

City of
**COCONUT
CREEK**
Florida



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

Fiscal Year Ended
September 30, 2009



Prepared by the
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

Karen M. Brooks, Director
Peta-Gay Clemetson, Assistant Director

CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2009

City Commission

Marilyn Gerber	Mayor
Lisa K. Aronson	Vice Mayor
Lou Sarbone	Commissioner
Rebecca A. Tooley	Commissioner
Mikkie Belvedere	Commissioner

Administrative Staff

David J. Rivera	City Manager
Paul S. Stuart	City Attorney
Mary C. Blasi, CPA, CGFO	Deputy City Manager
Barbara S. Price, CMC	City Clerk
Karen M. Brooks, CPFO	Director of Finance and Administrative Services



CITY OF COCONUT CREEK, FLORIDA
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March 15, 2010

The Honorable Mayor and Members of the City Commission
4800 West Copans Road
Coconut Creek, FL 33063

Honorable Mayor, Members of the City Commission and Citizens of the City of Coconut Creek, Florida:

The Comprehensive Annual Financial Report (CAFR) of the City of Coconut Creek for the year ended September 30, 2009 is hereby submitted in compliance with the City Charter and Florida Statutes. The City is required to provide annually a report on its financial position and activity that is audited by an independent firm of certified public accountants. All disclosures necessary to enable the reader to gain an understanding of the City of Coconut Creek's activities have been included.

This report consists of management's representations concerning the finances of the City of Coconut Creek. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Coconut Creek has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Coconut Creek'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 their benefits, the City of Coconut Creek's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Coconut Creek.

Keefe, McCullough & Co., LLP, a firm of licensed certified public accountants, has audited the City of Coconut Creek's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Coconut Creek for the fiscal year ended September 30, 2009 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Coconut Creek's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complement this letter of transmittal and should be read in conjunction with it.

Financial Statement Format

This report has been prepared and organized to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. By following the guidelines of this program, the report's format facilitates understanding by the residents and provides information needed by the most sophisticated and interested financial observers. The report is presented in four sections: introductory, financial, statistical, and compliance.

- ❖ The **introductory section**, which is unaudited, includes this transmittal letter, the City's organization chart, and a list of principal officials. This section is designed to provide an overview and general understanding of the report.
- ❖ The **financial section** provides a detailed presentation of the financial position and results for the fiscal year ended September 30, 2009. The financial section is divided into five main subsections:
 - Independent Auditor's Report
 - Management's Discussion and Analysis (MD&A)
 - Basic Financial Statements
 - Required Supplementary Information (RSI)
 - Combining and Individual Fund Statements and Schedules

Readers are encouraged to pay particular attention to management's discussion and analysis and to the notes to the financial statements in the basic financial statements section. These provide valuable analysis and explanation of the financial statements.

- ❖ The **statistical section**, which is unaudited, includes a number of multi-year tables and other data designed to present social, economic, and financial trends of the City, providing an overall view of the fiscal capacity of the City.
- ❖ The **compliance section** includes the report of the independent auditors on internal controls over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*, the independent auditors report on compliance with requirements applicable to each major program and on internal control over compliance with OMB Circular A-133 and applicable schedules, and the management letter in accordance with the Rules of the Auditor General of the State of Florida.

Profile of the Government

Created in 1967 by the Legislature of the State of Florida, the City of Coconut Creek occupies approximately 12 square miles in the northwestern portion of Broward County, the second most populated county in the State. With an estimated population of 47,804 people, the city ranks 15th in population amongst the 32 municipalities in the County. The City has been developed primarily for residential purposes, with a proportionate mix in population of families and retirees.

The City is located north of Fort Lauderdale and abuts Boca Raton. The terrain is generally flat. The sub-tropical climate provides comfortable living year round.

The City operates under the Commissioner-Manager form of government. Policy-making and legislative authority are vested in the governing commission, which consists of a mayor and a four member Commission. The City Commission is vested with policy setting authority, adopting the annual budget, approving general purchases and services of the governmental operations, appointing committees, and hiring the City's Manager and Attorney. The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the directors of the City's departments, submitting a proposed annual budget, advising the Commission as to the financial condition of the City, and overseeing the day-to-day operations of the City.

The City is divided into five districts with one Commissioner required to reside in each district. Each Commissioner is elected “at large” and is elected for a three-year term. Each year after the seating of newly elected Commissioners, or, in years where there are no newly elected Commissioners, at the first Commission meeting subsequent to the second Tuesday in March, provided at least four members are present, a Mayor is elected by the Commissioners to preside for a one year term.

The City of Coconut Creek provides a full range of services, including police and fire, public works, recreational activities, and water and sewer. The annual budget serves as the foundation for the City of Coconut Creek’s financial planning and control. All departments of the City of Coconut Creek are required to submit requests for appropriation to the City’s Finance and Administrative Services Department during the month of April each year. The Finance Department uses these requests as a starting point to assist the City Manager develop a proposed budget. A proposed budget must be submitted to the City Commission no later than August 1st of each year. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City of Coconut Creek’s fiscal year. The appropriated budget is prepared by fund, department, and division. Department Directors may make transfers of appropriations within a department. Transfers of appropriations between departments; however, require approval of the City Commission. Budget-to-actual comparisons are provided in this report for all governmental funds. For the General Fund and major special revenue funds, this comparison is presented beginning on page 51 as part of the required supplementary information. For the remaining governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, and starts on page 59.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Coconut Creek operates.

Local economy. During the early 2000s, the City of Coconut Creek experienced an increase in housing construction in the northern section of the City. The level of new residential construction declined drastically after 2006 as demonstrated by the following:

	2009	2008	2007	2006
Residential Units	26	85	71	203
Commercial Permits	4	24	5	5
Value (in millions)	\$9.4	\$75.6	\$35.2	\$22.4

The spike in commercial permits in 2008 is a result of the first phase of the project completing in the City’s “downtown” area. Our focus is on tax base diversification will continue to emphasize expansion of our commercial base as well as renewed efforts to expand, maintain, and upgrade existing residential and public areas of the City. However, due to the recession and current economic uncertainty, the City experienced a drastic decrease in the number of new construction permits issued in 2009. This trend is expected to continue through fiscal year 2010. Activity is expected to increase gradually over the next 3-5 years.

Long-term financial planning. The City of Coconut Creek is in the process of enhancing economic development by creating a “downtown” area on some of the last consolidated open spaces in the City and County. The area encompasses approximately 400 acres bound by State Road 7/US 441 to the west, Sample Road to the south, Lyons Road to the east, and Wiles Road to the north. The concept of the new MainStreet area is a vision for a green and sustainable downtown located in the center of the City and is that of a pedestrian-friendly and environmentally-safe urban downtown area of mixed-use facilities ranging from residential to retail and restaurants. The location is such that, when fully developed, the area will become a destination for City residents as well as residents of neighboring cities to work, shop, and play. The first project was completed in the fall of 2008. However, due to the current economic conditions, the remaining projects may take several years to begin construction.

The City has been working diligently on developing a master planned project for Coconut Creek Parkway. There are several educational facilities located along the parkway including the north campus of Broward Community College, the North Regional County Library, the Associated Builders and Contractors Corporate Headquarters, Coconut Creek High School, Atlantic Technical Center, and the Dave Thomas Educational Center. The project, known as the "Education Corridor," will create a linear park-like corridor that will provide multi-modal connectivity between the various facilities. It will include bus shelters, landscaped open spaces, and a dedicated bicycle and pedestrian multi-purpose path. So far, a conceptual design plan has been developed for the entire corridor including graphics for transit stops, pedestrian connections, signage, architectural standards, and landscape design.

Cash management policies and practices. Cash temporarily idle during the year was primarily invested Federal agency issues, in obligations of the U.S. Treasury, non-negotiable certificate of deposits, and the City's bank deposit account. The maturities of the investments range from eight months to ten years, with an average maturity of 6.7 years. The average return on investments was 4.4%. Investment income includes appreciation in the fair market value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

Risk management. Risk management is a systematic, logical, and continuous process, which identifies exposures to different types of losses, evaluates the potential cost of these losses, and identifies the most cost effective method or methods to deal with them. These methods include reducing or eliminating the risk by sound loss control and safety practices. To accomplish this, the City has insurance plans with a third party insurance carrier.

Additional information on the City of Coconut Creek's risk management activity can be found in the notes to the financial statements.

Pension and other post employment benefits. The City of Coconut Creek provides pension benefits for all regular full-time and part-time employees as well as elected officials. These benefits are provided through either a City of Coconut Creek 401(a) plan or a statewide plan managed by the State of Florida Department of Management Services, Division of Retirement System (FRS). The City of Coconut Creek has no obligation in connection with employee benefits offered through these plans beyond its annual required contributions.

The City of Coconut Creek also provides post-retirement healthcare benefits for certain retirees. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers For Post-employment Benefits Other Than Pensions in fiscal year 2009. The City hired an actuary to determine the financial impact of this pronouncement and has recorded the applicable financial obligation at the government-wide level, for governmental funds, and at the fund level, for each proprietary fund. As of the end of the current fiscal year, there were 8 retirees and 2 eligible dependents receiving post employment health care benefits. Required contributions are based on projected pay-as-you-go financing.

Additional information on the City of Coconut Creek's pension arrangements can be found in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coconut Creek for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2008. This was the twenty-sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2009 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The fiscal year 2010 annual budget document has been submitted for another award and is currently under review.

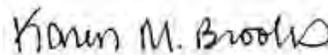
The City has also received the award for Outstanding Achievement in Popular Annual Financial Reporting for the September 30, 2008 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance and Administrative Services Department. We would like to express our appreciation to all members of this department who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Coconut Creek's finances.

Respectfully submitted,



David J. Rivera
City Manager



Karen M. Brooks, CPFO
Director of Finance and Administrative Services



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Coconut Creek
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

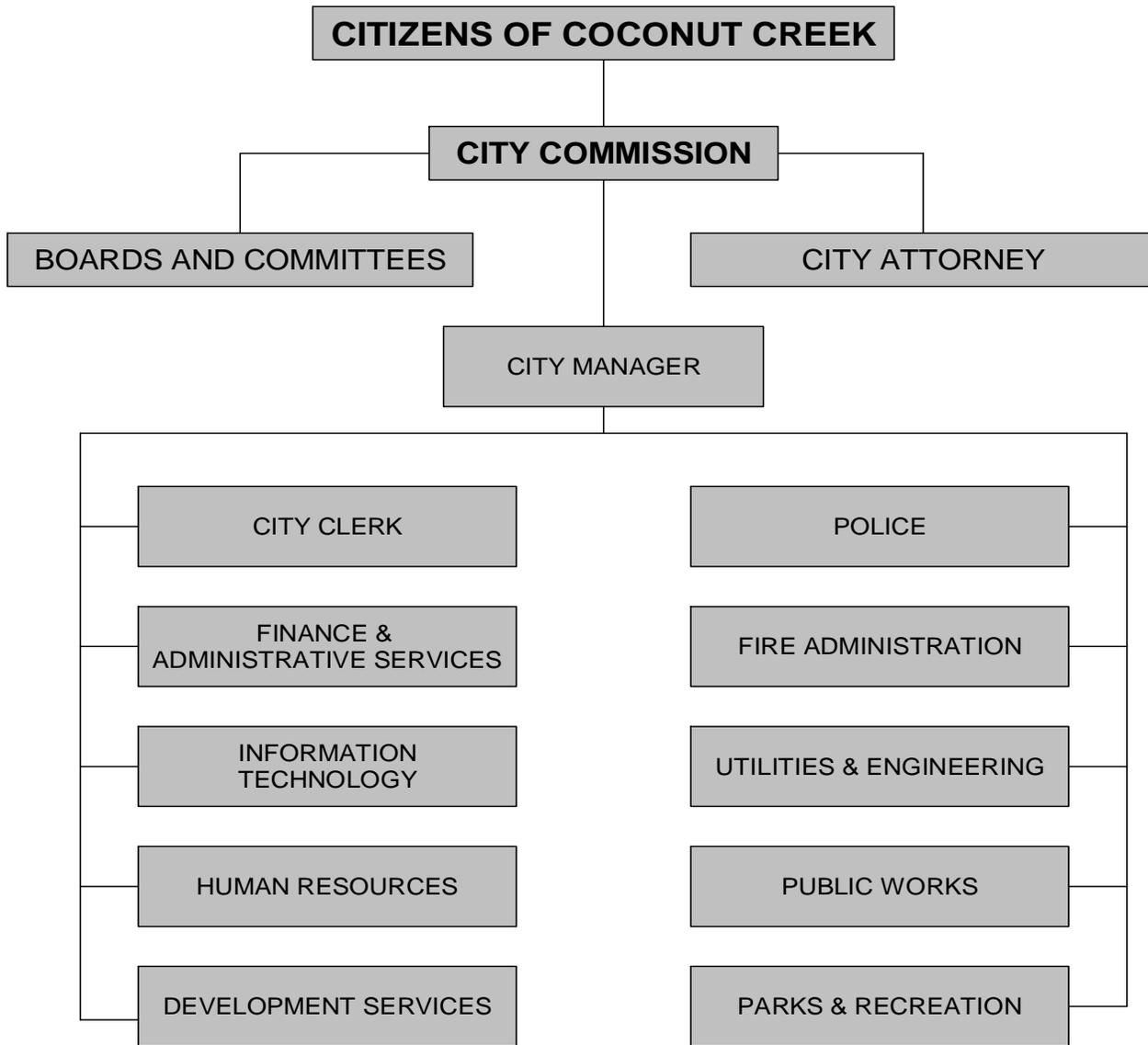


President

Executive Director



COCONUT CREEK GOVERNMENT STRUCTURE ORGANIZATION CHART FISCAL YEAR 2009



CITY OF COCONUT CREEK, FLORIDA
LIST OF PRINCIPAL OFFICERS
September 30, 2009

Elected Officials

Mayor	Marilyn Gerber
Vice Mayor	Lisa K. Aronson
Commissioner	Lou Sarbone
Commissioner	Rebecca A. Tooley
Commissioner	Mikkie Belvedere

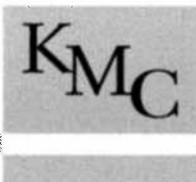
Appointed Officials

City Manager	David J. Rivera
Deputy City Manager	Mary C. Blasi
City Attorney	Paul S. Stuart
City Clerk	Barbara S. Price
Director of Development Services	Sheila Rose
Director of Human Resources	Pamela Kershaw
Director of Public Services.....	Raj Verma
Director of Parks and Recreation	Linda Wiederspan
Director of Information Technology	Eric Rupert
Acting Chief of Police	Steve Devine

Finance Officials

Director of Finance and Administrative Services	Karen M. Brooks
Assistant Director of Finance and Administrative Services	Peta-Gay Clemetson





KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
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CYNTHIA L. CALVERT, C.P.A.
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JAMES R. LARAWAY, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
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BRIAN D. PINNELL, C.P.A. (RETIRED)

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Members of the
City Commission and City Manager
City of Coconut Creek, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida (the "City"), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

City of Coconut Creek, Florida

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budget and actual schedules, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The budget to actual schedules, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2010

City of Coconut Creek, Florida

Management's Discussion and Analysis

As management of the City of Coconut Creek, we offer readers this narrative overview and analysis of the financial activities of the City of Coconut Creek for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report. All amounts in this section, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the City of Coconut Creek exceeded its liabilities at the close of the most recent fiscal year by \$158.7 (net assets). Of this amount, \$ 38.7 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$ 2.6 during the current fiscal year. Net assets of our governmental and business-type activities increased by \$ 1.7 and \$ 0.9, respectively. The majority of the increase in our governmental fund activities net assets (\$ 1.2) is due to the positive outcome from a litigation settlement (see Note 12 on page 47).
- As of the close of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$ 41.8, a decrease of \$ 3.1 over the prior year. Of this amount, approximately \$ 8.8 is reserved and \$ 7.9 is designated.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$ 14.3, or 33.7% of total general fund expenditures and transfers out.
- In making debt service payments, the City of Coconut Creek's total debt decreased by \$ 3.5 during the current fiscal year.

Overview of the Financial Statements

This annual report consists of four parts – *Introductory Section, Financial Section, Statistical Section and Compliance Section*. Within the Financial Section, there is the *Independent Auditors' Report*, the *Management's Discussion and Analysis*, the *Basic Financial Statements, Required Supplementary Information* and an additional section that presents *Combining Statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The *governmental funds* statements show how general government services such as public safety were financed in the short-term as well as what remains for future spending.
- *Proprietary fund* statements offer short-term and long-term financial information about the activities of the water and wastewater system and the stormwater operations, which the government operates like a business.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, a section is included with combining statements that provide details about the nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

City of Coconut Creek, Florida

Management's Discussion and Analysis

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

The *statement of net assets* presents information on all of the City of Coconut Creek's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Coconut Creek is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Coconut Creek that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Coconut Creek include general government, public safety, physical environment, and culture and recreation. The business-type activities of the City of Coconut Creek include the water and wastewater operation and the stormwater operation.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Coconut Creek, 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 of Coconut Creek can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *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 spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 the long-term impact of the government's 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 of Coconut Creek maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Fund, 2003 Capital Projects Fund, Capital Improvement Program Fund, and the Public Safety Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in this report.

City of Coconut Creek, Florida

Management's Discussion and Analysis

The City of Coconut Creek adopts annual appropriated budgets for all governmental funds. A budgetary comparison statement has been provided for each of those funds to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 19 through 24 of this report.

Proprietary Funds. The City of Coconut Creek maintains one type of proprietary fund known as an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Coconut Creek uses enterprise funds to account for its water and wastewater operation and its stormwater management.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 25 through 28 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 starting on page 29 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Coconut Creek's general fund budgetary comparison schedule to demonstrate compliance with the budget. Required supplementary information can be found on starting on page 51 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 55 of this report.

Government-wide Financial Analysis

Summary of net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Assets summary presentation as reflected below:

- 1) ***Net results of activities*** will impact (increase/decrease) current assets and unrestricted net assets.
- 2) ***Borrowing for capital*** will increase current assets and long-term debt.
- 3) ***Spending borrowed proceeds on new capital*** will reduce current assets and increase capital assets. Additionally, an increase in invested in capital assets and an increase in related debt will not change the invested in capital assets, net of debt.
- 4) ***Spending of non-borrowed current assets on new capital*** will reduce current assets, increase capital assets, reduce unrestricted net assets, and increase invested in capital assets, net of debt.
- 5) ***Principal payment on debt*** will reduce current assets, reduce long-term debt, decrease unrestricted net assets, and increase invested in capital assets, net of debt.
- 6) ***Reduction of capital assets*** through depreciation will reduce capital assets and invested in capital assets, net of debt.

City of Coconut Creek, Florida

Management's Discussion and Analysis

In the case of the City of Coconut Creek, combined net assets exceeded liabilities by \$ 158.7 at the close of fiscal year 2009 (see Table 1 below).

