

City of

COCONUT CREEK

Florida



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

**Fiscal Year Ended
September 30, 2010**



**Prepared by the
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES**

**Karen M. Brooks, Director
Peta-Gay Lake, Assistant Director
Elise Adler-Hogan, Senior Accountant**

**CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2010**

City Commission

Lou Sarbone	Mayor
Mikkie Belvedere	Vice Mayor
Marilyn Gerber	Commissioner
Rebecca A. Tooley	Commissioner
Lisa K. Aronson	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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 For the Fiscal Year Ended September 30, 2010**

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March 24, 2011

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, 2010 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 Generally Accepted Accounting Principles 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, 2010 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, 2010, 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 complements this letter of transmittal and should be read in conjunction with it.

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 48,159 people, the City ranks 15th in population amongst the 31 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 to 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, division, and major programs. 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 50 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 58.

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. The growth and development of the City is dependent upon the economic environment of South Florida and particularly that of Broward County. The major economic influences in this area are predominantly the housing market (including housing values, insurance, property taxes and mortgage interest rates), the regional job market, new construction, weather events and uncertainty of any future tax reform. In 2010, the Consumer Price Index slightly increased and is expected to continue to gradually increase in 2011. Consideration of the impact of these economic indicators plays an important role in determining the use of City resources in the upcoming years.

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently minimal, plus the value of new construction. The impact of the current economic environment and declining property values has resulted in a loss of tax dollars and new construction related revenues presenting some future uncertainty.

During the early 2000's, the City of Coconut Creek experienced an increase in housing construction in the northern section of the City. However, the level of new construction declined drastically after 2008 as demonstrated by the following table:

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Residential Units	68	26	85	71	203	62	5	294	319	378
Commercial Permits	2	4	24	5	5	18	52	21	31	46
Value (in millions)	\$15.7	\$9.4	\$75.6	\$35.2	\$22.4	\$39.7	\$22.5	\$32.2	\$20.6	\$63.7

The spike in commercial permits in 2008 is a result of the completion of the first phase of the City's "downtown" area. Our focus is on tax base diversification and we 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 of 2009, the housing debacle, and the surrounding economic uncertainty, the City experienced a drastic decrease in the number of new construction permits issued in 2009. The number of residential permits increased in 2010 as a result of a slowly recovering housing market, but is far from returning to the early 2000 levels. Commercial permits remain low in 2010, but is expected to increase over the next 1-3 years due several major initiatives planned for upcoming years, particularly in the MainStreet area (more detailed information is contained in the Major Initiatives section on page v).

Within the City of Coconut Creek's city limits resides one of the casinos operated by the Seminole Tribe of Florida, Inc. The casino attracts residents and tourists alike, and has a direct positive effect on the overall local economy. The City currently has a Municipal Service Provider Agreement with the Seminole Tribe of Florida, Inc. that provides for annual payments to help compensate for the social and financial impact the casino has on our community. Funding received from the Seminole Tribe of Florida, Inc. is used for community capital improvement projects.

In 2010, the Florida Legislature approved a compact with the Seminole Tribe of Florida, Inc., authorizing blackjack and other card games at five Seminole casinos, including the casino in the City of Coconut Creek. On an annual basis, the City will receive a small portion of the net wins attributed to the Coconut Creek casino. Distributions began in March 2011 based on earnings from the effective date of the compact (August 2010) through September 30, 2010 and will continue annually.

Long-term Financial Planning

The City has been working diligently on a capital improvement 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 a landscaped median, bus shelters, and a dedicated bicycle and pedestrian multi-purpose path. The project is well underway with construction expected to begin in the spring of 2011.

The City has undertaken a project to underground above ground utility lines in the northern section of the City. The undergrounding project will promote a safer environment, decrease disruption time during a hurricane, and increase the aesthetic appearance in the respective areas of the City. The project is estimated to cost approximately \$3.5 million. The project will be funded by a FEMA grant, reimbursements from Florida Power and Light, and debt proceeds. The project began in fiscal year 2010 and is expected to be completed in fiscal year 2013.

The City has undertaken a capital improvement project to construct a new state-of-the-art Public Works building. The current Public Works building needs major improvements and is not equipped to withstand a major hurricane. The current building will be demolished and replaced with a safer and more modern structure. The City plans to use the building as an Emergency Operations Center (EOC) and the police dispatch center. Broward County is also planning to operate a regional EOC and dispatch center from the new Public Works building. The project is estimated to cost approximately \$6.5 million. The project is funded through the issuance of debt. Partial funding for the project was obtained through grants and contributions from the County. Proceeds received from the Seminole Tribe of Florida, Inc. will be used to repay the debt.

In October 2010, the City Commission approved the execution of an Option Purchase Agreement with JPGP, LLC for the sale of 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. JPGP, LLC may exercise the option to purchase the property any time during the option period or any extensions thereof. In December 2010, with approval from JPGP, LLC, the City entered into a one-year lease agreement with Seminole Properties II, Inc. to lease the 10.028 acres of land for use as a temporary parking facility.

Relevant Financial Policies

City of Coconut Creek budgetary and financial policies provide the basic framework for the overall fiscal management of the City. The main policies consist of the revenue, cash management and investments, debt, and fund balance policies. These policies are used in the development of current activities and planning for future programs.

Revenue Policy

The City seeks to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and will attempt to minimize the dependence on property taxes. Charges for services are used to recover partial or full cost of providing services that benefit individual users. Additionally, it is the City's policy that new ongoing operating costs are funded with regular, ongoing revenue sources. One time operating costs are tied to one-time revenue sources to ensure fund balance integrity.

Cash Management and Investments Policy

The City follows its adopted investment policy when handling public funds. The intent of this policy is to 1) ensure the preservation of principal, 2) maintain sufficient cash flow to enable the City to meet its obligations, and 3) maximize the return on assets with an acceptably low exposure to risk. The investment policy meets the requirements of Florida Statutes, section 218.415.

Cash temporarily idle during the year was primarily invested in Federal agency issues, non-negotiable certificate of deposits, and the City's bank deposit account. The maturities of the investments range from one to ten years, with an average maturity of 5.04 years. The average return on investments was 1.6%. Investment income includes a decline in the fair market value of investments. Changes in fair market value are temporary as the City intends to hold to maturity.

Debt Policy

The City seeks to maintain the highest bond rating to minimize borrowing costs. Debt is issued when necessary to finance capital projects, but is never used for current operations. The City reviews and evaluates its existing obligations and future borrowing needs regularly. During fiscal year 2010, the City issued a \$10 million capital improvement revenue note to fund a new Public Works building and the undergrounding of above ground utility lines.

Fund Balance Policy

During fiscal year 2010, the City adopted a fund balance policy to ensure adequate fund balance and reserves for the City's governmental funds. The intent of this policy is to 1) provide sufficient cash flow for daily financial needs; 2) secure and maintain investment grade bond ratings; 3) offset significant economic downturns or revenue shortfalls; and 4) provide funds for unforeseen expenditures related to emergencies.

Major Initiatives

Strategic Planning

The City's Comprehensive Plan was originally adopted in 1989. A substantial revision was completed in 2003 to satisfy both the requirements of the 1996 adopted Evaluation and Appraisal Report and for the Broward County Planning Council Certification. The plan was again amended in 2007 as a result of the 2005 Evaluation and Appraisal Report. A water supply plan, identifying the long term plan for water supply sources and facilities was adopted in 2008. In addition, with the adoption of statewide school concurrency, a new Public School Facilities Element was adopted in 2009. The Comprehensive Plan is intended to guide future growth and development and to provide an overall vision for the community.

The City of Coconut Creek has been and is committed to its mission "To foster continuous quality improvement to enhance a sense of community, quality of life, and personal security" and its vision "The City of the Future with a Personal Touch." To further the City's ever-evolving planning process, the City reviews its planning every three to five years to ensure that the City's priorities are aligned with the needs of the public and environment. In 2006, City staff worked as a team to assess the City's priorities. During fiscal year 2009, these priorities were reviewed and aligned with the strategies solicited from the City's citizens at a two-day retreat, known as the Vision 2020 Assembly. The City's strategic plan focuses on three main areas:

1. Quality of Life/City Services
2. Economic Development/Environmental Preservation
3. Educational, Recreational and Cultural Resources

The strategic plan provides definition and value to the objectives by setting forth the meaning to citizens and describing the long and short-term challenges and opportunities presented by the current social and economic environment. The strategic plan is the driving force for allocating the City's financial resources.

Economic Development

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. Several other projects are approved for the MainStreet area but due to the current economic conditions, the remaining projects may take several years to begin construction. Overall, the MainStreet downtown area is approved for over 3 million square feet of commercial use, 1 million square feet of office use, 1300 hotel rooms and 6400 dwelling units.

Also located in the MainStreet area is the Seminole Tribe of Florida Coconut Creek Casino. The Seminole Tribe has plans for a major expansion of this facility with over 300,000 square feet of retail and restaurant space, a 1,000-room hotel, a 3,200-seat auditorium, a 6,500-vehicle parking garage, and an expansion of gaming activity. Based on the planned expansion, the City has undertaken discussions directly with the Seminole Tribe to evaluate and solve

development impacts related to the City, as the project moves forward. It is anticipated that the Seminole Tribe will continue to phase their development program over the next several years. The next phase includes a Transportation Center and initial retail component. The proposed Transportation Center will contain approximately 2800 parking spaces with a 25,000 square foot retail component. Construction is expected to begin the second or third quarter of fiscal year 2011.

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, 2009. This was the twenty-seventh 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 2010 annual budget document with special recognition for performance measures and the Capital Improvement Program. 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 2011 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, 2009 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, 2009

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.



A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

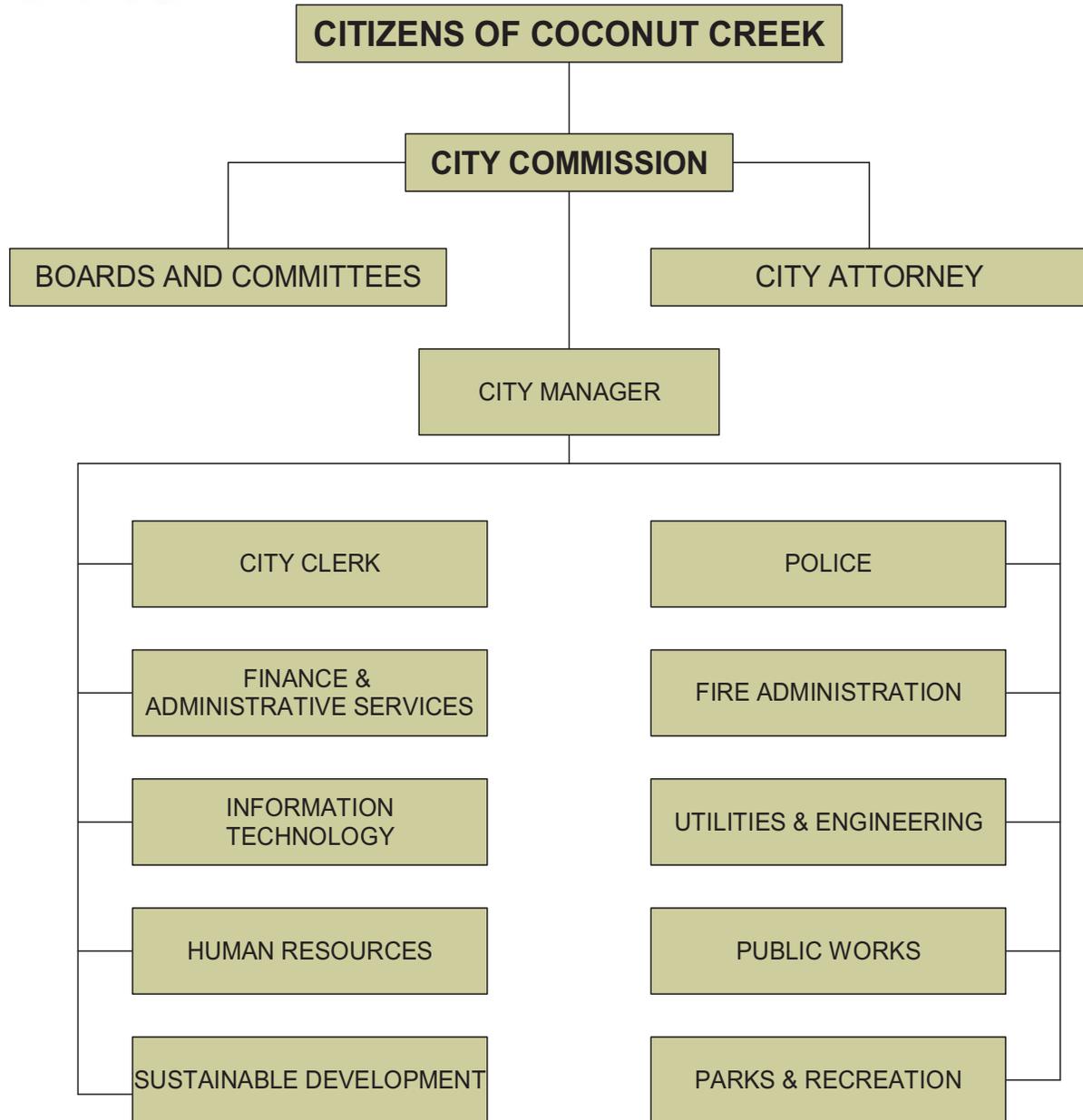
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



COCONUT CREEK
GOVERNMENTAL STRUCTURE
ORGANIZATIONAL CHART
FISCAL YEAR 2010



CITY OF COCONUT CREEK, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2010

Elected Officials

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

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 N. Rose
Director of Human Resources	Pamela J. Kershaw
Director of Public Services.....	Raj Verma
Director of Parks and Recreation	Linda J. Wiederspan
Director of Information Technology	Eric P. Rupert
Chief of Police	Michael J. Mann
Fire Rescue Chief	Steven Pollio

Finance Officials

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



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, 2010, 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 an opinion 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 opinion.

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, 2010, 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 24, 2011 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, other post-employment benefits, on pages 3 through 14 and page 53, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budget and actual schedules, combining and individual nonmajor fund financial statements and schedules, 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 and state financial assistance 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 Chapter 10.550, *Rules of the Auditor General*, 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 and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 24, 2011

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, 2010. 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 through vi 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 \$ 168.6 (net assets). Of this amount, \$ 37.9 (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 \$ 9.9 during the current fiscal year. Net assets of our governmental and business-type activities increased by \$ 3.5 and \$ 6.4, respectively. The majority of the increase in governmental fund activities net assets is due to increases in charges for services, utility taxes, and building permits, cost savings as a result of staff reductions and vacancies, and various operational savings. \$ 6.1 of the increase in net assets for business-type activities is due to capital contributions and donations.
- As of the close of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$ 48.8, an increase of \$ 7.0 over the prior year. Of this amount, approximately \$ 8.8 is reserved and \$13.1 is designated.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$ 18.1, or 36.5% of total General Fund budgeted expenditures and transfers out.
- The City of Coconut Creek's total debt increased \$ 2.6 during the current fiscal year due to the issuance of Series 2009 Capital Improvement Revenue Note in the amount of \$ 10.0, reduced by required debt service payments of \$ 7.4.

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 Auditor's 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.

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.

Management's Discussion and Analysis

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 15 and 16 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, 2009 Capital Improvement Program Fund, Capital Improvement Program Fund, the Public Safety Improvement Fund, and the Revenue Bonds Debt Service 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.

