

# Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

Fiscal Year Ended  
September 30, 2013



Prepared by the  
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

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CITY OF COCONUT CREEK, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended September 30, 2013

**City Commission**

Lisa K. Aronson .....	Mayor
Rebecca A. Tooley .....	Vice Mayor
Lou Sarbone .....	Commissioner
Mikkie Belvedere .....	Commissioner
Sandra L. Welch .....	Commissioner

**Administrative Staff**

Mary C. Blasi, CPA, CGFO.....	City Manager
Paul S. Stuart .....	City Attorney
Leslie Wallace May.....	City Clerk
Karen M. Brooks, CPFO .....	Director of Finance and Administrative Services



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For the Fiscal Year Ended September 30, 2013

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March 24, 2014

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:

It is with pleasure that we submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Coconut Creek for the fiscal year ended September 30, 2013. This report was prepared in accordance with Florida Statute, the City Charter, and Accounting Principles Generally Accepted in the United States of America (GAAP). Florida Statutes require that every general purpose local government annually publish a report on its financial position and activity that is audited by an independent firm of certified public accountants. The City's commitment to full financial disclosure and financial transparency is reflected in the CAFR through the use of exhibits and the Statistical Tables included herein. All disclosures necessary to enable the reader to gain an understanding of the City of Coconut Creek's activities have been included.

The CAFR's role is to assist in making financial, social, and political decisions and to assist in assessing accountability to the residents of the City of Coconut Creek by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with applicable laws, rules, and regulations; and
- Assisting in evaluating the efficiency and effectiveness of the City's operations.

This report consists of management's representations concerning the finances of the City of Coconut Creek. Consequently, management assumes full responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

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, 2013 are free of material misstatements. 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 the City of Coconut Creek's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP and issued an unmodified opinion. 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**

The City of Coconut Creek is a full-service municipality located within the northwestern portion of Broward County, the second most populated county in the State. The City was created in 1967 by the Legislature of the State of Florida and is approximately 12 square miles. Located north of Fort Lauderdale, Coconut Creek abuts the City of Boca Raton to the north. There is easy access to major highways and airports, and Coconut Creek is approximately 15 miles west of the Atlantic Ocean. The sub-tropical climate provides comfortable living year round.

With an estimated population of 53,783, the City ranks 15<sup>th</sup> amongst the 31 municipalities in the County. The City has been developed primarily for residential purposes, with a proportionate mix of single families and retirees. Because the tax burden rests mostly on residential properties, the City has various aggressive economic development initiatives to encourage new business locations within the City.

Coconut Creek operates under a Commission-Manager form of government. Five Commissioners are elected at-large from the City's five districts to serve staggered four year terms. From the five elected Commissioners, each year a Mayor and Vice Mayor are elected by the Commission at the first commission meeting subsequent to the second Tuesday in March. Together, the Mayor and Commission are responsible for the legislative functions of the City, including setting City policy, passing local ordinances, approving the City's annual budget, and appointing a City Attorney and City Manager.

The City Manager oversees the administrative functions of the City. This includes overseeing the day-to-day operations of the City; hiring staff; submitting an annual operating and capital improvement budget to the Commission; and providing recommendations to, and carrying out the policies and ordinances of, the City Commission.

The City of Coconut Creek provides a full range of services, including police and fire rescue, the construction and maintenance of streets and infrastructure, recreational and cultural activities, and water, sewer, and stormwater services. 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 and Administrative Services Department uses these requests as a starting point to assist the City Manager in developing a proposed budget. The proposed budget must be submitted to the City Commission no later than August 1<sup>st</sup> 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 30<sup>th</sup>, the close of the City of Coconut Creek's fiscal year.

For additional information concerning the City, please visit our website at [www.coconutcreek.net](http://www.coconutcreek.net).

## **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 the uncertainty of any future tax reform or legislative changes that will directly affect the City's ability to maintain current service levels. In 2013, the Consumer Price Index showed a slight increase

and is expected to continue to increase in 2014. The gross domestic product continues to show modest improvements, and the labor market continues to strengthen, causing unemployment to continue to edge downwards. Broward County has the lowest unemployment rate in Florida at this time at 5.3%. Consideration of the impact of these economic indicators plays an important role in determining the use of City resources in the upcoming years.

Since 2007, the Florida Legislature has passed property tax legislation limiting the property tax levies of local governments in the State of Florida. Currently, future property tax growth is limited to the annual growth rate of per capita personal income, plus the value of new construction. A higher rate may be adopted under special conditions set forth by the State. The impact of the legislative changes, decreased property values, and the recession resulted in a loss of tax dollars and new construction related revenues over the past several years. As the economy recovers, the City has been expecting modest increases in residential property values and remains optimistic about the level of new construction. Several major construction projects are underway, that have and will bring in building permit and impact fees, fire assessment charges, as well as increase the City's tax base, offset by an on-going additional cost associated with providing service to these areas.

### Building Permits

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Residential Units	720	81	60	68	26	85	71	203	62	5
Commercial Permits	3	3	4	2	4	24	5	5	18	52
Value (in millions)	\$ 67.1	\$46.2	\$55.7	\$15.7	\$9.4	\$75.6	\$35.2	\$22.4	\$39.7	\$22.5

During the early 2000's, the City of Coconut Creek experienced an increase in housing construction in the northern section of the City. The level of new construction declined drastically after 2008 but started to gain some momentum during fiscal year 2010 as a result of a slowly recovering housing market. During fiscal year 2013, the City experienced a significant increase in the number of residential units. The majority of the increase in 2013 residential permits is attributed to the construction of three multi-family developments: Casa Palma, Paloma Lakes, and Atlas at Coconut Creek.

The number of commercial permits has remained consistent since 2006, with the exception of 2008, which was a result of the completion of the first phase of MainStreet, the City's "downtown" area. Due to the recession of 2009, the collapse of the housing market, and the surrounding economic uncertainty, the City experienced a decrease in the number of new construction permits issued in 2009; however, the value (in millions) has shown significant increases in 2011, 2012, and 2013.

The City's 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. The number of commercial permits is expected to increase over the next 5 years due to several major initiatives planned for upcoming years, particularly in the MainStreet area (more detailed information is contained in the Major Initiatives section beginning on page vi).