Table 1
City of Coconut Creek's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 47.2	\$ 50.1	\$ 14.7	\$ 18.1	\$ 61.9	\$ 68.2
Capital assets	72.9	71.8	60.3	55.8	133.2	127.6
Total assets	120.1	121.9	75.0	73.9	195.1	195.8
Long-term liabilities outstanding	27.7	32.4	0.4	0.4	28.1	32.8
Other liabilities	5.1	3.9	3.2	3.0	8.3	6.9
Total liabilities	32.8	36.3	3.6	3.4	36.4	39.7
Net assets:						
Invested in capital assets, net of related debt	49.7	45.1	60.3	55.8	110.0	100.9
Unrestricted	27.6	28.2	11.1	14.7	38.7	42.9
Restricted	10.0	12.3	-	-	10.0	12.3
Total net assets	\$ 87.3	\$ 85.6	\$ 71.4	\$ 70.5	\$ 158.7	\$ 156.1

The largest portion of the City of Coconut Creek's net assets (69.3%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Coconut Creek uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Coconut Creek'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.

An additional portion of the City of Coconut Creek's net assets (6.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$ 38.7) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Coconut Creek is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

The City's long-term liabilities decreased \$ 4.7. A significant portion of this decrease is related to a \$ 3.5 net decrease in total debt related to principal payments and a \$ 1.2 decrease in litigation payable. The net change in the accrual of compensated absences was immaterial. Other liabilities increased by \$ 1.4, of which \$ 1.2 is due to the recognition of the OPEB liability created as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers For Post-employment Benefits Other Than Pension. The remaining \$ 0.2 is a combination of a decrease related to a reimbursement due to FEMA, a decrease in accrued interest payable to bond holders, an increase in unearned business tax revenues, and an

Management's Discussion and Analysis

increase related to the timing of payments made to vendors. Current and other assets decreased \$ 6.3 due to a decrease in the results of activities.

Summary of changes in net assets. The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) ***Economic Condition*** can reflect a declining, stable, or growing environment and has an impact on property taxes, non-ad valorem assessments and sales, gas, or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.
- 2) The City Commission has authority to set ***increases or decreases in City rates*** (water, wastewater, stormwater, permitting, impact fees, user fees, etc.).
- 3) ***Changing patterns in intergovernmental and grant revenues*** (both recurring and non-recurring) can change and impact the annual comparisons.
- 4) ***Market impacts on investment income*** may cause investment revenues to fluctuate from the prior year.

Basic impacts on expenses are outlined below:

- 1) ***Introduction of new programs*** can have an impact on property taxes, non-ad valorem assessments and sales, gas or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.
- 2) ***Changes in service demand levels*** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent approximately 51% of the City's operating costs.
- 3) ***Salary increases*** such as cost of living, performance increases, and pension contributions can impact personal service costs.
- 4) ***While there was a decrease in the consumer price index***, the City is a major consumer of certain commodities such as chemicals, supplies, fuels, and parts. Some functional expenses may experience unusual commodity specific increases. In addition, the City has various contracts with a set increase each year.

The City's net assets increased by \$ 2.6 during the fiscal year. The City had appropriated \$ 5.7 of net assets for spending in the 2009 fiscal year budget. However, the City was able to increase net assets because of staff vacancies, savings in operating expenses, increased water and sewer revenues, and other miscellaneous savings. Additionally, approximately 46% (\$ 1.2) of the increase in net assets was attributed to a one time positive variance as a result of a litigation settlement (see Note 12 on page 47).

City of Coconut Creek, Florida

Management's Discussion and Analysis

The changes in net assets for governmental and business-type activities are as follows:

Table 2
City of Coconut Creek's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues						
Charges for services	\$ 13.5	\$ 14.9	\$ 14.0	\$ 12.3	\$ 27.5	\$ 27.2
Operating grants and contributions	0.9	1.2	-	-	0.9	1.2
Capital grants and contributions	0.1	4.6	2.1	3.7	2.2	8.3
General revenues						
Property taxes	15.9	16.1	-	-	15.9	16.1
Utility taxes	5.9	5.5	-	-	5.9	5.5
Franchise taxes	4.2	4.0	-	-	4.2	4.0
Intergovernmental	4.9	5.5			4.9	5.5
Investment income	0.9	1.2	0.3	0.6	1.2	1.8
Miscellaneous	2.4	1.2	0.2	0.2	2.6	1.4
Total revenues	48.7	54.2	16.6	16.8	65.3	71.0
Expenses						
General government	10.8	10.4	-	-	10.8	10.4
Public safety	22.8	21.4	-	-	22.8	21.4
Physical environment	6.6	6.7	-	-	6.6	6.7
Culture/recreation	5.8	5.7	-	-	5.8	5.7
Interest on long-term debt	1.0	1.1	-	-	1.0	1.1
Water and wastewater	-	-	14.9	13.4	14.9	13.4
Stormwater	-	-	0.8	0.7	0.8	0.7
Total expenses	47.0	45.3	15.7	14.1	62.7	59.4
Increase in net assets	1.7	8.9	0.9	2.7	2.6	11.6
Net assets-beginning	85.6	76.7	70.5	67.8	156.1	144.5
Net assets-ending	\$ 87.3	\$ 85.6	\$ 71.4	\$ 70.5	\$ 158.7	\$ 156.1

Governmental activities. Governmental activities increased the City of Coconut Creek's net assets by \$ 1.7, thereby accounting for 65.4% of the total growth in the net assets of the City of Coconut Creek.

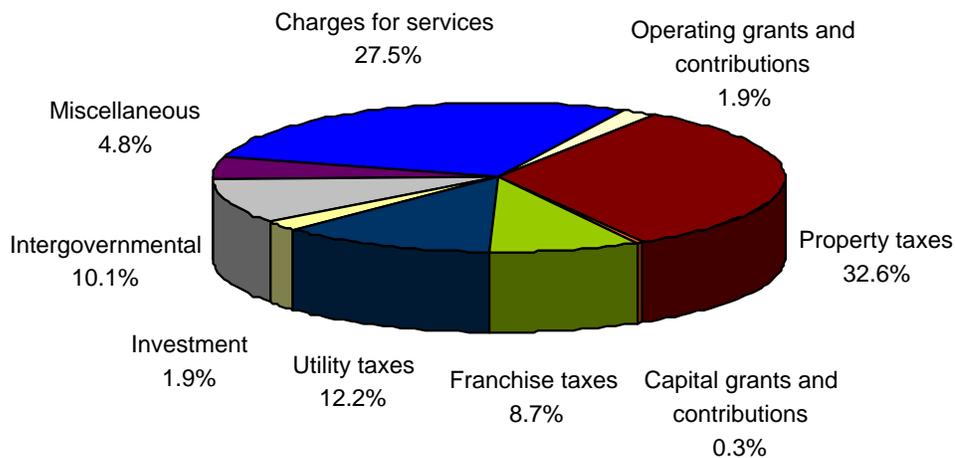
Management's Discussion and Analysis

Key elements of this increase are as follows:

- Property taxes decreased by \$ 0.2 (-1.2%) during the year. This decrease can be attributed to a decrease in downward adjustments made by the value adjustment board and a delay in receipt of property tax revenue, offset by a slight increase due to new construction.
- Charges for services decreased by \$ 1.4 (-9.4%) during the year. The decrease is primarily attributed to the decrease in building permitting revenues as a result of the stagnant real estate market, which was slightly offset by the annual increase in the fire special assessment fee and the Seminole municipal service fees as a result of the approval of Class III gaming in Broward County.
- Operating grants/contributions decreased \$ 0.3 (-25.0%) during the year. The decrease is a direct result of the timing of various grant related expenditures and applicable reimbursements.
- The capital grants/contributions decreased by \$ 4.5 (-97.8%). This decrease can be attributed to a large receipt in revenues received by the City in FY2008 for participation in the DEA Task Force. The City received \$ 3.3 in FY2008, versus \$ 0.1 in FY2009. The remaining decrease is a result of the timing of various grant related expenditures and applicable reimbursements.
- Investment income decreased by \$ 0.3 (-25.0%). The decrease is primarily attributed to the market conditions and the earning potential on current investments.
- Expenses increased by \$ 1.7 (3.8%) during the year. This increase is attributed to the increase in the cost to provide services, primarily in public safety.

Governmental revenues decreased 10% to \$ 48.7. 32.6% of these revenues received come from property taxes and 20.9% from utility and franchise taxes (see Chart 1 below):

CHART 1
Revenues by Source-Governmental Activities



City of Coconut Creek, Florida

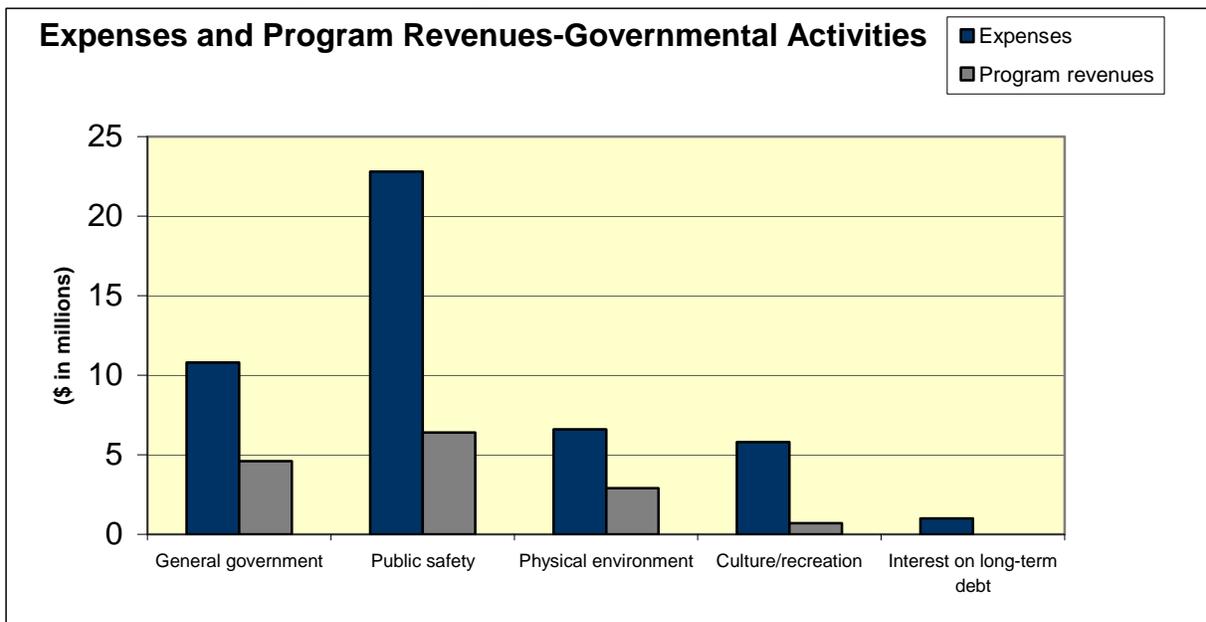
Management's Discussion and Analysis

Chart 2 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$ 47. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services (\$ 13.5), and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions (\$ 1.0).

The City financed the remaining \$ 32.5 "public benefit" portion of governmental activities with \$ 26 in taxes and with other revenues such as unrestricted state aid and interest income.

CHART 2
Expenses and Program Revenues—Governmental Activities



Business-type activities. Business-type activities increased the City of Coconut Creek's net assets by \$ 0.9, accounting for 34.6% of the total increase in the government's net assets. Revenues of the City's business-type activities decreased 1.2% to \$ 16.6, while expenses increased by 11.3% to \$ 15.7. Factors contributing to these results included:

- Capital grants and contributions decreased by \$ 1.6 (43.2%) resulting from the decrease in contributions of infrastructure related to the number and size of the respective projects developed. The decrease is a direct result of the current economic environment.
- Charges for services increased by \$ 1.7 (13.8%) due to a new water/wastewater rate structure implemented in FY 09. The new rate structure was introduced to mitigate the impact of Broward County rate increases and to provide funding to adequately maintain the system's infrastructure.
- Investment income decreased by \$ 0.3 (-50.0%). The decrease is primarily attributed to market conditions and the earning potential on current investments.
- Expenses increased by \$ 1.6 (11.3%) during the year. This increase is attributed to the increase in the cost to provide services.

Management's Discussion and Analysis

Financial Analysis of the City's Funds

As noted earlier, the City of Coconut Creek uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Coconut Creek's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Coconut Creek's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$ 41.8, a decrease of \$ 3.1 in comparison with the prior year. A portion of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to assets held for resale (\$8.6) and inventory and prepaid costs (\$ 0.2).

The general fund is the chief operating fund of the City of Coconut Creek. At the end of the current fiscal year, fund balance totaled \$ 18.7, of which, \$ 14.3 is unreserved, undesignated fund balance of the general fund. As a measure of the general fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 33.7% of total general fund expenditures and transfers out.

The fund balance of the City of Coconut Creek's general fund increased by \$ 0.1 during the current fiscal year. The City had appropriated \$ 2.0 of fund balance for spending in the 2009 fiscal year budget. , However, staff vacancies and unused departmental expenditures eliminated the need for the use of appropriated fund balance. The primary factors contributing to the increase in fund balance includes personnel cost savings of \$ 1.4 (approximately 4.7% of total personnel cost) resulting from vacancies and operating cost savings of \$ 2.6 (approximately 18.3% of total operating costs). The savings were offset by a significant decrease of \$ 1.5 in building permitting revenues as a result of the stagnant housing market. The City also realized decreases of \$ 0.4 in both charges for services and state shared revenues, i.e. sales tax revenue as a result of the declining economic conditions.

The Grants Fund has a fund balance of \$ 1.6, which is held in cash and investments for future use for various on-going projects.

The 2003 capital projects fund has a total fund balance of \$8.6, which is essentially land reserved as assets held for resale.

The capital improvement program fund has a total fund balance of \$ 2.1, of which \$ 2 is held in cash and investments. This fund also has \$ 0.6 held in deferred revenues for grant related expenditures that are expected to be reimbursed in the next fiscal year.

The public safety improvement fund has a total fund balance of \$ 0.4, of which \$ 0.4 is held in cash and investments.

City of Coconut Creek, Florida

Management's Discussion and Analysis

Proprietary funds. The City of Coconut Creek's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Wastewater Fund at the end of the year amounted to \$ 8.7. The total decrease in net assets was \$ 0.1. Unrestricted net assets of the Stormwater Management Fund at the end of the year amounted to \$ 2.4. The total increase in net assets was \$ 1.0. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Coconut Creek's business-type activities.

General Fund Budgetary Highlights

During the year, there was a \$ 0.3 re-allocation in appropriations between the original and the final budget amended budget for the General Fund. Following are the main components of the re-allocation:

- \$ 0.3 in the General Fund was transferred to non-departmental legal services to cover legal costs associated with the closure of the land fill. This transfer was funded from the contingency section of the City's General Fund. The City has allocated sufficient resources to cover this expenditure for fiscal year 2010.

The significant variance between the final budget and the year-end actual results are as follows:

- As of fiscal year-end, actual revenue amounts fell short of the final budget by \$ 2.2. The decrease is primarily attributed to \$ 1.5 decrease in building permitting revenues as a result of a decrease in number and size of commercial construction projects than was anticipated due to the current economic environment. Net property tax revenues showed an unfavorable variance of \$ 0.2 due to downward adjustments made by the value adjustment board and a delay in receipt of property tax revenue, offset by a slight increase due to new construction. Franchise fees and utility taxes were both \$ 0.3 more than anticipated. Franchise fees showed a favorable variance mainly because of an increase in the solid waste franchise fee rate. Utility taxes showed a favorable variance due to an unanticipated additional receipt in communications services tax. Both intergovernmental revenues and charges for services showed an unfavorable variance of \$ 0.5 due mainly to the current economic downturn.
- As of fiscal year-end, actual expenditures compared to budget were under by \$ 4.3, which amounts for approximately 9.6% of the budget. \$ 1.4 relates to savings in personnel costs and the remaining difference results from various operational savings during the year, including a decrease in the City's insurance premiums.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets (see Table 3). The City of Coconut Creek's investment in capital assets for its governmental and business type activities as of September 30, 2009, amounts to \$ 133.1 (net of depreciation). This investment in capital assets includes land, buildings, water/sewer system improvements, machinery and equipment, park facilities, and streets. The total increase in the City of Coconut Creek's investment in capital assets for the current fiscal year was \$ 5.5 (an insignificant increase in governmental activities and a 7.9% increase for business-type activities).

Table 3
City of Coconut Creek's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 24.3	\$ 24.3	\$ 0.4	\$ 0.4	\$ 24.7	\$ 24.7
Buildings	17.2	17.1	2.7	-	19.9	17.1
Improvements	6.1	6.2	1.0	-	7.1	6.2
Equipment	5.1	4.0	1.6	1.3	6.7	5.3
Infrastructure	18.0	18.5	54.0	48.4	72.0	66.9
Construction in progress	2.2	1.7	0.5	5.7	2.7	7.4
Total	\$ 72.9	\$ 71.8	\$ 60.2	\$ 55.8	\$ 133.1	\$ 127.6

For governmental activities, this year's major capital asset additions before depreciation totaled \$ 3.6 and include the following:

- \$ 0.6 in new construction in progress, of which relates to projects started in the City, but not yet completed, such as improvements to roads, sidewalks, parks and building enhancements.
- \$ 0.9 in buildings and improvements to various government buildings and City parks, including the hurricane hardening of fire stations 50 and 94, and a mobile firing range for the Police Department.
- \$ 2.1 in new equipment including the purchase of playground equipment (\$ 0.2), a video system for the Police Department (\$ 0.4), an upgrade of the telephone system (\$ 0.4), replacement vehicles (\$ 0.5), replacement computers (\$ 0.2) and other equipment related to operational needs (\$ 0.4).

For governmental activities, this year's major capital asset disposal consisted of \$ 0.3 in vehicles, computers, and miscellaneous equipment that were replaced.

Major capital additions for business-type activities before depreciation totaled \$ 5.7, which includes \$ 2.8 for construction in progress, which includes a water storage tank, and a utility security system; \$ 2.8 for infrastructure contributions, including Lake Julie and 69th Street improvements, and various sewer and lift station rehabilitations; and \$ 0.1 for additional equipment required for operations.

Additional information on the City of Coconut Creek's capital assets can be found in Note 6 on pages 38 through 40 of this report.

Long-term debt (see Table 4). At the end of the current fiscal year, the City of Coconut Creek had total debt outstanding of \$ 23.2.

Management's Discussion and Analysis

The City of Coconut Creek's total debt decreased by \$3.5 (13%) during the current fiscal year due to required debt service payments. Also, the City has a capital lease for City-wide telephone equipment which will be paid off in FY 2010. The balance as of September 30, 2009 was immaterial, and thus not included in the totals below.

Table 4
City of Coconut Creek's Outstanding Debt
Revenue Notes and Other Debt

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue notes (backed by specific tax and fee revenues)	\$ 21.8	\$ 24.3	\$ -	\$ -	\$ 21.8	\$ 24.3
Notes payable	1.4	2.3	-	-	1.4	2.3
Capital lease	-	0.1	-	-	-	0.1
Total	\$ 23.2	\$ 26.7	\$ -	\$ -	\$ 23.2	\$ 26.7

The City's revenue notes were obtained as bank qualified loans therefore do not have a bond rating. Additional information on the City of Coconut Creek's long-term debt can be found in Note 7 on pages 40 through 43 of this report.