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 17 through 22 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 operations.

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 23 through 26 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 27 of this report.

Management’s Discussion and Analysis

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 50 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 54 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.

In the case of the City of Coconut Creek, combined net assets exceeded liabilities by \$ 168.6 at the close of fiscal year 2010 (see Table 1 below).

**Table 1
City of Coconut Creek’s Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 53.5	\$ 47.2	\$ 15.4	\$ 14.7	\$ 68.9	\$ 61.9
Capital assets	73.2	72.9	65.4	60.3	138.6	133.2
Total assets	126.7	120.1	80.8	75.0	207.5	195.1
Long-term liabilities outstanding	32.4	27.7	0.7	0.4	33.1	28.1
Other liabilities	3.5	5.1	2.3	3.2	5.8	8.3
Total liabilities	35.9	32.8	3.0	3.6	38.9	36.4
Net assets:						
Invested in capital assets, net of related debt	57.2	49.7	65.4	60.3	122.6	110.0
Restricted	8.1	10.0	-	-	8.1	10.0
Unrestricted	25.5	27.6	12.4	11.1	37.9	38.7
Total net assets	\$ 90.8	\$ 87.3	\$ 77.8	\$ 71.4	\$ 168.6	\$ 158.7

Management's Discussion and Analysis

The largest portion of the City of Coconut Creek's net assets (\$ 122.6, or 72.7%) 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 (\$ 8.1, or 4.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$ 37.9 reflects unrestricted net assets (22.5%) which 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 increased by \$ 5.0. The increase was due mainly to the issuance of the Series 2009 Capital Improvement Revenue Note in the amount of \$10.0 to fund the undergrounding of above ground utility lines and the construction of a new public works building. Additionally, the City reported \$ 2.4 in other post-employment benefits. In the prior year, other post-employment benefits were reported as other liabilities. These increases were partially offset by the required annual debt service payments of \$ 7.4.

Other liabilities decreased by \$ 2.5, of which \$ 1.3 related to a reclassification of other post-employment benefits from other liabilities to long-term liabilities. Other post-employment benefits, regardless of classification, increased by the annual required contribution of \$ 1.2. The remaining \$ 1.2 decrease is mainly due to a combination of a payment on the total reimbursement amount due to FEMA of \$0.8 and a decrease in accrued expenses and accounts payable based on the timing of annual activities and vendor payments.

Current and other assets increased \$ 7.0 due mainly to an increase in cash and investments and accounts receivable as a result of the annual activities and the timing of payments and receipts. Changes in capital assets are discussed in the Capital Assets and Debt Administration section on page 12.

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 or elimination of programs** can have an impact on staffing levels, operating costs, and capital outlay costs.
- 2) **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent approximately 53% of the City's operating costs.
- 3) **Salary increases** such as cost of living, performance increases, and pension contributions can impact personal service costs.

Management’s Discussion and Analysis

While there was only a slight increase 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 \$ 9.9 during the fiscal year. Approximately 61.6% (\$ 6.1) of the increase in net assets was attributed to capital contributions of utility easements and infrastructure and does not represent actual revenue collected during the year. The remaining increase in net assets is due mainly to increases in water and sewer revenues, charges for services, utility taxes, and license and permit. Additionally, expenditures were less than anticipated due to staff reductions and vacancies and savings in operating expenses. More detailed information is provided in the governmental and business-type activities change in net assets section as follows.

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	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for services	\$ 15.6	\$ 13.5	\$ 16.3	\$ 14.0	\$ 31.9	\$ 27.5
Operating grants and contributions	1.0	0.9	-	-	1.0	0.9
Capital grants and contributions	0.5	0.1	6.1	2.1	6.6	2.2
General revenues						
Property taxes	16.2	15.9	-	-	16.2	15.9
Utility taxes	6.1	5.9	-	-	6.1	5.9
Franchise taxes	4.1	4.2	-	-	4.1	4.2
Intergovernmental	4.8	4.9			4.8	4.9
Investment income	0.6	0.9	0.2	0.3	0.8	1.2
Miscellaneous	1.7	2.4	0.3	0.2	2.0	2.6
Total revenues	50.6	48.7	22.9	16.6	73.5	65.3
Expenses						
General government	10.8	10.8	-	-	10.8	10.8
Public safety	23.5	22.8	-	-	23.5	22.8
Physical environment	6.2	6.6	-	-	6.2	6.6
Culture/recreation	5.5	5.8	-	-	5.5	5.8
Interest on long-term debt	1.1	1.0	-	-	1.1	1.0
Water and wastewater	-	-	15.7	14.9	15.7	14.9
Stormwater	-	-	0.8	0.8	0.8	0.8
Total expenses	47.1	47.0	16.5	15.7	63.6	62.7
Increase in net assets	3.5	1.7	6.4	0.9	9.9	2.6
Net assets-beginning	87.3	85.6	71.4	70.5	158.7	156.1
Net assets-ending	\$ 90.8	\$ 87.3	\$ 77.8	\$ 71.4	\$ 168.6	\$ 158.7

Management’s Discussion and Analysis

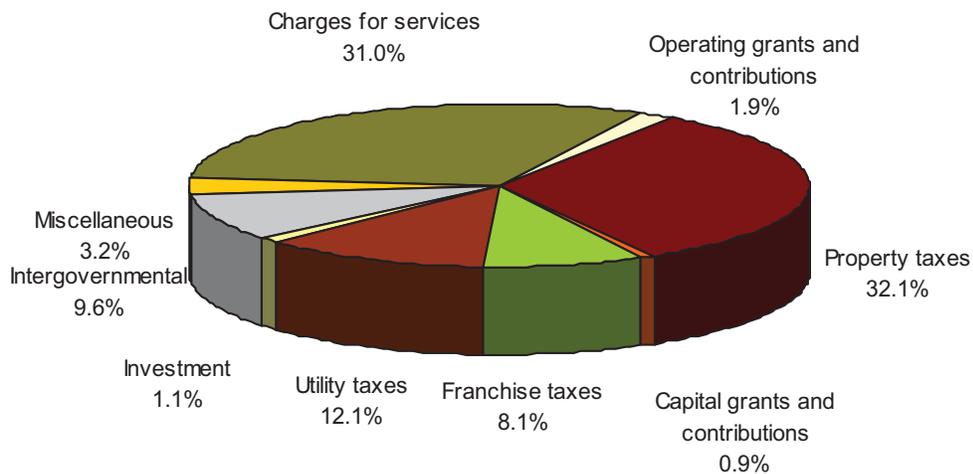
Governmental activities. Governmental activities increased the City of Coconut Creek's net assets by \$ 3.5, thereby accounting for 35.4% of the total growth in the net assets of the City of Coconut Creek.

Key elements of this increase are as follows:

- Property taxes increased by \$ 0.3 (1.9%) during the year. This minor increase is attributed to an increase in prior year tax collections (delinquent payments received in fiscal year 2010). However, any increases in property tax revenue due to new construction were offset by downward valuations made by the Value Adjustment Board.
- Charges for services increased by \$ 2.1 (15.6%) during the year. The increase is primarily attributed to an increase in building permitting revenues as a result of the slowly recovering real estate market (\$ 0.5); an increase in the fire special assessment collections and fee (\$ 1.0); the annual increase in the Seminole municipal service fees (\$ 0.1); an increase in internal administrative charges (\$ 0.1); and an increase in emergency medical services charges due to an increase in collection efforts (\$ 0.2). The remaining difference consists of minor increases and decreases in other accounts.
- The capital grants/contributions increased by \$ 0.4 (400%). This increase can be attributed to a large receipt received in fiscal year 2010 from the Florida Department of Environmental Protection in the amount of \$ 0.4 for road improvements along Lyons Road, including irrigation, resurfacing, drainage, sidewalks, and pavers.
- Investment income decreased by \$ 0.3 (-33.3%). The decrease is primarily attributed to the market conditions and the earning potential on current investments.
- Miscellaneous revenues decreased by \$ 0.7 (-29.1%). In fiscal year 2009, the City settled pending litigation and recognized a reduction in liabilities of \$ 1.0. This was a non-recurring event and does not represent actual revenues collected. The decrease was partially offset by a reimbursement from Waste Management for legal fees.
- Expenses remained constant from fiscal year 2009 to 2010. However, the City implemented several cost reduction measures to offset increases in contract prices and personnel costs, including eliminating vacant positions, restructuring the public works department and outsourcing janitorial services.

Governmental revenues increased 3.9% to \$50.6. 32.1% of these revenues received come from property taxes, 20.2% from utility and franchise taxes and 31.0% from charges for services (see Chart 1 as follows):

CHART 1
Revenues by Source-Governmental Activities



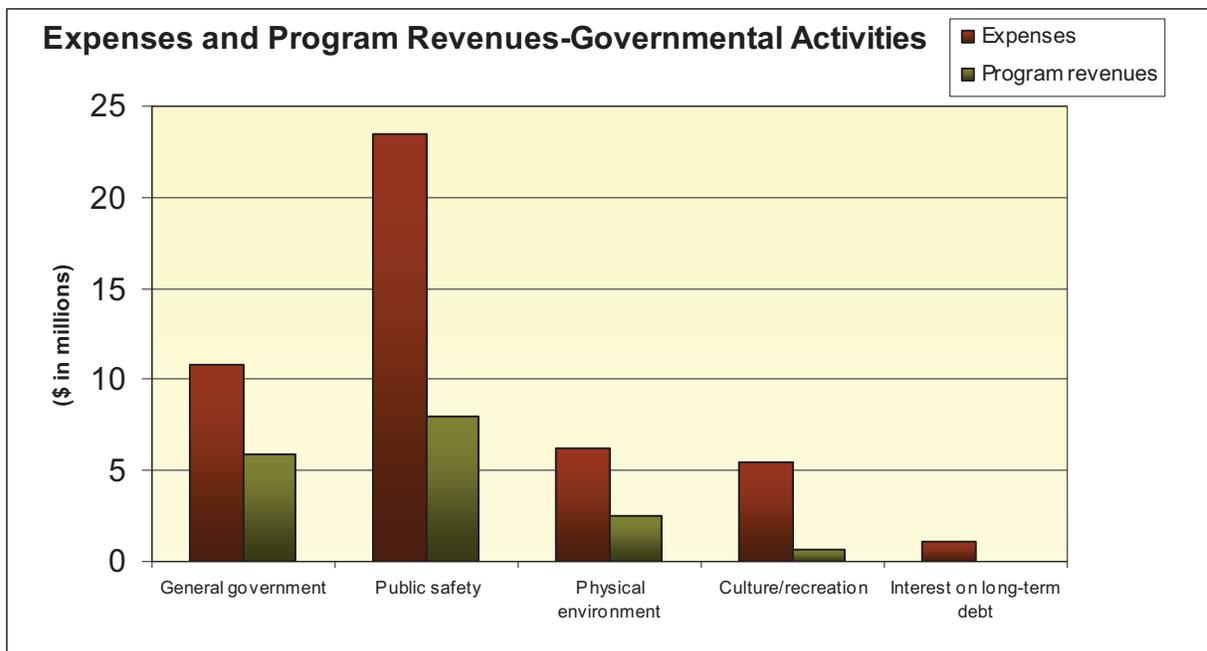
Management’s Discussion and Analysis

Chart 2 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$ 47.1. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services (\$ 15.6), and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions (\$ 1.5).

The City financed the remaining \$ 30.0 “public benefit” portion of governmental activities with \$ 26.4 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 \$ 6.4, accounting for 64.6% of the total increase in the government’s net assets. Revenues of the City’s business-type activities increased 38.0% to \$ 22.9, while expenses increased by 5.1% to \$ 16.5. Factors contributing to these results included:

- Charges for services increased by \$ 2.3 (16.4%) due to a new water/wastewater rate structure implemented in fiscal year 2009. 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.
- Capital grants and contributions increased by \$ 4.0 (190%) resulting mainly from an increase in contributions of utility easements. The City implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which requires that the City records all utility easements as intangible assets. The increase does not represent a true increase in revenues collected during the year, but merely a change in accounting requirements.
- Investment income decreased by \$ 0.1 (-33.3%). The decrease is primarily attributed to market conditions and the earning potential on current investments.
- Miscellaneous revenues increased by \$ 0.1 (50%) due to an increase in water and sewer impact fees paid by new developments.
- Expenses increased by \$ 0.8 (5.1%) during the year. This increase is attributed to the increase in the cost to provide services, including Broward County rate increases for the purchase of water and wastewater 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 \$ 48.8, an increase of \$ 7.0 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. Reserved fund balance includes 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 \$ 18.3, of which, \$ 18.1 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 budgeted fund expenditures. Unreserved, undesignated fund balance represents 36.5% of total General Fund's budgeted expenditures and transfers out.

The fund balance of the City of Coconut Creek's General Fund decreased by \$ 0.4 during the current fiscal year. The City had appropriated \$ 2.0 of fund balance for spending in the 2010 fiscal year budget. Additionally, the City had reserved \$ 4.2 for a lump sum debt payment in 2010. However, staff vacancies and unused departmental expenditures due to a conscious effort to reduce costs eliminated the need for the use of the entire appropriated fund balance. The primary factors contributing to the decrease in fund balance includes the lump sum payment on the Series 2003C Capital Improvement Revenue Note, which was partially offset by personnel cost savings of \$ 2.3 (approximately 7.7% of total personnel cost) resulting from staff reductions, vacancies, and the outsourcing of janitorial services and various operating cost savings of \$ 1.6 (approximately 11.9% of total operating costs). Additionally, the City collected more in charges for services, utility taxes, and license and permits. More detailed information is included in the General Fund Budgetary Highlights section on page 11.

The Grants Fund has a fund balance of \$ 1.2, which is mainly 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 2009 Capital Improvement Program Fund has a total fund balance of \$ 9.5, which is held in cash and investments received from the \$ 10.0 Series 2009 Capital Improvement Revenue Note issued in fiscal year 2010. The proceeds from the note will be used for the undergrounding of above ground utility lines and the construction of a new public works building.

The Capital Improvement Program Fund has a total fund balance of \$ 2.1, which consists mainly of cash and investments for ongoing projects.

The Public Safety Improvement Fund has a total fund balance of \$ 0.4, which is held in cash and investments for future capital assets.

The Revenue Bonds Debt Service Fund has a fund balance of \$ 0.1, which is held in cash and investments. This fund is used to make the annual governmental debt service payments.

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.

Management's Discussion and Analysis

Unrestricted net assets of the Water and Wastewater Fund at the end of the year amounted to \$ 9.3. The total increase in net assets was \$ 5.8. The increase in net assets was mainly due to capital contributions made during fiscal year 2010, including \$ 5.0 of utility easements that was recorded due to the implementation of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Unrestricted net assets of the Stormwater Management Fund at the end of the year amounted to \$ 3.1. The total increase in net assets was \$ 0.7. Other factors concerning the finances of these funds 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 \$ 0.2 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:

- \$ 0.16 in the General Fund was transferred to the City Attorney's budget to cover outside legal costs relating to various on-going issues, including Seminole Trust related issues. In addition, the City attorney funded a sign code study that was not anticipated. This transfer was made from the contingency section of the City's General Fund.
- \$ 0.04 in the General Fund was transferred to non-departmental professional services to cover federal lobbying costs. This transfer was made from the contingency section of the City's General Fund.

