streets and grounds maintenance	891,221	909,418	889,155	20,263
Vehicle maintenance	422,493	422,493	396,886	25,607
<b>Total transportation</b>	<b>1,515,048</b>	<b>1,533,245</b>	<b>1,505,029</b>	<b>28,216</b>
<b>Culture/recreation:</b>				
Administration	667,588	667,588	608,055	59,533
Parks and grounds maintenance	219,439	219,439	220,473	(1,034)
Community center	602,747	607,607	499,972	107,635
<b>Total culture/recreation</b>	<b>1,489,774</b>	<b>1,494,634</b>	<b>1,328,500</b>	<b>166,134</b>

(Continued)

See accompanying notes to the budgetary comparison schedule

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2017**

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued)				
Physical environment:				
Building services	\$ 599,177	\$ 612,850	\$ 586,814	\$ 26,036
Solid waste collection and disposal	1,204,749	1,204,749	1,358,665	(153,916)
Insured Claims and Judgments	11,000	32,918	55,666	(22,748)
Total physical environment	<u>1,814,926</u>	<u>1,850,517</u>	<u>2,001,145</u>	<u>(150,628)</u>
Capital outlay (all departments and functions)	<u>25,637</u>	<u>26,870</u>	<u>26,749</u>	<u>121</u>
Total expenditures	<u>25,598,829</u>	<u>25,684,667</u>	<u>25,206,000</u>	<u>478,667</u>
Excess of revenues over expenditures	353,692	267,854	544,666	276,812
Other financing sources (uses)				
Transfers out	<u>(1,430,000)</u>	<u>(1,430,000)</u>	<u>(1,430,000)</u>	<u>--</u>
Total financing sources (uses)	<u>(1,430,000)</u>	<u>(1,430,000)</u>	<u>(1,430,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,076,308)</u>	<u>\$ (1,162,146)</u>	(885,334)	<u>\$ 276,812</u>
Fund balance - beginning			<u>11,795,577</u>	
Fund balances - ending			<u>\$ 10,910,243</u>	

See accompanying notes to the budgetary comparison schedule

**City of Greenacres, Florida**  
**Notes to the Budgetary Comparison Schedule**  
**September 30, 2017**

**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 1<sup>st</sup>, the City Manager submits to the City Council a proposed operating budget prepared for the fiscal year commencing the following October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
- ✓ Public hearings are conducted to obtain taxpayer comments.
- ✓ The City advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.
- ✓ Prior to October 1<sup>st</sup>, the budget is legally enacted through passage of an ordinance.
- ✓ Appropriations are legally controlled at the departmental level and expenditures may not legally exceed budgeted appropriations at that level. Management is authorized to transfer budgeted line items within departments. Changes or amendments to the budget that alter departmental totals must be approved by the City Council. Accordingly, the legal level of budgetary control is at the departmental level.
- ✓ Formal budgetary integration is employed within the accounting system as a management control device.
- ✓ Budgets are adopted on a basis consistent with generally accepted accounting principles.
- ✓ The preceding schedule is presented at the functional level and not the departmental level.

**2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

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

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Florida Retirement System Pension Plan**  
**Last Ten Fiscal Years**

Fiscal Year Ended September 30	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability As a Percent of Covered Payroll	Plan Fiduciary Net Position As a Percent of the Total Pension Liability
2014	0.012731933%	\$ 776,835	\$ 2,201,732	35.28%	96.09%
2015	0.012544334%	\$ 1,620,269	\$ 2,217,133	73.08%	92.00%
2016	0.010146742%	\$ 2,562,060	\$ 1,765,147	145.15%	84.88%
2017	0.004686988%	\$ 1,386,380	\$ 971,737	142.67%	83.89%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report. The discount rate used to determine the total pension liability decreased from 7.65% in 2015 to 7.60% in 2016 to 7.10% in 2017.



**City of Greenacres, Florida  
Required Supplementary Information  
Schedule of Employer Contributions  
Florida Retirement System Pension Plan  
Last Ten Fiscal Years**

<u>Fiscal Year Ended September 30</u>	<u>Contractually Required Contribution</u>	<u>Contributions In Relation to the Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>City's Covered Payroll</u>	<u>City's Contributions As a Percent of Covered Payroll</u>
2014	\$ 355,344	\$ 355,344	\$ -	\$ 2,202,887	16.13%
2015	\$ 307,534	\$ 307,534	\$ -	\$ 2,196,018	14.00%
2016	\$ 195,653	\$ 195,653	\$ -	\$ 1,443,936	13.55%
2017	\$ 119,408	\$ 119,408	\$ -	\$ 920,060	12.98%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available.

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Florida Retirement System Health Insurance Subsidy Program**  
**Last Ten Fiscal Years**

Fiscal Year Ended September 30	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability As a Percent of Covered Payroll	Plan Fiduciary Net Position As a Percent of the Total Pension Liability
2014	0.007410398%	\$ 692,890	\$ 2,201,732	31.47%	0.99%
2015	0.007308038%	\$ 745,305	\$ 2,217,133	33.62%	0.50%
2016	0.005717888%	\$ 666,396	\$ 1,765,147	37.75%	0.97%
2017	0.003048622%	\$ 325,973	\$ 971,737	33.55%	1.64%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year are as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report. The discount rate used to determine the total pension liability decreased from 4.29% in 2014 to 3.80% in 2015 to 2.85% in 2016 and increased to 3.58% in 2017.

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**Florida Retirement System Health Insurance Subsidy Program**  
**Last Ten Fiscal Years**

<u>Fiscal Year Ended September 30</u>	<u>Contractually Required Contribution</u>	<u>Contributions In Relation to the Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>City's Covered Payroll</u>	<u>City's Contributions As a Percent of Covered Payroll</u>
2014	\$ 26,751	\$ 26,751	\$ -	\$ 2,202,887	1.21%
2015	\$ 29,957	\$ 29,957	\$ -	\$ 2,196,018	1.36%
2016	\$ 23,970	\$ 23,970	\$ -	\$ 1,443,936	1.66%
2017	\$ 15,273	\$ 15,273	\$ -	\$ 920,060	1.66%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available.