Economic Factors and Next Year's Budgets and Rates

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property taxes and a limited array of permitted other taxes (sales, communication, gasoline, utilities services, etc.) and fees (franchise, building permits, recreation, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (building inspections, fire service, recreation programs, etc.) the user pays a related fee or charge associated with the service.

Unreserved, undesignated fund balance in the general fund totals \$ 14.3. Of that amount, the City of Coconut Creek appropriated \$ 2.0 for spending in the 2010 fiscal year budget. It is intended that staff vacancies and unused departmental expenditures will limit the use of appropriated fund balance.

Property tax relief proposals and counter-proposals have dominated the legislative agenda for the past three years. The Legislature passed a two-phase property tax relief plan in the 2007 Legislative session. Since balancing the State Budget took priority during the 2008 session, the Legislature did not pass any additional property tax relief measures. However, there were several bills that were passed during the 2009 session that have some effects on property taxes. The first phase of property tax relief, which affected FY 2008, limited the City to the tax revenue it received in Fiscal Year 2007, less a compound annual growth penalty based on a growth from FY 2002 to FY 2007. The City of Coconut Creek was required to deduct an additional 9% in tax revenues. The second phase, which required voter approval to change the Florida Constitution, resulted in an overall decrease in taxable value in FY2009. Then in 2009, the State Legislature approved several other property tax proposals which require voter approval. The most significant proposal reduces the cap on the increase in assessed values on non-homesteaded properties from 10% to 5% and provides for an additional homestead exemption for properties purchased after January 1, 2010. This amount will be equal to 25% of the homestead property's just value, not to exceed \$ 100,000 and will be reduced over the next 5 years of residency. This amendment will be submitted to the electors at the

Management's Discussion and Analysis

general election in November 2010. If approved by 60% of the voters, it will go into effect the 2011 tax year, or fiscal year 2012.

In fiscal year 2010, the City increased its property tax millage rate of 4.8869 to 5.6837. This new property millage rate is the calculated rollback and therefore will not generate additional property tax revenue compared to the prior year. The increase in the property tax millage rate is a result of the slumping housing market and related decrease in the property taxable value.

Coconut Creek is unique in that the Seminole Tribe of Florida has sovereign land within the city limits in the Mainstreet area. In 1999, the City and the Seminoles created the Municipal Services Provider Agreement, which outlined the responsibilities of both parties as development for a Class II gaming casino began on their land. The agreement was necessary because their land is effectively owned by the federal government for the benefit of the Seminole Tribe and the City loses many jurisdictional prerogatives in favor of federal regulations. It was and is a landmark agreement, as it is the only one of its kind in the country.

By referendum, Broward County voters voted to allow Class III slots (Las Vegas type) within the County. The National Indian Gaming Commission regulations provide that Native America Tribes may offer Class III gaming activities as long as it's already legal within the State. However, they are procedurally required to seek a compact with the Governor to outline the implementation of their gaming. During the 2009 legislative session, parameters were established for a new Seminole Indian Gaming Compact. Governor Crist had entered into a gaming compact with the Seminole Tribe, which was challenged by the Florida House of Representatives. Ultimately, the Florida Supreme Court declared that the Governor's compact was unconstitutional. The 2009 legislation proposed new compact terms that were negotiated by the Governor and Seminole Tribe on August 31, 2009 and is subject to future legislative approval. Since Coconut Creek is the resident community where the Casino is and where it will grow, the City has already undertaken discussions with the Seminoles to evaluate and solve the issues directly related to the City as their project to expand moves forward. Primarily, roadways, signage, streetlights, lighting, and landscaping are expected to be addressed before the project moves much further. Additional financial support is being sought for community-centered programs. The Seminole Tribe of Florida provides an extraordinary aspect to the City that requires special attention as the Mainstreet area becomes developed.

In the upcoming year, the City of Coconut Creek will benefit from the American Recovery and Reinvestment Act of 2009 signed into law by the Federal Government on February 17, 2009. The Recovery Act was designed to stimulate the economy through measures that modernize the nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. Recovery Funds have been awarded to the City as grants – both formula-based and competitive in nature. The City's grant awards will focus on energy efficiency and infrastructure improvements.

For more than a year, water levels in Lake Okeechobee have remained historically low, forcing the South Florida Water Management District (SFWMD) to implement water restrictions up to Phase III, which limits irrigation to once a week. Regulations are being developed to restrict irrigation permanently to a maximum of twice a week. Since the overall potable water is becoming a limited resource, the SFWMD is mandating that local government agencies look for alternate water supplies. Broward County Water and Wastewater Services (WWS), which is the bulk supplier of our potable water, has identified the deeper Floridian Aquifer as the alternate source to meet the city's future demands. Furthermore, based on a recent mandate by the State Legislature, all wastewater discharge into the ocean must cease by 2025. This will require higher level of treatment before wastewater could be disposed of by such means as reclaimed water and/or deep well injection, both of which are expensive options. Such mandates for water and wastewater will result in substantial increases in the utility rates for customers throughout the region. During this fiscal year, the City completed a utility rate study, which identified the rate structure required to meet current and future demands for continuing operations and maintenance of current infrastructure of the City's utility system. The second stage of the new rate structure will go in effect during fiscal year 2010. It allows for an increase of 15% in water and sewer revenues.

Management's Discussion and Analysis

All of these factors were considered in preparing the City of Coconut Creek's budget for the 2010 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Coconut Creek's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Administrative Services, 4800 West Copans Road, Coconut Creek, FL 33063.

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 8,735,253	\$ 3,285,942	\$ 12,021,195
Accounts receivable	2,700,724	1,790,623	4,491,347
Due from other governments	1,369,492	-	1,369,492
Investments	25,616,631	9,640,374	35,257,005
Inventory and prepaid costs	183,189	-	183,189
Deferred financing costs	27,757	-	27,757
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	26,464,604	951,780	27,416,384
Capital assets being depreciated, net	46,476,180	59,286,876	105,763,056
Total assets	<u>120,193,914</u>	<u>74,955,595</u>	<u>195,149,509</u>
LIABILITIES:			
Accounts payable	405,872	1,200,363	1,606,235
Accrued liabilities	2,537,127	421,849	2,958,976
Unearned revenue	302,979	24,569	327,548
Accrued interest payable	56,220	-	56,220
Customer deposits payable	-	1,441,371	1,441,371
Due to other governments	770,049	-	770,049
OPEB liability	1,113,000	118,000	1,231,000
Noncurrent liabilities:			
Due within one year	7,691,942	11,700	7,703,642
Due in more than one year	19,971,143	420,020	20,391,163
Total liabilities	<u>32,848,332</u>	<u>3,637,872</u>	<u>36,486,204</u>
NET ASSETS:			
Invested in capital assets, net of related debt	49,709,886	60,238,656	109,948,542
Restricted for:			
Law enforcement	2,130,795	-	2,130,795
Street construction and maintenance	3,193,944	-	3,193,944
Community improvements	2,908,057	-	2,908,057
Affordable Housing Program	1,019,007	-	1,019,007
SHIP Program	329,111	-	329,111
Public safety	419,014	-	419,014
Unrestricted	27,635,768	11,079,067	38,714,835
Total net assets	<u>\$ 87,345,582</u>	<u>\$ 71,317,723</u>	<u>\$ 158,663,305</u>

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



CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 10,813,010	\$ 4,493,231	\$ 90,505	\$ -	\$ (6,229,274)	\$ -	\$ (6,229,274)
Public safety	22,816,930	6,290,396	35,726	99,385	(16,391,423)	-	(16,391,423)
Physical environment	6,695,010	2,067,667	791,382	2,655	(3,833,306)	-	(3,833,306)
Culture and recreation	5,781,166	637,475	-	22,914	(5,120,777)	-	(5,120,777)
Interest on long-term debt	979,769	-	-	-	(979,769)	-	(979,769)
Total governmental activities	47,085,885	13,488,769	917,613	124,954	(32,554,549)	-	(32,554,549)
Business-type activities:							
Water and wastewater	14,933,730	12,581,491	-	1,788,573	-	(563,666)	(563,666)
Stormwater management	807,970	1,388,047	-	342,298	-	922,375	922,375
Total business-type activities	15,741,700	13,969,538	-	2,130,871	-	358,709	358,709
Total primary government	\$ 62,827,585	\$ 27,458,307	\$ 917,613	\$ 2,255,825	(32,554,549)	358,709	(32,195,840)
General Revenues:							
Taxes:							
Property taxes					15,885,953	-	15,885,953
Utility taxes					5,936,486	-	5,936,486
Local option gas tax					849,990	-	849,990
Franchise fees					4,222,032	-	4,222,032
Intergovernmental not restricted to specific programs					4,096,996	-	4,096,996
Investment income					916,618	302,799	1,219,417
Miscellaneous					2,350,178	185,841	2,536,019
Total general revenues					34,258,253	488,640	34,746,893
Change in net assets					1,703,704	847,349	2,551,053
Net assets, beginning					85,641,878	70,470,374	156,112,252
Net assets, ending					\$ 87,345,582	\$ 71,317,723	\$ 158,663,305

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

CITY OF COCONUT CREEK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

	General Fund	Grants Fund	2003 Capital Projects Fund	Capital Improvement Program Fund
ASSETS:				
Cash and cash equivalents	\$ 5,038,143	\$ 411,412	\$ 1,878	\$ 512,538
Accounts receivable, net	1,539,963	517,208	174	9,438
Due from other governments	641,841	56,173	-	601,717
Investments	14,769,963	1,207,008	5,509	1,503,697
Inventory and prepaid costs	164,789	-	-	4,660
Assets held for resale	-	-	8,620,084	-
Total assets	\$ 22,154,699	\$ 2,191,801	\$ 8,627,645	\$ 2,632,050
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 290,631	\$ 752	\$ 2,677	\$ 14,298
Accrued liabilities	1,855,913	602,535	-	-
Deferred or unearned revenues	518,647	-	-	555,706
Due to other governments	770,049	-	-	-
Total liabilities	3,435,240	603,287	2,677	570,004
Fund balances:				
Reserved for:				
Inventory and prepaids	164,789	-	-	4,660
Assets held for resale	-	-	8,620,084	-
Unreserved, designated for subsequent year expenditures, reported in:				
General Fund	4,231,021	-	-	-
Special Revenue Funds	-	94,002	-	-
Capital Projects Fund	-	-	2,796	415,120
Debt Service Fund	-	-	-	-
Unreserved, undesignated, reported in:				
General Fund	14,323,649	-	-	-
Special Revenue Funds	-	1,494,512	-	-
Capital Projects Funds	-	-	2,088	1,642,266
Debt Service Fund	-	-	-	-
Total fund balances	18,719,459	1,588,514	8,624,968	2,062,046
Total liabilities and fund balances	\$ 22,154,699	\$ 2,191,801	\$ 8,627,645	\$ 2,632,050

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

Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 106,018	\$ 2,665,264	\$ 8,735,253
584,532	49,409	2,700,724
-	69,761	1,369,492
311,039	7,819,415	25,616,631
-	13,740	183,189
-	-	8,620,084
<u>\$ 1,001,589</u>	<u>\$ 10,617,589</u>	<u>\$ 47,225,373</u>
\$ -	\$ 97,514	\$ 405,872
-	81,715	2,540,163
582,575	50,000	1,706,928
-	-	770,049
<u>582,575</u>	<u>229,229</u>	<u>5,423,012</u>
-	13,740	183,189
-	-	8,620,084
-	-	4,231,021
-	2,569,947	2,663,949
18,450	612,555	1,048,921
-	-	-
-	-	14,323,649
-	6,668,116	8,162,628
400,564	54,538	2,099,456
-	469,464	469,464
<u>419,014</u>	<u>10,388,360</u>	<u>41,802,361</u>
<u>\$ 1,001,589</u>	<u>\$ 10,617,589</u>	<u>\$ 47,225,373</u>



CITY OF COCONUT CREEK, FLORIDA
 RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 September 30, 2009

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 20 \$ 41,802,361

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 95,828,840	
Less accumulated depreciation	<u>(22,888,056)</u>	72,940,784

Grant revenues are considered deferred revenues in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. 1,403,949

Financing costs related to the issuance of long-term debt are expended by governmental funds in the fund financial statements; under full accrual accounting these amounts are treated as an asset and amortized over the life of the debt. 27,757

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable and capital lease	(23,238,285)
Compensated absences	(4,421,764)
Other post employment benefit obligation (OPEB)	(1,113,000)
Accrued interest payable	<u>(56,220)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 17 \$ 87,345,582

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2009

	General Fund	Grants Fund	2003 Capital Projects Fund	Capital Improvement Program Fund
REVENUES:				
Ad valorem taxes	\$ 15,885,953	\$ -	\$ -	\$ -
Franchise fees	4,222,032	-	-	-
Utility taxes	5,936,486	-	-	-
Licenses and permits	1,087,871	-	-	-
Intergovernmental revenues	3,772,418	523,660	-	138,257
Charges for services	10,095,511	-	-	-
Fines and forfeitures	365,672	-	-	-
Investment income	532,116	34,180	2,174	50,506
Miscellaneous revenues	573,552	56,879	-	-
Total revenues	42,471,611	614,719	2,174	188,763
EXPENDITURES:				
Current:				
General government	8,906,651	10,001	-	-
Public safety	21,441,404	4,690	-	-
Physical environment	4,630,213	243,041	170,965	-
Culture and recreation	5,143,265	-	-	-
Nondepartmental	114,781	-	-	-
Capital outlay	208,060	10,148	24,955	1,734,550
Debt service:				
Principal	34,706	-	-	-
Interest and fiscal charges	1,363	-	-	-
Total expenditures	40,480,443	267,880	195,920	1,734,550
Excess (deficiency) of revenues over expenditures	1,991,168	346,839	(193,746)	(1,545,787)
OTHER FINANCING SOURCES (USES):				
Transfers in	66,554	-	-	425,000
Transfers out	(1,994,070)	-	-	-
Total other financing sources (uses)	(1,927,516)	-	-	425,000
Net change in fund balances	63,652	346,839	(193,746)	(1,120,787)
FUND BALANCES, beginning	18,655,807	1,241,675	8,818,714	3,182,833
FUND BALANCES, ending	<u>\$ 18,719,459</u>	<u>\$ 1,588,514</u>	<u>\$ 8,624,968</u>	<u>\$ 2,062,046</u>

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

Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 15,885,953
-	-	4,222,032
-	-	5,936,486
-	-	1,087,871
-	1,371,073	5,805,408
-	2,067,667	12,163,178
-	96,005	461,677
9,113	261,831	889,920
118,036	564,924	1,313,391
<u>127,149</u>	<u>4,361,500</u>	<u>47,765,916</u>
-	608,040	9,524,692
-	63,605	21,509,699
-	933,252	5,977,471
-	-	5,143,265
-	95,320	210,101
58,777	1,904,557	3,941,047
-	3,417,569	3,452,275
-	1,149,418	1,150,781
<u>58,777</u>	<u>8,171,761</u>	<u>50,909,331</u>
68,372	(3,810,261)	(3,143,415)
-	3,342,320	3,833,874
-	(1,839,804)	(3,833,874)
-	1,502,516	-
68,372	(2,307,745)	(3,143,415)
350,642	12,696,105	44,945,776
<u>\$ 419,014</u>	<u>\$ 10,388,360</u>	<u>\$ 41,802,361</u>

CITY OF COCONUT CREEK, FLORIDA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended September 30, 2009

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS, PAGE 23 \$ (3,143,415)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Recorded as capital assets	\$	3,592,995	
Depreciation expense		<u>(2,330,455)</u>	1,262,540

Revenues that do not meet the period of availability are recorded as deferred revenue in the fund statements but are recorded as revenues in the government-wide statements.	(24,015)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,452,274
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Certain items reported in the statement of activities do not required the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in litigation payable	1,200,000
Change in accrued interest payable	179,713
Change in compensated absences	50,622
Provision for amortization of deferred financing costs	(8,700)
Change in other post employment benefit obligation (OPEB)	(1,113,000)

In the statement of activities, only the gains/(losses) on sale of capital assets are reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balances by the cost of the capital assets, net.

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 18	\$	<u>(152,315)</u>	<u><u>1,703,704</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2009

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Non-major- Stormwater Management Fund	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 2,692,320	\$ 593,622	\$ 3,285,942
Accounts receivable	1,615,165	175,458	1,790,623
Total current assets	<u>4,307,485</u>	<u>769,080</u>	<u>5,076,565</u>
Noncurrent assets:			
Investments	7,898,792	1,741,582	9,640,374
Capital assets:			
Land	406,071	-	406,071
Buildings	2,747,901	-	2,747,901
Improvements	1,061,375	-	1,061,375
Equipment	1,693,795	451,379	2,145,174
Infrastructure	71,715,161	690,357	72,405,518
Construction in progress	545,709	-	545,709
Total capital assets	<u>78,170,012</u>	<u>1,141,736</u>	<u>79,311,748</u>
Less accumulated depreciation	18,993,100	79,992	19,073,092
Total capital assets, net	<u>59,176,912</u>	<u>1,061,744</u>	<u>60,238,656</u>
Total assets	<u>\$ 71,383,189</u>	<u>\$ 3,572,406</u>	<u>\$ 74,955,595</u>
LIABILITIES AND NET ASSETS:			
Current liabilities:			
Accounts payable	\$ 1,200,223	\$ 140	\$ 1,200,363
Accrued liabilities	401,902	19,947	421,849
Unearned revenues	24,569	-	24,569
Compensated absences	10,284	1,416	11,700
Customer deposits payable	1,441,371	-	1,441,371
Total current liabilities	<u>3,078,349</u>	<u>21,503</u>	<u>3,099,852</u>
Noncurrent liabilities:			
Other postemployment benefit obligations	79,000	39,000	118,000
Compensated absences	386,875	33,145	420,020
Total liabilities	<u>3,544,224</u>	<u>93,648</u>	<u>3,637,872</u>
Net assets:			
Invested in capital assets	59,176,912	1,061,744	60,238,656
Unrestricted	8,662,053	2,417,014	11,079,067
Total net assets	<u>\$ 67,838,965</u>	<u>\$ 3,478,758</u>	<u>\$ 71,317,723</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
For the Year Ended September 30, 2009

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Non-Major- Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 12,581,491	\$ 1,388,047	\$ 13,969,538
Miscellaneous	185,841	-	185,841
Total operating revenues	<u>12,767,332</u>	<u>1,388,047</u>	<u>14,155,379</u>
Operating expenses:			
Administrative costs	3,718,896	225,009	3,943,905
Operations and maintenance	9,984,506	526,550	10,511,056
Depreciation	1,203,805	39,705	1,243,510
Other services and charges	20,967	16,706	37,673
Total operating expenses	<u>14,928,174</u>	<u>807,970</u>	<u>15,736,144</u>
Operating income (loss)	<u>(2,160,842)</u>	<u>580,077</u>	<u>(1,580,765)</u>
Non-operating revenues (expenses):			
Interest expense and fees	(5,556)	-	(5,556)
Investment income	257,234	45,565	302,799
Total non-operating revenues (expenses)	<u>251,678</u>	<u>45,565</u>	<u>297,243</u>
Income (loss) before contributions	<u>(1,909,164)</u>	<u>625,642</u>	<u>(1,283,522)</u>
Capital contributions - developers	1,788,573	342,298	2,130,871
Change in net assets	<u>(120,591)</u>	<u>967,940</u>	<u>847,349</u>
NET ASSETS, beginning	67,959,556	2,510,818	70,470,374
NET ASSETS, ending	<u>\$ 67,838,965</u>	<u>\$ 3,478,758</u>	<u>\$ 71,317,723</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Year Ended September 30, 2009