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

- As of fiscal year-end, actual revenue amounts exceeded the final budget by \$ 0.9. The additional revenue is primarily attributed to charges for services (\$ 0.9), which includes an increase in fire assessments (\$ 0.8) due to commercial developments and an increase in emergency medical services fees (\$ 0.1) due to improved collection efforts. License and permits came in higher than expected (\$ 0.2) as a result of an increase in new residential construction projects. Utility taxes came in higher than expected (\$ 0.3) due to an increase in electric rates. Miscellaneous revenues also exceeded the budget (\$ 0.2) due to a reimbursement received from Waste Management for legal fees that was not budgeted. However, net property tax revenues showed an unfavorable variance of \$ 0.2 due to downward adjustments made by the value adjustment board and intergovernmental revenues fell short of budget by \$ 0.5 as a budgeted grant was not awarded (this decrease is offset by lower than anticipated expenditures in the Police department).
- As of fiscal year-end, actual expenditures came in under budget by \$ 4.9. The City had anticipated using \$ 4.2 of fund balance to cover the lump sum debt service payment in fiscal year 2010. However, the City was able offset the lump sum debt service payment by implementing various operational savings throughout the departments in an effort to reduce costs during this current period of economic uncertainty. The main operational savings are as follows:
 - Risk management had a total savings of \$ 0.3 due to less than anticipated insurance premiums, claims liability payments, and need for the insurance contingency.
 - Sustainable development had a total savings of \$ 0.3 due to the elimination of one business tax specialist position, lower than anticipated county inspection costs due to decreased activity, and other minor operational savings.
 - The Police department had a total savings of \$ 2.1 due to savings in salaries, benefits and applicable operating costs due to 4 budgeted positions that were not filled (positions were approved contingent upon grant approval, but the grant was not awarded); various vacancies throughout the year; and various other operational savings, including a savings of \$ 0.1 in overtime.
 - Public works had a savings of \$ 0.8 due to the elimination of a staff assistant III position, staff vacancies, landscaping contract savings, outsourcing janitorial services, and various other operational savings.
 - Parks and recreation had a savings of \$ 0.3 due to due to elimination of 2 positions and various other operational savings in an effort to reduce overall costs.
 - Nondepartment and contingency had a savings of \$ 0.7 due to less than anticipated legal costs relating to the landfill, economic incentive provided to Coconut Creek Development, and neighborhood enhancement grants.

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, 2010, amounts to \$ 138.5 (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 \$ 5.4 (an insignificant increase in governmental activities and an 8.5% increase for business-type activities).

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 24.3	\$ 24.3	\$ 0.4	\$ 0.4	\$ 24.7	\$ 24.7
Buildings	17.1	17.2	2.7	2.7	19.8	19.9
Improvements	6.4	6.1	1.0	1.0	7.4	7.1
Equipment	4.5	5.1	1.5	1.6	6.0	6.7
Infrastructure	18.7	18.0	54.1	54.0	72.8	72.0
Intangibles	-	-	5.0	-	5.0	-
Construction in progress	2.2	2.2	0.6	0.5	2.8	2.7
Total	\$ 73.2	\$ 72.9	\$ 65.3	\$ 60.2	\$ 138.5	\$ 133.1

For governmental activities, this year’s major capital asset additions before depreciation totaled \$2.8 and include the following:

- \$ 1.2 in construction in progress, which relates to projects started in the City, but not yet completed, including \$ 0.6 for the undergrounding of above ground utility lines and \$ 0.3 for the State Road 7 median beautification project. The remaining \$ 0.3 includes various improvements to roads, sidewalks, parks and buildings.
- \$ 0.3 in buildings and improvements to various government buildings, including the roof replacement at the Recreation Complex, renovations to the police dispatch center, and other minor renovations and improvements.
- \$ 0.7 in infrastructures due to road improvements along Lyons Road, from Copans Road to Sample Road. Improvements included irrigation, resurfacing, drainage, sidewalks, and pavers.
- \$ 0.5 in equipment including the purchase of playground equipment (\$ 0.1), HVAC unit replacement at the Recreation Complex (\$ 0.2), computer purchases and replacements (\$ 0.1), and vehicle replacements (\$ 0.1).

For governmental activities, this year’s major capital asset disposal consisted of \$ 0.7 in vehicles, and \$ 0.4 in computers and miscellaneous equipment that were replaced. Additionally, \$ 1.1 was transferred from construction in progress to improvements and infrastructure. The transfer represented the completion of various on-going projects, including the Sabal Pines nature preserve and the Lyons Road resurfacing project.

Capital additions for business-type activities before depreciation totaled \$ 6.5. Capital assets additions consisted mostly of utility easements (\$ 5.0) that were recorded in fiscal year 2010 as a result of the implementation of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. These easements were not recorded in the prior year. Construction in progress increased by \$ 0.1, which includes the reclaimed water project and the utility security system; infrastructure increased by \$ 1.3 mainly to contributions of water and sewer infrastructure from Lyons Rd Group LLC for the El Dorado project; and \$ 0.1 for additional equipment required for operations.

Capital asset disposals for business-type activities were immaterial.

Management’s Discussion and Analysis

Additional information on the City of Coconut Creek’s capital assets can be found in note 6 on pages 36 through 38 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 \$ 25.8.

The City of Coconut Creek’s total debt increased by \$ 2.6 (11.2%) during the current fiscal year due to the issuance of the \$ 10.0 Series 2009 Capital Improvement Revenue Note. This increase was reduced by required debt service payments of \$ 7.4, including a \$ 4.1 lump sum payment on the Series 2003C Capital Improvement Revenue Note.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue notes (backed by specific tax and fee revenues)	25.3	21.8	-	-	25.3	21.8
Notes payable	0.5	1.4	-	-	0.5	1.4
Capital lease	-	-	-	-	-	-
Total	\$ 25.8	\$ 23.2	\$ -	\$ -	\$ 25.8	\$ 23.2

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 38 through 42 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 \$ 18.1. Of that amount, the City of Coconut Creek appropriated \$ 2.8 for spending in the 2011 fiscal year budget. The 2011 fiscal year budget bears the effects of a prolonged period of economic decline as well as the impact of legislative and constitutional measures designed to reduce taxes. The City took necessary steps to ensure future stability in an uncertain economic environment, including eliminating vacant positions and reallocating personnel, among other staff related cut backs.

Property tax relief proposals and counter-proposals have been hot topics on the legislative agenda for the past several years. The Legislature passed several property tax relief proposals from 2007 through 2010. These proposals included rolling back tax revenue to the 2007 levels, in addition to an additional growth penalty of 9%, and implementing the save our home portability, additional homestead exemption, tangible personal property exemption, and the non-homestead assessment caps. The City will continue to monitor property tax proposals to determine the impact on the City. In addition, the City will continue to build a diversified and stable revenue system to minimize the dependence on property taxes.

City of Coconut Creek, Florida

Management's Discussion and Analysis

In fiscal year 2011, the City increased its property tax millage rate of 5.6837 to 6.4036. This new property millage rate is the calculated rollback rate 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 decline in the housing market and related decrease in taxable value.

The fire assessment rates remained the same for fiscal year 2011. The single family, multi-family, and mobile home rates are \$ 130.88, \$ 117.80, and \$ 65.45, respectively.

For the past several years, low water levels in Lake Okeechobee have been a concern, forcing the South Florida Water Management District (SFWMD) to implement permanent water restrictions throughout South Florida. 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. Additionally, 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 fiscal year 2009, 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 third stage of the new rate structure will go in effect during fiscal year 2011. It provides for an increase of 19% in water and sewer revenues.

All of these factors were considered in preparing the City of Coconut Creek's budget for the 2011 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, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 12,020,795	\$ 3,986,085	\$ 16,006,880
Accounts receivable	3,048,784	1,896,547	4,945,331
Due from other governments	795,248	-	795,248
Investments	28,752,160	9,537,225	38,289,385
Inventory and prepaid costs	140,596	22,649	163,245
Deferred financing costs	53,964	-	53,964
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	26,541,242	6,028,633	32,569,875
Capital assets being depreciated, net	<u>46,667,222</u>	<u>59,319,576</u>	<u>105,986,798</u>
Total assets	<u>126,640,095</u>	<u>80,790,715</u>	<u>207,430,810</u>
LIABILITIES:			
Accounts payable	635,782	682,376	1,318,158
Accrued liabilities	2,385,354	206,394	2,591,748
Unearned revenue	381,425	29,211	410,636
Accrued interest payable	19,427	-	19,427
Customer deposits payable	-	1,452,859	1,452,859
Due to other governments	47,492	-	47,492
Noncurrent liabilities:			
OPEB liability	2,211,000	240,000	2,451,000
Due within one year	3,430,098	2,983	3,433,081
Due in more than one year	<u>26,740,497</u>	<u>423,031</u>	<u>27,163,528</u>
Total liabilities	<u>35,851,075</u>	<u>3,036,854</u>	<u>38,887,929</u>
NET ASSETS:			
Invested in capital assets, net of related debt	57,183,143	65,348,209	122,531,352
Restricted for:			
Law enforcement	1,397,399	-	1,397,399
Street construction and maintenance	2,900,201	-	2,900,201
Community improvements	2,175,729	-	2,175,729
Affordable Housing Program	1,082,653	-	1,082,653
SHIP Program	189,280	-	189,280
Public safety	379,857	-	379,857
Unrestricted	<u>25,480,758</u>	<u>12,405,652</u>	<u>37,886,410</u>
Total net assets	<u>\$ 90,789,020</u>	<u>\$ 77,753,861</u>	<u>\$ 168,542,881</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, 2010

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	\$ 10,776,419	\$ 5,030,881	\$ 310,677	\$ -	\$ (5,434,861)	\$ -	\$ (5,434,861)
Public safety	23,452,377	7,797,596	215,486	71,805	(15,367,490)	-	(15,367,490)
Physical environment	6,195,197	2,116,000	452,686	403,535	(3,222,976)	-	(3,222,976)
Culture and recreation	5,495,195	700,732	-	-	(4,794,463)	-	(4,794,463)
Interest on long-term debt	1,160,195	-	-	-	(1,160,195)	-	(1,160,195)
Total governmental activities	47,079,383	15,645,209	978,849	475,340	(29,979,985)	-	(29,979,985)
Business-type activities:							
Water and wastewater	15,644,635	14,800,543	-	6,104,678	-	5,260,586	5,260,586
Stormwater management	816,098	1,456,956	-	-	-	640,858	640,858
Total business-type activities	16,460,733	16,257,499	-	6,104,678	-	5,901,444	5,901,444
Total primary government	\$ 63,540,116	\$ 31,902,708	\$ 978,849	\$ 6,580,018	(29,979,985)	5,901,444	(24,078,541)
General Revenues:							
Taxes:							
Property taxes					16,213,016	-	16,213,016
Utility taxes					6,093,170	-	6,093,170
Local option gas tax					836,592	-	836,592
Franchise fees					4,095,183	-	4,095,183
Intergovernmental not restricted to specific programs					4,003,919	-	4,003,919
Investment income					560,894	156,378	717,272
Miscellaneous					1,620,649	378,316	1,998,965
Total general revenues					<u>33,423,423</u>	<u>534,694</u>	<u>33,958,117</u>
Change in net assets					3,443,438	6,436,138	9,879,576
Net assets, beginning					87,345,582	71,317,723	158,663,305
Net assets, ending					<u>\$ 90,789,020</u>	<u>\$ 77,753,861</u>	<u>\$ 168,542,881</u>

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

**CITY OF COCONUT CREEK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>2003 Capital Projects Fund</u>	<u>2009 Capital Improvement Program Fund</u>
ASSETS:				
Cash and cash equivalents	\$ 5,491,063	\$ 375,624	\$ -	\$ 2,785,255
Accounts receivable, net	2,284,060	20,993	-	60,853
Due from other governments	588,468	119,729	-	-
Investments	13,128,965	898,725	-	6,664,071
Inventory and prepaid costs	131,553	-	-	-
Assets held for resale	-	-	8,620,084	-
Total assets	<u>\$ 21,624,109</u>	<u>\$ 1,415,071</u>	<u>\$ 8,620,084</u>	<u>\$ 9,510,179</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 268,737	\$ 1,430	\$ -	\$ -
Accrued liabilities	2,186,163	124,784	-	50,000
Deferred or unearned revenues	797,463	56,371	-	-
Due to other governments	47,492	-	-	-
Total liabilities	<u>3,299,855</u>	<u>182,585</u>	<u>-</u>	<u>50,000</u>
Fund balances:				
Reserved for:				
Inventory and prepaids	131,553	-	-	-
Assets held for resale	-	-	8,620,084	-
Unreserved, designated for subsequent year expenditures, reported in:				
General Fund	91,871	-	-	-
Special Revenue Funds	-	5,581	-	-
Capital Projects Fund	-	-	-	9,333,910
Debt Service Fund	-	-	-	-
Unreserved, undesignated, reported in:				
General Fund	18,100,830	-	-	-
Special Revenue Funds	-	1,226,905	-	-
Capital Projects Funds	-	-	-	126,269
Debt Service Fund	-	-	-	-
Total fund balances	<u>18,324,254</u>	<u>1,232,486</u>	<u>8,620,084</u>	<u>9,460,179</u>
Total liabilities and fund balances	<u>\$ 21,624,109</u>	<u>\$ 1,415,071</u>	<u>\$ 8,620,084</u>	<u>\$ 9,510,179</u>

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

<u>Capital Improvement Program Fund</u>	<u>Public Safety Improvement Fund</u>	<u>Revenue Bonds Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 647,428	\$ 115,404	\$ 19,743	\$ 2,586,278	\$ 12,020,795
14,150	611,850	432	56,446	3,048,784
-	-	-	87,051	795,248
1,549,052	276,118	47,238	6,187,991	28,752,160
-	-	-	9,043	140,596
-	-	-	-	8,620,084
<u>\$ 2,210,630</u>	<u>\$ 1,003,372</u>	<u>\$ 67,413</u>	<u>\$ 8,926,809</u>	<u>\$ 53,377,667</u>
\$ 62,504	\$ 14,187	\$ -	\$ 288,924	\$ 635,782
-	-	-	24,407	2,385,354
-	609,328	-	65,758	1,528,920
-	-	-	-	47,492
<u>62,504</u>	<u>623,515</u>	<u>-</u>	<u>379,089</u>	<u>4,597,548</u>
-	-	-	9,043	140,596
-	-	-	-	8,620,084
-	-	-	-	91,871
-	-	-	2,577,433	2,583,014
403,851	-	-	682,000	10,419,761
-	-	-	-	-
-	-	-	-	18,100,830
-	-	-	5,158,786	6,385,691
1,744,275	379,857	-	120,458	2,370,859
-	-	67,413	-	67,413
<u>2,148,126</u>	<u>379,857</u>	<u>67,413</u>	<u>8,547,720</u>	<u>48,780,119</u>
<u>\$ 2,210,630</u>	<u>\$ 1,003,372</u>	<u>\$ 67,413</u>	<u>\$ 8,926,809</u>	<u>\$ 53,377,667</u>

**CITY OF COCONUT CREEK, FLORIDA
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2010**

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 18 **\$ 48,780,119**

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	\$ 97,475,955	
Less accumulated depreciation	<u>(24,267,491)</u>	73,208,464

Grant revenues are considered deferred revenues in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. **1,147,495**

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. **53,964**

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		(25,840,041)
Compensated absences		(4,330,554)
Other post employment benefit obligation (OPEB)		(2,211,000)
Accrued interest payable		<u>(19,427)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 15 **\$ 90,789,020**