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Police Officers' and Firefighters' Retirement Plan**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**  
**For the Fiscal Year Ended September 30, 2017**

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 271,224	\$ 273,495	\$ 453,480	\$ 439,369
Interest	1,146,049	1,252,652	1,272,511	1,802,712
Differences between expected and actual experience	--	428,660	2,115,830	(660,793)
Changes of assumptions	--	--	3,393,480	1,701,589
Benefit payments, including refunds of member contributions	(128,259)	(85,892)	(145,394)	(114,916)
<b>Net Change in Total Pension Liability</b>	<u>1,289,014</u>	<u>1,868,915</u>	<u>7,089,907</u>	<u>3,167,961</u>
<b>Total Pension Liability - Beginning</b>	<u>13,451,312</u>	<u>14,740,326</u>	<u>16,609,241</u>	<u>23,699,148</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 14,740,326</u>	<u>\$16,609,241</u>	<u>\$23,699,148</u>	<u>\$26,867,109</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 1,228,034	\$ 1,255,163	\$ 1,176,173	\$ 1,739,887
Contributions - member	201,235	241,030	222,551	211,101
Net Investment income	1,518,010	27,888	1,897,153	3,782,115
Benefit payments, including refunds of member contributions	(47,292)	(85,892)	(145,394)	(114,916)
Administrative expense	(62,873)	(65,029)	(79,380)	(79,114)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,837,114</u>	<u>1,373,160</u>	<u>3,071,103</u>	<u>5,539,073</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>17,308,555</u>	<u>20,145,669</u>	<u>21,518,829</u>	<u>24,589,932</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 20,145,669</u>	<u>\$21,518,829</u>	<u>\$24,589,932</u>	<u>\$30,129,005</u>
<b>City's Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ (5,405,343)</u>	<u>\$ (4,909,588)</u>	<u>\$ (890,784)</u>	<u>\$ (3,261,896)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	136.67%	129.56%	103.76%	112.14%
<b>Covered Payroll</b>	\$ 4,941,623	\$ 5,151,899	\$ 5,861,721	\$ 4,987,567
<b>City's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	-109.38%	-95.30%	-15.20%	-65.40%

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available. The discount rate used to determine the total pension liability decreased from 8.39% in 2015 to 7.50% in 2016.

City of Greenacres, Florida  
 Required Supplementary Information  
 Police Officers' and Firefighters' Retirement Plan  
 Schedule of Employer Contributions  
 For the Fiscal Year Ended September 30, 2017

Fiscal Year Ended September 30	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Contributions Recognized By the Plan As a Percent of Covered Payroll
2007	\$ 472,239	\$ 472,239	\$ -	\$ 2,693,049	17.54%
2008	\$ 340,654	\$ 340,654	\$ -	\$ 3,419,643	9.96%
2009	\$ 341,569	\$ 341,569	\$ -	\$ 4,304,995	7.93%
2010	\$ 1,241,500	\$ 1,241,500	\$ -	\$ 4,892,163	25.38%
2011	\$ 1,495,197	\$ 1,495,197	\$ -	\$ 4,753,155	31.46%
2012	\$ 1,387,859	\$ 1,387,859	\$ -	\$ 4,865,229	28.53%
2013	\$ 1,417,815	\$ 1,417,815	\$ -	\$ 5,018,761	28.25%
2014	\$ 1,228,034	\$ 1,228,034	\$ -	\$ 4,941,623	24.85%
2015	\$ 1,255,163	\$ 1,255,163	\$ -	\$ 5,151,899	24.36%
2016	\$ 1,097,735	\$ 1,176,173	\$ 78,438	\$ 5,861,721	20.07%
2017	\$ 1,429,865	\$ 1,739,887	\$ 310,022	\$ 4,974,567	34.98%

See accompanying notes to the schedule of employer contributions

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Police Officers' and Firefighter's Retirement Plan**  
**Schedule of Investment Returns**  
**For the Fiscal Year Ended September 30, 2017**

Fiscal Year Ended September 30	Money Weighted Rate of Investment Return
2014	8.54%
2015	2.63%
2016	8.71%
2017	14.90%

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

City of Greenacres, Florida  
Notes to the Required Supplementary Information  
Schedule of Employer Contributions  
Police Officers' and Firefighters' Retirement Plan  
For the Fiscal Year Ended September 30, 2017

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. The contributions for the fiscal year ended September 30, 2017, were determined by the actuarial valuation as of October 1, 2015.

Actuarial valuation date:	October 1, 2015
Actuarial cost method:	Aggregate cost method
Amortization method	Level percentage, open
Asset valuation method:	Market value
Discount rate:	7.25%
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, 5.00% per annum for employees with at least four years of service.
Cost-of-living increases:	3.00%
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.
Other decrements:	Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and ten years of service, termination rates range from 4.28% for males and 5.41 % for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55.
Non-investment expenses:	Liabilities have been loaded by 1.00% to account for non-investment expenses.
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	No assumptions or methods have been changed from those used to complete the previous valuation.

**City of Greenacres, Florida**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**Other Postemployment Benefits**  
**For the Fiscal Year Ended September 30, 2017**

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
10/1/2011	\$ --	\$ 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%
10/1/2016	\$ --	\$ 787,148	\$ 787,148	0.00%	\$ 6,308,527	12.48%

The schedule of funding progress presented above presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



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COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

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**City of Greenacres, Florida  
New Growth Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended September 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Rental income	\$ 43,223	\$ 43,223	\$ 43,223	\$ --
Impact fees	113,488	113,488	112,193	(1,295)
Intergovernmental	-	-	21,309	21,309
Investment	15,702	15,702	2,696	(13,006)
	<hr/>			
Total Revenues	172,413	172,413	179,421	7,008
Expenditures:				
Capital outlay	348,100	604,970	322,156	282,814
	<hr/>			
Excess (Deficiency) of Revenues over Expenditures	<u>(175,687)</u>	<u>(432,557)</u>	<u>(142,735)</u>	<u>289,822</u>
Net Change in Fund Balance	<u>\$ (175,687)</u>	<u>\$ (432,557)</u>	<u>(142,735)</u>	<u>\$ 289,822</u>
Fund Balance - Beginning			<u>2,154,885</u>	
Fund Balance - Ending			<u>\$ 2,012,150</u>	

**City of Greenacres, Florida  
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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Rental income	\$ 162,768	\$ 162,768	\$ 162,768	\$ --
Impact Fees	111,033	111,033	172,976	61,943
Intergovernmental	-	-	3,000	3,000
Investment	38,022	38,022	3,412	(34,610)
Total Revenues:	311,823	311,823	342,156	30,333
Expenditures:				
Capital outlay	395,500	655,350	538,483	116,867
Excess (Deficiency) of Revenues over Expenditures	(83,677)	(343,527)	(196,327)	147,200
Net Change in Fund Balance	\$ (83,677)	\$ (343,527)	(196,327)	\$ 147,200
Fund Balance - Beginning			2,315,184	
Fund Balance - Ending			\$ 2,118,857	