### Other Factors

With over \$ 56.7 million in capital expansion completed in 2012, within the Coconut Creek's city limits resides one of the casinos operated by the Seminole Tribe of Florida. The casino attracts residents and tourists alike, employs approximately 1,700 people, 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 that provides for annual payments to help compensate for the impacts the casino has on our community. Funding received from the Seminole Tribe of Florida is primarily used for community capital improvement projects.

In 2010, the Florida Legislature approved a Compact with the Seminole Tribe of Florida, 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 receives a small portion of the net wins attributed to the Seminole Coconut Creek Casino. Distributions began in March 2011 and will continue annually until 2016 or beyond, if the Compact is extended.

### **Long-term Financial Planning**

Despite the declining economic environment of the past, the City has remained financially stable. Assessed property values increased 4.1% for fiscal year 2014, and demand driven revenues such as Half-Cent Sales Taxes and Shared Revenues are predicted to have reasonable increases as well. The City also anticipates an increase in building permits and impact fees for fiscal year 2014. Overall growth has been modest but steady and is anticipated to remain this way for the next few years. As such, the City has adopted an optimistic yet cautious approach towards the economy overall and future growth and development within the City.

The City will continue to invest in the community as a means of attracting businesses and residents. The City currently partners with the Coconut Creek Chamber of Commerce and the Greater Fort Lauderdale Alliance to proactively boost economic growth by assisting our existing business community, devoting resources to encourage the development of the City's commercial areas, and investing in programs that will create jobs for Coconut Creek residents.

The City has been working diligently on a three-phase capital improvement project for Coconut Creek Parkway, funded mostly by a \$ 4.5 million federal grant. There are several educational facilities located along the parkway including the north campus of Broward 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," creates a linear park-like corridor that will provide multi-modal connectivity between the various facilities. It includes a landscaped median, bus shelters, and a dedicated bicycle and pedestrian multi-purpose path. The project is well underway and expected to be completed by 2015.

The City is currently working on rehabilitation and beautification of Lyons Road, from Coconut Creek Parkway to Copans Road. The roadway rehabilitation consists of resurfacing, sidewalk improvements, drainage improvements, and installation of reclaimed water infrastructure. The beautification portion includes landscaping, irrigation adjustments, and decorative pavers in all medians and was completed in fiscal year 2013. The entire project is estimated to cost approximately \$ 4.5 million and will be completed in late 2014. In addition, the City is working on beautification of Lyons Road medians, from Copans Road to the Sawgrass Expressway. The project includes median landscaping, pavers, and intersection improvements. The project is estimated to cost approximately \$ 1.4 million, of which \$1.2 million is grant funded, and will be completed in late 2014 as well.

The City is currently in the planning stages of developing a Comprehensive Street Improvement Program to address the City's aging roadway infrastructure. The program involves general rehabilitation, including curbing, resurfacing, and striping, as well as milling and/or asphalt resurfacing at various City locations. The Comprehensive Street Improvement Program will also incorporate landscape median improvements, water and sewer drainage system improvements, undergrounding of above ground utility lines, and will have a reclaimed water component.

The City has established a robust grants application and acquisition process to help offset capital costs. Many of the City's capital improvements are funded by grants and community improvement funds. The City has made prudent decisions in the past years, and will continue to do so in the current and future years, in an effort to maintain a financially sustainable City.

### **Relevant Financial Policies**

The City of Coconut Creek budgetary and financial policies provide the basic framework for the overall fiscal management of the City. The main policies that had a significant effect on fiscal year 2013's financial statements are discussed below:

#### Accounting and Administrative Controls

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 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. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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 City of Coconut Creek on a government-wide and fund basis. All internal control evaluations occur within the above framework and to the best of our knowledge the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

#### Budgetary Control

Coconut Creek adopts fiscal year budgets for all funds and maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Commission. The level of budgetary control is established at the department level. The City Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals of each department require approval of the Commission.

As demonstrated by the budgetary comparison schedules included in this report, Coconut Creek continues to meet its responsibility for sound financial management practices. For the general fund and major special revenue funds, this comparison is presented beginning on page 58 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 68.

#### Capital Financing

In conjunction with the operating budget, the City Manager annually presents a program to provide for improvements to Coconut Creek's public facilities for the upcoming fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Coconut Creek's vehicles, roads, sidewalks, parks, buildings, infrastructure, and information technology needs. Coconut Creek's Capital Improvement Program for fiscal years

2014 through 2018 calls for funding of approximately \$ 43.9 million in the governmental funds and \$ 18.0 million in the enterprise funds.

During fiscal year 2013, the City spent \$ 8.7 million on governmental funds capital improvement projects and \$ 1.8 million on enterprise funds capital improvement projects. A new Public Works/EOC Administration Building was completed at the Government Complex site located at Lyons Road and Copans Road. The new building houses public works, information technology, police records, and regional 911 emergency operations and dispatch. The structure is designed to withstand category 5 hurricane force winds and received LEED® Silver Certification for best in-class green building design techniques. In addition, the City has installed electric vehicle charging stations for electric vehicles as a service for residents and visitors to the Government Complex site. This effort is part of a larger regional effort to grow electric car services in South Florida.

#### Revenue Policy

The City strives to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and attempts to minimize 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. During fiscal year 2013, the City received \$ 0.5 million from Broward County as a distribution of unrestricted reserves of the Resource Recovery Board; \$ 0.5 million from Broward County as reimbursement of certain construction costs for the new Public Works building that houses the North Regional 911 Center; and \$ 0.3 million from Wheelabrator Technologies, Inc., as part of their loyalty program for signing a solid waste disposal contract. These one-time revenue sources have been set aside to fund future capital needs.

#### Debt Policy

The City seeks 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. Outstanding debt as of September 30, 2013 totaled \$ 17.6, a decrease of \$ 2.6 due to scheduled debt service payments.

#### Fund Balance Policy

The City's Fund Balance Policy was developed to ensure adequate fund balance 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. At the end of the current fiscal year, fund balance totaled \$ 48.6 million, of which \$ 15.1 million is unassigned fund balance of the General Fund. Unassigned fund balance represents 33%, or 4 months of total General Fund's budgeted operating expenditures. An additional \$ 2.4 million has been reserved for Hurricane Emergencies. For more information on the City's Fund Balance Policy, please refer to pages 36 and 37, Note 1 to the Financial Statements.

### **Major Initiatives**

#### Short and Long-Term Planning

The City of Coconut Creek's long-term vision is to be "the City of the future with a personal touch." To ensure we attain that vision, staff's mission every day is to provide "continuous quality improvement to enhance a sense of community, quality of life, and personal security."