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor- Stormwater Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 12,292,190	\$ 1,574,259	\$ 13,866,449
Payments to employees for services	(9,845,276)	(588,997)	(10,434,273)
Payments to suppliers	(3,619,795)	(185,351)	(3,805,146)
Net cash provided by (used in) operating activities	<u>(1,172,881)</u>	<u>799,911</u>	<u>(372,970)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(5,556)	-	(5,556)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(3,531,890)	(36,090)	(3,567,980)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	307,259	44,316	351,575
Proceeds from sales and maturities of investments	16,625,542	2,256,828	18,882,370
Purchase of investments	(13,295,333)	(2,982,211)	(16,277,544)
Net cash provided by (used in) investing activities	<u>3,637,468</u>	<u>(681,067)</u>	<u>2,956,401</u>
Net increase (decrease) in cash and cash equivalents	(1,072,859)	82,754	(990,105)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>3,765,179</u>	<u>510,868</u>	<u>4,276,047</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,692,320</u>	<u>\$ 593,622</u>	<u>\$ 3,285,942</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(continued)
For the Year Ended September 30, 2009

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor- Stormwater Management Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,160,842)	\$ 580,077	\$ (1,580,765)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Provision for depreciation	1,203,805	39,705	1,243,510
(Increase) decrease in assets:			
Accounts receivable	(473,514)	186,212	(287,302)
Increase (decrease) in liabilities:			
Accounts payable	183,245	(49,186)	134,059
Accrued liabilities	(22,170)	(2,297)	(24,467)
Unearned revenues	(18,298)	-	(18,298)
Compensated absences	19,223	6,400	25,623
Customer deposits payable	16,670	-	16,670
Other postemployment benefit obligations	79,000	39,000	118,000
Total adjustments	<u>987,961</u>	<u>219,834</u>	<u>1,207,795</u>
Net cash provided by (used in) operating activities	<u>\$ (1,172,881)</u>	<u>\$ 799,911</u>	<u>\$ (372,970)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, AND CAPITAL RELATED FINANCING ACTIVITIES			
Contributions of capital assets from developers	<u>\$ 1,788,573</u>	<u>\$ 342,298</u>	<u>\$ 2,130,871</u>

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Coconut Creek, Florida (the "City"), located in Broward County, Florida, is a municipal corporation incorporated on February 20, 1967. The City is governed by an elected mayor and four-member commission and operates under the commission/manager form of government. The City provides the following services as authorized by its Charter – general government, public safety, physical environment, water/wastewater, stormwater and culture/recreation.

The following is a summary of the significant accounting policies applicable to the City:

A. Financial Reporting Entity:

Accounting principles generally accepted in the United States of America require that the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no agencies or entities which should be presented with the City.

B. Government-Wide and Fund Financial Statements:

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The government-wide 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. Indirect costs are included in the program expense reported for individual functions and activities. *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, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

The net cost by function is normally covered by general revenues (property taxes, utility taxes, franchise fees, certain intergovernmental revenues, investment income, etc.). The City applies eligible expenses against available restricted resources before the use of unrestricted resources.

Separate fund-based financial statements are provided for governmental funds and proprietary funds. The focus of governmental and proprietary fund financial statements is on major funds. Financial information is presented for each major fund in a separate column. The General Fund is always reported as a major fund. Nonmajor funds are aggregated and displayed in a single column.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation:

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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 revenue in the year when levied for. 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. 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, other post employment benefits, and claims and judgments, are recorded only when due.

Property taxes, when levied for, franchise fees, licenses, utility taxes, charges for services, intergovernmental revenue, when eligibility requirements are met, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period if available. Permits, fines and forfeitures are considered to be measurable only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Grants Fund* is a Special Revenue Fund that is used to account for revenues received for various grant programs.

The *2003 Capital Projects Fund* is a Capital Projects Fund that accounts for financial resources to be used for the City's capital improvement projects as funded by the Series 2003D – \$ 13 Million Capital Improvement Revenue Note.

The *Capital Improvement Program Fund* is a Capital Projects Fund that accounts for the City's capital improvement program.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *Public Safety Improvement Fund* is a Capital Projects Fund that accounts for fees charged to developers to ensure that the City's level of service for police and fire/rescue will not be adversely affected by the development growth. The funds have been restricted by City Ordinance for police and fire/rescue services.

The City reports the following major proprietary fund:

The *Water and Wastewater Fund* accounts for the water and wastewater operations of the City-owned water and sewer utility system.

D. Proprietary Fund Accounting:

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board ("GASB"). The City has elected not to follow private-sector guidance issued after November 30, 1989.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Accounting Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include cash on hand, demand deposits, investments with the State Board of Administration investment pool, and investments with original maturities of three months or less when purchased. The City maintains a cash and investment pool that is available for use by all funds. Each fund's equity in the City's pooled cash is considered to be a cash equivalent since the funds can be deposited or effectively withdrawn at any time without prior written notice or penalty.

Cash balances from all funds are combined and invested to the extent available in authorized investments for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based on pooled cash and investment balances of the respective funds. Investments are reported at their fair value based on the quoted market prices as reported by recognized security exchanges. The reported value of the investment pool is the same as the fair value of the pool shares.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable:

Accounts receivable balances consists of amounts due for charges for services, fees, taxes, grants, unbilled utility services, etc. The unbilled portion of water and sewer earned revenues is accrued at year-end and is based on the October billing. The City of Coconut Creek has an Inter-local Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The City of Margate collects charges for emergency medical services provided and remits the amounts collected to Coconut Creek, less a 7% collection fee. Management determines an allowance for uncollectible amounts based on a review of the accounts and their knowledge of the creditors and their ability to pay.

H. Inventories and Prepaid Costs:

Inventories are valued at lower of cost or market. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

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. These costs are accounted under the consumption method.

I. Capital Assets:

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks, pump stations, lighting system, water and sewer system and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. In governmental fund financial statements, capital assets are recorded as expenditures and no depreciation expense is recorded. Capital assets are defined by the City as assets with an estimated useful life in excess of two years and an initial, individual cost of more than \$ 1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts, and any resulting gain or loss is included in the change in net assets.

Major outlays for capital assets and improvements are capitalized as they are constructed. For business-type activities and proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds of specific project debt over the same period. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Improvements	20 years
Equipment	5-30 years
Infrastructure	15-65 years

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Compensated Absences:

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid upon separation of service. Compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. The liability for accrued compensated absences of governmental funds is reported in the balance sheet of the governmental funds when amounts are due.

K. Long-Term Obligations:

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

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Debt principal payments are reported as expenditures. 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.

L. Fund Balance/Net Assets:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for specific purpose by external parties. Designations of fund balance represent tentative managerial plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt exclude unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide statement of net assets reports \$ 9,999,928 of restricted net assets, of which \$ 5,653,850 is restricted by enabling legislation.

M. Encumbrances:

Encumbrance accounting, under which purchase orders and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances lapse at year-end; such encumbrances are treated as an automatic budget amendment in the next fiscal year and are therefore presented as designated fund balance for subsequent year expenditures in the governmental funds balance sheet.

N. Statement of Cash Flows:

For purposes of the statement of cash flows, the enterprise funds consider all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Deferred Financing Costs:

The deferred financing costs are being amortized using the interest method over the terms of the related revenue notes.

P. Accrued Liabilities:

Included in accrued liabilities are amounts owed for wages and related expenses as well as other liabilities.

Q. Assets Held for Resale:

The assets held for resale represent land purchased by the City with the express intent to resell. This land is reported at the lower of cost or net realizable value.

NOTE 2 - PROPERTY TAXES

The City's property tax is levied each October on the assessed value established by the Broward County Property Appraiser as of the prior January 1 for all real property located in the City.

The City is permitted by Florida Statute to levy ad valorem taxes for real and tangible personal property up to \$ 10 per \$ 1,000 of assessed taxable value, except for special benefits and debt service obligations issued with the approval of those taxpayers subject to ad valorem taxes. The assessed taxable value as of January 1, 2008, upon which the 2008-2009 levy was based, was \$ 3,431,341,662. The tax rate to finance all governmental services for the year ended September 30, 2009 was 4.8869 per \$ 1,000 of assessed taxable value.

Taxes become payable on November 1 each year and may be discounted up to 4% for payment prior to the following March 1. All unpaid taxes become delinquent on April 1 of the year following the year in which the taxes were levied. Property is liened for unpaid taxes on June 1 of the year following the year in which the taxes were levied.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

As of September 30, 2009, the City's cash and investments were as follows:

Statement of Net Assets:

Cash and cash equivalents	\$ 12,021,195
Investments	35,257,005
Total	\$ <u>47,278,200</u>

Deposits and Investments:

Deposits	\$ 12,021,195
Non-negotiable certificate of deposits	19,000,000
Investments	16,257,005
Total	\$ <u>47,278,200</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The City pools substantially all cash and investments. Each fund's equity share of the total pooled cash and investments is included in the accompanying statement of net assets and balance sheet as cash and cash equivalents or investments.

The deposit and investment authority of the City is prescribed by State of Florida Statute Chapters 280 and 218.415, respectively. City policy conforms to state statutes.

Deposits: At September 30, 2009, the carrying amount of the City's deposits totaled \$ 31,021,195. Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. All of the City's public deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any 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 fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss.

Authorized investments: The City is authorized by state statutes and local ordinances to invest in the State Board of Administration's ("SBA") Investment Account; negotiable direct obligations of, or obligations where the principal and interest of which are unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in qualified banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state; securities of, or other interests in investment trust registered under the Investment Company Act of 1940; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations of the Federal National Mortgage Association including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal policy, but its practices are to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities or by cash flow projections.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Maturities	Fair Value
Federal Agency Issues	Less than 1 year	\$ 1,043,130
Federal Agency Issues	1 to 5 years	2,008,440
Federal Agency Issues	6 to 10 years	12,189,885
U.S. Treasury Obligations	Less than 1 year	1,015,550
		\$ <u>16,257,005</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization. In accordance with the City's investment policy, the City minimizes credit risk by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business. All Federal Agency issues are issued or explicitly guaranteed by the U.S. government and are not subject to credit risk. Investments in certificate of deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level.

Concentration of credit risk: The City's investment policy is to apply the "Prudent Person Rule" which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived." The "Prudent Person Rule" shall be applied in the context of managing the overall portfolio. The City limits its risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires securities be held by a third party custodian and be properly designated as an asset of the City and held in the City's name. As of September 30, 2009, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE

Receivables as of September 30, 2009 for the City's individual major funds and nonmajor funds in aggregate are as follows:

	Accounts	Taxes and Franchise Fees	Special Assessments	Grants	Other	Total
Governmental activities:						
General Fund	\$ 2,153,343	\$ 1,433,853	\$ 9,072	\$ 13,019	\$ 185,476	\$ 3,794,763
Grants Fund	504,243			62,147	6,991	573,381
2003 Capital						
Projects Fund	-	-	-	-	174	174
Capital Improvement	-					
Program Fund	-	-	-	601,717	9,438	611,155
Public Safety Fund	582,575	-	-	-	1,957	584,532
Nonmajor funds	-	-	-	69,761	49,409	119,170
Allowance for uncollectible accounts receivable	(1,612,959)	-	-	-	-	(1,612,959)
Total governmental activities	\$ 1,627,202	\$ 1,433,853	\$ 9,072	\$ 746,644	\$ 253,445	\$ 4,070,216

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)

	Accounts	Taxes and Franchise Fees	Special Assessments	Grants	Other	Total
Business-type activities:						
Water and Wastewater Fund	\$ 1,509,637	\$ -	\$ 38,475	\$ -	\$ 67,053	\$ 1,615,165
Stormwater Fund	<u>164,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,961</u>	<u>175,458</u>
Total business-type activities	\$ <u>1,674,134</u>	\$ <u>-</u>	\$ <u>38,475</u>	\$ <u>-</u>	\$ <u>78,014</u>	\$ <u>1,790,623</u>

Payables as of September 30, 2009 for the City's individual major funds and nonmajor funds in aggregate are as follows:

	Vendors	Payroll and Related Taxes	Construction Bonds	Other	Total
Governmental activities:					
General Fund	\$ 351,548	\$ 1,309,913	\$ 454,203	\$ 30,880	\$ 2,146,544
Grants Fund	752	-	-	602,535	603,287
2003 Capital Projects Fund	2,677	-	-	-	2,677
Capital Improvement Program Fund	14,298	-	-	-	14,298
Nonmajor funds	<u>163,868</u>	<u>15,361</u>	<u>-</u>	<u>-</u>	<u>179,229</u>
Total governmental activities	\$ <u>533,143</u>	\$ <u>1,325,274</u>	\$ <u>454,203</u>	\$ <u>633,415</u>	\$ <u>2,946,035</u>
Business-type activities:					
Water and Wastewater Fund	\$ 1,505,196	\$ 96,929	\$ -	\$ -	\$ 1,602,125
Stormwater Fund	<u>3,671</u>	<u>16,416</u>	<u>-</u>	<u>-</u>	<u>20,087</u>
Total business-type activities	\$ <u>1,508,867</u>	\$ <u>113,345</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,622,212</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers between the various funds within governmental fund types for the year ended September 30, 2009 are as follows:

Transfer Out	Transfer In			Total
	General Fund	Capital Improvement Program Fund	Nonmajor Funds	
General Fund	\$ -	\$ 425,000	\$ 1,569,070	\$ 1,994,070
Nonmajor Funds	66,554	-	1,773,250	1,839,804
Total transfers in	\$ 66,554	\$ 425,000	\$ 3,342,320	\$ 3,833,874

Transfers are used to: (1) move revenues from the fund that Ordinance or budget requires to collect them to the fund that Ordinance or budget requires to expend them, (2) move pledged revenue receipts for the use of debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

NOTE 6 - CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2009 is presented as follows:

	Beginning Balance	Additions	Transfers *	Retirements	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 24,311,387	\$ -	\$ -	\$ -	\$ 24,311,387
Construction in progress	1,728,744	637,468	(212,995)	-	2,153,217
Total capital assets, not being depreciated	26,040,131	637,468	(212,995)	-	26,464,604
Capital assets, being depreciated:					
Buildings	22,311,384	647,641	44,704	(141,405)	22,862,324
Improvements	7,764,647	208,550	76,409	-	8,049,606
Infrastructure	25,373,390	-	-	-	25,373,390
Equipment	11,029,342	2,099,336	91,882	(141,644)	13,078,916
Total capital assets being depreciated	66,478,763	2,955,527	212,995	(283,049)	69,364,236

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 6 - CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Less accumulated depreciation for:					
Buildings	5,157,627	463,279	-	(9,898)	5,611,008
Improvements	1,603,255	394,086	-	-	1,997,341
Infrastructure	6,946,580	390,927	-	-	7,337,507
Equipment	6,980,873	1,082,163	-	(120,836)	7,942,200
Total accumulated depreciation	<u>20,688,335</u>	<u>2,330,455</u>	<u>-</u>	<u>(130,734)</u>	<u>22,888,056</u>
Total capital assets being depreciated, net	<u>45,790,428</u>	<u>625,072</u>	<u>212,995</u>	<u>(152,315)</u>	<u>46,476,180</u>
Governmental activities capital assets, net	<u>\$ 71,830,559</u>	<u>\$ 1,262,540</u>	<u>\$ -</u>	<u>\$ (152,315)</u>	<u>\$ 72,940,784</u>

*This column represents amounts reclassified from construction in progress to the appropriate asset category.

A summary of changes in the business-type activities capital assets for the year ended September 30, 2009 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 406,071	\$ -	\$ -	\$ -	\$ 406,071
Construction in progress	<u>5,729,247</u>	<u>2,844,866</u>	<u>(8,028,404)</u>	<u>-</u>	<u>545,709</u>
Total capital assets, not being depreciated	<u>6,135,318</u>	<u>2,844,866</u>	<u>(8,028,404)</u>	<u>-</u>	<u>951,780</u>
Capital assets, being depreciated:					
Buildings	-	-	2,747,901	-	2,747,901
Improvements	-	-	1,061,375	-	1,061,375
Infrastructure	65,766,160	2,815,581	3,823,777	-	72,405,518
Equipment	<u>1,711,420</u>	<u>38,403</u>	<u>395,351</u>	<u>-</u>	<u>2,145,174</u>
Total capital assets being depreciated	<u>67,477,580</u>	<u>2,853,984</u>	<u>8,028,404</u>	<u>-</u>	<u>78,359,968</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 6 - CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Less accumulated depreciation for:					
Buildings	-	27,479	-	-	27,479
Improvements	-	26,534	-	-	26,534
Infrastructure	17,425,807	1,040,780	-	-	18,466,587
Equipment	403,775	148,717	-	-	552,492
Total accumulated depreciation	<u>17,829,582</u>	<u>1,243,510</u>	<u>-</u>	<u>-</u>	<u>19,073,092</u>
Total capital assets being depreciated, net	<u>49,647,998</u>	<u>1,610,474</u>	<u>8,028,404</u>	<u>-</u>	<u>59,286,876</u>
Business-type activities capital assets, net	<u>\$ 55,783,316</u>	<u>\$ 4,455,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,238,656</u>

*This column represents amounts reclassified from construction in progress to the appropriate asset category.

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:		
General government		\$ 376,900
Public safety		628,044
Physical environment		755,936
Culture and recreation		569,575
Total depreciation expense governmental activities		<u>\$ 2,330,455</u>
Business-type activities:		
Water and wastewater		\$ 1,203,805
Stormwater management		39,705
Total depreciation expense business-type activities		<u>\$ 1,243,510</u>

NOTE 7 - LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Revenue notes	\$ 24,313,755	\$ -	\$ 2,510,792	\$ 21,802,963	\$ 6,443,696
Notes payable	2,330,594	-	906,776	1,423,818	943,046
Litigation payable (Note 12)	1,200,000	-	1,200,000	-	-
Capital Lease	46,210	-	34,706	11,504	11,504
	<u>27,890,559</u>	<u>-</u>	<u>4,652,274</u>	<u>23,238,285</u>	<u>7,398,246</u>
Compensated absences	4,472,386	3,065,870	3,113,456	4,424,800	293,696
Total governmental activities	<u>\$ 32,362,945</u>	<u>\$ 3,065,870</u>	<u>\$ 7,765,730</u>	<u>\$ 27,663,085</u>	<u>\$ 7,691,942</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 7 - LONG-TERM DEBT (continued)

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Compensated absences	\$ 406,097	\$ 282,011	\$ 256,388	\$ 431,720	\$ 11,700

For the governmental activities, compensated absences are generally liquidated by the General Fund.