**City of Greenacres, Florida  
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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option gas tax	\$ 138,000	\$ 138,000	\$ 142,072	\$ 4,072
Intergovernmental	142,946	142,946	151,397	8,451
Investment	22,803	22,803	11,736	(11,067)
<b>Total Revenues</b>	<b>303,749</b>	<b>303,749</b>	<b>305,205</b>	<b>1,456</b>
Expenditures:				
Capital outlay	1,843,233	2,162,650	1,359,348	803,302
Excess (Deficiency) of Revenues over Expenditures	(1,539,484)	(1,858,901)	(1,054,143)	804,758
Other Financing Sources (Uses)				
Transfers in	1,000,000	1,000,000	1,000,000	--
<b>Total Other Financing Sources (Uses)</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (539,484)</b>	<b>\$ (858,901)</b>	<b>(54,143)</b>	<b>\$ 804,758</b>
Fund Balance - Beginning			<u>2,162,090</u>	
Fund Balance - Ending			<u>\$ 2,107,947</u>	

**City of Greenacres, Florida  
Infrastructure Surtax Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Infrastructure surtax	\$ --	\$ 1,800,000	\$ 1,943,133	\$ 143,133
Investment	-	-	4,333	4,333
Total Revenues	--	1,800,000	1,947,466	147,466
Expenditures:				
Capital outlay	-	1,605,000	441,383	1,163,617
Excess (Deficiency) of Revenues over Expenditures	-	195,000	1,506,083	1,311,083
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ 195,000</u>	1,506,083	<u>1,311,083</u>
Fund Balance - Beginning			<u>--</u>	
Fund Balance - Ending			<u>\$ 1,506,083</u>	

**City of Greenacres, Florida**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Investments	\$ 312,461	\$ 27,231	\$ 2,199	\$ 30,138
Grants receivable	--	--	--	7,153
Prepaid items	--	--	--	1,110
Total Assets	<u>\$ 312,461</u>	<u>\$ 27,231</u>	<u>\$ 2,199</u>	<u>\$ 38,401</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ 4,768
Accrued payroll and related taxes	--	--	--	14,796
Unearned revenue	--	--	--	1,040
Total Liabilities	--	--	--	20,604
Fund Balances:				
Nonspendable:				
Prepaid items	--	--	--	1,110
Restricted for:				
Public Safety Forfeitures	312,461	--	--	--
Arboreous Activities	--	27,231	--	--
Public Safety Donations	--	--	2,199	--
Assigned to:				
Youth Programs	--	--	--	16,687
Debt Service	--	--	--	--
Total Fund Balances	<u>312,461</u>	<u>27,231</u>	<u>2,199</u>	<u>17,797</u>
Total Liabilities and Fund Balances	<u>\$ 312,461</u>	<u>\$ 27,231</u>	<u>\$ 2,199</u>	<u>\$ 38,401</u>

Debt	
Service Fund	
	Total
	Nonmajor
Municipal	Governmental
Complex	Funds
\$ 567,012	\$ 939,041
--	7,153
--	1,110
<u>\$ 567,012</u>	<u>\$ 947,304</u>

\$ --	\$ 4,768
--	14,796
--	1,040
<u>--</u>	<u>20,604</u>

--	1,110
--	312,461
--	27,231
--	2,199
--	16,687
<u>567,012</u>	<u>567,012</u>
<u>567,012</u>	<u>926,700</u>
<u>\$ 567,012</u>	<u>\$ 947,304</u>

**City of Greenacres**  
**Combining Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2017**

	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 274,555
Charges for services	--	--	--	186,180
Fines and forfeitures	8,165	--	--	--
Impact fees	--	6,308	--	--
Investment	2,406	202	17	338
Contributions	--	--	130	1,000
Miscellaneous	--	--	--	1,322
<b>Total Revenues</b>	<b>10,571</b>	<b>6,510</b>	<b>147</b>	<b>463,395</b>
Expenditures:				
Current:				
Culture/recreation	--	--	--	539,810
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>539,810</b>
Excess (Deficiency) of Revenues Over Expenditures	10,571	6,510	147	(76,415)
Other Financing Sources				
Transfers in	--	--	--	20,000
<b>Net Change in Fund Balances</b>	<b>10,571</b>	<b>6,510</b>	<b>147</b>	<b>(56,415)</b>
Fund Balances - Beginning of Year	301,890	20,721	2,052	74,212
<b>Fund Balances - End of Year</b>	<b>\$ 312,461</b>	<b>\$ 27,231</b>	<b>\$ 2,199</b>	<b>\$ 17,797</b>



<u>Debt</u>	
<u>Service Fund</u>	
<u>Municipal</u>	<u>Total</u>
<u>Complex</u>	<u>Nonmajor</u>
<u>Funds</u>	<u>Governmental</u>
<u>Funds</u>	<u>Funds</u>
\$ -	\$ 274,555
--	186,180
--	8,165
--	6,308
5,948	8,911
--	1,130
--	1,322
<u>5,948</u>	<u>486,571</u>
--	539,810
295,959	295,959
<u>107,252</u>	<u>107,252</u>
<u>403,211</u>	<u>943,021</u>
(397,263)	(456,450)
<u>410,000</u>	<u>430,000</u>
12,737	(26,450)
<u>554,275</u>	<u>953,150</u>
<u>\$ 567,012</u>	<u>\$ 926,700</u>

**City of Greenacres, Florida  
Arboreous Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 39	\$ 39	\$ 202	\$ 163
Impact Fees	6,875	6,875	6,308	(567)
Total Revenues	6,914	6,914	6,510	(404)
Expenditures:				
Capital outlay	7,000	7,000	-	7,000
Excess (Deficiency) of Revenues Over Expenditures	\$ (86)	\$ (86)	6,510	\$ 6,596
Fund Balance - Beginning			20,721	
Fund Balance - Ending			\$ 27,231	

**City of Greenacres, Florida**  
**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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment	\$ 10	\$ 10	\$ 17	\$ 7
Contributions	500	500	130	(370)
Total Revenues	510	510	147	(363)
Expenditures:				
Capital outlay	2,079	2,079	-	2,079
Total Expenditures	2,079	2,079	--	2,079
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,569)</u>	<u>\$ (1,569)</u>	147	<u>\$ 1,716</u>
Fund Balance - Beginning			2,052	
Fund Balance - Ending			<u>\$ 2,199</u>	