One of the ways we do this is by proactively conducting short and long-term planning. Some tools utilized by the City include: Comprehensive Plan and Strategic Plan (including CIP).

Comprehensive Plan

The Comprehensive Plan is intended to guide future growth and development and to provide an overall vision for the community. 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 and again amended in 2011 to address changing regulations relating to school capacity. The City anticipates conducting a new Evaluation and Appraisal Report in 2015 and based upon the findings at that time, will amend the Plan accordingly.

Strategic Plan (including CIP)

Each year the City utilizes data, including input from elected officials, residents, and businesses, to identify community needs and requirements. For example, in 2009, we held a city-wide meeting, Vision 2020, with businesses and residents to get their feedback; this year the City utilized a city-wide resident survey on the City website. We look at department data such as fire response time and water quality. Even information from the Comprehensive Plan and Water Supply Plan is looked at. Once the community needs and requirements are identified and confirmed, each department develops short and long-term initiatives to address those needs. Those initiatives are then prioritized and incorporated into the annual budget process to be funded. The City implements those initiatives, monitors progress throughout the year through the use of Balanced Scorecards for all departments, and next year the process will begin again (see figure 1 below).

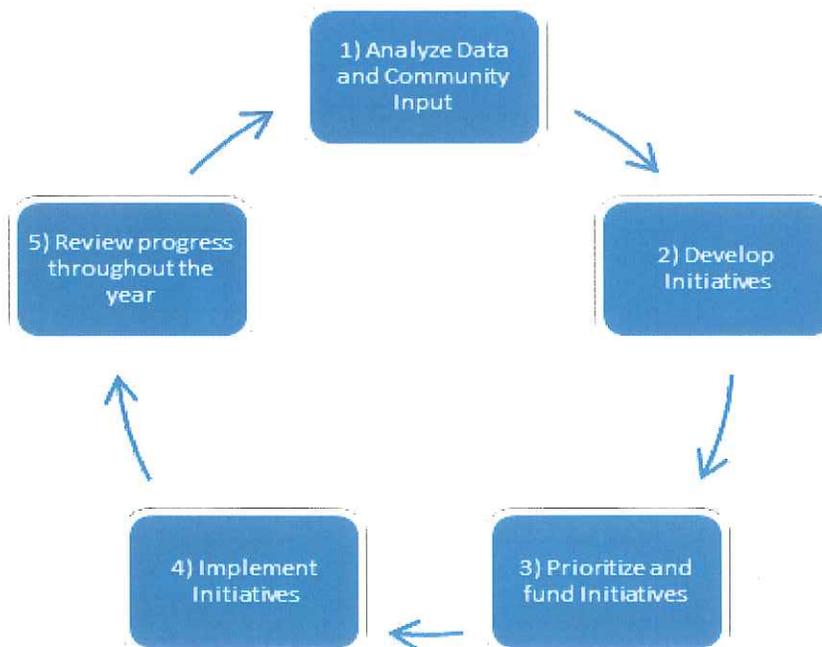


Figure 1: Strategic Planning Cycle

Based on the community input received, the City has developed three main areas of focus. These are:

1. Maintaining a high quality of life and maintaining the current level of City services;
2. Fostering economic development and promoting environmental preservation; and
3. Providing educational, recreational, and cultural opportunities.

Ongoing and future initiatives that are in this year's financials to address these three main areas of focus include:

**Maintaining a high quality of life and maintaining the current level of City services**

- Complete Streets
- City Mobility Initiatives

**Fostering economic development**

- MainStreet
- Promenade
- Coconut Creek Casino
- Economic Development Incentive Program

**Promoting environmental preservation**

- City Green Plan
- GHG Emission Reduction
- Reclaimed Water

**Providing educational, recreational, and cultural opportunities**

- Education Corridor

Complete Streets

There is a collective effort in the region to adopt Complete Streets Guidelines and apply this policy to all roadway projects to enable safe access for all users including pedestrians, bicyclists, motorists, and transit riders. This includes projects involving new construction, reconstruction, retrofits, repaving, rehabilitation, or changes in the allocation of pavement space on an existing roadway, as well as those that involve new privately built roads and easements intended for public use. The elements of Complete Streets may be achieved through single projects or incrementally through a series of smaller improvements or maintenance and operation activities over time. The City will actively look for opportunities to repurpose rights-of-way to enhance connectivity for pedestrians, bicyclists, and public transit and will mainly focus on non-motorized connectivity improvements on schools, parks, civic uses, regional connections and commercial uses. Every City Department, including Sustainable Development, Public Works, Utilities and Engineering, Police, Fire Administration, and Parks and Recreation, will be engaged in the formulation of Complete Street Guidelines for the City.

City Mobility

Over the last ten years, the City has been planning a network of trails that aim to provide pedestrians, cyclists and even equestrians with recreational opportunities and a safe alternative mode of mobility throughout the City. The City is working to create visible trail heads, consistent icons, and maps which will identify various trailways and their connections with public transportation, parks, public facilities and major attractions in Coconut Creek.

### Economic Development

The City of Coconut Creek continues to enhance its economic development efforts by continuing to grow our "downtown" area on some of the last consolidated open spaces in the City and in the County. The new MainStreet area is a vision for a green and sustainable mixed use urban downtown located on 500 acres in the center of the City.

The 23 acre Promenade at Coconut Creek was the first project completed under the City's MainStreet Design Standards, and in April 2010 received LEED® Silver Certification by the U.S. Green Building Council. Major businesses at The Promenade such as Starbucks, DSW Shoes, World of Beer, Allstate Insurance, and Coldwater Creek, continue to thrive not simply from the economic benefits of green building design, but also from continuous promotional and special events. Coming soon to the Promenade is the Silverspot Movie Theater, which broke ground this year and will include an 11-screen theater, as well as a high-end restaurant, bar and lounge where theatergoers can enjoy "dinner and a movie" in one place. Several other mixed use projects have been approved but are not currently under construction. These projects include the Village of Marbella, which is a mixed-use project containing plans for 297,000 square feet of retail and office space, a 150-room hotel, and 764 residential units.

Also located in the MainStreet area is the Seminole Coconut Creek Casino. The Seminole Tribe of Florida 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. In 2012, the Seminoles completed a 2,800-vehicle parking structure with a small retail village including two restaurants along with a casino expansion on the adjacent Federally-owned land resulting in an economic boost for the City and surrounding area. Through concerts and other promotional events, the expanded casino is bringing in visitors throughout the South Florida region.