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, 2010

	General Fund	Grants Fund	2003 Capital Projects Fund	2009 Capital Projects Fund
REVENUES:				
Ad valorem taxes	\$ 16,213,016	\$ -	\$ -	\$ -
Franchise fees	4,095,183	-	-	-
Utility taxes	6,093,170	-	-	-
Licenses and permits	1,522,081	-	-	-
Intergovernmental revenues	3,555,244	878,767	-	-
Charges for services	11,335,846	-	-	-
Fines and forfeitures	415,839	-	-	-
Investment income (loss)	249,653	12,033	-	126,231
Miscellaneous revenues	893,819	76,216	22,103	-
Total revenues	44,373,851	967,016	22,103	126,231
EXPENDITURES:				
Current:				
General government	9,261,940	6,517	-	-
Public safety	21,877,019	159,411	-	-
Physical environment	3,590,399	333,760	15,226	-
Culture and recreation	4,930,134	-	-	-
Nondepartmental	195,503	-	-	-
Capital outlay	79,106	494,246	11,411	628,689
Debt service:				
Principal	11,504	-	-	-
Interest and fiscal charges	521	-	-	37,363
Total expenditures	39,946,126	993,934	26,637	666,052
Excess (deficiency) of revenues over expenditures	4,427,725	(26,918)	(4,534)	(539,821)
OTHER FINANCING SOURCES (USES):				
Transfers in	540,780	-	-	-
Transfers out	(5,363,710)	-	(350)	-
Loan proceeds	-	-	-	10,000,000
Total other financing sources (uses)	(4,822,930)	-	(350)	10,000,000
Net change in fund balances	(395,205)	(26,918)	(4,884)	9,460,179
FUND BALANCES, beginning	18,719,459	1,259,404	8,624,968	-
FUND BALANCES, ending	<u>\$ 18,324,254</u>	<u>\$ 1,232,486</u>	<u>\$ 8,620,084</u>	<u>\$ 9,460,179</u>

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

Capital Improvement Program Fund	Public Safety Improvement Fund	Revenue Bonds Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 16,213,016
-	-	-	-	4,095,183
-	-	-	-	6,093,170
-	-	-	-	1,522,081
510,298	-	-	1,758,300	6,702,609
-	-	-	2,116,000	13,451,846
-	-	-	71,805	487,644
27,956	4,731	12,952	100,686	534,242
-	39,474	-	588,936	1,620,548
<u>538,254</u>	<u>44,205</u>	<u>12,952</u>	<u>4,635,727</u>	<u>50,720,339</u>
-	-	-	236,074	9,504,531
-	-	-	79,609	22,116,039
-	-	-	1,004,759	4,944,144
-	-	-	-	4,930,134
-	-	-	98,180	293,683
452,174	83,362	-	1,583,621	3,332,609
-	-	6,443,696	943,044	7,398,244
-	-	1,128,358	56,956	1,223,198
<u>452,174</u>	<u>83,362</u>	<u>7,572,054</u>	<u>4,002,243</u>	<u>53,742,582</u>
86,080	(39,157)	(7,559,102)	633,484	(3,022,243)
-	-	7,157,051	-	7,697,831
-	-	-	(2,333,771)	(7,697,831)
-	-	-	-	10,000,000
<u>-</u>	<u>-</u>	<u>7,157,051</u>	<u>(2,333,771)</u>	<u>10,000,000</u>
86,080	(39,157)	(402,051)	(1,700,287)	6,977,757
2,062,046	419,014	469,464	10,248,007	41,802,362
<u>\$ 2,148,126</u>	<u>\$ 379,857</u>	<u>\$ 67,413</u>	<u>\$ 8,547,720</u>	<u>\$ 48,780,119</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, 2010**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS, PAGE 21 **\$ 6,977,757**

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	\$ 2,770,246	
Depreciation expense	(2,392,358)	377,888

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. **(256,454)**

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceed debt proceeds.

Debt proceeds	(10,000,000)	
Principal payments	7,398,244	(2,601,756)

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.

Issuance of deferred financing costs		37,363
Change in accrued interest payable		36,793
Change in compensated absences		91,211
Provision for amortization of deferred financing costs		(11,156)
Change in other post employment benefit obligation (OPEB)		(1,098,000)

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. **(110,208)**

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 16 **\$ 3,443,438**

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, 2010

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Non-major- Stormwater Management Fund	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 3,059,272	\$ 926,813	\$ 3,986,085
Accounts receivable	1,754,257	142,290	1,896,547
Prepaid expenses	13,283	-	13,283
Inventory	9,366	-	9,366
Total current assets	<u>4,836,178</u>	<u>1,069,103</u>	<u>5,905,281</u>
Noncurrent assets:			
Investments	<u>7,319,710</u>	<u>2,217,515</u>	<u>9,537,225</u>
Capital assets:			
Land	406,071	-	406,071
Easements	4,980,288	-	4,980,288
Buildings	2,747,901	-	2,747,901
Improvements	1,061,375	-	1,061,375
Equipment	1,784,762	459,442	2,244,204
Infrastructure	73,023,892	690,357	73,714,249
Construction in progress	642,274	-	642,274
Total capital assets	<u>84,646,563</u>	<u>1,149,799</u>	<u>85,796,362</u>
Less accumulated depreciation	<u>20,322,760</u>	<u>125,393</u>	<u>20,448,153</u>
Total capital assets, net	<u>64,323,803</u>	<u>1,024,406</u>	<u>65,348,209</u>
Total assets	<u>\$ 76,479,691</u>	<u>\$ 4,311,024</u>	<u>\$ 80,790,715</u>
LIABILITIES AND NET ASSETS:			
Current liabilities:			
Accounts payable	\$ 667,746	\$ 14,630	\$ 682,376
Accrued liabilities	185,376	21,018	206,394
Unearned revenues	29,211	-	29,211
Compensated absences	1,274	1,709	2,983
Customer deposits payable	1,452,859	-	1,452,859
Total current liabilities	<u>2,336,466</u>	<u>37,357</u>	<u>2,373,823</u>
Noncurrent liabilities:			
Other postemployment benefit obligations	162,000	78,000	240,000
Compensated absences	384,057	38,974	423,031
Total liabilities	<u>2,882,523</u>	<u>154,331</u>	<u>3,036,854</u>
Net assets:			
Invested in capital assets	64,323,803	1,024,406	65,348,209
Unrestricted	9,273,365	3,132,287	12,405,652
Total net assets	<u>\$ 73,597,168</u>	<u>\$ 4,156,693</u>	<u>\$ 77,753,861</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, 2010

	Business-Type Activities		
	Enterprise Fund		
	Water and Wastewater Fund	Non-Major- Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 14,800,543	\$ 1,456,956	\$ 16,257,499
Miscellaneous	378,316	-	378,316
Total operating revenues	<u>15,178,859</u>	<u>1,456,956</u>	<u>16,635,815</u>
Operating expenses:			
Administrative costs	3,765,140	231,760	3,996,900
Operations and maintenance	10,530,352	524,491	11,054,843
Depreciation	1,331,763	45,401	1,377,164
Other services and charges	12,691	14,446	27,137
Total operating expenses	<u>15,639,946</u>	<u>816,098</u>	<u>16,456,044</u>
Operating income (loss)	<u>(461,087)</u>	<u>640,858</u>	<u>179,771</u>
Non-operating revenues (expenses):			
Interest expense and fees	(4,689)	-	(4,689)
Investment income	119,301	37,077	156,378
Total non-operating			
revenues (expenses)	<u>114,612</u>	<u>37,077</u>	<u>151,689</u>
Income (loss) before contributions	<u>(346,475)</u>	<u>677,935</u>	<u>331,460</u>
Capital contributions - developers	<u>6,104,678</u>	<u>-</u>	<u>6,104,678</u>
Change in net assets	<u>5,758,203</u>	<u>677,935</u>	<u>6,436,138</u>
NET ASSETS, beginning	67,838,965	3,478,758	71,317,723
NET ASSETS, ending	<u>\$ 73,597,168</u>	<u>\$ 4,156,693</u>	<u>\$ 77,753,861</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, 2010

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor- Stormwater Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 15,074,351	\$ 1,499,417	\$ 16,573,768
Payments to employees for services	(11,319,398)	(524,790)	(11,844,188)
Payments to suppliers	(3,689,264)	(185,224)	(3,874,488)
Net cash provided by operating activities	65,689	789,403	855,092
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(4,689)	-	(4,689)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(373,977)	(8,063)	(382,040)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	100,847	27,784	128,631
Proceeds from sales and maturities of investments	9,242,282	2,254,067	11,496,349
Purchase of investments	(8,663,200)	(2,730,000)	(11,393,200)
Net cash provided by (used in) investing activities	679,929	(448,149)	231,780
Net increase in cash and cash equivalents	366,952	333,191	700,143
CASH AND CASH EQUIVALENTS, BEGINNING	2,692,320	593,622	3,285,942
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 3,059,272</u>	<u>\$ 926,813</u>	<u>\$ 3,986,085</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, 2010

	Business-Type Activities		
	Water and Wastewater Fund	Enterprise Fund Nonmajor- Stormwater Management Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (461,087)	\$ 640,858	\$ 179,771
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Provision for depreciation	1,331,763	45,401	1,377,164
(Increase) decrease in assets:			
Accounts receivable	(120,638)	42,461	(78,177)
Prepaid expenses	(13,283)	-	(13,283)
Inventory	(9,366)	-	(9,366)
Increase (decrease) in liabilities:			
Accounts payable	(532,477)	14,490	(517,987)
Accrued liabilities	(216,526)	1,071	(215,455)
Unearned revenues	4,642	-	4,642
Compensated absences	(11,827)	6,122	(5,705)
Customer deposits payable	11,488	-	11,488
Other postemployment benefit obligations	83,000	39,000	122,000
Total adjustments	<u>526,776</u>	<u>148,545</u>	<u>675,321</u>
Net cash provided by operating activities	<u>\$ 65,689</u>	<u>\$ 789,403</u>	<u>\$ 855,092</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, AND CAPITAL RELATED FINANCING ACTIVITIES			
Contributions of capital assets from developers	<u>\$ (6,104,678)</u>	<u>\$ -</u>	<u>\$ (6,104,678)</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, 2010

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. Non-major 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, 2010

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 *2009 Capital Improvement Program 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 2009 – \$ 10 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, 2010

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 *Revenue Bonds Debt Service Fund* is a Debt Service Fund that is used to account for the resources accumulated and payments made for principal and interest on Capital Improvement Revenue Notes, Series 2003A; 2003B; 2003D; Series 2004 and Series 2009.

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 wastewater 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 non-operating 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 non-operating 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 preserving principal while 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, 2010

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 Interlocal 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:

All inventories are valued at cost. 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 for under the consumption method.

I. Capital Assets:

Capital assets, which include land, buildings, 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
Infrastructure	15-65 years
Equipment	5-30 years

During 2010, the City prospectively implemented Governmental Accounting Standard Board Statement No. 51 – *Accounting and Financial Reporting for Intangible Assets*, which caused a positive effect on the Net Assets for the Proprietary Funds of approximately \$ 5 million for the current year activity. Intangible assets for the City include permanent right-of-way easements, and internally developed software.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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 a 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 \$ 8,125,119 of restricted net assets, of which \$ 4,486,880 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, 2010

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, 2009, upon which the 2009-2010 tax levy calculation was based, was \$ 2,998,192,478. The tax rate to finance all governmental services for the year ended September 30, 2010 was 5.6837 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, 2010, the City's cash and investments were as follows:

Statement of Net Assets:

Cash and cash equivalents	\$ 16,006,880
Investments	38,289,385
Total	\$ 54,296,265

Deposits and Investments:

Deposits	\$ 16,006,880
Non-negotiable certificate of deposits	20,000,000
Investments	18,289,385
Total	\$ 54,296,265

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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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, 2010, the carrying amount of the City's deposits totaled \$ 36,006,880. 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; the Florida Municipal Instrument Trust; negotiable direct obligations of, or obligations where the principal and interest of which are unconditionally guaranteed by the United States 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:

	<u>Maturities</u>	<u>Fair Value</u>
Federal Agency Issues	1 to 5 years	\$ 2,519,950
Federal Agency Issues	6 to 10 years	15,769,435
		<u>\$ 18,289,385</u>

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 United States 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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

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, 2010, 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, 2010 for the City's individual major funds and non-major funds in the aggregate are as follows:

	Accounts	Taxes and Franchise Fees	Special Assessments	Grants	Other	Total
Governmental activities:						
General Fund	\$ 2,751,517	\$ 1,753,649	\$ 1,560	\$ 24,010	\$ 180,408	\$ 4,711,144
Grants Fund	8,318	5,986	-	119,729	6,689	140,722
2009 Capital Improvement Program Fund	-	-	-	-	60,853	60,853
Capital Improvement Program Fund	-	-	-	-	14,150	14,150
Public Safety Improvement Fund	609,328	-	-	-	2,522	611,850
Revenue Bonds Debt Service Fund	-	-	-	-	432	432
Nonmajor funds	-	71,293	-	15,758	56,446	143,497
Allowance for uncollectible accounts receivable	(1,838,616)	-	-	-	-	(1,838,616)
Total governmental activities	\$ 1,530,547	\$ 1,830,928	\$ 1,560	\$ 159,497	\$ 321,500	\$ 3,844,032

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)

	Accounts	Taxes and Franchise Fees	Special Assessments	Grants	Other	Total
Business-type activities:						
Water and Wastewater Fund	\$ 1,630,275	\$ -	\$ 38,475	\$ -	\$ 85,507	\$ 1,754,257
Stormwater Fund	122,036	-	-	-	20,254	142,290
Total business-type activities	\$ 1,752,311	\$ -	\$ 38,475	\$ -	\$ 105,761	\$ 1,896,547

Payables as of September 30, 2010 for the City's individual major funds and non-major funds in the aggregate are as follows:

	Vendors	Payroll and Related Taxes	Construction Bonds	Other	Total
Governmental activities:					
General Fund	\$ 486,628	\$ 1,557,607	\$ 359,974	\$ 50,691	\$ 2,454,900
Grants Fund	28,930	-	-	97,284	126,214
2009 Capital Improvement Program Fund	50,000	-	-	-	50,000
Capital Improvement Program Fund	62,504	-	-	-	62,504
Public Safety Improvement Fund	14,187	-	-	-	14,187
Nonmajor funds	297,427	15,904	-	-	313,331
Total governmental activities	\$ 939,676	\$ 1,573,511	\$ 359,974	\$ 147,975	\$ 3,021,136
Business-type activities:					
Water and Wastewater Fund	\$ 742,123	\$ 110,999	\$ -	\$ -	\$ 853,122
Stormwater Fund	17,818	17,830	-	-	35,648
Total business-type activities	\$ 759,941	\$ 128,829	\$ -	\$ -	\$ 888,770

**CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010**

NOTE 5 - INTERFUND TRANSACTIONS

Inter-fund transfers between the various funds within governmental fund types for the year ended September 30, 2010 are as follows:

Transfer Out	Transfer In		Total
	General Fund	Capital Improvement Revenue Bonds Fund	
General Fund	\$ -	\$ 5,363,710	\$ 5,363,710
2003 Capital Projects Fund	350	-	350
Nonmajor Funds	540,430	1,793,341	2,333,771
Total transfers in	\$ 540,780	\$ 7,157,051	\$ 7,697,831