**City of Greenacres, Florida  
Youth Programs Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 372,368	\$ 372,368	\$ 274,555	\$ (97,813)
Charges for services	176,529	176,529	186,180	9,651
Investment	100	100	338	238
Contributions	13,545	13,545	1,000	(12,545)
Miscellaneous	475	475	1,322	847
<b>Total Revenues</b>	<b>563,017</b>	<b>563,017</b>	<b>463,395</b>	<b>(99,622)</b>
Expenditures:				
Current:				
Culture/recreation	566,121	566,121	539,810	26,311
<b>Total Expenditures</b>	<b>566,121</b>	<b>566,121</b>	<b>539,810</b>	<b>26,311</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,104)	(3,104)	(76,415)	(73,311)
Other Financing Sources				
Transfers in	20,000	20,000	20,000	--
<b>Net Change in Fund Balance</b>	<b>\$ 16,896</b>	<b>\$ 16,896</b>	<b>(56,415)</b>	<b>\$ (73,311)</b>
Fund Balance - Beginning			74,212	
Fund Balance - Ending			<b>\$ 17,797</b>	

**City of Greenacres, Florida  
Municipal Complex Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended September 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment	\$ 4,518	\$ 4,518	\$ 5,948	\$ 1,430
Expenditures:				
Debt service:				
Principal	295,959	295,959	295,959	--
Interest	107,301	107,301	107,252	49
Total Expenditures	<u>403,260</u>	<u>403,260</u>	<u>403,211</u>	<u>49</u>
Excess (Deficiency) of Revenues Over Expenditures	(398,742)	(398,742)	(397,263)	1,479
Other Financing Sources				
Transfers in	<u>410,000</u>	<u>410,000</u>	<u>410,000</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ 11,258</u>	<u>\$ 11,258</u>	12,737	<u>\$ 1,479</u>
Fund Balance - Beginning			<u>554,275</u>	
Fund Balance - Ending			<u>\$ 567,012</u>	

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## STATISTICAL SECTION

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## 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>
<b>Financial Trends</b>		
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:</i>		
1	Net Position by Component.....	98
2	Changes in Net Position.....	99-100
3	Fund Balances, Governmental Funds.....	101-10
4	Changes in Fund Balances, Governmental Funds.....	103-10
<b>Revenue Capacity</b>		
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>		
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6	Direct and Overlapping Property Tax Rates.....	106
7	Principal Property Tax Payers.....	107
8	Property Tax Levies and Collections.....	108
<b>Debt Capacity</b>		
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>		
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<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>		
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<b>Operating Information</b>		
<i>These schedules contain service and infrastructure data to help understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>		
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*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**City of Greenacres, Florida**  
*Schedule 1*  
**Net Position by Component**  
*(Accrual basis of accounting)*  
*(unaudited)*

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Primary Government - Governmental Activities

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Fiscal Year Ended 9/30	Net investment in Capital Assets	Restricted	Unrestricted	Total primary government net position
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
2015	17,926,183	6,617,924	18,095,306	\$ 42,639,413
2016	19,860,042	5,012,992	17,430,112	\$ 42,303,146
2017	20,828,171	6,627,745	17,115,888	\$ 44,571,804

*Note: The City has no business-type activities.*



**City of Greenacres, Florida**

*Schedule 2*

**Changes in Net Position**

*(Accrual basis of accounting)*

*(unaudited)*

Fiscal Year Ended 9/30	2008	2009	2010	2011
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,104,229	\$ 3,840,349	\$ 3,218,734	\$ 3,511,862
Public Safety	11,814,830	12,114,776	12,904,781	13,066,982
Transportation	1,566,992	1,493,901	1,394,629	1,551,714
Culture/recreation	2,790,466	2,265,944	2,015,847	1,907,445
Physical environment	1,860,940	1,828,938	2,515,438	1,903,296
Interest on long term investments	219,334	205,276	190,778	175,683
<b>Total primary government expenses</b>	<b>22,356,791</b>	<b>21,749,184</b>	<b>22,240,207</b>	<b>22,116,982</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Public Safety	2,097,369	1,967,450	2,131,909	2,045,308
Physical Environment	1,120,173	1,072,221	1,174,844	1,392,609
Other	831,052	760,751	755,299	752,348
<b>Total Charges for Services</b>	<b>4,048,594</b>	<b>3,800,422</b>	<b>4,062,052</b>	<b>4,190,265</b>
Operating Grants and Contributions	903,201	869,294	779,381	807,869
Capital Grants and Contributions	917,798	757,843	872,896	596,307
<b>Total primary government program revenues</b>	<b>5,869,593</b>	<b>5,427,559</b>	<b>5,714,329</b>	<b>5,594,441</b>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(16,487,198)	(16,321,625)	(16,525,878)	(16,522,541)
<b>Total primary government net expense</b>	<b>(16,487,198)</b>	<b>(16,321,625)</b>	<b>(16,525,878)</b>	<b>(16,522,541)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes:				
Property taxes	9,813,152	8,579,942	7,353,777	6,677,646
Utility service taxes	3,391,448	3,833,724	3,891,792	3,724,801
Infrastructure surtax*	-	-	-	-
Franchise fees based on gross receipts	1,904,346	1,919,486	1,765,242	1,726,134
Intergovernmental shared revenues - unrestricted	3,170,728	2,950,325	2,955,630	3,101,479
Investment earnings	333,572	576,386	637,828	311,684
Miscellaneous revenues	216,449	123,406	73,383	49,573
Gain on disposal of capital assets	-	-	-	-
<b>Total general revenues</b>	<b>18,829,695</b>	<b>17,983,269</b>	<b>16,677,652</b>	<b>15,591,317</b>
<b>Special Items</b>				
Donation of infrastructure	-	-	-	-
<b>Total special items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>				
Governmental activities	2,342,497	1,661,644	151,774	(931,224)
<b>Total primary government</b>	<b>\$ 2,342,497</b>	<b>\$ 1,661,644</b>	<b>\$ 151,774</b>	<b>\$ (931,224)</b>

*Note: Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

*The City has no business type activities.*

\* Infrastructure tax was approved by referendum in 2016.