In April 2011, the City created an Economic Development Incentive Program, which provides for two on-going incentive strategies: a commercial rehabilitation program and a commercial rent subsidy program. The Program was established to stabilize the existing business community, facilitate the establishment of new businesses, aid in job retention and creation, promote business expansion, and improve overall community appearance and sustainability. The City has also initiated a market study of the MainStreet area in an effort to identify and define the optimal development opportunities for the area.

### City Green Plan

Sustainability has become a wide-ranging term that can be applied to almost every facet of daily life, on a global to local scale. At the forefront of this emerging trend, the City Commission adopted a City Green Plan in December 2009 in order to establish a framework for achieving environmental leadership. The Plan contains the adoption of a city green image, the identification of sustainable themes for plan measurement, a range of action steps, and a method for annual monitoring. By implementing the action steps contained in the Plan, the City will provide long-term benefits to the health and well-being of the community and will most likely result in cost savings based on a diminished demand for resources.

### *Greenhouse Gas (GHG) Emissions*

As part of the City Green Plan, in 2009 the City conducted an inventory of GHG emissions from municipal operations. The City's goal was to reduce our emissions by 20% by the year 2020. Based on an interim analysis completed in 2012, the City has already achieved an 11% reduction from the 2009 baseline year. This has been accomplished through renewable energy use, energy efficiency, tree canopy replacement, and green fleet management. Our efforts were recognized by the International Council for Local Environmental Initiatives (ICLEI) in 2011, for being one of the few Florida cities to benchmark, target, and plan for GHG reductions. This effort puts the City ahead of any future regulations constraining carbon emissions.

### Reclaimed Water

The City has incorporated a Reclaimed Water Project where Broward County will provide up to two million gallons of reclaimed water per day to the City for irrigation and other uses. Using reclaimed water provides various benefits throughout the community, such as the reduction in cost, reduction in fertilizer usage, reduction in stress on drinking supplies, and reduction in disposals into our waterways. The Reclaimed Water Project process ensures that only the highest quality, clear, and essentially pathogen-free water is distributed.

For the Reclaimed Water Project, a 16 inch line has been installed by Broward County on Wiles Road from the Broward County treatment plant to N.W. 39th Avenue. From that point, the City is responsible for constructing and maintaining the distribution system. Phase I was completed in fiscal year 2012. The second phase consists of extending the reclaimed water line from N.W. 39th Avenue to the MainStreet area. Cost is estimated to be \$1 million. An additional line is planned to be constructed from the Florida Turnpike overpass to Lyons Road along Copans Road at an estimated cost of \$1 million. A separate plan and study to construct a reclaimed water distribution system from Wiles Road to Serko Boulevard, on Lyons Road is also in process.

### **Awards and Acknowledgements**

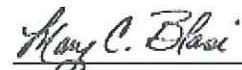
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coconut Creek for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2012. This was the 30<sup>th</sup> consecutive year that 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 2013 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The fiscal year 2014 annual budget document has been submitted for another award and is currently under review.

The City has also received an award for Outstanding Achievement in Popular Annual Financial Reporting for the September 30, 2012 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

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 unflinching support for maintaining the highest standards of professionalism in the management of the City of Coconut Creek's finances.