As of September 30, 2009, long-term debt consisted of the following for governmental activities:

Revenue Notes: The City issued the following revenue notes where the income derived from various taxes or the acquired or constructed assets is pledged to pay debt service.

Revenue Note, Series 2003A: On December 12, 2003, the City issued a \$ 4,635,760 Capital Improvement Revenue Refunding Note, Series 2003A, to refund the then outstanding Series 2001 Revenue Note. Principal and interest on the note is to be paid from a pledge of public electric franchise fees. The note bears interest at 3.178% which is payable semi-annually. The note matures in January 2012. The outstanding principal balance as of September 30, 2009 is \$ 1,699,867.

Annual debt service requirements to maturity for the revenue note are as follows:

Year Ending September 30,	Capital Improvement Revenue Refunding Note, Series 2003A	
	Principal	Interest
2010	\$ 558,417	\$ 45,149
2011	580,251	27,055
2012	561,199	8,917
	\$ 1,699,867	\$ 81,121

Revenue Note, Series 2003B: On December 12, 2003, the City issued a \$ 9,332,290 Capital Improvement Revenue Refunding Note, Series 2003B, to refund the then outstanding Series 1997 Bonds. Principal and interest on the note is to be paid from a pledge of public electric franchise fees. The note bears interest at 4.04% which is payable semi-annually. The note matures in September 2017. The outstanding principal balance as of September 30, 2009 is \$ 6,200,238.

Annual debt service requirements to maturity for the revenue note are as follows:

Year Ending September 30,	Capital Improvement Revenue Refunding Note, Series 2003B	
	Principal	Interest
2010	\$ 655,820	\$ 250,490
2011	687,601	223,994
2012	720,958	196,216
2013	755,963	167,088
2014	792,711	136,548
2015-2017	2,587,185	211,788
	\$ 6,200,238	\$ 1,186,124

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 7 - LONG-TERM DEBT (continued)

Revenue Note, Series 2003C: On November 26, 2003, the City issued a \$ 4,050,000 Capital Improvement Revenue Note, Series 2003C, for certain capital improvements. Principal and interest is to be paid from a pledge of public electric franchise fees. The note bears interest at 3.567% which is payable semi-annually. The note matures in September 2010. The outstanding principal balance as of September 30, 2009 is \$ 3,973,491.

Annual debt service requirements to maturity for the revenue note are as follows:

Year Ending September 30,	Capital Improvement Revenue Note, Series 2003C	
	Principal	Interest
2010	\$ 3,973,491	\$ 141,734

Revenue Note, Series 2003D: On November 16, 2003, the City entered into an agreement with a bank permitting maximum borrowing of \$ 16,000,000. On June 28, 2005, this agreement was amended with outstanding borrowings of \$ 13,000,000. The proceeds of this note provided funds for the City's purchase of land for public use and related costs. Principal and interest on this note are to be paid from a pledge of public electric franchise fees. This note bears interest at 4.11% and matures in October 2018. The outstanding principal balance as of September 30, 2009 is \$ 6,485,284.

Annual debt service requirements to maturity for the revenue note are as follows:

Year Ending September 30,	Capital Improvement Revenue Note, Series 2003D	
	Principal	Interest
2010	\$ 610,058	\$ 266,545
2011	635,131	241,472
2012	661,235	215,368
2013	688,412	188,191
2014	716,705	159,897
2015-2019	3,173,743	332,667
	\$ 6,485,284	\$ 1,404,140

Revenue Note, Series 2004: On September 30, 2004, the City issued a \$ 6,375,362 Capital Improvement Revenue Refunding Note, Series 2004, to retire the then outstanding Series 1994 Bonds. Principal and interest on the new note is to be paid from a pledge of electric utility tax revenues. The note bears interest at 3.237% payable semi-annually. The note matures in October 2014. The outstanding principal balance as of September 30, 2009 is \$ 3,444,083.

Annual debt service requirements to maturity for the revenue note are as follows:

Year Ending September 30,	Capital Improvement Revenue Refunding Note, Series 2004	
	Principal	Interest
2010	\$ 645,910	\$ 111,485
2011	665,278	90,577
2012	687,578	69,042
2013	713,240	46,785
2014	732,077	23,697
	\$ 3,444,083	\$ 341,586

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 7 - LONG-TERM DEBT (continued)

Promissory Note: On January 4, 2002, the City executed a promissory note for \$ 8,500,000 to purchase approximately 19 acres of land for a total price of \$ 11,000,000. The note is noninterest bearing and requires annual payments of \$ 1,000,000, with the remaining \$ 500,000 due in January 2011. For purposes of the government-wide financial statement presentation, interest was imputed at 4%. The outstanding principal balance as of September 30, 2009 is \$ 1,423,818.

Annual debt service requirements to maturity for the promissory note are as follows:

Year Ending September 30,	Barnini Note Payable	
	Principal	Interest
2010	\$ 943,046	\$ 56,954
2011	480,772	19,228
	<u>\$ 1,423,818</u>	<u>\$ 76,182</u>

Debt Service Requirements: Annual debt service requirements to maturity for the City's long-term debt are as follows:

Year Ending September 30,	Revenue Notes Payable		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2010	\$ 6,443,696	\$ 815,403	\$ 943,046	\$ 56,954	\$ 8,259,099
2011	2,568,261	583,098	480,772	19,228	3,651,359
2012	2,630,970	489,543	-	-	3,120,513
2013	2,157,615	402,064	-	-	2,559,679
2014	2,241,493	320,142	-	-	2,561,635
2015-2019	5,760,928	544,455	-	-	6,305,383
	<u>\$ 21,802,963</u>	<u>\$ 3,154,705</u>	<u>\$ 1,423,818</u>	<u>\$ 76,182</u>	<u>\$ 26,457,668</u>

Pledged Revenues: The City has pledged future public franchise fee revenues to repay \$ 21,171,999 in capital improvement revenue notes issued between November 16, 2003 and December 12, 2003. Proceeds from the notes provided financing for the acquisition of land and the retirement of the then outstanding Series 1997 Bonds, Series 2001 Revenue Note, and Series 2003C Bonds which were used for the financing of equipment and expansion of infrastructure. The notes are payable solely from the public electric franchise fee revenues and are payable through October 1, 2018. Annual principal and interest payments on the notes are expected to require less than 92% of projected future public electric franchise fee revenues with total future payouts of \$ 21,171,999. Principal and interest paid for the current year and public electric franchise fee revenues are \$ 2,816,015 and \$ 3,054,942 respectively.

The City has pledged future electric utility tax revenues to repay \$ 3,785,669 in Capital Improvement Revenue Notes issued September 30, 2004. Proceeds from the revenue note were used to retirement the then outstanding Series 1994 Bonds. The note is payable solely from electric utility tax revenues through October 1, 2014. Annual principal and interest payments on the note is expected to require less than 27% of projected future electric utility tax revenues with total future payouts of \$ 3,785,669. Principal and interest paid for the current year and electric utility tax revenues are \$ 750,969 and \$ 2,689,329, respectively.

All above revenue notes contain debt covenants, all of which the City was in compliance at September 30, 2009.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 8 - LEASES

Capital lease: The City entered into a lease agreement for the acquisition of a City-wide telephone system. The lease requires monthly payments of \$ 3,006 through January 2010. The lease agreement qualifies as a capital lease and has been recorded at the present value of the future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009 are as follows:

Year Ending September 30,	Amount
2010	\$ 11,575
Total minimum lease payments	11,575
Less: amount representing interest	(71)
Present value of minimum lease payments	\$ 11,504

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and equipment	\$ 159,705
Less: accumulated depreciation	(71,869)
Total	\$ 87,836

Operating leases, City as Lessee: The City leases vehicles, copy machines, and office space under noncancelable operating leases. Total lease expense was \$ 148,647 for the year ended September 30, 2009. Future lease payments for these leases as of September 30, 2009 are as follows:

Year Ending September 30,	Amount
2010	\$ 71,000
2011	62,100
2012	14,100
2013	800
	\$ 148,000

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$ 236,768 for the year ended September 30, 2009. Future lease payments to be received as of September 30, 2009 are as follows:

Year Ending September 30,	Amount
2010	\$ 297,000
2011	299,000
2012	285,000
2013	230,000
2014	226,000
2015-2017	335,000
	\$ 1,672,000

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 9 – PENSION PLANS

All regular full-time employees are covered by: (1) the City of Coconut Creek 401(a) Plan, a defined contribution pension plan, administered by an independent agent, ICMA Retirement Corporation, and authorized by resolution or (2) the Florida Retirement System ("FRS"), a non-contributory, cost sharing, multi-employer, public employee Pension Plan, through either a defined benefit or a defined contribution pension plan administered by the Florida Division of Retirement. All part-time employees and elected officials are covered by the FRS Pension Plan. The City's policy is to fund the annual pension costs in the annual budget. The City has no fiduciary responsibility for the plans.

Under the City of Coconut Creek 401(a) Plan, City and mandatory employee contributions, as a percentage of employee gross wages, were as follows for each employee group: Civil Service – 14% and 10%; and Administrative Officers – 14% and 11%, respectively. Vesting schedules for each employee group range from immediate vesting (100%) for Administrative Officers to full vesting over various periods of time through 5 years for civil service employees. Under the 401(a) Plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Unvested City contributions and earnings thereon for employees who leave employment prior to completing one year of service will be forfeited to the City five years after the employee leaves City employment. The total number of employees for each employee group under the 401(a) Plan as of September 30, 2009 was as follows: Civil Service, 87 and Administrative Officers, 9.

In December 2001, the City joined the FRS to provide retirement and survivor benefits to Police Department employees and elected officials. In May 2002, the City made the FRS available to all other City employees. On these respective dates, the employees had the option of making a one-time election of remaining in the 401(a) Plan or choosing the FRS Plan. All employees hired after May 1, 2002 were included in the FRS Plan. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the State of Florida Department of Management Services, Division of Retirement, Research, Education and Policy Section, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

Funding Policy – The City is required to pay all contributions for participating full-time and part-time employees. The contribution rates to the FRS plan during the year ended September 30, 2009 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior management	13.12%
Regular employees	9.85%
Special risk	20.92%
Elected officials	16.53%

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 9 – PENSION PLANS (continued)

The City's contributions to the FRS amounted to \$ 2,499,419 for the year ended September 30, 2009, which represented 100% of the City's required contribution. The contribution requirements of covered payroll and actual contributions made for fiscal year 2009 and the two preceding fiscal years were as follows:

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Contribution requirements	\$ <u>4,331,885</u>	\$ <u>4,106,695</u>	\$ <u>3,814,783</u>
Contributions made by employer (100%)			
401(a) Plan	\$ 1,057,623	\$ 1,014,569	\$ 976,266
FRS Plan	2,499,419	2,367,246	2,158,606
Contributions made by employee (100%)	<u>774,843</u>	<u>724,880</u>	<u>679,911</u>
Total contributions made	\$ <u>4,331,885</u>	\$ <u>4,106,695</u>	\$ <u>3,814,783</u>
Total covered payroll	\$ <u>21,904,986</u>	\$ <u>21,282,892</u>	\$ <u>19,677,751</u>
Percent of contributions to total covered payroll	19.78%	19.30%	19.39%

NOTE 10 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service ("IRS") Code Section 457. The plan, administered by the ICMA Retirement Corporation, available to all City employees, permits them to defer a portion of their salaries until future years. Participation in the plan is optional. The deferred compensation is generally not available to employees until termination, retirement, death or the hardship distribution criteria as defined in IRS Code Section 457. The assets of the plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the basic financial statements.

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Specifically, the City purchases insurance from Preferred Governmental Insurance Trust (PGIT), a public entity insurance program for property, workers compensation, general liability, automobile liability, errors and omissions and directors' and officers liability with nominal deductible amounts. Flood and Crime insurance are purchased from Fidelity National Property & Casualty Insurance and Fidelity and Deposit Company of Maryland, respectively.

The City currently has a fully insured group health plan for all employees with Aetna Insurance Company. The amount of settlements has not exceeded insurance coverage in the past three fiscal years.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Interlocal Agreement:

The City has an Interlocal Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The agreement is effective through September 30, 2010. The service fee for the year ended September 30, 2009 was \$ 4,638,097. Future service fees are as follows:

Year Ending	Amount
September 30,	\$
2010	4,916,383

Interlocal Agreement:

The City has an Interlocal Agreement with the School Board of Broward County whereby the City serves as the construction manager for various improvements at the Coconut Creek High School athletic stadium for an amount not to exceed \$ 4,252,632. The remaining commitment on the construction contract totaled \$ 2,609,481 at September 30, 2009, all of which will be reimbursed by the School Board of Broward County. As of September 30, 2009, the current amount due from the School Board of Broward County totaled \$ 504,243.

Construction commitment:

During fiscal year 2009, the City entered into three separate agreements with independent contractors for three projects totaling \$ 758,270. As of September 30, 2009, the City completed \$ 175,700 of the fiscal year 2009 contract amounts. In addition to the fiscal year 2009 contracts, the City had a remaining commitment of \$ 153,870 on two contracts entered into in prior fiscal years. All projects are anticipated to be completed in the fiscal year 2010. Remaining commitment on all construction contracts totaled \$ 736,440 of September 30, 2009.

Litigation:

The City was previously in litigation with a former developer over the proper usage of Equivalent Residential Credits ("ERC's"). The estimated exposure to the City was expected to be approximately \$1,200,000, which has been previously accrued at the government-wide level as a long-term liability. This case, however, was settled in October 2009 in an amount of \$ 173,328 of which amount is to be paid and accrued from the Water and Wastewater Fund. In addition, the City is currently the defendant in a number of litigation issues and claims that arose in the normal course of operations. City management has indicated that they intend to vigorously defend such matters, the ultimate outcome of which, in the opinion of management, will not have a material adverse effect on the financial condition of the City.

Municipal Service Provider Agreement:

The City has a Municipal Service Provider Agreement with the Seminole Tribe of Florida. The agreement is in effect as long as the property is open for gaming. During the year ended September 30, 2009, a total of \$ 2,067,667 was earned and collected by the City. An annual escalation clause is in effect for subsequent years. Monies will be used for community capital improvement projects with any interest earned transferred to the General Fund.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Leases:

During fiscal year 2008, the City entered into two lease agreements with Coconut Creek Development, LLC. The first lease agreement provides for the City to lease a 700-square foot space at the new Promenade of Coconut Creek for Police, Fire, and other City related services for a term of 20 years. The total payments over the term of the lease are estimated to be \$ 1 million. The second lease agreement provides for the City to lease fifty percent of the vehicular parking spaces within two parking garages at the Promenade at Coconut Creek for emergency and special events purposes for a term of 50 years. The total payments over the term of the lease are estimated to be \$ 2.5 million. The City expects to take possession of the office and garage space during fiscal year 2010. The City's obligations under the leases will be effective at time of occupancy.

NOTE 13 - CONDUIT DEBT

On November 1, 2002, the City issued Industrial Revenue Bonds in the amount of \$ 6 million to provide financial assistance to a private-sector entity for the acquisition and construction of a manufacturing facility. The outstanding principal balance as of September 30, 2009 is \$ 4.110 million. Neither the City, nor the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

On December 20, 2007, the City issued Variable Rate Demand Revenue Bonds in the amount of \$ 7 million to provide financial assistance to a Florida not-for-profit corporation for financing and refinancing the cost of acquisition, construction, and equipping of an educational facility. The outstanding principal balance at September 30, 2009 is \$ 7 million. Neither the City, nor State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

Post Employment Benefits Other Than Pension

For the fiscal year ended September 30, 2009, the City implemented Governmental Accounting Standards Board Statement No. 45, Accounting and Reporting by Employers for Postemployment Benefits other than Pensions (OPEB), for certain postemployment health care benefits provided by the City. The requirement of this statement was implemented prospectively.

Plan Description - The City of Coconut Creek administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical and dental insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at the blended group (implicitly subsidized) premium rates offered to both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City also provides an explicit subsidy for retirees depending on their employment group. Administrative officers and general employees receive \$ 150 per month and police officers, including officers, corporals and sergeants, hired prior to January 1, 2002 receive \$ 250 per month. This monthly stipend is effective until the retiree becomes eligible for Medicare.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2009

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)

Effective October 1, 2009, police officers hired after January 1, 2002 shall receive a City contribution in the amount of two-percent (2%) of their annual salary (including overtime) to a Retirement Health Savings Plan.

Funding Policy - For the Post Employment Health Care Benefits Plan, contribution requirements of the City are established and may be amended by the City. As of October 1, 2008 there were 8 retirees and 2 eligible dependents receiving post employment health care benefits. For the 2009 fiscal year the City provided contributions of \$ 26,700 on a pay-as-you-go basis toward annual OPEB costs and net of retiree contributions totaling \$ 55,330.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost, the imputed amount contributed to the plan, and changes in the City's net OPEB obligation for the year ending September 30, 2009, was as follows:

Annual required contribution	\$ 1,435,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>1,435,000</u>
Imputed contributions	(204,000)
Increase in net OPEB obligation	<u>1,231,000</u>
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 1,231,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2009, (the first year of implementation), was as follows:

<u>Annual OPEB Cost</u>	<u>Imputed Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
\$ 1,435,000	\$ 204,000	14.0%	\$ 1,231,000

Funded Status and Funding Progress - For the actuarial valuation date of January 1, 2009, the actuarial accrued liability for benefits was \$ 6,734,000, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$ 6,734,000. The covered payroll (annual payroll for active participating employees) was \$ 20,273,000 for fiscal year 2009, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 33.2%.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. 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 compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)

In the actuarial valuation as of January 1, 2009 the Projected Unit Credit method (PUC) was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement. Since the average age of active employees is 44.6 years, the unfunded actuarial accrued liability is being amortized over a ten-year open period, utilizing the level dollar payment method. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.0 percent rate of return on invested assets, with 2.50 percent of this amount being attributed to inflation. The actuarial assumptions also included an annual healthcare cost trend rate of 10 percent initially for the 2009 fiscal year, with future annual decreases assumed to grade uniformly to 6 percent over a 8 year period, to an ultimate rate of 5 percent for the fiscal year ending September 30, 2018.