	2012	2013	2014	2015	2016	2017
\$	3,402,829	\$ 3,525,732	\$ 3,553,289	\$ 3,681,586	\$ 4,139,771	\$ 3,696,061
	13,214,396	13,278,168	12,941,095	12,626,261	15,683,842	16,405,181
	1,621,765	1,478,368	1,569,082	1,582,486	1,541,912	1,613,741
	1,949,248	1,843,248	1,869,520	2,100,850	2,244,474	2,632,499
	1,920,583	2,713,871	2,074,593	2,239,455	2,564,247	2,413,834
	160,789	150,900	140,578	129,895	118,853	107,219
	<u>22,269,610</u>	<u>22,990,287</u>	<u>22,148,157</u>	<u>22,360,533</u>	<u>26,293,099</u>	<u>26,868,535</u>
	2,313,376	2,389,614	2,437,433	2,531,497	3,002,840	3,058,853
	1,312,514	1,551,473	1,387,773	1,777,915	1,604,800	1,765,299
	766,877	795,711	816,235	935,378	910,328	848,788
	<u>4,392,767</u>	<u>4,736,798</u>	<u>4,641,441</u>	<u>5,244,790</u>	<u>5,517,968</u>	<u>5,672,940</u>
	868,438	834,528	901,749	884,112	865,029	834,409
	604,487	1,208,371	835,863	1,171,033	706,263	739,518
	<u>5,865,692</u>	<u>6,779,697</u>	<u>6,379,053</u>	<u>7,299,935</u>	<u>7,089,260</u>	<u>7,246,867</u>
	(16,403,918)	(16,210,590)	(15,769,104)	(15,060,598)	(19,203,839)	(19,621,668)
	<u>(16,403,918)</u>	<u>(16,210,590)</u>	<u>(15,769,104)</u>	<u>(15,060,598)</u>	<u>(19,203,839)</u>	<u>(19,621,668)</u>
	6,457,109	6,210,647	6,201,214	6,652,247	8,272,819	8,999,275
	3,820,784	3,901,169	3,991,265	4,005,809	4,003,013	4,068,823
	-	-	-	-	-	1,943,133
	1,672,266	1,655,466	1,796,500	1,827,188	1,808,816	1,885,113
	3,622,263	3,918,371	4,239,490	4,547,615	4,692,065	4,795,980
	279,305	41,552	49,228	133,512	161,863	79,464
	131,466	150,649	189,398	178,609	130,516	118,538
	-	-	-	-	47,903	-
	<u>15,983,193</u>	<u>15,877,854</u>	<u>16,467,095</u>	<u>17,344,980</u>	<u>19,116,995</u>	<u>21,890,326</u>
	-	-	-	(1,605,131)	(249,422)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,605,131)</u>	<u>(249,422)</u>	<u>-</u>
	(420,725)	(332,736)	697,991	679,251	(336,266)	2,268,658
\$	<u>(420,725)</u>	<u>(332,736)</u>	<u>697,991</u>	<u>679,251</u>	<u>(336,266)</u>	<u>2,268,658</u>

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

Fiscal Year Ended 9/30	2008	2009	2010	2011 (1)(2)
General Fund				
Reserved	\$ 175,599	\$ 162,384	\$ 104,783	\$ -
Unreserved	10,556,999	10,171,263	10,789,322	-
Non-spendable	-	-	-	209,467
Committed	-	-	-	4,700,999
Assigned	-	-	-	896,551
Unassigned	-	-	-	5,319,033
<b>Total general fund</b>	<b>\$ 10,732,598</b>	<b>\$ 10,333,647</b>	<b>\$ 10,894,105</b>	<b>\$ 11,126,050</b>
All Other Governmental Funds				
Reserved	\$ 1,375,888	\$ 502,157	\$ 745,074	\$ -
Unreserved, reported in:				
Special revenue funds	49,078	55,824	85,476	-
Capital projects funds	11,572,382	14,119,363	14,054,383	-
Debt service funds	-	-	212,609	-
Non-spendable				
Restricted	-	-	-	9,587,502
Assigned	-	-	-	3,810,670
<b>Total all other governmental funds</b>	<b>\$ 12,997,348</b>	<b>\$ 14,677,344</b>	<b>\$ 15,097,542</b>	<b>\$ 13,398,172</b>
<b>Total fund balances, all funds</b>	<b>\$ 23,729,946</b>	<b>\$ 25,010,991</b>	<b>\$ 25,991,647</b>	<b>\$ 24,524,222</b>

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.*

2012 (2)	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
215,447	215,682	460,507	395,891	1,034,146	217,802
4,852,526	4,787,220	4,769,993	1,000,000	2,000,000	2,000,000
762,216	823,418	805,505	4,293,148	1,844,962	498,564
6,007,644	6,262,209	7,427,155	8,530,048	6,916,469	8,193,877
<u>\$ 11,837,833</u>	<u>\$ 12,088,529</u>	<u>\$ 13,463,160</u>	<u>\$ 14,219,087</u>	<u>\$ 11,795,577</u>	<u>\$ 10,910,243</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
	269,605	695	762	862	1,110
9,289,721	8,352,052	7,462,758	6,074,994	3,567,933	3,365,849
2,577,879	2,060,104	1,907,665	2,709,940	4,016,514	5,304,778
<u>\$ 11,867,600</u>	<u>\$ 10,681,761</u>	<u>\$ 9,371,118</u>	<u>\$ 8,785,696</u>	<u>\$ 7,585,309</u>	<u>\$ 8,671,737</u>
<u>\$ 23,705,433</u>	<u>\$ 22,770,290</u>	<u>\$ 22,834,278</u>	<u>\$ 23,004,783</u>	<u>\$ 19,380,886</u>	<u>\$ 19,581,980</u>

**City of Greenacres, Florida**

*Schedule 4*

**Changes in Fund Balances, Governmental Funds**

*(Modified accrual basis of accounting)*

*(unaudited)*

Fiscal Year Ended 9/30	2008	2009	2010	2011	2012
<b>Revenues</b>					
Taxes	\$ 13,788,891	\$ 13,464,277	\$ 12,226,438	\$ 11,373,974	\$ 11,317,684
Permits and franchise fees	2,223,497	2,242,004	2,147,878	2,001,829	2,033,887
Intergovernmental	4,850,764	3,822,336	3,915,818	3,796,221	4,322,929
Charges for services	2,890,471	2,761,054	2,908,790	3,003,893	3,084,290
Fines and forfeitures	214,799	176,004	133,536	187,387	200,257
Impact fees	3,656	8,010	3,483	11,068	37,921
Interest	333,571	425,773	788,441	311,683	279,301
Special assessments	2,511	5,036	-	-	-
Contributions	13,193	22,256	55,271	14,781	25,785
Sales of surplus materials	72,046	-	-	-	-
Rental income	237,970	394,906	448,633	447,748	465,007
Miscellaneous revenues	229,697	126,132	110,535	87,174	128,621
<b>Total revenues</b>	<b>24,861,066</b>	<b>23,447,788</b>	<b>22,738,823</b>	<b>21,235,758</b>	<b>21,895,682</b>
<b>Expenditures</b>					
General government	3,296,895	3,305,411	3,000,157	3,063,567	3,138,043
Public Safety	10,993,158	11,537,761	12,321,451	12,466,351	12,441,179
Transportation	1,439,486	1,364,193	1,355,927	1,417,778	1,453,990
Culture/Recreation	1,725,933	1,631,503	1,471,233	1,313,639	1,370,331
Physical environment	1,686,392	1,671,044	2,029,715	1,642,876	1,688,818
Capital outlay	3,467,195	1,870,518	1,277,907	2,182,774	2,218,891
Debt service					
Principal	396,606	410,557	425,011	439,987	242,403
Interest	219,802	205,756	191,256	176,211	160,816
<b>Total expenditures</b>	<b>23,225,467</b>	<b>21,996,743</b>	<b>22,072,657</b>	<b>22,703,183</b>	<b>22,714,471</b>
Excess of revenues over (under) expenditures	1,635,599	1,451,045	666,166	(1,467,425)	(818,789)
<b>Other Financing Sources (Uses)</b>					
Transfers in	3,500,000	3,110,000	1,240,000	443,897	410,000
Transfers out	(3,500,000)	(3,110,000)	(1,240,000)	(443,897)	(410,000)
Refunding bonds proceeds					
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Item - disposal of police department	-	-	-	-	-
<b>Net Change in fund balances</b>	<b>1,635,599</b>	<b>1,451,045</b>	<b>666,166</b>	<b>(1,467,425)</b>	<b>(818,789)</b>
Fund balances - beginning, as restated	22,094,347	23,729,946	25,325,481	25,991,647	24,524,222
<b>Fund balance - ending</b>	<b>\$ 23,729,946</b>	<b>\$ 25,180,991</b>	<b>\$ 25,991,647</b>	<b>\$ 24,524,222</b>	<b>\$ 23,705,433</b>
Debt services (principal & interest) as a percentage of non-capital expenditures	2.95%	2.98%	2.85%	2.88%	1.90%