Respectfully submitted,



Mary C. Blasi, CPA  
City Manager



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



Government Finance Officers Association

**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

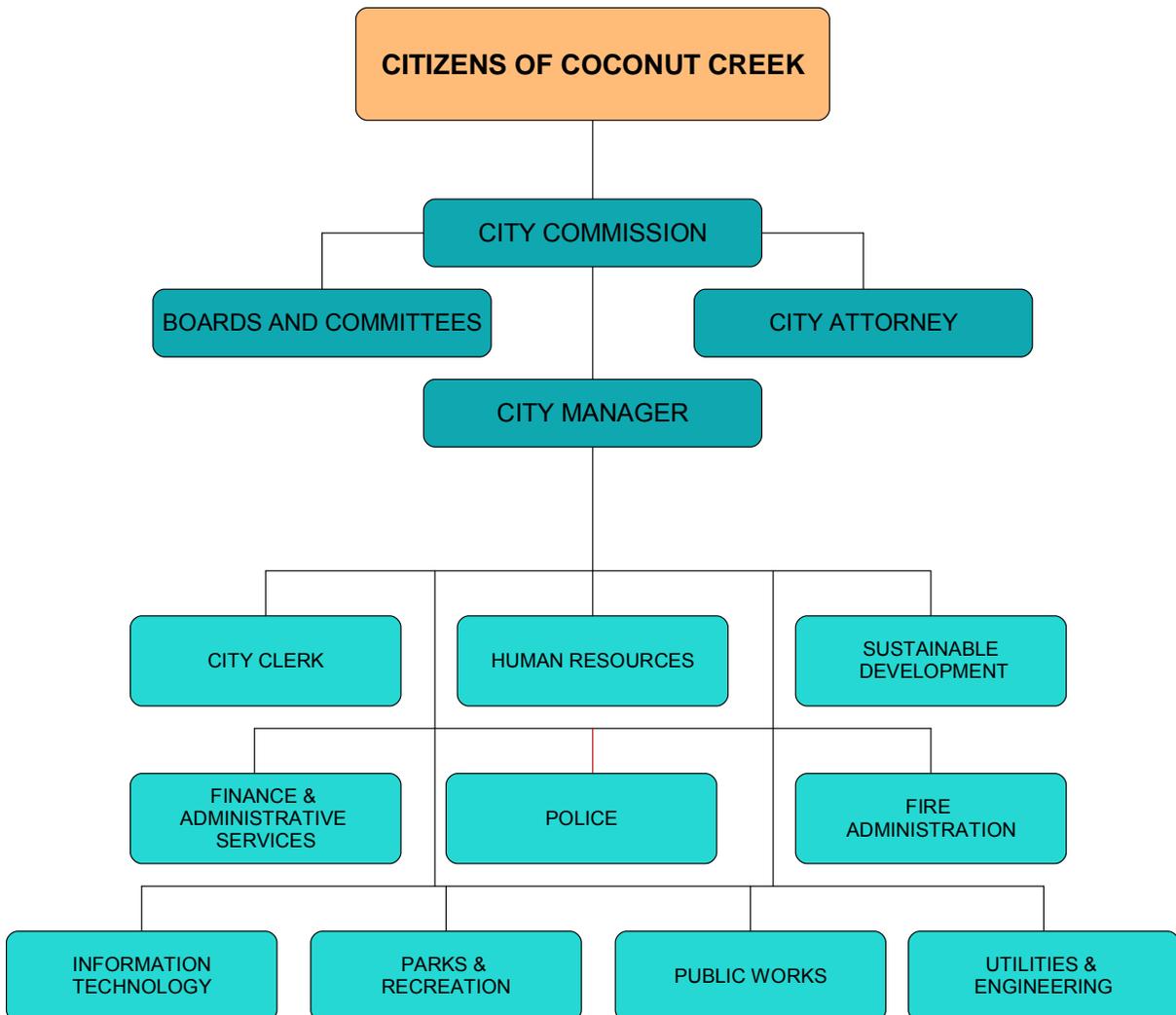
**September 30, 2012**



Executive Director/CEO



# COCONUT CREEK GOVERNMENTAL STRUCTURE ORGANIZATION CHART FISCAL YEAR 2013



CITY OF COCONUT CREEK, FLORIDA  
LIST OF PRINCIPAL OFFICIALS  
September 30, 2013

**Elected Officials**

Mayor .....	Lisa K. Aronson
Vice Mayor .....	Rebecca A. Tooley
Commissioner .....	Lou Sarbone
Commissioner .....	Mikkie Belvedere
Commissioner .....	Sandra L. Welch

**Appointed Officials**

City Manager .....	Mary C. Blasi
City Attorney .....	Paul S. Stuart
City Clerk .....	Leslie Wallace May
Director of Sustainable Development .....	Sheila N. Rose
Director of Human Resources .....	Pamela J. Kershaw
Director of Utilities and Engineering .....	Osama Elshami
Director of Public Works .....	James L. Berkman
Director of Parks and Recreation .....	Linda J. Wiederspan
CIO Information Technology .....	Francisco Porras
Chief of Police .....	Michael J. Mann
Fire Marshal .....	Rodney Zancanata

**Finance Officials**

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





## INDEPENDENT AUDITOR'S 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 as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility for the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, other post-employment benefits, on pages 3 through 18 and page 63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coconut Creek, Florida's basic financial statements. The introductory section, budget and actual schedules, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014, on our consideration of the City of Coconut Creek, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Coconut Creek, Florida's internal control over financial reporting and compliance.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
March 24, 2014

## Management's Discussion and Analysis

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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, 2013. The City of Coconut Creek's Management Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the City's financial activities; (c) identify changes in financial position; (d) identify any material deviations from the financial plan (the approved budget); and (e) identify any individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found on pages i through x 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 \$ 201.2 (net position). Of this amount, \$ 58.9, the unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$ 10.6 during the current fiscal year. Net position of the City's governmental and business-type activities increased by \$ 6.0 and \$ 4.6 respectively. The majority of the increase in the City's governmental fund activities net position is due to increases in operating grants and contributions, intergovernmental revenues, charges for services, and miscellaneous revenues. \$ 1.2 of the increase in net position for business-type activities is due to impact fees from developers and \$ 0.7 is due to capital contributions and donations. The remaining difference resulted from a water and sewer rate increase in April 2013 to fund current and future capital needs, and unused contingencies.
- Governmental Activities generated \$ 19.4 in program revenues, with \$ 49.3 in direct expenses.
- Business-type Activities generated \$ 20.6 in program revenues, with \$ 17.1 in direct expenses.
- As of the close of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$ 48.6, a decrease of \$ 1.5, or 3.0%, under the prior year. Of this amount, approximately \$ 8.8 is nonspendable, \$ 6.6 is restricted, \$ 9.7 is committed, \$ 8.4 is assigned, and \$ 15.1 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 15.1, or 33.0% of total General Fund budgeted operating expenditures.
- The City of Coconut Creek's total outstanding debt decreased \$ 2.6 during the current fiscal year due to scheduled annual debt service payments.
- Due to the continued slow recovery of the U.S. government securities market, interest rates and security yields continued to decline, resulting in decreased interest earnings. The City's net investment income decreased 116.7% in 2013.
- Overall, the City's financial position has improved from the prior year.

### *Overview of the Financial Statements*

This annual report consists of four parts – *Introductory Section, Financial Section, Statistical Section and Compliance Section*. Within the *Financial Section*, there is the *Independent Auditor's Report*, this *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.

## Management's Discussion and Analysis

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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 position* presents information on all of the City of Coconut Creek's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Coconut Creek is improving or deteriorating. Other factors should be considered, however, such as the condition of capital assets (roads, buildings, etc.) and debt structure, to assess the City's overall health.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and 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 management operation.

The government-wide financial statements can be found on pages 19 and 20 of this report.

**Fund financial statements.** A *fund* consists of 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. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. All of the funds of the City of Coconut Creek can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. *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*.

## Management's Discussion and Analysis

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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, Street Construction and Maintenance Fund, Grants Fund, 2009 Capital Projects Fund, Capital Improvement Program Fund, and the Public Safety Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in this report.

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 21 through 26 of this report.

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

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 27 through 30 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 31 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Coconut Creek's General Fund, Street Construction and Maintenance Fund, and Grants Fund budgetary comparison schedules to demonstrate compliance with the budget and the City's progress in funding its obligation of providing other post-employment benefits to its employees. Required supplementary information can be found on starting on page 58 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 64 of this report.

### *Government-wide Financial Analysis*

**Summary of net position.** The overall position of the City improved in 2013. As noted earlier, over time net position may serve 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 position summary presentation as reflected below:

- 1) ***Net results of activities*** will impact (increase/decrease) current assets and unrestricted net position.
- 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 net investment in capital assets.
- 4) ***Spending of non-borrowed current assets on new capital*** will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- 5) ***Principal payment on debt*** will reduce current assets, reduce long-term debt, decrease unrestricted net position, and increase net investment in capital assets.
- 6) ***Reduction of capital assets*** through depreciation will reduce capital assets and net investment in capital assets.

Management's Discussion and Analysis

In the case of the City of Coconut Creek, combined assets exceeded its liabilities by \$ 201.2 at the close of fiscal year 2013 (see Table 1 below).