NOTE 15 - PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* was issued July 10, 2007. This Statement established accounting and financial reporting requirements for intangible assets to reduce inconsistency in reporting, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2010.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* was issued June 30, 2008. This Statement addressed the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2010.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* was issued March 11, 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2011.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

NOTE 16 – SUBSEQUENT EVENT

On December 15, 2009, the City issued a \$ 10,000,000 Capital Improvement Revenue Note, Series 2009. The bond proceeds will be used to fund the undergrounding of above-ground utility lines and the construction of a public services communication building and other public services purposes. The bond provides for semi-annual interest payments at a rate of 3.94% and annual principal payments beginning October 1, 2013 until maturity on October 1, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 16,049,400	\$ 16,049,400	\$ 15,885,953	\$ (163,447)
Franchise fees	3,952,500	3,952,500	4,222,032	269,532
Utility taxes	5,675,000	5,675,000	5,936,486	261,486
Licenses and permits	2,590,100	2,590,100	1,087,871	(1,502,229)
Intergovernmental revenues	4,249,600	4,249,600	3,772,418	(477,182)
Charges for services	10,574,410	10,574,410	10,095,511	(478,899)
Fines and forfeitures	256,500	256,500	365,672	109,172
Investment income	650,000	650,000	532,116	(117,884)
Miscellaneous revenues	721,340	721,340	573,552	(147,788)
Total revenues	44,718,850	44,718,850	42,471,611	(2,247,239)
EXPENDITURES:				
Departmental:				
City Commission	371,820	371,820	360,958	10,862
City Attorney	769,170	769,170	724,944	44,226
City Manager	1,362,620	1,362,620	1,241,898	120,722
Risk Management	2,075,190	2,075,190	1,320,757	754,433
City Clerk	493,310	493,310	458,402	34,908
Finance and administrative	1,222,840	1,222,840	1,100,353	122,487
Information technology	1,585,661	1,585,661	1,408,766	176,895
Human resources	838,670	838,670	691,132	147,538
Development services	3,334,680	3,334,680	2,865,070	469,610
Police	15,505,950	15,505,950	14,549,370	956,580
Fire administration	5,234,640	5,234,640	5,118,460	116,180
Public works	6,975,092	6,975,092	6,392,575	582,517
Parks and recreation	3,816,950	3,816,950	3,523,448	293,502
Engineering	712,110	712,110	609,529	102,581
Total departmental	44,298,703	44,298,703	40,365,662	3,933,041
Nondepartmental	129,700	379,700	114,781	264,919
Contingency	400,000	150,000	-	150,000
Total expenditures	44,828,403	44,828,403	40,480,443	4,347,960
Excess (deficiency) of revenues over expenditures	(109,553)	(109,553)	1,991,168	2,100,721
OTHER FINANCING SOURCES (USES):				
Transfers in	105,000	105,000	66,554	(38,446)
Transfers (out)	(2,094,070)	(2,094,070)	(1,994,070)	100,000
Total other financing sources (uses)	(1,989,070)	(1,989,070)	(1,927,516)	61,554
Net change in fund balance	\$ (2,098,623)	\$ (2,098,623)	63,652	\$ 2,162,275
FUND BALANCE, beginning			18,655,807	
FUND BALANCE, ending			<u>\$ 18,719,459</u>	

See notes to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAJOR FUND - GRANTS FUND
For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 280,890	\$ 280,890	\$ 523,660	\$ 242,770
Investment income	34,000	34,000	34,180	180
Miscellaneous revenues	56,000	56,000	56,879	879
Total revenues	<u>370,890</u>	<u>370,890</u>	<u>614,719</u>	<u>243,829</u>
EXPENDITURES:				
Current:				
General government	10,000	10,000	10,001	(1)
Public safety	5,000	5,000	4,690	310
Physical environment	244,000	244,000	243,041	959
Capital outlay	10,500	10,500	10,148	352
Total expenditures	<u>269,500</u>	<u>269,500</u>	<u>267,880</u>	<u>1,620</u>
Excess of revenues over expenditures	101,390	101,390	346,839	245,449
OTHER FINANCING SOURCES:				
Transfers in	100,000	100,000	-	(100,000)
Net change in fund balance	<u>\$ 201,390</u>	<u>\$ 201,390</u>	346,839	<u>\$ 145,449</u>
FUND BALANCE, beginning			1,241,675	
FUND BALANCE, ending			<u>\$ 1,588,514</u>	

See notes to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2009

The following procedures are used to establish the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

Prior to October 1, the budget is legally enacted through passage of an ordinance.

The level of control at which expenditures may not exceed budget is at the departmental level. The City Commission approves these levels by annual resolution. The City Manager is authorized to transfer budgeted line items within a department classification; however, any revisions that alter a department's total expenditures must be approved by the City Commission.

Appropriations lapse at year-end, except for grants and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF FUNDING PROGRESS -
 OTHER POST EMPLOYMENT BENEFITS
 September 30, 2009

An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the most recent actuarial valuation date available is presented as follows:

Actual Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) : (2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll {(2) - (1)} : (3)
January 1, 2009	\$ -	\$ 6,734,000	\$ 6,734,000	0.0%	\$ 20,273,000	33.2%

* Covered payroll is for the calendar year period used for the actuarial valuation.



SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Law Enforcement Trust Fund – This fund is used to account for revenues received from federal, state and local law enforcement forfeitures and seizures which are restricted for use for law enforcement purposes.

Street Construction and Maintenance Fund – This fund is used to account for revenues received from state and county agencies, which, by state law, may only be expended for street construction and maintenance programs.

Affordable Housing Fund – This fund is used to account for fees charged to developers as means to fund the City's affordable housing program for the benefit of the current and future residents. The funds have been restricted by City Ordinance for use in the affordable housing program.

Community Improvement Fund – This fund is used to account for proceeds received from The Seminole Tribe of Florida in accordance with a municipal services agreement. The funds have been restricted by City Ordinance to be used for capital improvements.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Capital Improvement Revenue Bonds Fund – This fund is used for payment of the 2003A Capital Improvement Revenue Note, the 2003B Capital Improvement Revenue Note, the 2003C Capital Improvement Revenue Note, the 2003D Capital Improvement Revenue Note and the 2004 Capital Improvement Revenue Note.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

General Capital Improvement Fund – This fund is used to account for the acquisition and construction of major capital projects that are financed from general governmental resources (other than bond proceeds) and intergovernmental grants.

Utility Underground Fund – This fund is used to account for fees charged to developers in lieu of placing electrical lines underground for all new construction or substantial reconstruction.

CITY OF COCONUT CREEK, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2009

	Special Revenue			
	Law Enforcement Trust Fund	Street Construction and Maintenance Fund	Affordable Housing Fund	Community Improvement Fund
ASSETS:				
Cash and cash equivalents	\$ 540,502	\$ 840,270	\$ 260,928	\$ 735,723
Accounts receivable	9,955	15,488	4,813	13,852
Due from other governments	-	69,761	-	-
Investments	1,585,737	2,465,205	765,516	2,158,482
Inventory and prepaid costs	13,740	-	-	-
Total assets	\$ 2,149,934	\$ 3,390,724	\$ 1,031,257	\$ 2,908,057
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$ 19,139	\$ 65,065	\$ 12,250	\$ -
Accrued liabilities	-	81,715	-	-
Deferred or unearned revenues	-	50,000	-	-
Due to other governments	-	-	-	-
Total liabilities	19,139	196,780	12,250	-
Fund balances:				
Reserved for:				
Inventory and prepaids	13,740	-	-	-
Unreserved, designated for subsequent year expenditures	26,380	2,515,567	28,000	-
Unreserved, undesignated	2,090,675	678,377	991,007	2,908,057
Total fund balances	2,130,795	3,193,944	1,019,007	2,908,057
Total liabilities and fund balances	\$ 2,149,934	\$ 3,390,724	\$ 1,031,257	\$ 2,908,057

Debt Service Capital Improvement Revenue Bonds Fund	Capital Projects		Total Nonmajor Governmental Funds
	General Capital Improvement Fund	Utility Underground Fund	
\$ 118,784	\$ 127,117	\$ 41,940	\$ 2,665,264
2,189	2,345	767	49,409
-	-	-	69,761
348,491	372,940	123,044	7,819,415
-	-	-	13,740
<u>\$ 469,464</u>	<u>\$ 502,402</u>	<u>\$ 165,751</u>	<u>\$ 10,617,589</u>
\$ -	\$ -	\$ 1,060	\$ 97,514
-	-	-	81,715
-	-	-	50,000
-	-	-	-
<u>-</u>	<u>-</u>	<u>1,060</u>	<u>229,229</u>
-	-	-	13,740
-	447,864	164,691	3,182,502
469,464	54,538	-	7,192,118
<u>469,464</u>	<u>502,402</u>	<u>164,691</u>	<u>10,388,360</u>
<u>\$ 469,464</u>	<u>\$ 502,402</u>	<u>\$ 165,751</u>	<u>\$ 10,617,589</u>

CITY OF COCONUT CREEK, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

	Special Revenue			
	Law Enforcement Trust Fund	Street Construction and Maintenance Fund	Affordable Housing Fund	Community Improvement Fund
REVENUES:				
Intergovernmental revenues	\$ -	\$ 1,371,073	\$ -	\$ -
Charges for services	-	-	-	2,067,667
Fines and forfeitures	96,005	-	-	-
Investment income	61,324	70,748	23,567	62,842
Miscellaneous revenues	2,853	113,103	448,968	-
Total revenues	<u>160,182</u>	<u>1,554,924</u>	<u>472,535</u>	<u>2,130,509</u>
EXPENDITURES				
Current:				
General government	-	-	509,250	98,790
Public safety	63,605	-	-	-
Physical environment	-	911,092	-	-
Nondepartmental	-	95,320	-	-
Capital outlay	1,416,209	425,634	-	-
Debt service:				
Principal	-	-	-	906,776
Interest and fiscal charges	-	-	-	93,224
Total expenditures	<u>1,479,814</u>	<u>1,432,046</u>	<u>509,250</u>	<u>1,098,790</u>
Excess (deficiency) of revenues over expenditures	(1,319,632)	122,878	(36,715)	1,031,719
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,836,092)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,836,092)</u>
Net change in fund balances	(1,319,632)	122,878	(36,715)	(804,373)
FUND BALANCES, beginning	3,450,427	3,071,066	1,055,722	3,712,430
FUND BALANCES, ending	<u>\$ 2,130,795</u>	<u>\$ 3,193,944</u>	<u>\$ 1,019,007</u>	<u>\$ 2,908,057</u>

Debt Service Capital Improvement Revenue Bonds Fund	Capital Projects			
	General Capital Improvement Fund	Utility Underground Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 1,371,073	
-	-	-	2,067,667	
-	-	-	96,005	
28,377	11,261	3,712	261,831	
-	-	-	564,924	
<u>28,377</u>	<u>11,261</u>	<u>3,712</u>	<u>4,361,500</u>	
-	-	-	608,040	
-	-	-	63,605	
-	-	22,160	933,252	
-	-	-	95,320	
-	40,136	22,578	1,904,557	
2,510,793	-	-	3,417,569	
1,056,194	-	-	1,149,418	
<u>3,566,987</u>	<u>40,136</u>	<u>44,738</u>	<u>8,171,761</u>	
(3,538,610)	(28,875)	(41,026)	(3,810,261)	
3,342,320	-	-	3,342,320	
-	-	(3,712)	(1,839,804)	
<u>3,342,320</u>	<u>-</u>	<u>(3,712)</u>	<u>1,502,516</u>	
(196,290)	(28,875)	(44,738)	(2,307,745)	
665,754	531,277	209,429	12,696,105	
<u>\$ 469,464</u>	<u>\$ 502,402</u>	<u>\$ 164,691</u>	<u>\$ 10,388,360</u>	



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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 96,005	\$ 96,005	\$ 96,005	\$ -
Investment income	61,400	61,400	61,324	(76)
Miscellaneous revenues	2,900	2,900	2,853	(47)
Total revenues	<u>160,305</u>	<u>160,305</u>	<u>160,182</u>	<u>(123)</u>
EXPENDITURES:				
Current:				
Public safety	64,000	64,000	63,605	395
Capital outlay	1,417,000	1,417,000	1,416,209	791
Total expenditures	<u>1,481,000</u>	<u>1,481,000</u>	<u>1,479,814</u>	<u>1,186</u>
Net change in fund balance	<u>\$ (1,320,695)</u>	<u>\$ (1,320,695)</u>	<u>(1,319,632)</u>	<u>\$ 1,063</u>
FUND BALANCE, beginning			3,450,427	
FUND BALANCE, ending			<u>\$ 2,130,795</u>	

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - STREET CONSTRUCTION AND MAINTENANCE FUND
For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 891,100	\$ 891,100	\$ 849,990	\$ (41,110)
County contribution	250,000	250,000	202,160	(47,840)
State revenue	364,500	364,500	316,268	(48,232)
Federal revenues	3,125,000	3,125,000	2,655	(3,122,345)
Total intergovernmental revenues	<u>4,630,600</u>	<u>4,630,600</u>	<u>1,371,073</u>	<u>(3,259,527)</u>
Investment income	100,000	100,000	70,748	(29,252)
Miscellaneous revenues	60,000	60,000	113,103	53,103
Total revenues	<u>4,790,600</u>	<u>4,790,600</u>	<u>1,554,924</u>	<u>(3,235,676)</u>
EXPENDITURES:				
Current:				
Physical environment	1,102,990	1,102,990	911,092	191,898
Nondepartmental	95,320	95,320	95,320	-
Capital outlay	6,038,546	6,038,546	425,634	5,612,912
Total expenditures	<u>7,236,856</u>	<u>7,236,856</u>	<u>1,432,046</u>	<u>5,804,810</u>
Net change in fund balance	<u>\$ (2,446,256)</u>	<u>\$ (2,446,256)</u>	122,878	<u>\$ 2,569,134</u>
FUND BALANCE, beginning			3,071,066	
FUND BALANCE, ending			<u>\$ 3,193,944</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AFFORDABLE HOUSING FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 20,000	\$ 20,000	\$ 23,567	\$ 3,567
Miscellaneous revenues	430,000	430,000	448,968	18,968
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>472,535</u>	<u>22,535</u>
EXPENDITURES:				
General government	1,485,000	1,485,000	509,250	975,750
Net change in fund balance	<u>\$ (1,035,000)</u>	<u>\$ (1,035,000)</u>	<u>(36,715)</u>	<u>\$ 998,285</u>
FUND BALANCE, beginning			1,055,722	
FUND BALANCE, ending			<u>\$ 1,019,007</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - COMMUNITY IMPROVEMENT FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,035,000	\$ 2,035,000	\$ 2,067,667	\$ 32,667
Investment income	100,000	100,000	62,842	(37,158)
Total revenues	<u>2,135,000</u>	<u>2,135,000</u>	<u>2,130,509</u>	<u>(4,491)</u>
EXPENDITURES:				
Current:				
General government	-	100,000	98,790	1,210
Debt service:				
Principal	906,776	906,776	906,776	-
Interest and fiscal charges	93,224	93,224	93,224	-
Total expenditures	<u>1,000,000</u>	<u>1,100,000</u>	<u>1,098,790</u>	<u>1,210</u>
Excess (deficiency) of revenues over expenditures	1,135,000	1,035,000	1,031,719	(3,281)
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,873,250)	(1,873,250)	(1,836,092)	(37,158)
Net change in fund balance	<u>\$ (738,250)</u>	<u>\$ (838,250)</u>	<u>(804,373)</u>	<u>\$ 33,877</u>
FUND BALANCE, beginning			3,712,430	
FUND BALANCE, ending			<u>\$ 2,908,057</u>	

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND - CAPITAL IMPROVEMENT REVENUE BONDS FUND
For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 30,000	\$ 30,000	\$ 28,377	\$ (1,623)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>28,377</u>	<u>(1,623)</u>
EXPENDITURES:				
Debt service:				
Principal	2,510,800	2,510,800	2,510,793	7
Interest and fiscal charges	1,056,520	1,056,520	1,056,194	326
Other debt costs	5,000	5,000	-	5,000
Total expenditures	<u>3,572,320</u>	<u>3,572,320</u>	<u>3,566,987</u>	<u>5,333</u>
Excess (deficiency) of revenues over expenditures	(3,542,320)	(3,542,320)	(3,538,610)	3,710
OTHER FINANCING SOURCES:				
Transfers in	3,342,320	3,342,320	3,342,320	-
Net change in fund balance	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>(196,290)</u>	<u>\$ 3,710</u>
FUND BALANCE, beginning			665,754	
FUND BALANCE, ending			<u>\$ 469,464</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - GENERAL CAPITAL IMPROVEMENT FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 170,000	\$ 170,000	\$ -	\$ (170,000)
Investment income	5,000	5,000	11,261	6,261
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>11,261</u>	<u>(163,739)</u>
EXPENDITURES:				
Capital outlay	588,000	588,000	40,136	547,864
Net change in fund balance	<u>\$ (413,000)</u>	<u>\$ (413,000)</u>	<u>(28,875)</u>	<u>\$ 384,125</u>
FUND BALANCE, beginning			531,277	
FUND BALANCE, ending			<u>\$ 502,402</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - UTILITY UNDERGROUND FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 5,000	\$ 5,000	\$ 3,712	\$ (1,288)
Miscellaneous revenues	300,000	300,000	-	(300,000)
Total revenues	<u>305,000</u>	<u>305,000</u>	<u>3,712</u>	<u>(301,288)</u>
EXPENDITURES:				
Current:				
Physical environment	182,252	182,252	22,160	160,092
Capital outlay	430,500	430,500	22,578	407,922
Total expenditures	<u>612,752</u>	<u>612,752</u>	<u>44,738</u>	<u>568,014</u>
Excess (deficiency) of revenues over (under) expenditures	(307,752)	(307,752)	(41,026)	266,726
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,000)	(5,000)	(3,712)	(1,288)
Net change in fund balance	<u>\$ (312,752)</u>	<u>\$ (312,752)</u>	<u>(44,738)</u>	<u>\$ 268,014</u>
FUND BALANCE, beginning			209,429	
FUND BALANCE, ending			<u>\$ 164,691</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - 2003 CAPITAL PROJECTS FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 2,174	\$ (7,826)
EXPENDITURES:				
Current:				
Physical environment	-	-	170,965	(170,965)
Capital outlay	210,500	210,500	24,955	185,545
Total expenditures	<u>210,500</u>	<u>210,500</u>	<u>195,920</u>	<u>14,580</u>
Net change in fund balance	\$ <u>(200,500)</u>	\$ <u>(200,500)</u>	(193,746)	\$ 6,754
FUND BALANCE, beginning			8,818,714	
FUND BALANCE, ending			\$ <u>8,624,968</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - CAPITAL IMPROVEMENT PROGRAM FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 429,500	\$ 429,500	\$ 138,257	\$ (291,243)
Investment income	125,000	125,000	50,506	(74,494)
Total revenues	<u>554,500</u>	<u>554,500</u>	<u>188,763</u>	<u>(365,737)</u>
EXPENDITURES:				
Capital outlay	2,296,660	2,296,660	1,734,550	562,110
Total expenditures	<u>2,296,660</u>	<u>2,296,660</u>	<u>1,734,550</u>	<u>562,110</u>
Excess (deficiency) of revenues over (under) expenditures	(1,742,160)	(1,742,160)	(1,545,787)	196,373
OTHER FINANCING SOURCES:				
Transfers in	425,000	425,000	425,000	-
Net change in fund balance	<u>\$ (1,317,160)</u>	<u>\$ (1,317,160)</u>	<u>(1,120,787)</u>	<u>\$ 196,373</u>
FUND BALANCE, beginning			3,182,833	
FUND BALANCE, ending			<u>\$ 2,062,046</u>	