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, 2010 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	2,153,217	1,204,284	(1,127,646)	-	2,229,855
Total capital assets, not being depreciated	26,464,604	1,204,284	(1,127,646)	-	26,541,242
Capital assets, being depreciated:					
Buildings	22,862,324	301,116	-	-	23,163,440
Improvements	8,049,606	-	717,046	-	8,766,652
Infrastructure	25,373,390	720,775	380,797	-	26,474,962
Intangible Asset	-	5,555	-	-	5,555
Equipment	13,078,916	538,516	29,803	(1,123,131)	12,524,104
Total capital assets being depreciated	69,364,236	1,565,962	1,127,646	(1,123,131)	70,934,713

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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	5,611,008	473,945	-	-	6,084,953
Improvements	1,997,341	420,496	-	-	2,417,837
Infrastructure	7,337,507	418,565	-	-	7,756,072
Intangible Asset	-	556	-	-	556
Equipment	7,942,200	1,078,796	-	(1,012,923)	8,008,073
Total accumulated depreciation	<u>22,888,056</u>	<u>2,392,358</u>	<u>-</u>	<u>(1,012,923)</u>	<u>24,267,491</u>
Total capital assets being depreciated, net	<u>46,476,180</u>	<u>(826,396)</u>	<u>1,127,646</u>	<u>(110,208)</u>	<u>46,667,222</u>
Governmental activities capital assets, net	<u>\$ 72,940,784</u>	<u>\$ 377,888</u>	<u>\$ -</u>	<u>\$ (110,208)</u>	<u>\$ 73,208,464</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, 2010 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
Easements	-	4,980,288	-	-	4,980,288
Construction in progress	545,709	109,910	(13,345)	-	642,274
Total capital assets, not being depreciated	<u>951,780</u>	<u>5,090,198</u>	<u>(13,345)</u>	<u>-</u>	<u>6,028,633</u>
Capital assets, being depreciated:					
Buildings	2,747,901	-	-	-	2,747,901
Improvements	1,061,375	-	-	-	1,061,375
Infrastructure	72,405,518	1,308,731	-	-	73,714,249
Equipment	2,145,174	88,065	13,345	(2,380)	2,244,204
Total capital assets being depreciated	<u>78,359,968</u>	<u>1,396,796</u>	<u>13,345</u>	<u>(2,380)</u>	<u>79,767,729</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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	54,958	-	-	82,437
Improvements	26,534	53,069	-	-	79,603
Infrastructure	18,466,587	1,101,813	-	-	19,568,400
Equipment	552,492	167,324	-	(2,103)	717,713
Total accumulated depreciation	<u>19,073,092</u>	<u>1,377,164</u>	<u>-</u>	<u>(2,103)</u>	<u>20,448,153</u>
Total capital assets being depreciated, net	<u>59,286,876</u>	<u>19,632</u>	<u>13,345</u>	<u>(277)</u>	<u>59,319,576</u>
Business-type activities capital assets, net	<u>\$ 60,238,656</u>	<u>\$ 5,109,830</u>	<u>\$ -</u>	<u>\$ (277)</u>	<u>\$ 65,348,209</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	\$	351,951
Public safety		705,517
Physical environment		769,828
Culture and recreation		565,062
Total depreciation expense governmental activities	<u>\$</u>	<u>2,392,358</u>
Business-type activities:		
Water and wastewater	\$	1,331,763
Stormwater management		45,401
Total depreciation expense business-type activities	<u>\$</u>	<u>1,377,164</u>

NOTE 7 - LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2010:

	<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	\$ 21,802,963	\$ 10,000,000	\$ 6,443,696	\$ 25,359,267	\$ 2,568,260
Notes payable	1,423,818	-	943,044	480,774	480,774
Capital Lease	11,504	-	11,504	-	-
	<u>23,238,285</u>	<u>10,000,000</u>	<u>7,398,244</u>	<u>25,840,041</u>	<u>3,049,034</u>
Compensated absences	4,424,800	2,978,359	3,072,605	4,330,554	381,064
Total governmental activities	<u>\$ 27,663,085</u>	<u>\$ 12,978,359</u>	<u>\$ 10,470,849</u>	<u>\$ 30,170,595</u>	<u>\$ 3,430,098</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM DEBT (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:					
Compensated absences	\$ 431,720	\$ 276,304	\$ 282,010	\$ 426,014	\$ 2,983

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

As of September 30, 2010, 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, 2010 is \$ 1,141,450.

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

Year Ending September 30,	Capital Improvement Revenue Refunding Note, Series 2003A	
	Principal	Interest
2011	580,251	27,156
2012	561,199	8,967
	\$ 1,141,450	\$ 36,123

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, 2010 is \$ 5,544,417.

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
2011	687,601	223,994
2012	720,958	196,215
2013	755,963	167,089
2014	792,711	136,548
2015	831,282	104,522
2016-2017	1,755,902	107,266
	\$ 5,544,417	\$ 935,634

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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 are paid from a pledge of public electric franchise fees. The note bears interest at 3.567% which is payable semi-annually. The note matured on September 30, 2010.

Revenue Note, Series 2003D: On November 16, 2003, the City entered into an agreement with a bank permitting a 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, 2010 is \$ 5,875,227.

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
2011	635,130	241,472
2012	661,235	215,368
2013	688,412	188,191
2014	716,705	159,897
2015	746,162	130,441
2016-2019	2,427,583	202,226
	<u>\$ 5,875,227</u>	<u>\$ 1,137,595</u>

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, 2010 is \$2,798,173.

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

Year Ending September 30,	Capital Improvement Revenue Refunding Note, Series 2004	
	Principal	Interest
2011	665,278	90,576
2012	687,578	69,042
2013	713,240	46,785
2014	732,077	23,697
	<u>\$ 2,798,173</u>	<u>\$ 230,100</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM DEBT (continued)

Revenue Note, Series 2009: On December 15, 2009, the City issued a \$10,000,000 Capital Improvement Revenue Note, Series 2009 to finance certain construction projects including the undergrounding of above-ground utility lines and construction of a public services/communications building. Principal and interest is to be paid from a pledge of non-ad-valorem tax revenues. The note bears interest at 3.940% payable semi-annually. The note matures in October 2019. The outstanding principal balance as of September 30, 2010 is \$10,000,000.

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

Year Ending September 30,	Capital Improvement Revenue Note, Series 2009	
	Principal	Interest
2011	-	394,000
2012	-	394,000
2013	401,600	394,000
2014	415,450	378,176
2015	1,181,150	361,808
2016-2019	8,001,800	925,348
	\$ 10,000,000	\$ 2,847,332

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, 2010 is \$ 480,774.

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

Year Ending September 30,	Barnini Note Payable	
	Principal	Interest
2011	480,774	19,226
	\$ 480,774	\$ 19,226

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	
2011	2,568,260	977,198	480,774	19,226	4,045,458
2012	2,630,970	883,592	-	-	3,514,562
2013	2,559,215	796,065	-	-	3,355,280
2014	2,656,943	698,318	-	-	3,355,261
2015	2,758,594	596,771	-	-	3,355,365
2016-2019	12,185,285	1,234,840	-	-	13,420,125
	\$ 25,359,267	\$ 5,186,784	\$ 480,774	\$ 19,226	\$ 31,046,051

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 7 - LONG-TERM DEBT (continued)

Pledged Revenues: The City has pledged future public franchise fee revenues to repay \$ 14,670,446 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. Series 2003C Bonds matured during fiscal year 2010. 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 85% of projected future public electric franchise fee revenues with total future payouts of \$ 14,670,446. Principal and interest paid for the current year and public electric franchise fee revenues are \$ 6,510,704 and \$ 2,800,613, respectively.

The City has pledged future electric utility tax revenues to repay \$ 3,028,273 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 26% of projected future electric utility tax revenues with total future payouts of \$ 3,028,273. Principal and interest paid for the current year and electric utility tax revenues are \$ 757,395 and \$ 2,939,420, respectively.

The City has pledged future non-ad-valorem tax revenues to repay \$ 12,847,332 in a Capital Improvement Revenue Note issued December 15, 2009. Proceeds from the revenue note provided financing for the undergrounding of above-ground utility lines and construction of a public services/communications building. The note is payable solely from non-ad-valorem tax revenues and is payable through October 2019. Annual principal and interest payments on the note are expected to require less than 1.4% of projected non-ad-valorem tax revenues with total future payouts of \$ 12,847,332. Principal and interest paid for the current year and non-ad-valorem tax revenues are \$ 313,011 and \$ 22,420,802.

All the above revenue notes contain debt covenants, all of which the City was in compliance with at September 30, 2010.

NOTE 8 - LEASES

Operating leases, City as Lessee: The City leases vehicles, copy machines, and office space under noncancelable operating leases. Total lease expense was approximately \$ 109,649 for the year ended September 30, 2010. Future lease payments for these leases as of September 30, 2010 are approximately as follows:

Year Ending September 30,	Amount
2011	107,400
2012	54,100
2013	3,900
	\$ 165,400

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 8 - LEASES (continued)

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$ 249,049 for the year ended September 30, 2010. Future lease payments to be received as of September 30, 2010 are approximately as follows:

Year Ending September 30,	Amount
2011	298,000
2012	286,000
2013	230,000
2014	197,000
2015	186,000
2016-2017	177,000
	\$ <u>1,374,000</u>

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 General Fund 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 12%, 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, 2010 was as follows: Civil Service, 75 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, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 9 – PENSION PLANS (continued)

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 were amended July 1, 2010. Contribution rates at September 30, 2010 were as follows:

Employees	Contribution Rates
Senior management	14.57%
Regular employees	10.77%
Special risk	23.25%
Elected officials	18.64%

The City's contributions to the FRS amounted to \$ 2,651,355 for the year ended September 30, 2010, which represented 100% of the City's required contribution. The contribution requirements of covered payroll and actual contributions made for fiscal year 2010 and the two preceding fiscal years were as follows:

	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
Contribution requirements	\$ <u>4,272,074</u>	\$ <u>4,331,885</u>	\$ <u>4,106,695</u>
Contributions made by employer (100%)			
401(a) Plan	\$ 930,434	\$ 1,057,623	\$ 1,014,569
FRS Plan	2,651,355	2,499,419	2,367,246
Contributions made by employee (100%)	<u>690,285</u>	<u>774,843</u>	<u>724,880</u>
Total contributions made	\$ <u>4,272,074</u>	\$ <u>4,331,885</u>	\$ <u>4,106,695</u>
Total covered payroll	\$ <u>21,728,587</u>	\$ <u>21,904,986</u>	\$ <u>21,282,892</u>
Percent of contributions to total covered payroll	19.66%	19.78%	19.30%

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 City's basic financial statements.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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 and 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.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Interlocal Agreement:

The City has an Inter-local Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The agreement is effective through September 30 2014. The service fee for the year ended September 30, 2010 was \$ 4,916,383. Future service fees are as follows:

Year Ending September 30,	Amount
2011	\$ 5,458,021
2012	6,158,021
2013	6,646,662
2014	7,174,395
	\$ 25,437,099

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 \$ 4,553,414. The remaining commitment on the construction contract totaled \$ 449,752 at September 30, 2010, all of which will be reimbursed by the School Board of Broward County. As of September 30, 2010, the School Board of Broward County did not have any outstanding invoices.

Construction Commitment:

During fiscal year 2010, the City entered into four separate agreements with independent contractors for four projects totaling \$ 903,325. As of September 30, 2010, the City completed \$ 708,893 of the fiscal year 2010 contract amounts. Remaining commitment on all construction contracts totaled \$ 194,432 as of September 30, 2010.

Litigation:

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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

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, 2010, a total of \$ 2,116,000 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.

Leases:

During fiscal year 2008, the City entered into a lease agreement with Coconut Creek Development, LLC. The lease agreement provides for the City to lease a 700-square foot space at the new Promenade at 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 City expects to take possession of the office space during fiscal year 2011. The City's obligations under the lease will be effective at the time of occupancy.

Other Agreements:

During fiscal year 2008, the City entered in an agreement with Coconut Creek Development, LLC. The agreement provides for the City to make annual payments to Coconut Creek, LLC equal to forty five percent of ad-valorem taxes on the commercial and office space located at the Promenade at Coconut Creek. In return, the City is granted the right to use fifty percent of the vehicular parking spaces within the two parking garages at the Promenade at Coconut Creek for emergency and special event purposes only for the next 50 years. The total payments over the term of the agreement are estimated to be \$2.5 million. The parking garages were completed during fiscal year 2010 and the City made the first payment in the amount of \$ 57,578.

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, 2010 is \$ 3.795 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, 2010 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

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 plan has no assets and does not issue a separate financial report.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)

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

For the 2010 fiscal year the City provided contributions of \$ 21,310 from the General Fund on a pay-as-you-go basis toward annual OPEB costs, net of retiree contributions totaling \$ 71,673.

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, 2010, was as follows:

Annual required contribution	\$ 1,434,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>1,434,000</u>
Imputed contributions	<u>(214,000)</u>
Increase in net OPEB obligation	1,220,000
Net OPEB obligation, beginning of year	1,231,000
Net OPEB obligation, end of year	<u>\$ 2,451,000</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, 2010 and 2009 was as follows:

Fiscal year ended	09/30/2010	09/30/2009
Annual OPEB cost	\$ 1,434,000	\$ 1,435,000
Imputed contribution	\$ 214,000	\$ 204,000
Percentage of OPEB cost contributed	15%	14%
Net OPEB obligation	\$ 2,451,000	\$ 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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)

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.

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 other postemployment benefits 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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* was issued March 11, 2010. 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.

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* was issued in December 2009. This statement addressed issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multi-employer other post employment benefit (OPEB) plans. The provisions of this statement will be effective for the City beginning with its year ending September 30, 2012.

GASB Statement No. 59, *Financial Instruments Omnibus* was issued June 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. The provision of this statement will be effective for the City beginning with its year ending September 30, 2011.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued in November 2010. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCA), which are a type of public-private or public-public partnership. The provisions of these statements will be effective for the City beginning with its year ending September 30, 2013.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 15 - PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (continued)

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34* was issued in November 2010. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* was issued in December 2010. The objective of this Statement is to incorporate into GASB’s authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements, that is included in the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure. The requirements in this Statement will improve financial reporting by contributing to the efforts from GASB to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

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

NOTE 16 – SUBSEQUENT EVENTS

On October 28, 2010, the City approved the execution of an Option Purchase Agreement with JPGP, LLC for the sale of 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. JPGP, LLC may exercise the option to purchase the property for an estimated purchase price of \$ 14,045,000 any time during the option period or any extension thereof.

On December 9, 2010, the City entered into a one year lease agreement with Seminole Properties II, Inc. The lease agreement provides for Seminole Properties II, Inc. to lease, with approval from JPGP, LLC, 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek mentioned above. The property will be used as a temporary parking facility and all improvements will be at the expense of Seminole Properties II, Inc. The total payments over the term of the lease are \$200,000. The lease agreement is renewable annually after the initial lease term, for a period of two additional one year terms.