**Table 1**  
**City of Coconut Creek's Net Position**  
**(in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013-2012</u>
Current and other assets	\$ 53.7	\$ 57.0	\$ 29.1	\$ 25.2	\$ 82.8	\$ 82.2	0.7%
Capital assets	85.0	79.1	66.3	66.0	151.3	145.1	4.3%
<b>Total assets</b>	<b>138.7</b>	<b>136.1</b>	<b>95.4</b>	<b>91.2</b>	<b>234.1</b>	<b>227.3</b>	<b>3.0%</b>
Long-term liabilities outstanding	22.7	25.1	0.9	0.9	23.6	26.0	-9.2%
Other liabilities	6.6	7.6	2.7	3.1	9.3	10.7	-13.1%
<b>Total liabilities</b>	<b>29.3</b>	<b>32.7</b>	<b>3.6</b>	<b>4.0</b>	<b>32.9</b>	<b>36.7</b>	<b>-10.4%</b>
Net position:							
Net investment in capital assets	69.4	67.8	66.3	66.0	135.7	133.8	1.4%
Restricted	6.6	10.1	-	-	6.6	10.1	-34.7%
Unrestricted	33.4	25.5	25.5	21.2	58.9	46.7	26.1%
<b>Total net position</b>	<b>\$ 109.4</b>	<b>\$ 103.4</b>	<b>\$ 91.8</b>	<b>\$ 87.2</b>	<b>\$ 201.2</b>	<b>\$ 190.6</b>	<b>5.6%</b>

The largest portion of the City of Coconut Creek's net position is investment in capital assets (e.g. land, buildings, infrastructure and equipment), less any related outstanding debt used to acquire those assets at \$135.7 or 67.4% of the total net position. 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. The City's net investment in capital assets increased by \$ 1.9 due to the acquisition and construction of capital items and scheduled debt payments.

An additional portion of the City of Coconut Creek's net position \$ 6.6 or 3.3% represents resources that are subject to external restrictions on how they may be used. The 2013 balance in restricted net position decreased by \$ 3.5 due primarily to the completion of the New Public Works/EOC Administration Building.

The remaining balance of \$ 58.9 or 29.3% reflects unrestricted net position, which increased by \$ 12.2, and may be used to meet the government's ongoing obligations to citizens and creditors. This increase in unrestricted net position is due mainly to an overall increase in revenues.

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 position, 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.

## Management's Discussion and Analysis

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The City's long-term liabilities decreased by \$ 2.4. This decrease was due mainly to the required annual debt service payments of \$ 2.6 and \$ 0.3 in earned but unused vacation and sick leave. This decrease was offset by an increase of \$ 0.5 in the unfunded actuarial accrued liability for other post-employment benefits. The City makes contributions towards other post-employment benefits on a pay-as-you go basis. Other post-employment benefits are discussed in more details in Note 16, pages 53 through 55.

Other liabilities decreased by \$ 1.4 due to the timing of annual activities (services received, customer deposits, etc.) and vendor payments which represents a \$ 1.6 decrease, and an increase in deferred and unearned revenues relating to the timing of grant receipts and expenditures which represents \$ 0.2. A decrease in accounts payable and accrued liabilities was due primarily to the completion of multiple projects during 2013: the new Public Works/EOC Administrative Building; Atlantic Boulevard Landscape Beautification; the Coconut Creek Parkway Median Improvement and the Multi-Use Athletic Field construction projects.

Current and other assets increased \$ 0.6 due mainly to an increase in cash and cash equivalents, offset by a decrease in investments, accounts receivable, and due from other governments as a result of annual activities (including capital purchases) and the timing of payments and receipts. Changes in capital assets are discussed in the Capital Assets and Debt Administration section on page 16.

**Summary of changes in net position.** 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 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.
- 4) ***While inflation*** appears to be relatively low, the City is a major consumer of certain commodities such as fuel, chemicals, supplies, and parts. Some functional expenses may experience unusual commodity specific increases. In addition, the City has various contracts with built-in annual increases.

The City's net position increased by \$ 10.6, or 5.6%, during the fiscal year 2013. Approximately \$ 0.7 or 6.6% of the increase in net position 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 position is due mainly to increases in water and sewer revenues, charges for services, impact fees and intergovernmental revenues. Additionally, although expenditures increased from prior year, expenditures were less than budgeted due to a reduction in pension costs, vacancies, and savings in operating expenses. More detailed information is provided in the governmental and business-type activities change in net position section as follows.

Management’s Discussion and Analysis

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

**Table 2**  
**City of Coconut Creek's Changes in Net Position**  
**(in millions of dollars)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013-2012</b>
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 17.5	\$ 16.4	\$ 19.9	\$ 19.2	\$ 37.4	\$ 35.6	5.1%
Operating grants and contributions	0.7	0.4	-	-	0.7	0.4	75.0%
Capital grants and contributions	1.2	2.5	0.7	1.5	1.9	4.0	-52.5%
General revenues							
Property taxes	16.1	16.1	-	-	16.1	16.1	0.0%
Utility taxes	6.3	6.1	-	-	6.3	6.1	3.3%
Local option gas tax	0.9	0.9	-	-	0.9	0.9	0.0%
Franchise fees	4.0	4.0	-	-	4.0	4.0	0.0%
Impact fees	0.7	0.9	1.1	0.7	1.8	1.6	12.5%
Intergovernmental	5.1	4.8	-	-	5.1	4.8	6.3%
Investment income	-	0.4	(0.1)	0.2	(0.1)	0.6	-116.7%
Miscellaneous	2.8	1.6	0.1	0.2	2.9	1.8	61.1%
<b>Total revenues</b>	<b>55.3</b>	<b>54.1</b>	<b>21.7</b>	<b>21.8</b>	<b>77.0</b>	<b>75.9</b>	<b>1.4%</b>
<b>Expenses</b>							
General government	11.4	11.8	-	-	11.4	11.8	-3.4%
Public safety	25.2	24.0	-	-	25.2	24.0	5.0%
Physical environment	6.5	5.8	-	-	6.5	5.8	12.1%
Culture/recreation	5.5	5.2	-	-	5.5	5.2	5.8%
Interest on long-term debt	0.7	0.9	-	-	0.7	0.9	-22.2%
Water and wastewater	-	-	16.0	15.0	16.0	15.0	6.7%
Stormwater management	-	-	1.1	1.0	1.1	1.0	10.0%
<b>Total expenses</b>	<b>49.3</b>	<b>47.7</b>	<b>17.1</b>	<b>16.0</b>	<b>66.4</b>	<b>63.7</b>	<b>4.2%</b>
Increase in net position	6.0	6.4	4.6	5.8	10.6	12.2	-13.1%
Net position-beginning, as restated*	103.4	97.0	87.2	81.4	190.6	178.4	
<b>Net position-ending</b>	<b>\$ 109.4</b>	<b>\$ 103.4</b>	<b>\$ 91.8</b>	<b>\$ 87.2</b>	<b>\$ 201.2</b>	<b>\$ 190.6</b>	<b>5.6%</b>

\* As restated. See Note 1E to the financial statements for more information.