	2013	2014	2015	2016	2017
\$	11,188,626	\$ 11,319,062	\$ 11,805,795	\$ 13,421,388	\$ 16,205,819
	2,041,415	2,280,110	2,316,146	2,710,914	2,720,616
	5,127,073	5,104,497	5,672,011	5,179,941	5,310,832
	2,926,104	3,195,729	3,265,337	3,542,288	3,614,726
	167,664	172,010	216,334	109,790	126,688
	244,211	55,835	355,642	215,443	291,477
	41,552	49,228	182,246	258,008	105,563
	-	-	-	-	-
	34,996	93,798	44,785	26,362	25,612
	-	-	-	-	-
	495,430	530,553	599,848	539,734	507,844
	140,597	85,161	119,994	172,672	102,308
	<u>22,407,668</u>	<u>22,885,983</u>	<u>24,578,138</u>	<u>26,176,540</u>	<u>29,011,485</u>
	3,145,262	3,235,568	3,389,229	3,823,737	3,336,982
	12,702,323	12,277,486	13,254,521	15,506,170	17,007,595
	1,449,676	1,469,380	1,489,646	1,433,172	1,505,029
	1,372,083	1,349,738	1,503,044	1,733,112	1,868,310
	1,723,865	1,743,688	1,824,867	1,895,157	2,001,145
	2,546,397	2,342,976	2,543,156	4,972,137	2,688,119
	252,277	262,552	273,246	284,376	295,959
	150,928	140,607	129,924	118,884	107,252
	<u>23,342,811</u>	<u>22,821,995</u>	<u>24,407,633</u>	<u>29,766,745</u>	<u>28,810,391</u>
	(935,143)	63,988	170,505	(3,590,205)	201,094
	410,000	460,000	630,000	5,293,381	1,430,000
	(410,000)	(460,000)	(630,000)	(5,293,381)	(1,430,000)
	-	-	-	-	-
	-	-	-	(33,692)	-
	(935,143)	63,988	170,505	(3,623,897)	201,094
	<u>23,705,433</u>	<u>22,770,290</u>	<u>22,834,278</u>	<u>23,004,783</u>	<u>19,380,886</u>
\$	<u>22,770,290</u>	<u>\$ 22,834,278</u>	<u>\$ 23,004,783</u>	<u>\$ 19,380,886</u>	<u>\$ 19,581,980</u>
	1.83%	1.91%	1.78%	1.56%	1.50%

**City of Greenacres, Florida**  
**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<sup>(1)</sup></u>	<u>Tangible</u> <u>Personal</u> <u>Property<sup>(1)</sup></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>
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
2015	915,991,830	287,094,042	71,187,641	1,274,273,513	5.4284	1,942,793,644
2016	1,017,765,761	303,954,292	78,305,014	1,400,025,067	6.0854	2,272,475,532
2017	1,118,743,876	324,714,910	80,468,039	1,523,926,825	6.0854	2,496,673,000

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)

**City of Greenacres, Florida**  
**Schedule 6**  
**Direct and Overlapping Property Tax Rates**  
*(unaudited)*

Fiscal Year Ended 9/30	Greenacres			Overlapping Rates <sup>(1)</sup>				
	General Fund	Debt Service	Total City of Greenacres	Palm Beach County			Special Taxing Districts	Total
				BOCC <sup>(2)(3)</sup>	Library System <sup>(2)</sup>	School Board		
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
2015	5.4284	0.0000	5.4284	4.9729	0.6024	7.5940	2.1732	20.7709
2016	6.0854	0.0000	6.0854	4.9277	0.5985	7.5120	2.0974	21.2210
2017	6.0854	0.0000	6.0854	4.9142	0.5933	7.0700	1.9453	20.6082

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.



**City of Greenacres, Florida**  
**Schedule 7**  
**Principal Property Tax Payers**  
*(unaudited)*

Current Year and Nine Years Ago

Taxpayers	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Okeehetee Apt. Partners	\$ 90,406,286	1	6.46%	\$ 59,849,349	1	3.03%
Florida Power & Light <sup>1</sup>	39,028,722	2	2.79%			
Keystone WPB Holding Corp. (Island Shores Apts.)	34,793,419	3	2.49%	28,361,578	3	1.44%
MSKP River Bridge LLC (River Bridge Plaza)	33,888,264	4	2.42%	39,538,869	2	2.00%
JHB Florida Properties, LLC (Waterway Village)	25,019,342	5	1.79%			
Gator Green Acres (Greenacres Plaza)	16,577,174	6	1.18%	13,181,218	6	0.67%
Pickwick Mobile Home Park	13,945,805	7	1.00%			
LIMOCH 19800 West Dixie LLC	12,711,178	10	0.91%			
Colonial Mobile Home Park Ltd Partnership	12,723,337	9	0.91%			
Batmasian, James H				20,239,068	4	1.03%
DR Horton, Inc.				20,008,485	5	1.01%
Steve Moore Chevrolet	13,293,980	8		13,273,522	7	0.67%
Dayton Hudson Corp				11,820,469	8	0.60%
PRI II Military Crossing LLC				11,000,000	9	0.56%
Trafalgar at Greenacres				9,638,605	10	0.49%
<b>Total</b>	<b>\$ 292,387,507</b>		<b>19.93%</b>	<b>\$ 226,911,163</b>		<b>11.51%</b>

Total Taxable Assessed Value                   \$ 1,400,025,067   \$ 1,972,135,821

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.