CITY OF COCONUT CREEK, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - PUBLIC SAFETY IMPROVEMENT FUND
 For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 290,000	\$ 290,000	\$ 118,036	\$ (171,964)
Investment income	7,000	7,000	9,113	2,113
Total revenues	<u>297,000</u>	<u>297,000</u>	<u>127,149</u>	<u>(169,851)</u>
EXPENDITURES:				
Capital outlay	85,450	85,450	58,777	26,673
Net change in fund balance	<u>\$ 211,550</u>	<u>\$ 211,550</u>	<u>68,372</u>	<u>\$ (143,178)</u>
FUND BALANCE, beginning			350,642	
FUND BALANCE, ending			<u>\$ 419,014</u>	



STATISTICAL SECTION

This part of the City of Coconut Creek's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

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

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Revenue Capacity

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

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Property Tax Levies and Collections	85

Debt Capacity

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

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Demographic and Economic Information

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

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STATISTICAL SECTION
(continued)

Operating Information

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

Full-Time Equivalent City Government Employees by Function	93
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Capital Asset Statistics by Function	95

Insurance Information

These schedules contain information regarding the City's insurance coverage provided by the Preferred Governmental Insurance Trust ("PGIT"). The City is exposed to various risks of loss such as theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Insurance Coverage via PGIT	96-98
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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 COCONUT CREEK, FLORIDA
Net Assets by Component (1)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 36,578
Restricted	-	-	-	680
Unrestricted	-	-	-	12,644
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,902</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 48,869
Restricted	-	-	-	-
Unrestricted	-	-	-	14,586
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,455</u>
Primary government:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 85,447
Restricted	-	-	-	680
Unrestricted	-	-	-	27,230
Total primary government net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,357</u>

(1) Information for fiscal years ended September 30, 2000 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 1

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 31,873	\$ 29,056	\$ 32,517	\$ 42,344	\$ 45,140	\$ 49,710
-	-	2,983	6,578	12,253	10,000
<u>21,177</u>	<u>29,406</u>	<u>30,153</u>	<u>27,759</u>	<u>28,249</u>	<u>27,636</u>
<u>\$ 53,050</u>	<u>\$ 58,462</u>	<u>\$ 65,653</u>	<u>\$ 76,681</u>	<u>\$ 85,642</u>	<u>\$ 87,346</u>
\$ 50,015	\$ 50,313	\$ 49,251	\$ 49,584	\$ 55,783	\$ 60,239
-	-	-	-	-	-
<u>13,209</u>	<u>14,600</u>	<u>16,913</u>	<u>18,223</u>	<u>14,687</u>	<u>11,079</u>
<u>\$ 63,224</u>	<u>\$ 64,913</u>	<u>\$ 66,164</u>	<u>\$ 67,807</u>	<u>\$ 70,470</u>	<u>\$ 71,318</u>
\$ 81,888	\$ 79,369	\$ 81,768	\$ 91,928	\$ 100,923	\$ 109,949
-	-	2,983	6,578	12,253	10,000
<u>34,386</u>	<u>44,006</u>	<u>47,066</u>	<u>45,982</u>	<u>42,936</u>	<u>38,715</u>
<u>\$ 116,274</u>	<u>\$ 123,375</u>	<u>\$ 131,817</u>	<u>\$ 144,488</u>	<u>\$ 156,112</u>	<u>\$ 158,664</u>

CITY OF COCONUT CREEK, FLORIDA
Changes in Net Assets (1)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2000	2001	2002	2003
Expenses:				
Governmental activities:				
General government	\$ -	\$ -	\$ -	\$ 6,533
Public safety	-	-	-	14,212
Physical environment	-	-	-	4,885
Culture/recreation	-	-	-	4,359
Interest on long-term debt	-	-	-	1,389
Total governmental activities expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,378</u>
Business-type activities:				
Utilities	\$ -	\$ -	\$ -	\$ 11,801
Stormwater management	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,801</u>
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,179</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ -	\$ -	\$ -	\$ 3,689
Public safety	-	-	-	3,044
Physical environment	-	-	-	1,275
Culture/recreation	-	-	-	486
Operating grants and contributions	-	-	-	300
Capital grants and contributions	-	-	-	482
Total governmental activities program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,276</u>
Business-type activities:				
Charges for services:				
Utilities	\$ -	\$ -	\$ -	\$ 10,293
Stormwater management	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	2,190
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,483</u>
Total program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,759</u>

Table 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	8,534	\$ 8,070	\$ 9,233	\$ 10,363	\$ 10,354	\$ 10,813
	15,914	17,495	18,677	19,831	21,423	22,817
	5,038	4,997	12,954	6,589	6,751	6,695
	4,878	5,092	5,702	5,578	5,693	5,781
	1,516	1,427	1,497	1,232	1,082	980
	<u>35,880</u>	<u>37,081</u>	<u>48,063</u>	<u>43,593</u>	<u>45,303</u>	<u>47,086</u>
\$	12,711	\$ 12,689	\$ 13,135	\$ 13,429	13,427	\$ 14,934
	-	575	1,113	661	745	808
	12,711	13,264	14,248	14,090	14,172	15,742
\$	<u>48,591</u>	<u>50,345</u>	<u>62,311</u>	<u>57,683</u>	<u>59,475</u>	<u>62,828</u>
\$	3,810	\$ 5,317	\$ 5,748	\$ 6,345	\$ 6,544	\$ 4,493
	3,483	4,370	3,916	4,141	5,883	6,290
	1,367	1,467	1,538	1,617	1,862	2,068
	628	687	587	596	618	638
	1,836	1,184	8,679	1,679	1,152	918
	1,496	732	897	2,261	4,559	125
	<u>12,620</u>	<u>13,757</u>	<u>21,365</u>	<u>16,639</u>	<u>20,618</u>	<u>14,532</u>
\$	11,424	\$ 11,853	\$ 11,790	\$ 11,366	\$ 10,960	\$ 12,581
	-	1,192	1,195	1,264	1,336	1,388
	27	509	324	82	-	-
	760	842	1,165	1,762	3,715	2,131
	<u>12,211</u>	<u>14,396</u>	<u>14,474</u>	<u>14,474</u>	<u>16,011</u>	<u>16,100</u>
\$	<u>24,831</u>	<u>28,153</u>	<u>35,839</u>	<u>31,113</u>	<u>36,629</u>	<u>30,632</u>

CITY OF COCONUT CREEK, FLORIDA
Changes in Net Assets (1)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Net (expense)/revenue				
Governmental activities	\$ -	\$ -	\$ -	\$ (22,102)
Business-type activities	-	-	-	682
Total net expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,420)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ 10,131
Utility taxes	-	-	-	5,001
Franchise taxes	-	-	-	2,871
Intergovernmental	-	-	-	4,716
Investment income	-	-	-	634
Miscellaneous	-	-	-	601
Gain (loss) on disposal of capital assets	-	-	-	103
Total governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,057</u>
Business-type activities:				
Investment income	\$ -	\$ -	\$ -	\$ 419
Miscellaneous	-	-	-	101
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>520</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,577</u>
Change in net assets				
Governmental activities	\$ -	\$ -	\$ -	\$ 1,955
Business-type activities	-	-	-	1,202
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,157</u>

(1) Information for fiscal years ending September 30, 2000 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 2
(continued)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ (23,260)	\$ (23,324)	\$ (26,698)	\$ (26,954)	\$ (24,685)	\$ (32,554)
(500)	1,132	226	384	1,839	358
<u>\$ (23,760)</u>	<u>\$ (22,192)</u>	<u>\$ (26,472)</u>	<u>\$ (26,570)</u>	<u>\$ (22,846)</u>	<u>\$ (32,196)</u>
\$ 11,272	\$ 12,610	\$ 14,542	\$ 17,362	\$ 16,076	\$ 15,886
5,028	5,276	5,331	5,413	5,544	5,936
3,074	3,225	3,540	4,009	3,989	4,222
5,003	5,563	6,057	5,816	5,551	4,947
384	589	1,182	4,349	1,261	917
722	911	1,429	1,032	1,225	2,502
-	562	1,807	-	-	(152)
<u>\$ 25,483</u>	<u>\$ 28,736</u>	<u>\$ 33,888</u>	<u>\$ 37,981</u>	<u>\$ 33,646</u>	<u>\$ 34,258</u>
\$ 198	\$ 348	\$ 782	\$ 1,073	\$ 621	\$ 303
72	210	243	187	203	186
270	558	1,025	1,260	824	489
<u>\$ 25,753</u>	<u>\$ 29,294</u>	<u>\$ 34,913</u>	<u>\$ 39,241</u>	<u>\$ 34,470</u>	<u>\$ 34,747</u>
\$ 2,223	\$ 5,412	\$ 7,190	\$ 11,027	\$ 8,961	\$ 1,704
(230)	1,690	1,251	1,644	2,663	847
<u>\$ 1,993</u>	<u>\$ 7,102</u>	<u>\$ 8,441</u>	<u>\$ 12,671</u>	<u>\$ 11,624</u>	<u>\$ 2,551</u>

CITY OF COCONUT CREEK, FLORIDA
Fund Balances of Governmental Funds (1)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 431
Unreserved	-	-	-	6,719
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,150</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ 249
Unreserved, reported in:				
Special revenue funds	-	-	-	3,719
Capital projects funds	-	-	-	1,847
Debt service fund	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,815</u>

(1) Information for fiscal years ending September 30, 2000 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 3

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 567	\$ 36	\$ 16	\$ 81	\$ 373	\$ 165
7,524	9,608	11,135	15,697	18,283	18,554
<u>\$ 8,091</u>	<u>\$ 9,644</u>	<u>\$ 11,151</u>	<u>\$ 15,778</u>	<u>\$ 18,656</u>	<u>\$ 18,719</u>
\$ 6,961	\$ 11,820	\$ 11,818	\$ 8,620	\$ 8,620	\$ 8,639
3,848	8,280	8,304	7,850	12,531	10,827
3,997	2,523	4,648	5,366	4,473	3,148
<u>413</u>	<u>514</u>	<u>569</u>	<u>656</u>	<u>666</u>	<u>469</u>
<u>\$ 15,219</u>	<u>\$ 23,137</u>	<u>\$ 25,339</u>	<u>\$ 22,492</u>	<u>\$ 26,290</u>	<u>\$ 23,083</u>

CITY OF COCONUT CREEK, FLORIDA
Changes in Fund Balances of Governmental Funds (1)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2000	2001	2002	2003
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 10,153
Fire assessments tax	-	-	-	1,662
Franchise fees	-	-	-	2,871
Utility taxes	-	-	-	5,001
Licenses and permits	-	-	-	1,405
Intergovernmental revenues	-	-	-	5,222
Charges for services	-	-	-	5,127
Fines and forfeitures	-	-	-	562
Investment income	-	-	-	634
Miscellaneous revenues	-	-	-	585
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,222</u>
Expenditures:				
General government	-	-	-	6,408
Public safety	-	-	-	14,298
Physical environment	-	-	-	4,895
Culture and recreation	-	-	-	4,171
Nondepartmental				
Capital outlay	-	-	-	1,829
Debt service:				
Principal	-	-	-	2,457
Interest and fiscal charges	-	-	-	1,199
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,257</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,035)</u>
Other financing sources (uses)				
Net proceeds from long-term debt	-	-	-	-
Sale of land	-	-	-	-
I ransfers in	-	-	-	2,278
T ransfers out	-	-	-	(2,278)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,035)</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	11.4%

(1) Information for fiscal years ending September 30, 2000 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 4

	2004	2005	2006	2007	2008	2009
\$	11,272	\$ 12,610	\$ 14,542	\$ 17,362	\$ 16,077	\$ 15,886
	1,827	-	-	-	-	-
	3,074	3,226	3,540	4,009	3,989	4,222
	5,028	5,276	5,331	5,413	5,544	5,937
	1,310	2,502	2,795	3,151	3,247	1,088
	6,303	8,080	14,573	7,456	6,668	5,805
	5,696	8,298	8,281	9,026	11,267	12,163
	702	523	729	507	3,598	462
	384	588	1,182	4,349	1,227	890
	1,015	899	1,901	2,474	2,264	1,313
	<u>36,611</u>	<u>42,002</u>	<u>52,874</u>	<u>53,747</u>	<u>53,881</u>	<u>47,766</u>
	7,045	7,166	8,416	9,258	9,833	9,525
	15,326	16,268	17,753	19,029	20,499	21,510
	4,322	4,335	12,110	5,558	5,419	5,977
	4,389	4,615	5,071	4,950	5,082	5,143
			170	193	184	210
	6,717	5,480	5,044	3,261	2,459	3,941
	22,632	2,339	2,436	8,323	2,630	3,452
	1,360	1,320	1,392	1,393	1,100	1,151
	<u>61,791</u>	<u>41,523</u>	<u>52,392</u>	<u>51,965</u>	<u>47,206</u>	<u>50,909</u>
	(25,180)	479	482	1,782	6,675	(3,143)
	31,736	5,817	-	-	-	-
	-	3,176	3,224	-	-	-
	2,259	5,285	4,574	4,542	2,937	3,834
	<u>(2,259)</u>	<u>(5,285)</u>	<u>(4,574)</u>	<u>(4,542)</u>	<u>(2,937)</u>	<u>(3,834)</u>
	31,736	8,993	3,224	-	-	-
\$	<u><u>6,556</u></u>	<u><u>9,472</u></u>	<u><u>3,706</u></u>	<u><u>1,782</u></u>	<u><u>6,675</u></u>	<u><u>(3,143)</u></u>
	43.5%	10.1%	8.0%	20.2%	8.3%	9.7%



CITY OF COCONUT CREEK, FLORIDA
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

Table 5

<u>Year Ended September 30</u>	<u>Property Taxes</u>	<u>Local Option Gas Tax</u>	<u>Utility Taxes</u>	<u>Franchise Fees</u>	<u>Total</u>
2000	\$ 7,720	\$ 719	\$ 3,596	\$ 2,366	\$ 14,401
2001	8,321	783	3,972	3,082	16,158
2002	9,045	838	4,922	2,757	17,562
2003	10,153	861	5,001	2,871	18,886
2004	11,272	903	5,028	3,074	20,277
2005	12,610	909	5,276	3,226	22,021
2006	14,542	938	5,331	3,540	24,351
2007	17,362	861	5,413	4,009	27,645
2008	16,077	875	5,544	3,989	26,485
2009	15,886	850	5,936	4,222	26,894

CITY OF COCONUT CREEK, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Year Ended September 30,</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other*</u>
2000	\$ 1	\$ 1	\$ 1	\$ 1
2001	1,627,366,770	205,669,860	33,304,760	179,337,530
2002	1,749,799,580	220,155,060	36,230,980	182,293,380
2003	1,957,065,810	244,748,860	38,030,490	196,591,650
2004	2,133,054,870	308,025,820	57,897,000	237,008,110
2005	2,294,915,310	323,973,990	84,432,590	255,198,760
2006	2,617,292,850	354,081,760	92,239,410	297,841,030
2007	3,092,591,130	413,431,190	115,114,040	456,010,140
2008	3,475,090,460	476,525,460	109,354,120	620,193,710
2009	3,325,196,440	544,993,880	131,761,640	627,363,020

Source: Broward County, Florida Property Appraiser's Office.

Notes:

* Other includes agricultural, institutional, government, miscellaneous and non-agricultural acreage

¹ Information not available for 2000.

Restated data for 2000 through 2008

Table 6

<u>Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Total Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Estimated Actual Value</u>
\$ 1	\$ 1,426,374,700	5.3901	\$ 1,921,831,710	74.22%
496,476,090	1,549,202,830	5.3451	2,087,604,290	74.21%
506,489,450	1,681,989,550	5.3177	2,276,308,330	73.89%
537,379,150	1,899,057,660	5.3107	2,638,790,130	71.97%
598,207,480	2,137,778,320	5.2879	3,105,618,290	68.84%
618,205,520	2,340,315,130	5.3408	3,503,413,710	66.80%
664,623,860	2,696,831,190	5.3408	4,185,722,650	64.43%
824,360,310	3,252,786,190	5.3408	5,416,762,050	60.05%
1,009,820,010	3,671,343,740	4.3796	6,101,425,730	60.17%
1,330,667,720	3,298,647,260	4.8869	5,481,926,110	60.17%

CITY OF COCONUT CREEK, FLORIDA
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Coconut Creek			Overlapping Rates					
				County			School District		
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage
2000	5.0959	0.2942	5.3901	6.8947	0.6763	7.5710	8.6740	0.4543	9.1283
2001	5.0959	0.2492	5.3451	6.8903	0.6347	7.5250	8.5410	0.4143	8.9553
2002	5.0959	0.2218	5.3177	6.6677	0.7328	7.4005	8.3590	0.3951	8.7541
2003	5.0959	0.2148	5.3107	6.6685	0.6965	7.3650	8.5410	0.3415	8.8825
2004	5.0959	0.1920	5.2879	6.6481	0.5399	7.1880	8.1621	0.2555	8.4176
2005	5.3408	-	5.3408	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695
2006	5.3408	-	5.3408	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623
2007	5.3408	-	5.3408	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687
2008	4.3796	-	4.3796	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484
2009	4.8869	-	4.8869	4.8889	0.4256	5.3145	7.4170	-	7.4170

Source: Broward County, Florida Property Appraiser's Office.

Table 7

Overlapping Rates					
CocoMar Water Management District	Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct & Overlapping Rates
0.4702	-	2.4895	0.6970	0.0440	25.7901
0.4503	-	2.4803	0.6970	0.0410	25.4940
0.2761	0.3055	2.4803	0.6970	0.0385	25.2697
0.2616	0.3316	2.4803	0.6970	0.0385	25.3672
0.1925	0.3920	2.5000	0.6970	0.0385	24.7135
0.1739	0.4231	2.4803	0.6970	0.0385	24.4461
0.1679	0.4231	2.1746	0.6970	0.0385	23.6872
0.1679	0.4073	1.8317	0.6970	0.0385	22.4180
0.1446	0.3572	1.6255	0.6240	0.0345	20.1006
0.1446	0.3754	1.7059	0.6240	0.0345	20.5028

CITY OF COCONUT CREEK, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago
(Amounts Expressed in Thousands)

Table 8

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Forest Pointe 372 LLC	\$ 43,051	1	1.3%	\$ -	-	-
Hillsboro Bay Partners LLC	41,331	2	1.2%	-	-	-
CA New Plan Asset Partnership I LP	33,525	3	1.0%	-	-	-
Florida Power & Light	33,261	4	1.0%	20,013	9	1.4%
CGL Banyan Bay LP	30,624	5	0.9%	23,635	4	1.6%
Bell South Communications	28,202	6	0.8%	24,819	3	1.7%
Atlyons LLC	25,702	7	0.7%	-	-	-
ERP Operating LTD Partnership	25,526	8	0.7%	18,468	10	1.3%
ERP Operating LTD Partner	24,723	9	0.7%	-	-	-
ERP Operating LTD Partner et al	24,531	10	0.7%	-	-	-
Minto Builders	-	-	-	40,186	1	2.7%
Eastrich #189 Corp.	-	-	-	38,265	2	2.6%
Pompano Imports	-	-	-	23,452	5	1.6%
HBC, Inc.	-	-	-	21,486	6	1.5%
Village Apartments at Coconut Creek	-	-	-	21,115	7	1.4%
Coco Parc I	-	-	-	21,012	8	1.4%
Totals	\$ 310,476		9.0%	\$ 252,451		17.2%

Source: Broward County, Florida Revenue Collector's Office.