**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, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 16,392,100	16,392,100	\$ 16,213,016	\$ (179,084)
Franchise fees	4,088,250	4,088,250	4,095,183	6,933
Utility taxes	5,810,000	5,810,000	6,093,170	283,170
Licenses and permits	1,320,600	1,320,600	1,522,081	201,481
Intergovernmental revenues	4,070,210	4,070,210	3,555,244	(514,966)
Charges for services	10,436,100	10,436,100	11,335,846	899,746
Fines and forfeitures	255,000	255,000	415,839	160,839
Investment income	410,000	410,000	249,653	(160,347)
Miscellaneous revenues	689,920	689,920	893,819	203,899
Total revenues	43,472,180	43,472,180	44,373,851	901,671
EXPENDITURES:				
Departmental:				
City Commission	378,000	378,000	343,732	34,268
City Attorney	780,920	949,420	935,427	13,993
City Manager	1,444,990	1,444,990	1,278,339	166,651
Risk management	1,513,620	1,513,620	1,246,191	267,429
City Clerk	444,640	444,640	426,610	18,030
Finance and administration	1,338,230	1,338,230	1,208,473	129,757
Information technology	1,608,657	1,608,657	1,503,913	104,744
Human resources	829,810	829,810	726,384	103,426
Sustainable development	3,042,812	3,042,812	2,789,463	253,349
Police	16,731,320	16,731,320	14,670,134	2,061,186
Fire administration	5,547,810	5,547,810	5,463,171	84,639
Public works	5,709,472	5,709,472	4,942,329	767,143
Parks and recreation	3,853,550	3,853,550	3,582,148	271,402
Engineering	650,840	650,840	634,309	16,531
Total departmental	43,874,671	44,043,171	39,750,623	4,292,548
Nondepartmental	504,600	545,600	195,503	350,097
Contingency	500,000	290,500	-	290,500
Total expenditures	44,879,271	44,879,271	39,946,126	4,933,145
Excess (deficiency) of revenues over expenditures	(1,407,091)	(1,407,091)	4,427,725	5,834,816
OTHER FINANCING SOURCES (USES):				
Transfers in	455,000	455,000	540,780	85,780
Transfers (out)	(5,363,710)	(5,363,710)	(5,363,710)	-
Total other financing sources (uses)	(4,908,710)	(4,908,710)	(4,822,930)	85,780
Net change in fund balance	\$ (6,315,801)	\$ (6,315,801)	(395,205)	\$ 5,920,596
FUND BALANCE, beginning			18,719,459	
FUND BALANCE, ending			\$ 18,324,254	

See notes to budgetary comparison schedule.

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - GRANTS FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 283,710	\$ 283,710	\$ 878,767	\$ 595,057
Investment income	12,000	12,000	12,033	33
Miscellaneous revenues	76,200	76,200	76,216	16
Total revenues	371,910	371,910	967,016	595,106
EXPENDITURES:				
Current:				
General government	6,600	6,600	6,517	83
Public safety	160,000	160,000	159,411	589
Physical environment	385,930	385,930	333,760	52,170
Capital outlay	495,000	495,000	494,246	754
Total expenditures	1,047,530	1,047,530	993,934	53,596
Excess (deficiency) of revenues over expenditures	\$ (675,620)	\$ (675,620)	(26,918)	\$ 648,702
FUND BALANCE, beginning			1,259,404	
FUND BALANCE, ending			<u>\$ 1,232,486</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, 2010

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 ordinance. 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 to the extent that it has not been expended or encumbered, except for appropriations for capital expenditures, where an appropriation shall continue in force until the purpose for which it was made has been accomplished or abandoned.

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FUNDING PROGRESS -
OTHER POST EMPLOYMENT BENEFITS
September 30, 2010**

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.

State Housing Initiative Partnership (SHIP) Fund – This fund used to account for state funding through the State Housing Initiatives Partnership Program. The funds will be used in accordance to the City's Local Housing Assistance Plan (LHAP) that outlines the programs that will be undertaken to assist very low to moderate income households to expand production of and preserve affordable housing.

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, 2010**

	Special Revenue			
	Law Enforcement Trust Fund	Street Construction and Maintenance Fund	Affordable Housing Fund	Community Improvement Fund
ASSETS:				
Cash and cash equivalents	\$ 408,748	\$ 929,029	\$ 317,077	\$ 637,198
Accounts receivable	8,931	20,305	6,930	13,956
Due from other governments	-	87,051	-	-
Investments	977,981	2,222,817	758,646	1,524,575
Inventory and prepaid costs	3,040	6,003	-	-
Total assets	\$ 1,398,700	\$ 3,265,205	\$ 1,082,653	\$ 2,175,729
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$ 1,301	\$ 277,339	\$ -	\$ -
Accrued liabilities	-	21,907	-	-
Deferred or unearned revenues	-	65,758	-	-
Total liabilities	1,301	365,004	-	-
Fund balances:				
Reserved for:				
Inventory and prepaids	3,040	6,003	-	-
Unreserved, designated for subsequent year expenditures, reported in:				
Special Revenue Funds	43,401	2,266,174	46,000	210,116
Capital Project Funds	-	-	-	-
Unreserved, undesignated for subsequent year expenditures, reported in:				
Special Revenue Funds	1,350,958	628,024	1,036,653	1,965,613
Capital Project Funds	-	-	-	-
Total fund balances	1,397,399	2,900,201	1,082,653	2,175,729
Total liabilities and fund balances	\$ 1,398,700	\$ 3,265,205	\$ 1,082,653	\$ 2,175,729

Special Revenue	Capital Projects			
SHIP Fund	General Capital Improvement Fund	Utility Underground Fund	Total Nonmajor Governmental Funds	
\$ 56,167	\$ 189,811	\$ 48,248	\$ 2,586,278	
1,228	4,148	948	56,446	
-	-	-	87,051	
134,385	454,148	115,439	6,187,991	
-	-	-	9,043	
<u>\$ 191,780</u>	<u>\$ 648,107</u>	<u>\$ 164,635</u>	<u>\$ 8,926,809</u>	
\$ -	\$ 10,284	\$ -	\$ 288,924	
2,500	-	-	24,407	
-	-	-	65,758	
<u>2,500</u>	<u>10,284</u>	<u>-</u>	<u>379,089</u>	
-	-	-	9,043	
11,742	-	-	2,577,433	
-	518,000	164,000	682,000	
177,538	-	-	5,158,786	
-	119,823	635	120,458	
<u>189,280</u>	<u>637,823</u>	<u>164,635</u>	<u>8,547,720</u>	
<u>\$ 191,780</u>	<u>\$ 648,107</u>	<u>\$ 164,635</u>	<u>\$ 8,926,809</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, 2010**

	Special Revenue			
	Law Enforcement Trust Fund	Street Construction and Maintenance Fund	Affordable Housing Fund	Community Improvement Fund
REVENUES:				
Intergovernmental revenues	\$ -	\$ 1,743,163	\$ -	\$ -
Charges for services	-	-	-	2,116,000
Fines and forfeitures	71,805	-	-	-
Investment income	15,998	36,221	12,235	24,754
Miscellaneous revenues	-	199,103	225,000	8,500
Total revenues	<u>87,803</u>	<u>1,978,487</u>	<u>237,235</u>	<u>2,149,254</u>
EXPENDITURES				
Current:				
General government	-	-	173,589	62,485
Public safety	79,609	-	-	-
Physical environment	-	847,374	-	-
Nondepartmental	-	98,180	-	-
Capital outlay	228,590	1,326,676	-	-
Debt service:				
Principal	-	-	-	943,044
Interest and fiscal charges	-	-	-	56,956
Total expenditures	<u>308,199</u>	<u>2,272,230</u>	<u>173,589</u>	<u>1,062,485</u>
Excess (deficiency) of revenues over expenditures	(220,396)	(293,743)	63,646	1,086,769
OTHER FINANCING USES:				
Transfers out	<u>(513,000)</u>	<u>-</u>	<u>-</u>	<u>(1,819,097)</u>
Net change in fund balances	(733,396)	(293,743)	63,646	(732,328)
FUND BALANCES, beginning	2,130,795	3,193,944	1,019,007	2,908,057
FUND BALANCES, ending	<u>\$ 1,397,399</u>	<u>\$ 2,900,201</u>	<u>\$ 1,082,653</u>	<u>\$ 2,175,729</u>

Special Revenue	Capital Projects		
SHIP Fund	General Capital Improvement Fund	Utility Underground Fund	Total Nonmajor Governmental Funds
\$ 15,137	\$ -	\$ -	\$ 1,758,300
-	-	-	2,116,000
-	-	-	71,805
2,417	7,443	1,618	100,686
-	156,333	-	588,936
<u>17,554</u>	<u>163,776</u>	<u>1,618</u>	<u>4,635,727</u>
-	-	-	236,074
-	-	-	79,609
157,385	-	-	1,004,759
-	-	-	98,180
-	28,355	-	1,583,621
-	-	-	943,044
-	-	-	56,956
<u>157,385</u>	<u>28,355</u>	<u>-</u>	<u>4,002,243</u>
(139,831)	135,421	1,618	633,484
-	-	(1,674)	(2,333,771)
(139,831)	135,421	(56)	(1,700,287)
329,111	502,402	164,691	10,248,007
<u>\$ 189,280</u>	<u>\$ 637,823</u>	<u>\$ 164,635</u>	<u>\$ 8,547,720</u>

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

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 71,805	\$ 71,805	\$ 71,805	\$ -
Investment income	16,000	16,000	15,998	(2)
Total revenues	87,805	87,805	87,803	(2)
EXPENDITURES:				
Current:				
Public safety	80,000	80,000	79,609	391
Capital outlay	229,000	229,000	228,590	410
Total expenditures	309,000	309,000	308,199	801
Excess (deficiency) of revenues over (under) expenditures	(221,195)	(221,195)	(220,396)	799
OTHER FINANCING USES:				
Transfers out	(513,000)	(513,000)	(513,000)	-
Net change in fund balance	\$ (734,195)	\$ (734,195)	(733,396)	\$ 799
FUND BALANCE, beginning			2,130,795	
FUND BALANCE, ending			\$ 1,397,399	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE 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, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 839,800	\$ 839,800	\$ 836,592	\$ (3,208)
County contribution	87,600	87,600	185,116	97,516
State revenue	303,300	303,300	317,920	14,620
Other grants and contributions	3,097,345	3,097,345	403,535	(2,693,810)
Total intergovernmental revenues	4,328,045	4,328,045	1,743,163	(2,584,882)
Investment income	60,000	60,000	36,221	(23,779)
Other miscellaneous revenues	60,000	60,000	199,103	139,103
Total revenues	4,448,045	4,448,045	1,978,487	(2,469,558)
EXPENDITURES:				
Current:				
Physical environment	1,050,000	1,050,000	847,374	202,626
Nondepartmental	98,180	98,180	98,180	-
Capital outlay	5,782,912	5,782,912	1,326,676	4,456,236
Total expenditures	6,931,092	6,931,092	2,272,230	4,658,862
Net change in fund balance	\$ (2,483,047)	\$ (2,483,047)	(293,743)	\$ 2,189,304
FUND BALANCE, beginning			3,193,944	
FUND BALANCE, ending			\$ 2,900,201	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AFFORDABLE HOUSING FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 12,235	\$ 2,235
Miscellaneous revenues	84,000	84,000	225,000	141,000
Total revenues	<u>94,000</u>	<u>94,000</u>	<u>237,235</u>	<u>143,235</u>
EXPENDITURES:				
General government	1,022,000	1,022,000	173,589	848,411
Net change in fund balance	<u>\$ (928,000)</u>	<u>\$ (928,000)</u>	63,646	<u>\$ 991,646</u>
FUND BALANCE, beginning			1,019,007	
FUND BALANCE, ending			<u>\$ 1,082,653</u>	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - COMMUNITY IMPROVEMENT FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,116,000	\$ 2,116,000	\$ 2,116,000	\$ -
Investment income	50,000	50,000	24,754	(25,246)
Miscellaneous revenue	-	-	8,500	8,500
Total revenues	2,166,000	2,166,000	2,149,254	(16,746)
EXPENDITURES:				
Current:				
General government	-	82,600	62,485	20,115
Capital outlay	-	200,000	-	200,000
Debt service:				
Principal	943,046	943,046	943,044	2
Interest and fiscal charges	56,954	56,954	56,956	(2)
Total expenditures	1,000,000	1,282,600	1,062,485	220,115
Excess of revenues over expenditures	1,166,000	883,400	1,086,769	(203,369)
OTHER FINANCING USES:				
Transfers out	(1,530,330)	(1,843,430)	(1,819,097)	24,333
Net change in fund balance	\$ (364,330)	\$ (960,030)	(732,328)	\$ 227,702
FUND BALANCE, beginning			2,908,057	
FUND BALANCE, ending			<u>\$ 2,175,729</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - SHIP FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 37,420	\$ 37,420	\$ 15,137	\$ (22,283)
Investment income	-	-	2,417	2,417
Total revenues	<u>37,420</u>	<u>37,420</u>	<u>17,554</u>	<u>(19,866)</u>
EXPENDITURES:				
Current:				
Physical environment	159,730	159,730	157,385	2,345
Total expenditures	<u>159,730</u>	<u>159,730</u>	<u>157,385</u>	<u>2,345</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (122,310)</u>	<u>\$ (122,310)</u>	<u>(139,831)</u>	<u>\$ (17,521)</u>
FUND BALANCE, beginning			329,111	
FUND BALANCE, ending			<u>\$ 189,280</u>	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - REVENUE BONDS DEBT SERVICE FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 30,000	\$ 30,000	\$ 12,952	\$ (17,048)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>12,952</u>	<u>(17,048)</u>
EXPENDITURES:				
Debt service:				
Principal	6,443,710	6,443,710	6,443,696	14
Interest and fiscal charges	815,570	1,128,670	1,128,358	312
Total expenditures	<u>7,259,280</u>	<u>7,572,380</u>	<u>7,572,054</u>	<u>326</u>
Deficiency of revenues over expenditures	(7,229,280)	(7,542,380)	(7,559,102)	(16,722)
OTHER FINANCING SOURCES:				
Transfers in	6,844,040	7,157,140	7,157,051	(89)
Net change in fund balance	<u>\$ (385,240)</u>	<u>\$ (385,240)</u>	<u>(402,051)</u>	<u>\$ (16,811)</u>
FUND BALANCE, beginning			469,464	
FUND BALANCE, ending			<u>\$ 67,413</u>	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - GENERAL CAPITAL IMPROVEMENT FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ -	\$ -	\$ 156,333	\$ 156,333
Investment income	-	-	7,443	7,443
Total revenues	<u>-</u>	<u>-</u>	<u>163,776</u>	<u>163,776</u>
EXPENDITURES:				
Capital outlay	<u>547,865</u>	<u>547,865</u>	<u>28,355</u>	<u>519,510</u>
Net change in fund balance	<u>\$ (547,865)</u>	<u>\$ (547,865)</u>	<u>135,421</u>	<u>\$ 683,286</u>
FUND BALANCE, beginning			<u>502,402</u>	
FUND BALANCE, ending			<u>\$ 637,823</u>	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - UTILITY UNDERGROUND FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 5,000	\$ 5,000	\$ 1,618	\$ (3,382)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>1,618</u>	<u>(3,382)</u>
EXPENDITURES:				
Current:				
Physical environment	69,652	69,652	-	69,652
Capital outlay	2,595,039	2,595,039	-	2,595,039
Total expenditures	<u>2,664,691</u>	<u>2,664,691</u>	<u>-</u>	<u>2,664,691</u>
Excess of revenues over expenditures	(2,659,691)	(2,659,691)	1,618	2,661,309
OTHER FINANCING USES:				
Transfers out	(5,000)	(5,000)	(1,674)	3,326
Loan proceeds	5,500,000	5,500,000	-	(5,500,000)
Total other financing sources (uses)	<u>5,495,000</u>	<u>5,495,000</u>	<u>(1,674)</u>	<u>(5,496,674)</u>
Net change in fund balance	<u>\$ 2,835,309</u>	<u>\$ 2,835,309</u>	<u>(56)</u>	<u>\$ (2,835,365)</u>
FUND BALANCE, beginning			164,691	
FUND BALANCE, ending			<u>\$ 164,635</u>	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - 2003 CAPITAL PROJECTS FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous revenues	\$ -	\$ -	\$ 22,103	\$ 22,103
Total revenues	<u>-</u>	<u>-</u>	<u>22,103</u>	<u>22,103</u>
EXPENDITURES:				
Current:				
Physical environment	6,000	6,000	15,226	(9,226)
Capital outlay	21,796	21,796	11,411	10,385
Total expenditures	<u>27,796</u>	<u>27,796</u>	<u>26,637</u>	<u>1,159</u>
Deficiency of revenues over expenditures	<u>(27,796)</u>	<u>(27,796)</u>	<u>(4,534)</u>	<u>23,262</u>
OTHER FINANCING USES:				
Transfers out	-	-	(350)	(350)
Net change in fund balance	<u>\$ (27,796)</u>	<u>\$ (27,796)</u>	<u>(4,884)</u>	<u>\$ 22,912</u>
FUND BALANCE, beginning			8,624,968	
FUND BALANCE, ending			<u>\$ 8,620,084</u>	