**City of Greenacres, Florida**  
**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 <sup>(1)</sup>	Total Collections To Date	Percentage of Levy
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%
2015	\$ 6,917,266	\$ 6,509,862	94.1%	\$ 142,385	\$ 6,652,247	96.2%
2016	\$ 8,519,713	\$ 8,025,341	94.2%	\$ 247,478	\$ 8,272,818	97.1%
2017	\$ 9,273,704	\$ 8,751,853	94.4%	\$ 247,422	\$ 8,999,275	97.0%
<b>Totals</b>	<b>\$ 77,794,005</b>	<b>\$ 72,084,741</b>	<b>92.7%</b>	<b>\$ 3,133,086</b>	<b>\$ 75,217,827</b>	<b>96.7%</b>

*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.*

**City of Greenacres, Florida**  
*Schedule 9*  
**Ratios of Outstanding Debt by Type**  
*(unaudited)*

Fiscal Year Ended 9/30	Bank Notes	Total	Percentage Personal Income <sup>(1)</sup>	Per Capita
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	0.43%	85.30
2015	3,018,529	3,018,529	0.40%	77.51
2016	2,734,153	2,734,153	0.35%	69.99
2017	2,438,194	2,438,194	n/a	61.31

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

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

*n/a = not available*

**City of Greenacres, Florida**  
*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
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%	-
2015	38,943	1,274,273,513	-	0.00%	-
2016	39,066	1,400,025,067	-	0.00%	-
2017	39,770	1,523,926,825	-	0.00%	-

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

**City of Greenacres, Florida**  
*Schedule 11*  
**Direct and Overlapping Governmental Activities Debt**  
*(unaudited)*

As of September 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
<b>Overlapping</b>			
Palm Beach School District	\$ 11,396	0.93%	\$ 105
Palm Beach County	103,305,000	0.93%	955,571
<hr/>			
Subtotal, overlapping debt	103,316,396		955,677
<hr/>			
<b>City direct debt</b>	2,438,194	100.00%	2,438,194
<hr/>			
<b>Total direct and overlapping debt</b>	<b>\$ 105,754,590</b>		<b>\$ 3,393,871</b>

*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.*

**City of Greenacres, Florida**  
*Schedule 12*  
**Legal Debt Margin Information**  
*(unaudited)*

*The City of Greenacres has no legal debt margin.*

**City of Greenacres, Florida**  
**Schedule 13**  
**Pledged-Revenue Coverage**  
*(unaudited)*

Fiscal Year Ended 9/30	Public Improvement Note 2004A <sup>(1)</sup>					Coverage
	Non Ad Valorem Revenues	Debt Service			Total	
		Principal	Interest			
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	403,205	2.79%	
2014	15,312,947	262,552	140,607	403,159	2.63%	
2015	15,757,432	273,246	129,924	403,170	2.56%	
2016	17,551,336	284,376	118,883	403,259	2.30%	
2017	16,751,390	295,959	107,252	403,211	2.41%	

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

**City of Greenacres, Florida**  
**Schedule 14**  
**Demographic and Economic Information**  
*(unaudited)*

Fiscal Year	Population <sup>(1)</sup>	Median Age <sup>(2)</sup>	Per Capita Income <sup>(2)</sup>	Median Home Sale Price <sup>(3)</sup>	School Enrollment <sup>(4)</sup>	Civilian Labor Force <sup>(5)</sup>	Unemployment Rate <sup>(5)</sup>
2008	32,548	36.5*	22,688*	151,875	9,883	15,740	5.2%
2009	32,370	36.4	22,486	103,263	9,726	15,524	8.6%
2010	32,267	36.6	22,591	92,034	10,168	16,617	9.9%
2011	37,873	36.9	21,959	67,756	10,378	17,279	9.5%
2012	38,079	36.3	20,369	72,841	10,601	17,677	8.0%
2013	38,172	36.2	19,170	77,686	11,006	17,982	6.6%
2014	38,590	35.8	19,732	95,965	11,196	18,370	5.4%
2015	38,943	36.1	19,552	107,186	11,614	21,622	4.1%
2016	39,066	35.5	20,025	128,730	11,593	21,095	3.9%
2017	39,770	n/a	n/a	150,300	11,907	21,867	4.3%

Source: (1) Bureau of Economic & Business Research (BEBR).  
(2) U.S. Census Bureau, American Community Survey 5-Year Estimates  
\* 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



**City of Greenacres, Florida**  
*Schedule 15*  
**Principal Employers County Wide**  
*(unaudited)*

One Year Ago and Nine Years Ago

2016			2008		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total Employment</b>
School Board	21,200	3.10%	School Board	21,707	3.77%
Palm Beach County**	11,029	1.61%	Palm Beach County**	11,293	1.96%
Tenet Healthcare Corp.	6,136	0.90%	Tenet Healthcare Corp.	4,500	0.78%
NextEra Energy Inc	4,021	0.52%	HCA (Hospital Corp. of America)	3,411	0.59%
HCA (Hospital Corp. of America)	3,550	0.59%	FP & L (Headquarters)	3,250	0.56%
Boca Raton Regional Hospital	2,800	0.41%	Florida Atlantic University	2,923	0.51%
Florida Atlantic University	2,761	0.40%	The Breakers	2,300	0.40%
Veteran's Health Administration	2,468	0.36%	Office Depot	2,180	0.38%
Bethesda Health, Inc.	2,200	0.32%	Boca Raton Community Hospital	1,860	0.32%
Office Depot, Inc. (Hdqtrs)	2,034	0.30%	Florida Crystals	1,800	0.31%
<b>Total</b>	<b>58,199</b>	<b>8.50%</b>	<b>Total</b>	<b>55,224</b>	<b>9.59%</b>

*Note: Represents year end 2016*

*Source: Business Development Board of Palm Beach County*

**City of Greenacres, Florida**

*Schedule 16*

**Full-Time Equivalent City Government Employees by Function/Program**

*(unaudited)*

<u>Fiscal Year Ended 9/30</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017**</u>
<u>Function/Program</u>										
Administration	11	11	10.5	10.5	10.5	11	11	11	11	11
Finance	14	14	14	14	14	13	13	13	13	13
Planning & Engineering	7	7	6	6	5.5	6	6	6	6	4
Public Works	23	23	20	21	21	21	21	21	22	21
Public Safety/Fire Rescue*	113	113	109	109.5	109.5	109.5	110.5	115.5	47	51.5
Leisure Services <sup>(1)</sup>	17.75	16.75	14.25	13	13	13	13.5	15.25	16.25	21
Building	11	10	9.5	9.5	9.5	10	10	10	10	11
<b>Total</b>	<b>196.75</b>	<b>194.75</b>	<b>183.25</b>	<b>183.5</b>	<b>183</b>	<b>183.5</b>	<b>185</b>	<b>191.75</b>	<b>125.25</b>	<b>132.50</b>