## Management's Discussion and Analysis

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**Governmental activities.** Governmental activities increased the City of Coconut Creek's net position by \$ 6.0, thereby accounting for 56.6% of the total growth in the net position of the City of Coconut Creek.

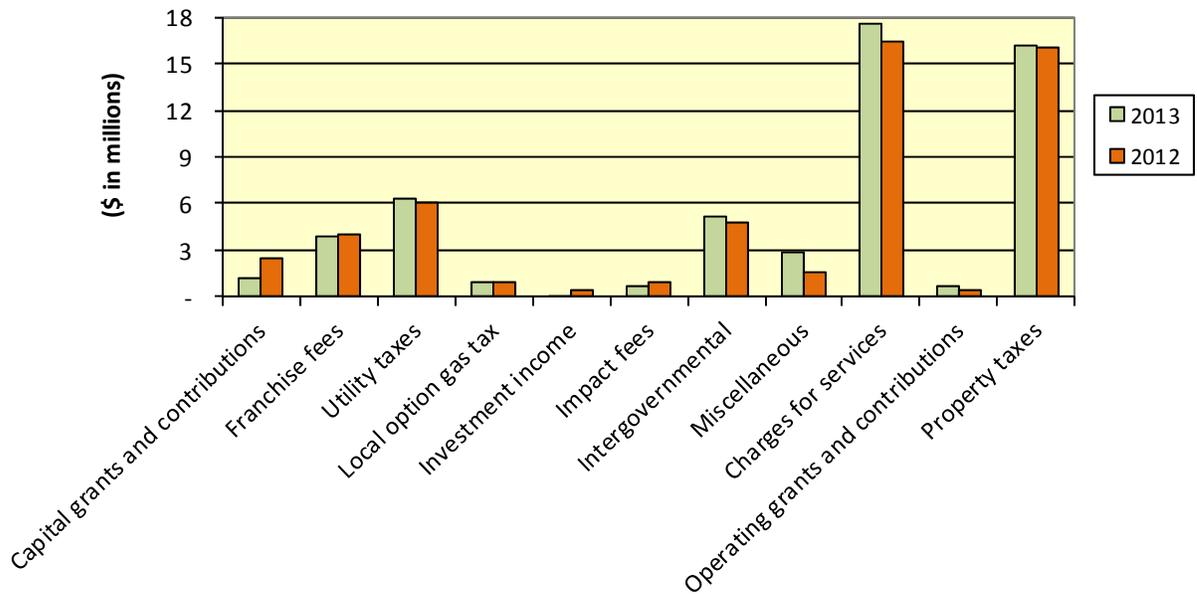
Key elements of this increase are as follows:

- Charges for services increased by \$ 1.1 or 6.7% during the year. The increase is primarily attributed to an increase of \$ 0.2 in municipal service charges received from the Seminoles due to the expansion of the Seminole Casino; an increase of \$ 0.1 in administrative fees charged by the General Fund for services performed for other funds; an increase of \$ 0.6 in Fire assessment fees due to a modest increase of 5% to single family homeowners to defray a 7.9% increase of the City's fire contract with the City of Margate; and an increase of \$ 0.2 in license and permit revenue. In 2012, the City received \$ 0.8 in license and permit revenue for the construction of three multi-family developments: Broadstone Cypress Hammocks; Paloma Lakes; and San Mellina. During 2013, the City received \$ 1.0 in license and permit revenue for the construction of the Hampton Inn & Suites; Paloma Lakes, a townhome community; Casa Palma and Altis at Coconut Creek, multi-family apartment home developments; and Elite Aluminum for building expansion.
- Operating grants/contributions increased by \$ 0.3 or 75%. This is due to the timing of grant reimbursements and new grants, such as a Single Stream Recycling grant from Broward County.
- The capital grants/contributions decreased by \$ 1.3 or (52%). This decrease is mainly due to the completion of capital grant projects, including Phase II of the Education Corridor and Lyons Road Section IV, as well as timing of grant reimbursements. Additionally, fines and forfeitures collected from law enforcement forfeitures and seizures decreased \$ 0.6.
- Impact fees decreased by \$ 0.2 or (22%) due to the timing of receipts from new developers. In 2012, the City received \$ 0.8 in impact fees from Broadstone Cypress Hammocks, Bel Lago, and San Mellina. During 2013, the City received \$ 0.3 in impact fees from Casa Palma, a multi-family luxury rental development; \$ 0.1 from Hampton Inn & Suites; \$ 0.1 from Silverspot Theater; and \$ 0.1 from San Mellina, a single-family home development.
- Intergovernmental revenues increased by \$ 0.3 or 6.3% mainly due to a \$ 0.2 increase in half-cent sales tax revenues and a \$ 0.2 increase in state shared revenue. The revenues were offset by a \$ 0.1 decrease in grant revenues, primarily due to the completion of grant projects.
- Investment income decreased by \$ 0.4 or (100%) due to lower average yields resulting from the slow to recover government security markets.
- Utility taxes increased by \$ 0.2 mainly due to a combination of additional FPL customers, power usage and FPL rate increases.
- Miscellaneous revenues increased by \$ 1.2 or 75%. In fiscal year 2013, the City received \$ 0.5 from Broward County as reimbursement of construction costs for the new Public Works/EOC Administrative Building that will house the North Regional 911 Center; \$ 0.5 from Broward County Solid Waste Disposal as a distribution of unrestricted reserves; and a one-time payment of \$ 0.3 from Wheelabrator Technologies, Inc., a Waste Management Company, as part of their loyalty program. These payments were offset by a one-time payment received in fiscal year 2012 of \$ 0.1 for the acceptance of a one-year extension of a land purchase option.
- Property tax collections, local option gas tax, and franchise fees remained generally the same from prior year.
- Expenses increased by \$ 1.6 or 3.2% due to a \$ 1.2 increase in personnel costs; increases in contract prices, including a \$ 0.5 increase in the contract for medical and EMS services with the City of Margate; and other minor fluctuations in operating expenditures.