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - 2009 CAPITAL PROJECTS FUND
For the Year Ended September 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 126,231	\$ 126,231
Total revenues	<u>-</u>	<u>-</u>	<u>126,231</u>	<u>126,231</u>
EXPENDITURES:				
Capital outlay	-	9,962,600	628,689	9,333,911
Debt service				
Interest and fiscal charges	-	37,400	37,363	37
Total expenditures	<u>-</u>	<u>10,000,000</u>	<u>666,052</u>	<u>9,333,948</u>
Excess (deficiency) of revenues over expenditures	-	(10,000,000)	(539,821)	9,460,179
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	10,000,000	10,000,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>9,460,179</u>	<u>\$ 9,460,179</u>
FUND BALANCE, beginning			-	
FUND BALANCE, ending			<u>\$ 9,460,179</u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - CAPITAL IMPROVEMENT PROGRAM FUND
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 1,221,766	\$ 1,211,766	\$ 510,298	\$ (701,468)
Investment income	50,000	50,000	27,956	(22,044)
Total revenues	<u>1,271,766</u>	<u>1,261,766</u>	<u>538,254</u>	<u>(723,512)</u>
EXPENDITURES:				
Capital outlay	2,079,886	2,128,586	452,174	1,676,412
Total expenditures	<u>2,079,886</u>	<u>2,128,586</u>	<u>452,174</u>	<u>1,676,412</u>
Net change in fund balance	<u>\$ (808,120)</u>	<u>\$ (866,820)</u>	86,080	<u>\$ 952,900</u>
FUND BALANCE, beginning			2,062,046	
FUND BALANCE, ending			<u>\$ 2,148,126</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - PUBLIC SAFETY IMPROVEMENT FUND
 For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ -	\$ -	\$ 39,474	\$ 39,474
Investment income	7,000	7,000	4,731	(2,269)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>44,205</u>	<u>37,205</u>
EXPENDITURES:				
Capital outlay	348,370	348,370	83,362	265,008
Net change in fund balance	<u>\$ 341,370</u>	<u>\$ 341,370</u>	<u>(39,157)</u>	<u>\$ 302,213</u>
FUND BALANCE, beginning			419,014	
FUND BALANCE, ending			<u>\$ 379,857</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.

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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

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Debt Capacity

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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.

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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	97 – 99
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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)

	2001	2002	2003	2004
Governmental activities:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 36,578	\$ 31,873
Restricted	-	-	680	-
Unrestricted	-	-	12,644	21,177
Total governmental activities net assets	\$ -	\$ -	\$ 49,902	\$ 53,050
Business-type activities:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 48,869	\$ 50,015
Restricted	-	-	-	-
Unrestricted	-	-	14,586	13,209
Total business-type activities net assets	\$ -	\$ -	\$ 63,455	\$ 63,224
Primary government:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 85,447	\$ 81,888
Restricted	-	-	680	-
Unrestricted	-	-	27,230	34,386
Total primary government net assets	\$ -	\$ -	\$ 113,357	\$ 116,274

(1) Information for fiscal years ended September 30, 2001 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 1

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 29,056	\$ 32,517	\$ 42,344	\$ 45,140	\$ 49,710	\$ 57,183
-	2,983	6,578	12,253	10,000	8,125
<u>29,406</u>	<u>30,153</u>	<u>27,759</u>	<u>28,249</u>	<u>27,636</u>	<u>25,481</u>
<u>\$ 58,462</u>	<u>\$ 65,653</u>	<u>\$ 76,681</u>	<u>\$ 85,642</u>	<u>\$ 87,346</u>	<u>\$ 90,789</u>
\$ 50,313	\$ 49,251	\$ 49,584	\$ 55,783	\$ 60,239	\$ 65,348
-	-	-	-	-	-
<u>14,600</u>	<u>16,913</u>	<u>18,223</u>	<u>14,687</u>	<u>11,079</u>	<u>12,406</u>
<u>\$ 64,913</u>	<u>\$ 66,164</u>	<u>\$ 67,807</u>	<u>\$ 70,470</u>	<u>\$ 71,318</u>	<u>\$ 77,754</u>
\$ 79,369	\$ 81,768	\$ 91,928	\$ 100,923	\$ 109,949	\$ 122,531
-	2,983	6,578	12,253	10,000	8,125
<u>44,006</u>	<u>47,066</u>	<u>45,982</u>	<u>42,936</u>	<u>38,715</u>	<u>37,887</u>
<u>\$ 123,375</u>	<u>\$ 131,817</u>	<u>\$ 144,488</u>	<u>\$ 156,112</u>	<u>\$ 158,664</u>	<u>\$ 168,543</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Expenses:				
Governmental activities:				
General government	\$ -	\$ -	\$ 6,533	\$ 8,534
Public safety	-	-	14,212	15,914
Physical environment	-	-	4,885	5,038
Culture/recreation	-	-	4,359	4,878
Interest on long-term debt	-	-	1,389	1,516
Total governmental activities expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,378</u>	<u>\$ 35,880</u>
Business-type activities:				
Utilities	\$ -	\$ -	\$ 11,801	\$ 12,711
Stormwater management	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>11,801</u>	<u>12,711</u>
Total expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,179</u>	<u>\$ 48,591</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ -	\$ -	\$ 3,689	\$ 3,810
Public safety	-	-	3,044	3,483
Physical environment	-	-	1,275	1,367
Culture/recreation	-	-	486	628
Operating grants and contributions	-	-	300	1,836
Capital grants and contributions	-	-	482	1,496
Total governmental activities program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,276</u>	<u>\$ 12,620</u>
Business-type activities:				
Charges for services:				
Utilities	\$ -	\$ -	\$ 10,293	\$ 11,424
Stormwater management	-	-	-	-
Operating grants and contributions	-	-	-	27
Capital grants and contributions	-	-	2,190	760
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>12,483</u>	<u>12,211</u>
Total program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,759</u>	<u>\$ 24,831</u>

Table 2

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	8,070	\$ 9,233	\$ 10,363	\$ 10,354	\$ 10,813	\$ 10,777
	17,495	18,677	19,831	21,423	22,817	23,452
	4,997	12,954	6,589	6,751	6,695	6,195
	5,092	5,702	5,578	5,693	5,781	5,495
	<u>1,427</u>	<u>1,497</u>	<u>1,232</u>	<u>1,082</u>	<u>980</u>	<u>1,160</u>
\$	<u>37,081</u>	<u>48,063</u>	<u>43,593</u>	<u>45,303</u>	<u>47,086</u>	<u>47,079</u>
\$	12,689	\$ 13,135	\$ 13,429	13,427	\$ 14,934	\$ 15,645
	<u>575</u>	<u>1,113</u>	<u>661</u>	<u>745</u>	<u>808</u>	<u>816</u>
	13,264	14,248	14,090	14,172	15,742	16,461
\$	<u>50,345</u>	<u>62,311</u>	<u>57,683</u>	<u>59,475</u>	<u>62,828</u>	<u>63,540</u>
\$	5,317	\$ 5,748	\$ 6,345	\$ 6,544	\$ 4,493	\$ 5,031
	4,370	3,916	4,141	5,883	6,290	7,798
	1,467	1,538	1,617	1,862	2,068	2,116
	<u>687</u>	<u>587</u>	<u>596</u>	<u>618</u>	<u>638</u>	<u>701</u>
	1,184	8,679	1,679	1,152	918	979
	<u>732</u>	<u>897</u>	<u>2,261</u>	<u>4,559</u>	<u>125</u>	<u>475</u>
\$	<u>13,757</u>	<u>21,365</u>	<u>16,639</u>	<u>20,618</u>	<u>14,532</u>	<u>17,100</u>
\$	11,853	\$ 11,790	\$ 11,366	\$ 10,960	\$ 12,581	\$ 14,800
	1,192	1,195	1,264	1,336	1,388	1,457
	509	324	82	-	-	-
	<u>842</u>	<u>1,165</u>	<u>1,762</u>	<u>3,715</u>	<u>2,131</u>	<u>6,105</u>
	14,396	14,474	14,474	16,011	16,100	22,362
\$	<u>28,153</u>	<u>35,839</u>	<u>31,113</u>	<u>36,629</u>	<u>30,632</u>	<u>39,462</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Net (expense)/revenue				
Governmental activities	\$ -	\$ -	\$ (22,102)	\$ (23,260)
Business-type activities	-	-	682	(500)
Total net expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,420)</u>	<u>\$ (23,760)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes	\$ -	\$ -	\$ 10,131	\$ 11,272
Utility taxes	-	-	5,001	5,028
Franchise taxes	-	-	2,871	3,074
Intergovernmental	-	-	4,716	5,003
Investment income	-	-	634	384
Miscellaneous	-	-	601	722
Gain (loss) on disposal of capital assets	-	-	103	-
Total governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,057</u>	<u>\$ 25,483</u>
Business-type activities:				
Investment income	\$ -	\$ -	\$ 419	\$ 198
Miscellaneous	-	-	101	72
Total business-type activities	<u>-</u>	<u>-</u>	<u>520</u>	<u>270</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,577</u>	<u>\$ 25,753</u>
Change in net assets				
Governmental activities	\$ -	\$ -	\$ 1,955	\$ 2,223
Business-type activities	-	-	1,202	(230)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,157</u>	<u>\$ 1,993</u>

(1) Information for fiscal years ending September 30, 2001 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 2
(continued)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ (23,324)	\$ (26,698)	\$ (26,954)	\$ (24,685)	\$ (32,554)	\$ (29,979)
1,132	226	384	1,839	358	5,901
<u>\$ (22,192)</u>	<u>\$ (26,472)</u>	<u>\$ (26,570)</u>	<u>\$ (22,846)</u>	<u>\$ (32,196)</u>	<u>\$ (24,078)</u>
\$ 12,610	\$ 14,542	\$ 17,362	\$ 16,076	\$ 15,886	\$ 16,213
5,276	5,331	5,413	5,544	5,936	6,093
3,225	3,540	4,009	3,989	4,222	4,095
5,563	6,057	5,816	5,551	4,947	4,840
589	1,182	4,349	1,261	917	561
911	1,429	1,032	1,225	2,502	1,730
<u>562</u>	<u>1,807</u>	<u>-</u>	<u>-</u>	<u>(152)</u>	<u>(110)</u>
<u>\$ 28,736</u>	<u>\$ 33,888</u>	<u>\$ 37,981</u>	<u>\$ 33,646</u>	<u>\$ 34,258</u>	<u>\$ 33,422</u>
\$ 348	\$ 782	\$ 1,073	\$ 621	\$ 303	\$ 157
210	243	187	203	186	378
<u>558</u>	<u>1,025</u>	<u>1,260</u>	<u>824</u>	<u>489</u>	<u>535</u>
<u>\$ 29,294</u>	<u>\$ 34,913</u>	<u>\$ 39,241</u>	<u>\$ 34,470</u>	<u>\$ 34,747</u>	<u>\$ 33,957</u>
\$ 5,412	\$ 7,190	\$ 11,027	\$ 8,961	\$ 1,704	\$ 3,443
1,690	1,251	1,644	2,663	847	6,436
<u>\$ 7,102</u>	<u>\$ 8,441</u>	<u>\$ 12,671</u>	<u>\$ 11,624</u>	<u>\$ 2,551</u>	<u>\$ 9,879</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ -	\$ -	\$ 431	\$ 567
Unreserved	-	-	6,719	7,524
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,150</u>	<u>\$ 8,091</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ 249	\$ 6,961
Unreserved, reported in:				
Special revenue funds	-	-	3,719	3,848
Capital projects funds	-	-	1,847	3,997
Debt service fund	-	-	-	413
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,815</u>	<u>\$ 15,219</u>

(1) Information for fiscal years ending September 30, 2001 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 3

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 36	\$ 16	\$ 81	\$ 373	\$ 165	\$ 132
9,608	11,135	15,697	18,283	18,554	18,192
<u>\$ 9,644</u>	<u>\$ 11,151</u>	<u>\$ 15,778</u>	<u>\$ 18,656</u>	<u>\$ 18,719</u>	<u>\$ 18,324</u>
\$ 11,820	\$ 11,818	\$ 8,620	\$ 8,620	\$ 8,639	\$ 8,629
8,280	8,304	7,850	12,531	10,827	8,969
2,523	4,648	5,366	4,473	3,148	12,791
<u>514</u>	<u>569</u>	<u>656</u>	<u>666</u>	<u>469</u>	<u>67</u>
<u>\$ 23,137</u>	<u>\$ 25,339</u>	<u>\$ 22,492</u>	<u>\$ 26,290</u>	<u>\$ 23,083</u>	<u>\$ 30,456</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)

	2001	2002	2003	2004
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ 10,153	\$ 11,272
Fire assessments tax	-	-	1,662	1,827
Franchise fees	-	-	2,871	3,074
Utility taxes	-	-	5,001	5,028
Licenses and permits	-	-	1,405	1,310
Intergovernmental revenues	-	-	5,222	6,303
Charges for services	-	-	5,127	5,696
Fines and forfeitures	-	-	562	702
Investment income	-	-	634	384
Miscellaneous revenues	-	-	585	1,015
Total revenues	<u>-</u>	<u>-</u>	<u>33,222</u>	<u>36,611</u>
Expenditures:				
General government	-	-	6,408	7,045
Public safety	-	-	14,298	15,326
Physical environment	-	-	4,895	4,322
Culture and recreation	-	-	4,171	4,389
Nondepartmental				
Capital outlay	-	-	1,829	6,717
Debt service:				
Principal	-	-	2,457	22,632
Interest and fiscal charges	-	-	1,199	1,360
Total expenditures	<u>-</u>	<u>-</u>	<u>35,257</u>	<u>61,791</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,035)</u>	<u>(25,180)</u>
Other financing sources (uses)				
Net proceeds from long-term debt	-	-	-	31,736
Sale of land	-	-	-	-
Transfers in	-	-	2,278	2,259
Transfers out	-	-	(2,278)	(2,259)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,736</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,035)</u>	<u>\$ 6,556</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	11.4%	43.5%

(1) Information for fiscal years ending September 30, 2001 to 2002 is not available in the Governmental Accounting Standards Board (GASB) Statement No. 34 format.