*Note: (1) Some personnel associated with Youth Programs are in fund 105*

*\* Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016*

*\*\*FY17 - FTE derived from average of actual payroll for March and September's pay day registers to reflect any vacancies*

*Source: Budget City of Greenacres - Budget Overview-Personnel Summary.*

**City of Greenacres, Florida**  
**Schedule 17**  
**Operating Indicators by Function/Program**  
*(unaudited)*

Fiscal Year Ended 9/30	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Function/Program</b>										
<b>General Government</b>										
Population	32,548	32,370	32,267	37,873	38,079	38,172	38,590	38,943	39,066	39,770
Number of residential units	16,520	17,035	17,075	17,092	17,104	17,123	17,140	17,175	17,194	17,296
Number of solid waste accounts billed	6,684	6,796	6,670	6,847	6,869	6,889	6,927	6,940	6,958	7,019
<b>Public Safety</b>										
Total calls for responded service <sup>(1) (5)</sup>	28,759	28,326	27,014	25,044	18,217	19,214	20,389	19,424	6,386	N/A
Number of arrests by police officers <sup>(5)</sup>	4,625	3,252	1,571	2,042	1,840	1,874	1,501	1,487	484	N/A
Number of traffic citations issued <sup>(5)</sup>	10,813	10,577	6,819	6,952	6,984	5,747	4,415	3,253	913	N/A
EMS average response times (minutes)	4.3	5.4 <sup>(2)</sup>	5.4	6.2	6.0	5.6	6.2	5.6	5.7	5.76
Number of EMS calls (incl. in total calls)	4,659	4,800	4,911	4,802	5,407	5,262	5,533	5,272	5,561	6,174
Number of code enforcement inspections	2,022	2,770	3,446	2,670	2,517	2,126	1,616	1,429	1,587	1,601
<b>Transportation</b>										
Number of paved miles maintained	22.27	22.56	23.00	23.00	23.00	23.24	23.37	23.37	23.37	23.37
Number of vehicle repair orders completed	1,418	1,261	1,290	1,258	1,264	1,161	1,285	1,185	909	834
Number of city vehicles maintained	97	101	100	100	99	99	100	101	100	49
<b>Physical Environment</b>										
Total park acreage maintained	78	82	82	82	134 <sup>(3)</sup>	134	134	134	134	134
Average cost per acre to mow	2,052	2,066	1,753	1,852	1,822	1,688	n/a	n/a	n/a	n/a
Average cost per acre to maintain <sup>(4)</sup>	-	-	-	-	-	-	3,403	3,909	4,515	4,521
<b>Cultural &amp; Recreation</b>										
Number of community events presented	7	7	6	8	8	6	5	7	10	15
Number of registrants in athletic programs	1,036	771	270	767	752	631	890	698	534	616
Number of participants in after-school programs	170	170	150	124	135	144	156	168	295	343

Note: <sup>(1)</sup> Starting in 2012, Law enforcement only  
<sup>(2)</sup> EMS Response Times reflect fractional times as required by LOS Guidelines.  
<sup>(3)</sup> Total adjusted to include lakes, landscaped, vegetative and asphalt area.  
<sup>(4)</sup> Average cost per acre to mow is now average cost per acre to maintain and includes additional costs.  
<sup>(5)</sup> Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016 (numbers reflect City Public Safety only until that time)

**City of Greenacres, Florida**  
*Schedule 18*  
**Capital Asset Statistics by Function/Program**  
*(unaudited)*

Fiscal Year Ended 9/30	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Function/Program</b>										
General Government										
Office Buildings	9	9	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	1	1	1
Police Patrol Vehicles <sup>(5)</sup>	32	34	34	34	34	36	36	36	0	0
Fire Trucks	4	4	4	4	4	4	4	4	4	4
EMS Units (Ambulances)	4	4	4	4	4	4	4	4	4	4
Transportation										
Street lane (miles)	44.54	44.54	49.52	49.52	49.52	45.80	45.80	45.80	45.80	45.80
Traffic Signs	922	1,091	1,091	1,084	1,195	1,193	1,184	1,184	1,187	1,225
Stormwater Structures <sup>(1)</sup>	428	452	633	633	639	639	632	632	632	645
Physical Environment										
Baseball/Softball Fields	7	7	7	7	7	7	6	6	6	6
Soccer Fields	3	4	4	4	4	4	4	4	4	4
Cultural & Recreation										
Playgrounds	13	14	14	14	14	14	14	13	13	13
Community Centers	1	1	1	1	1	1	1	1	1	1
Parks	13	13	13	13	13	13	13	13	13	13

Note: <sup>(1)</sup> Inlets, Outfalls, Control Structures and Manholes  
<sup>(5)</sup> Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016

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## OTHER REPORTS

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# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
WWW.NHMCPCA.COM

EVERETT B. NOWLEN (1930-1984), CPA  
EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members of the City Commission  
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, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Greenacres, Florida's basic financial statements and have issued our report thereon dated March 16, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Greenacres, Florida'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 of Greenacres, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Greenacres, Florida'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 entity'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, 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 of Greenacres, Florida'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida  
March 16, 2018



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA  
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BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

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

To the Honorable Mayor and Member 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, as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 16, 2018.

### Auditor's 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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 16, 2018, should be considered in conjunction with this Management Letter.



## **Prior Audit Findings**

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

## **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. This information was disclosed in Note 1 to the financial statements. There were no component units included in the City of Greenacres, Florida's financial statements.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Greenacres, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Greenacres, Florida 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 for the City of Greenacres, Florida. It is management's responsibility to monitor the City of Greenacres, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City of Greenacres, Florida for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Single Audits**

The City of Greenacres, Florida expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2017, and was not required to have a federal single audit or a state single audit.

### **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.

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida  
March 16, 2018



**NOWLEN, HOLT & MINER, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
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MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

**INDEPENDENT ACCOUNTANT’S REPORT  
ON COMPLIANCE WITH SECTION 218.415,  
FLORIDA STATUTES**

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

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

We have examined the City of Greenacres, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2017. Management of the City of Greenacres, Florida is responsible for the City of Greenacres, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the City of Greenacres, Florida’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Greenacres, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Greenacres, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of Greenacres, Florida’s compliance with the specified requirements.

In our opinion, the City of Greenacres, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2017.

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

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 16, 2018