CITY OF COCONUT CREEK, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Table 9

Fiscal Year	Total Tax Levy (1)	Current Taxes Collections	Percentage Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy
2000	\$ 7,727	\$ 7,700	99.65%	\$ 13	\$ 7,713	99.82%
2001	8,356	8,327	99.65%	13	8,340	99.81%
2002	9,058	9,022	99.60%	17	9,039	99.79%
2003	10,174	10,136	99.63%	16	10,152	99.78%
2004	11,294	11,271	99.80%	16	11,287	99.94%
2005	13,082	12,584	96.19%	13	12,597	96.29%
2006	15,087	14,517	96.22%	25	14,542	96.39%
2007	17,964	17,360	96.64%	-	17,360	96.64%
2008	16,557	16,005	96.67%	22	16,027	96.80%
2009	16,676	15,772	94.58%	18	15,790	94.69%

Source: Broward County, Florida Revenue Collector's Office.
(1) Tax levy, net of discount

CITY OF COCONUT CREEK, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 10

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Promissory Note	Improvement Revenue Notes	Line of Credit	Capital Lease			
1999	\$ 1,830	\$ 18,320	\$ -	\$ -	\$ -	\$ -	\$ 20,150	1.73%	\$ 511
2000	1,495	17,786	-	-	-	-	19,281	1.43%	443
2001	1,145	17,193	-	-	-	-	18,338	1.76%	403
2002	780	16,552	8,500	5,000	-	-	30,832	2.38%	656
2003	395	15,845	6,367	4,636	-	-	27,243	2.48%	574
2004	-	-	5,623	23,637	7,343	-	36,603	2.49%	764
2005	-	-	4,847	35,095	-	138	40,080	2.12%	829
2006	-	-	4,041	33,492	-	111	37,644	3.05%	780
2007	-	-	3,202	26,039	-	79	29,320	2.21%	608
2008	-	-	2,331	24,314	-	46	26,691	1.98%	553
2009	-	-	1,424	21,803	-	12	23,239	1.76%	486

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF COCONUT CREEK, FLORIDA
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2009
 (Amounts Expressed in Thousands)

Table 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Coconut Creek (1)</u>	<u>Amount Applicable to City of Coconut Creek</u>
Debt repaid with property taxes:			
Broward County	\$ 443,997	2.07%	\$ 9,191
Subtotal, overlapping debt			<u>9,191</u>
City of Coconut Creek			\$ <u>23,227</u>
Total direct and overlapping debt			<u>\$ <u>32,418</u></u>

Source: Broward County, Florida, Accounting Division and the School Board of Broward County.

(1) Based on ratio of assessed taxable value.



CITY OF COCONUT CREEK, FLORIDA
Legal Debt Margin Information
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Table 12

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 369,404	\$ 407,144	\$ 444,771	\$ 502,450	\$ 565,954	\$ 623,949	\$ 715,133	\$ 844,310	\$ 951,772	\$ 857,836
Total net debt applicable to limit	<u>1,495</u>	<u>1,145</u>	<u>780</u>	<u>395</u>	-	-	-	-	-	-
Legal debt margin	<u>\$ 367,909</u>	<u>\$ 405,999</u>	<u>\$ 443,991</u>	<u>\$ 502,055</u>	<u>\$ 565,954</u>	<u>\$ 623,949</u>	<u>\$ 715,133</u>	<u>\$ 844,310</u>	<u>\$ 951,772</u>	<u>\$ 857,836</u>
Total net debt applicable to the limit as a percentage of debt limit	0.40%	0.28%	0.18%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Valuation of Taxable Real Property	\$ 3,431,342
Bonded Debt Limit - 25% of above	857,836
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt:	-
Less Revenue Bonds:	-
	<u>-</u>
Capital Improvement Refunding	
Revenue Bonds	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin (1)	<u>\$ 857,836</u>

(1) The City Charter allows revenue bonds to be issued when authorized by the City Commission. General obligation bonds must be approved by referendum of the electorate with the aggregate amount outstanding not to exceed 25 percent of the assessed valuation of taxable property in the City.

CITY OF COCONUT CREEK, FLORIDA
Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	General Obligation Bonds				Revenue Bonds			
	Total Revenue	Debt Service		Coverage	Total Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2000	\$ 422	\$ 335	\$ 87	1.00	\$ 2,041	\$ 534	\$ 954	1.37
2001	388	350	71	0.92	2,119	592	929	1.39
2002	377	365	54	0.90	2,283	641	900	1.48
2003	411	385	37	0.97	2,437	707	868	1.55
2004	410	395	19	0.99	2,427	15,845	(1) 667	0.15
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Includes \$ 6,675,000 to refund principal amount of Series 1994 revenue bonds from Series 2004 revenue note proceeds and \$ 9,169,657 to refund principal amount of Series 1997 revenue bonds from Series 2003B revenue note proceeds.
- (2) Includes \$ 4,635,750 to refund principal amount Series 2001 revenue note from Series 2003A revenue note proceeds.
- (3) Includes \$ 5,786,353 principal payment of Series 2003D revenue note using proceeds from land sale.

Table 13

Improvement Revenue Notes							
Community Improvement Revenues	Electric Utility Taxes	Electric Franchise Fees	Total Revenue	Debt Service		Coverage	
				Principal	Interest		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00	
-	-	-	-	-	-	0.00	
-	-	-	-	-	-	0.00	
1,319	-	-	1,319	364	294	2.00	
1,379	2,427	2,183	5,989	5,393	(2) 502	1.02	
-	2,533	2,383	4,916	1,542	1,101	1.86	
-	2,536	2,833	5,369	1,603	1,192	1.92	
-	2,621	3,045	5,666	7,453	(3) 1,242	0.65	
-	2,689	3,064	5,753	1,725	1,082	2.05	
-	2,689	3,055	5,744	2,511	1,056	1.61	

CITY OF COCONUT CREEK, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

<u>Fiscal Year</u>	<u>Population</u>		<u>Personal Income</u>		<u>Per Capita Income</u>		<u>Median Age</u>		<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>	
2000	43,566	(1)	\$	1,347,191,418	\$	30,923	(2)	-	(2)	7,800	2.2%
2001	45,517	(1)		1,040,882,756		22,868	(2)	-	(2)	8,372	2.7%
2002	46,965	(1)		1,294,778,085		27,569	(2)	-	(2)	7,773	3.5%
2003	47,471	(1)		1,099,903,070		23,170	(2)	-	(2)	8,858	3.3%
2004	47,922	(1)		1,471,301,244		30,702	(2)	41.1	(2)	9,176	2.8%
2005	48,340	(1)		1,894,444,600		39,190	(2)	42.6	(2)	10,819	3.6%
2006	48,283	(1)		1,235,561,970		25,590	(2)	42.2	(2)	9,855	2.7%
2007	48,207	(1)		1,324,439,118		27,474	(4)	42.2	(2)	9,945	3.7%
2008	48,193	(1)		1,346,994,350		27,950	(4)	41.1	(2)	9,799	6.1%
2009	47,804	(5)		1,322,927,896		27,674	(4)	43.5	(4)	9,414	8.8%

(1) Furnished by Broward County, Florida Planning Services Division. Population estimated as of April 1st of each year.

(2) Furnished by the Broward Alliance.

(3) Furnished by the School Board of Broward County.

(4) Furnished by the American Community Survey (figure for Broward County)

(5) Furnished by the Bureau of Economic and Business Research

*** Median age for fiscal years ending September 30, 2000 to 2003 is not available, as it was not a required disclosure at that time

CITY OF COCONUT CREEK, FLORIDA
Principal Employers
Current Year and Nine Years Ago

Table 15

Employer	2009			2000 (1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward Community College	1,791	1	6.43%	-	-	-
Broward County School Board	1,283	2	4.60%	-	-	-
Seminole Coconut Creek Casino	600	3	2.15%	-	-	-
Publix	571	4	2.05%	-	-	-
Wal-Mart	505	5	1.81%	-	-	-
City of Coconut Creek	374	6	1.34%	-	-	-
Food for the Poor	350	7	1.26%	-	-	-
Carl's Corporate Headquarters	213	8	0.76%	-	-	-
Enterprise Car Rental (Regional Office)	165	9	0.59%	-	-	-
Elite Aluminum Corporation	85	10	0.31%	-	-	-
Totals	5,937		21.30%	-		0.0%

Source: Broward Alliance.

(1) Information for fiscal year ending September 30, 2000 is not available, as it was not a required disclosure at that time.

CITY OF COCONUT CREEK, FLORIDA
 Full-Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Table 16

Function	Full-Time Equivalent Employees as of September 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	46	48	51	56	46	59	61	64	61	62
Public safety	153	145	147	148	147	146	150	154	153	155
Physical environment	29	33	39	40	40	41	41	46	41	40
Culture and recreation	103	108	114	114	112	119	116	104	65	80
Water and wastewater	37	40	40	38	38	33	30	30	30	29
Stormwater management	-	-	-	-	-	7	7	7	7	8
Total	368	374	391	396	383	405	405	405	357	374

Source: City of Coconut Creek, Florida.

CITY OF COCONUT CREEK, FLORIDA
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrests	921	929	1,044	1,041	1,024	1,274	946	887	995	1,100
Parking violations	1,071	1,511	782	1,004	883	417	511	622	513	1,074
Traffic violations	12,931	12,431	12,177	15,662	14,172	12,287	10,326	8,272	7,484	11,211
Fire (1)										
Number of calls answered	-	5,797	5,578	5,275	5,719	6,090	6,072	5,733	5,724	6,178
Inspections	-	2,177	2,060	2,055	2,385	2,195	1,232	2,169	1,650	1,577
Streets										
Street resurfacing (miles)	5	-	-	-	-	-	1	-	-	-
Potholes repaired	39	40	36	36	71	136	70	185	265	273
Culture and recreation										
Athletic field permits issued	2,199	2,171	2,292	2,356	2,499	2,472	2,330	3,404	309	292
Fitness memberships	49	181	242	390	728	913	1,266	1,291	1,326	1,663
Water										
New connections	477	514	702	111	28	42	48	75	150	74
Water main breaks	3	4	2	-	1	1	-	75	2	1
Average daily consumption (thousands of gallons)	5,453	5,278	5,700	5,781	5,272	5,305	5,819	5,320	4,954	4,538

Source: City of Coconut Creek, Florida.

(1) Prior to fiscal year ending September 30, 2001, the City operated one department for Police and Fire Services. As a result, fire service calls are not available from 1999-2000.

CITY OF COCONUT CREEK, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 18

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	106	112	116	116	116	116	120	120	122	122
Streets										47
Streets (miles)	48	48	53	53	53	53	53	53	53	1,659
Streetlights	720	720	1,220	1,220	1,528	1,528	1,528	1,528	1,528	-
Culture and recreation										20
Parks acreage	196	196	196	196	196	207	207	207	207	12
Parks	17	17	17	17	18	20	20	20	20	3
Tennis courts	10	12	12	12	12	12	12	12	12	-
Community centers	3	3	3	3	3	2	2	2	3	256
Water										
Water mains (miles)	153	153	168	175	175	190	190	249	253	256
Fire hydrants	1,536	1,549	1,579	1,579	1,581	1,597	1,600	1,681	1,710	1,762
Maximum daily capacity (thousands of gallons)	6,540	6,540	6,540	6,540	6,540	6,540	6,540	6,540	8,500	8,500
Sewer										
Sanitary sewers (miles)	192	194	196	196	196	196	197	214	216	218
Storm sewers (miles)	117	118	122	122	122	124	124	99	103	108
Maximum daily treatment capacity (thousands of gallons)	4,208	4,242	4,978	4,482	6,040	6,040	3,827	3,662	6,040	6,540

Source: City of Coconut Creek, Florida.

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
(continued)
October 1, 2008 through September 30, 2009

Table 19

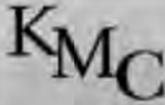
Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible
Workers' Compensation and Employers' Liability	Workers' Compensation Liabilities under F.S. 440	Preferred Governmental Insurance Trust WCFL1 0062801 08-01	10/01/08 through 09/30/09	Statutory Benefits per F.S. 440	\$ -
				\$1,000,000 per accident \$1,000,000 per employee - disease \$1,000,000 policy limit - disease	-
Flood Insurance	Actual Cash Value on building. Replacement cost on content. Specified City properties within NFIP Zone A. All other properties & excess of NFIP Zone A properties are included under the property policy to occ/agg of \$20,000,000.	Fidelity Nat'l Property & Casualty Ins.Co. #97700538451 Govt. Ctr.-City Hall	8/6/2008 through	\$500,000 bldg/\$500,000 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538456 Govt. Ctr.-Public Works	8/6/2009	\$500,000 bldg/\$59,300 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538457 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$68,800 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538458 Govt. Ctr.-Equip. Bldg.		\$123,400 bldg/\$10,800 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538459 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$122,500 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538461 Govt. Ctr.-Storage Bldg.		\$90,600 bldg/\$7,900 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538462 Gerber Park		\$142,300 bldg/\$13,000 cnts	\$500/\$500
Flood Insurance	Actual Cash Value on building. Replacement cost on content. Specified City properties within NFIP Zone A. All other properties & excess of NFIP Zone A properties are included under the property policy to occ/agg of \$20,000,000.	Fidelity Nat'l Property & Casualty Ins.Co. #97700538451 Govt. Ctr.-City Hall	8/6/2009 through	\$500,000 bldg/\$500,000 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538456 Govt. Ctr.-Public Works	8/6/2010	\$500,000 bldg/\$62,300 cnts,	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538457 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$72,200 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538458 Govt. Ctr.-Equip. Bldg.		\$135,700 bldg/\$11,300 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538459 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$128,600 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538461 Govt. Ctr.-Storage Bldg.		\$99,700 bldg/\$8,300 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #97700538462 Gerber Park		\$156,500 bldg/\$13,700 cnts	\$500/\$500

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
(continued)
October 1, 2008 through September 30, 2009

Table 19

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible
Crime Insurance	Employee Dishonesty incl. Faithful Performance of Duties Computer Fraud -	Fidelity & Deposit Company of MD CCP0065331 00	10/01/08 through 09/30/09	\$1,000,000	\$ 10,000
	\$1,000,000				
	Depositors Forgery or Alteration and Theft, Disappearance & Destruction of Monies & Securities in/out			\$500,000	5,000
General Liability	Bodily Injury & Property Damage Combined Single Limit for all Premises/Ops.	Preferred Governmental Insurance Trust PK2FL1 0062801 08-01	10/01/08 through 09/30/09	\$1,000,000 per occurrence \$2,000,000 policy aggregate limit	\$ -
Employee Benefits Liab Fire Legal Law Enforcement	Claims made coverage Liability Legal Liability			\$1,000,000 per occurrence \$2,000,000 policy aggregate limit \$50000 any one premise \$1,000,000 per occurrence/ or person \$2,000,000 policy aggregate limit	2,500
Automobile Liability	Bodily Injury & Property Damage Combined Single Limit for any "auto"			\$1,000,000 per occurrence/ or accident	\$ -
Public Official and Employment Practices Liability	Liability for Money Damages (other than B1 or PD) due to Errors or Omissions of the City, it's Commissioners, & Employees			\$1,500,000 per claim \$1,500,000 policy aggregate/annually	\$ 2,500
Accidental Death & Dismemberment	Liabilities under F.S. 118 & 119.191 Applicable to Police Officers & Fire Fighters	Hartford Life Ins. Co. ETB108661	10/01/07 through 10/1/2010	Statutory Benefits per F.S. 118 & 119.191 3 year policy	\$ -





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

To the Honorable Mayor,
Members of the City Commission
and City Manager
City of Coconut Creek, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida (the "City") as of and for the year ended September 30, 2009, which collectively comprise the City of Coconut Creek, Florida's basic financial statements, and have issued our report thereon dated March 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements, that is more than inconsequential, will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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

City of Coconut Creek, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Commission, management, federal awarding agencies and pass-through entities and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2010



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor,
Members of the City Commission
and City Manager
City of Coconut Creek, Florida

Compliance

We have audited the compliance of City of Coconut Creek, Florida (the "City") with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major Federal program for the year ended September 30, 2009. The City's major Federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major Federal program for the year ended September 30, 2009.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

City of Coconut Creek, Florida

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the entity's internal control.

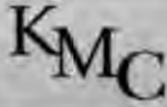
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

This report is intended solely for the information and use of City Commission, management, Federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these specified parties.



KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2010



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INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

To the Honorable Mayor,
Members of the City Commission
and City Manager
City of Coconut Creek, Florida

We have audited the financial statements of the City of Coconut Creek, Florida (the "City") as of and for the year ended September 30, 2009, and have issued our report thereon dated March 15, 2010.

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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters; Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 15, 2010, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The finding and recommendation made in the preceding annual financial report was addressed and is no longer relevant.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements.

Section 10.554(1)(i)7., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2009, 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, 2009. In connection with our audit, we determined that these two reports were in agreement.

As required by the Rules of the Auditor General (Sections 10.554(i)7.c.), and 10.556(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2010

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended September 30, 2009

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Justice Federal Forfeitures	* 16.XXX	-	\$ 1,479,814	\$ -
United States Department of Housing and Urban Development 2009 CDBG Housing Grant	14.218	B-08-MC-12-054	32,517	-
Indirect Programs:				
United States Department of Homeland Security Passed through Florida Division of Emergency Management Hazard Mitigation Grant	97.039	07HM-O; -11-16-02-007	83,409	-
	97.039	07HM-O; -11-16-02-003	79,500	-
	97.039	09HM-37-11-16-02-041	58,936	-
United States Department of Justice Passed through Broward County Sheriff's Office Victim Advocate Program JAG Grant	16.579	2009-JAGC-BROW-8-T7-093	10,970	-
	16.592	2009-JAGD-BROW-8-T8-039	3,380	-
Passed through State Office of Attorney General Crime Victim Assistance	16.575	V7121	39,629	-
Total Expenditures of Federal Awards			<u>\$ 1,788,155</u>	<u>\$ -</u>

* Denotes a major program

CITY OF COCONUT CREEK, FLORIDA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2009

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 - CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City of Coconut Creek, Florida. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE 3 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE

Complete Catalog of Federal Domestic Assistance ("CFDA") numbers are presented for those programs for which such numbers were available. CFDA prefixes are presented for programs for which a complete CFDA number is not available.

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of City of Coconut Creek, Florida, were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal program are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major Federal program for City of Coconut Creek, Florida expresses an unqualified opinion.
6. No audit findings relative to the major Federal program for City of Coconut Creek, Florida are reported in Part C of this schedule.
7. The program tested as a major program is as follows:

Federal Program	Federal CFDA No.
United States Department of Justice Federal Forfeiture	16.XXX

8. The threshold for distinguishing Types A and B programs was \$ 300,000 for the major Federal program.
9. City of Coconut Creek, Florida was not determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAM

NONE

D. OTHER ISSUES

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs.

No Corrective Action Plan is required because there were no findings reported under the Federal Single Audit Act.