Table 4

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	12,610	\$ 14,542	\$ 17,362	\$ 16,077	\$ 15,886	\$ 16,213
	-	-	-	-	-	-
	3,226	3,540	4,009	3,989	4,222	4,095
	5,276	5,331	5,413	5,544	5,937	6,093
	2,502	2,795	3,151	3,247	1,088	1,522
	8,080	14,573	7,456	6,668	5,805	6,702
	8,298	8,281	9,026	11,267	12,163	13,452
	523	729	507	3,598	462	488
	588	1,182	4,349	1,227	890	534
	899	1,901	2,474	2,264	1,313	1,621
	<u>42,002</u>	<u>52,874</u>	<u>53,747</u>	<u>53,881</u>	<u>47,766</u>	<u>50,720</u>
	7,166	8,416	9,258	9,833	9,525	9,505
	16,268	17,753	19,029	20,499	21,510	22,116
	4,335	12,110	5,558	5,419	5,977	4,944
	4,615	5,071	4,950	5,082	5,143	4,930
		170	193	184	210	294
	5,480	5,044	3,261	2,459	3,941	3,332
	2,339	2,436	8,323	2,630	3,452	7,398
	1,320	1,392	1,393	1,100	1,151	1,223
	<u>41,523</u>	<u>52,392</u>	<u>51,965</u>	<u>47,206</u>	<u>50,909</u>	<u>53,742</u>
	479	482	1,782	6,675	(3,143)	(3,022)
	5,817	-	-	-	-	10,000
	3,176	3,224	-	-	-	-
	5,285	4,574	4,542	2,937	3,834	7,698
	<u>(5,285)</u>	<u>(4,574)</u>	<u>(4,542)</u>	<u>(2,937)</u>	<u>(3,834)</u>	<u>(7,698)</u>
	8,993	3,224	-	-	-	10,000
\$	<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>	<u><u>6,978</u></u>
	10.1%	8.0%	20.2%	8.3%	9.7%	16.9%

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>
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
2010	16,213	837	6,093	4,095	27,238

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

Year Ended September 30,	Residential	Commercial	Industrial	Other*
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
2010	2,729,460,450	633,971,090	149,361,570	627,896,870

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

Notes:

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

Table 6

Exemptions	Total Taxable Assessed Value	City Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
\$ 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%
1,271,152,380	2,869,537,600	5.6837	4,494,682,060	63.84%

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
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
2010	5.6837	-	5.6837	4.8889	0.5000	5.3889	7.4310	-	7.4310

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
0.4503	-	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
0.1446	0.4243	1.7059	0.6240	0.0345	21.4369

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

Table 8

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
COCONUT CREEK DEVELOPMENT LLC	\$ 43,745	1	1.5%	\$ -	-	-
MEPT HILLSBORO BAY LLC	37,788	2	1.3%	-	-	-
FLORIDA POWER & LIGHT	33,774	3	1.2%	18,077	8	1.1%
CENTRO NP COCONUT CREEK	31,294	4	1.1%	-	-	-
CGL BANYAN BAY LP	28,254	5	1.0%	-	-	-
559 NORTH FEDERAL ASSOCIATION	24,010	6	0.8%	-	-	-
ATLYONS	23,887	7	0.8%	-	-	-
ERP OPERATING LTD PARTNERSHIP	22,856	8	0.8%	18,638	7	1.2%
ACPRE PRS REALTY LLC	21,461	9	0.7%	-	-	-
WAL-MART STORES EAST LP	20,121	10	0.7%	-	-	-
MINTO BUILDERS	-	-	-	39,126	1	2.4%
EASTRICH CORP.	-	-	-	36,401	2	2.2%
COCO PARC I	-	-	-	23,928	3	1.5%
HBC, INC.	-	-	-	22,769	4	1.4%
BANYAN BAY LTD	-	-	-	21,857	5	1.4%
CITY NATIONAL BANK FL TRSTEE	-	-	-	18,891	6	1.2%
AERC CYPRESS SHORES INC.	-	-	-	16,724	9	1.0%
PRINCIPAL LIFE INS. CO.	-	-	-	16,233	10	1.0%
Totals	\$ 287,190		9.9%	\$ 232,644		14.4%

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

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Taxes Collections</u>	<u>Percentage Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Tax Levy</u>
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%
2010	17,087	15,909	93.11%	265	16,174	94.66%

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			
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
2010	-	-	481	25,359	-	-	25,840	1.97%	537

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, 2010
(Amounts Expressed in Thousands)

Table 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Coconut Creek (1)	Amount Applicable to City of Coconut Creek
Debt repaid with property taxes:			
Broward County	\$ 393,274	2.08%	\$ 8,180
Subtotal, overlapping debt			<u>8,180</u>
City of Coconut Creek			\$ <u>25,840</u>
Total direct and overlapping debt			\$ <u><u>34,020</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>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>	<u>2010</u>
Debt limit	\$ 407,144	\$ 444,771	\$ 502,450	\$ 565,954	\$ 623,949	\$ 715,133	\$ 844,310	\$ 951,772	\$ 857,836	\$ 756,648
Total net debt applicable to limit	<u>1,145</u>	<u>780</u>	<u>395</u>	<u>-</u>						
Legal debt margin	<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>	<u>\$ 756,648</u>
Total net debt applicable to the limit as a percentage of debt limit	0.28%	0.18%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Valuation of Taxable Real Property	\$ 3,026,590
Bonded Debt Limit - 25% of above	756,648
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt:	-
Less Revenue Bonds:	-
Capital Improvement Refunding	
Revenue Bonds	-
Total net debt applicable to limit	-
Legal debt margin (1)	\$ 756,648

- (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		
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	-	-	-	-	-	-	-	-	
2010									

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.
- (4) Includes \$ 3,973,491 principal payment of Series 2003C revenue note to extinguish debt, which was designated in fiscal year 2009.

Table 13

Improvement Revenue Notes											
Community Improvement Revenues	Electric Utility Taxes	Electric Franchise Fees	Total Revenue	Debt Service		Coverage	Non-Ad Valorem Revenue	Debt Service			
				Principal	Interest			Principal	Interest	Coverage	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	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	-	-	-	-	
	2,939	2,800	5,739	6,444	(4) 815	0.79	22,421	-	313	71.63	

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

Table 14

Fiscal Year	Population		Personal Income		Per Capita Income		Median Age		School Enrollment (3)	Unemployment Rate (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%
2010	48,159	(5)		1,312,429,068		27,252	(4)	42.1	(4)	9,341	10.1%

(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	2010			2001(1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward Community College	2,854	1	10.24%	-	-	-
Broward County School Board	976	2	3.50%	-	-	-
Seminole Coconut Creek Casino	885	3	3.18%	-	-	-
Publix	563	4	2.02%	-	-	-
Wal-Mart	473	5	1.70%	-	-	-
City of Coconut Creek	360	6	1.29%	-	-	-
Food for the Poor	357	7	1.28%	-	-	-
Carl's Corporate Headquarters	189	8	0.68%	-	-	-
Enterprise Car Rental (Regional Office)	167	9	0.60%	-	-	-
Elite Aluminum Corporation	80	10	0.29%	-	-	-
Totals	6,904		24.78%	-		0.0%

Source: Broward Alliance.

(1) Information for fiscal year ending September 30, 2001 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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	48	51	56	46	59	61	64	61	62	62
Public safety	145	147	148	147	146	150	154	153	155	163
Physical environment	33	39	40	40	41	41	46	41	40	35
Culture and recreation	108	114	114	112	119	116	104	65	80	78
Water and wastewater	40	40	38	38	33	30	30	30	29	31
Stormwater management	-	-	-	-	7	7	7	7	8	8
Total	<u>374</u>	<u>391</u>	<u>396</u>	<u>383</u>	<u>405</u>	<u>405</u>	<u>405</u>	<u>357</u>	<u>374</u>	<u>377</u>

Source: City of Coconut Creek, Florida.

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

Table 17

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical arrests	929	1,044	1,041	1,024	1,274	946	887	995	1,100	1,070
Parking violations	1,511	782	1,004	883	417	511	622	513	1,074	653
Traffic violations	12,431	12,177	15,662	14,172	12,287	10,326	8,272	7,484	11,211	8,354
Fire (1)										
Number of calls answered	5,797	5,578	5,275	5,719	6,090	6,072	5,733	5,724	6,178	6,820
Inspections	2,177	2,060	2,055	2,385	2,195	1,232	2,169	1,650	1,577	1,784
Streets										
Street resurfacing (miles)	-	-	-	-	-	1	-	-	-	29
Potholes repaired	40	36	36	71	136	70	185	265	273	173
Culture and recreation										
Athletic field permits issued	2,171	2,292	2,356	2,499	2,472	2,330	3,404	309	292	309
Fitness memberships	181	242	390	728	913	1,266	1,291	1,326	1,663	1,577
Water										
New connections	514	702	111	28	42	48	75	150	74	43
Water main breaks	4	2	-	1	1	-	75	2	1	-
Average daily consumption (thousands of gallons)	5,278	5,700	5,781	5,272	5,305	5,819	5,320	4,954	4,538	4,241

Source: City of Coconut Creek, Florida.

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

Table 18

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	112	116	116	116	116	120	120	122	122	123
Streets										
Streets (miles)	48	53	53	53	53	53	53	53	47	49
Streetlights	720	1,220	1,220	1,528	1,528	1,528	1,528	1,528	1,659	1,662
Culture and recreation										
Parks acreage	196	196	196	196	207	207	207	207	207	207
Parks	17	17	17	18	20	20	20	20	20	20
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	3	3	3	3	2	2	2	3	3	3
Water										
Water mains (miles)	153	168	175	175	190	190	249	253	244	247
Fire hydrants	1,549	1,579	1,579	1,581	1,597	1,600	1,681	1,710	1,682	1,739
Maximum daily capacity (thousands of gallons)	6,540	6,540	6,540	6,540	6,540	6,540	6,540	8,500	8,500	8,500
Sewer										
Sanitary sewers (miles)	194	196	196	196	196	197	214	216	203	205
Storm sewers (miles)	118	122	122	122	124	124	99	103	23	29
Maximum daily treatment capacity (thousands of gallons)	4,242	4,978	4,482	6,040	6,040	3,827	3,662	6,040	6,540	6,540

Source: City of Coconut Creek, Florida.

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
(continued)
October 1, 2009 through September 30, 2010

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 09-02	10/1/2009 through 9/30/2010	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. #9770053845105 Govt. Ctr.-City Hall	8/6/2009 through 8/6/2010	\$500,000 bldg/\$500,000 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #9770053845605 Govt. Ctr.-Public Works		\$500,000 bldg/\$62,300 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #9770053845705 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$72,200 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #9770053845805 Govt. Ctr.-Equip. Bldg.		\$135,700 bldg/\$11,300 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #9770053845905 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$128,600 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #9770053846105 Govt. Ctr.-Storage Bldg.		\$99,700 bldg/\$8,300 cnts	\$500/\$500
		Fidelity Nat'l Property & Casualty Ins.Co. #9770053846205 Gerber Park		\$156,500 bldg/\$13,700 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. #091150025731 Govt. Ctr.-City Hall	8/6/2010 through 8/6/2011	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025732 Govt. Ctr.-Public Works		\$500,000 bldg/\$65,400 cnts,	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$75,800 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$149,300 bldg/\$11,900 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$135,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$109,700 bldg/\$8,700 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025737 Gerber Park		\$172,200 bldg/\$14,400 cnts	\$1,000/\$1,000

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
(continued)
October 1, 2009 through September 30, 2010

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	10/01/09 through 09/30/10	\$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 09-02	10/1/2009 through 9/30/2010	\$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 \$1,000,000 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, its Commissioners, & Employees			\$2,000,000 per claim \$2,000,000 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	\$ -



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 of the City of Coconut Creek, Florida (the "City") as of and for the year ended September 30, 2010, which collectively comprise the City of Coconut Creek, Florida's basic financial statements, and have issued our report thereon dated March 24, 2011. 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 an 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis.

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

Compliance and Other Matters

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

City of Coconut Creek, Florida

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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 24, 2011



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR
A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs and state projects for the year ended September 30, 2010. The City's major Federal programs and state project are 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 programs and state project 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, 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 or state project 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 could have a direct and material effect on each of its major Federal programs and state project for the year ended September 30, 2010.

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 and state projects. 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 or state project in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a Federal program and/or a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program and/or state project will not be prevented, or detected and corrected in a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 and state 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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 24, 2011



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, 2010, and have issued our report thereon dated March 24, 2011.

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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. 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 State Project and on Internal Control Over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 24, 2011, 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 or schedule:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial report.

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

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

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

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

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

City of Coconut Creek, Florida

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, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to sections 10.554 (1)(i)7.c., and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information 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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 24, 2011

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2010

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Justice				
Federal Forfeitures	* 16.XXX	-	\$ 821,199	\$ -
Bulletproof Vest Partnership Program	16.607	102006801	3,050	-
United States Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-12-0054	104,015	-
	14.218	B-09-MC-12-0054	44,114	-
Community Development Block Grants				
ARRA Entitlement Grants	14.253	B-09-MY-12-0054	5,883	-
United States Department of Energy				
Energy Efficiency and Conservation Block Grant Program	* 81.128	DE-SC0002625	423,398	-
Indirect Programs:				
United States Department of Homeland Security				
Passed through Florida Division of				
Emergency Management				
Hazard Mitigation Grant	97.039	08HM-5G-11-16-02-002	10,408	-
	97.039	07HM-O; -11-16-02-003	3,120	-
	97.039	09HM-37-11-16-02-009	26,250	-
Non-Profit Security Program	97.008	--	12,603	-

**CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 (continued)
 For the Year Ended September 30, 2010**

Federal/State Agency, Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Indirect Programs (continued):				
United States Department of Justice				
Passed through Florida Department of Law Enforcement				
Recovery Act - Edward Byrne Memorial				
Justice Assistance Grant	16.803	2010-ARRC-BROW-9-W7-026	157,295	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-JAGC-BROW-10-4X-181	10,979	-
Passed through Broward County Sheriff's Office				
Recovery Act - Edward Byrne Memorial				
Justice Assistance Grant	16.804	2009-SB-B9-3324	4,452	-
United States Department of Housing and Urban Development				
Passed through Broward County Commissioner's Office				
Community Development Block Grants/States Program	14.228	08DB-D3-11-16-01-A06	144,062	-
Passed through State Office of Attorney General				
Crime Victim Assistance	16.575	V9142	45,972	
Total Expenditures of Federal Awards			\$ 1,816,800	\$ -
STATE AGENCY NAME:				
Direct Projects:				
Department of Environmental Protection				
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP6708	\$ 419,293	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program	52.901	--	157,385	-
Total Expenditures of State Financial Assistance			\$ 576,678	\$ -

* Denotes a major program/project

NOTE: This schedule was prepared on the accrual basis of accounting.

CITY OF COCONUT CREEK, FLORIDA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
September 30, 2010

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance 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, and Chapter 10.650, Rules of the Auditor General. 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
FEDERAL PROGRAMS AND STATE PROJECTS
For the Year Ended September 30, 2010**

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 programs and state project are reported in the Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.
5. The auditors' report on compliance for the major Federal programs and state project for City of Coconut Creek, Florida expresses an unqualified opinion.
6. No audit findings relative to the major Federal programs or state project for City of Coconut Creek, Florida are reported in Part C of this schedule.
7. The programs/projects tested as a major program/project are as follows:

Federal Programs	Federal CFDA No.
United States Department of Justice Federal Forfeiture	16.XXX
United States Department of Energy Energy Efficiency and Conservation Block Grant Program	81.128
State Project	State CSFA No.
Florida Department of Environmental Protection Statewide Surface Water Restoration and Wastewater Projects	37.039

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

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
(continued)
For the Year Ended September 30, 2010**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AND STATE PROJECT

NONE

D. OTHER ISSUES

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

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