Governmental revenues increased 2.2% to \$ 55.3. The following chart (Chart 1) depicts the changes in governmental revenues from fiscal year 2012 to fiscal year 2013. Overall, revenues remained relatively stable from fiscal year 2012 to fiscal year 2013.

CHART 1

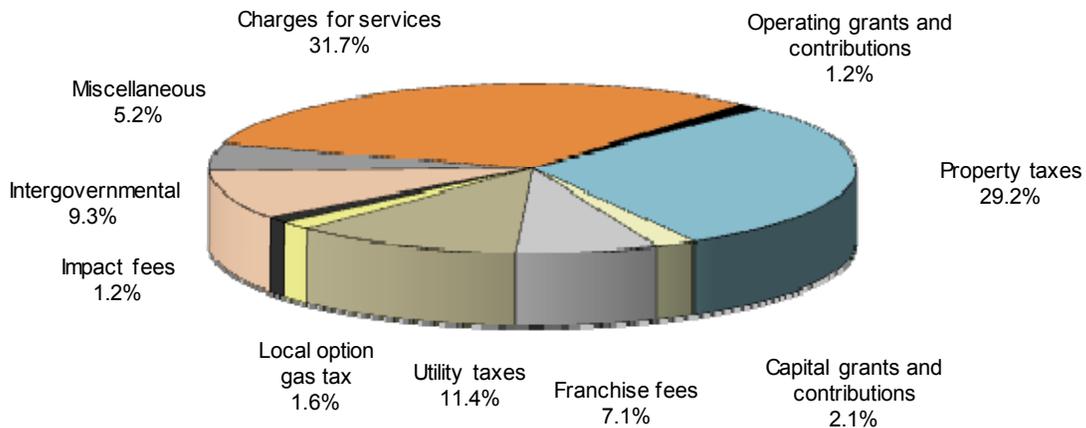
### Revenues By Source-Governmental Activities



The following chart provides an overall view of the various governmental revenue sources. 31.7% of these revenues come from charges for services, 29.2% from property taxes, and 18.5% from utility taxes and franchise fees.

CHART 2

### Revenues by Source-Governmental Activities



Management’s Discussion and Analysis

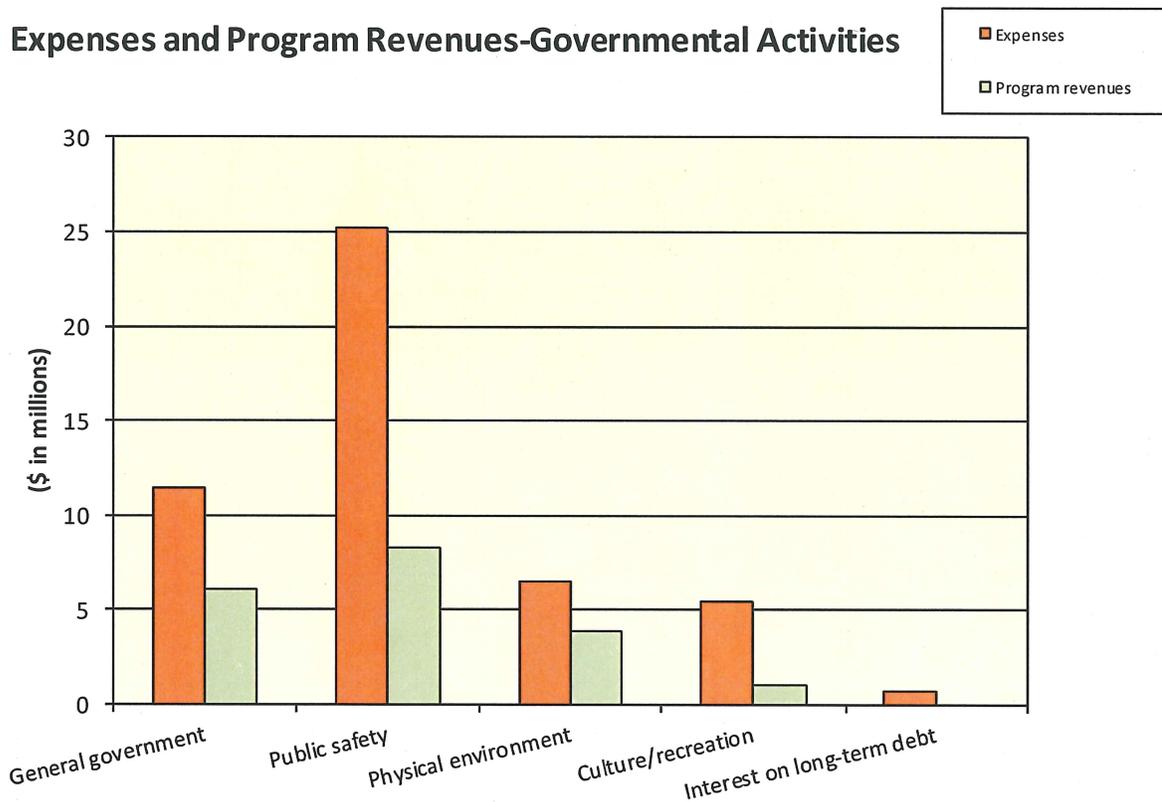
Chart 3 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$ 49.3. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services accounted for \$17.5, and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions accounted for \$ 1.9.

The City funded the remaining \$ 29.9 “public benefit” portion of governmental activities with \$ 27.3 in taxes and franchise fees, and with other revenues such as unrestricted state aid, impact fees and miscellaneous revenues.

CHART 3

Expenses and Program Revenues-Governmental Activities



**Business-type activities.** Business-type activities increased the City of Coconut Creek’s net position by \$ 4.6, accounting for 43.4% of the total increase in the government’s net position. Revenues of the City’s business-type activities remained relatively the same at \$ 21.7 while expenses increased by 6.9% to \$ 17.1. Factors contributing to these results included:

- Charges for services increased by \$ 0.7 or 3.6% 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, promote water conservation, and to provide funding to adequately maintain the system’s infrastructure. A scheduled rate increase took effect April 1, 2013.
- Impact fees increased by \$ 0.4, or 57.1% due to the new construction in the City. The fees collected were primarily from Casa Palma, a new multi-family housing development, Silverspot Movie Theater and the Hampton Inn & Suites.

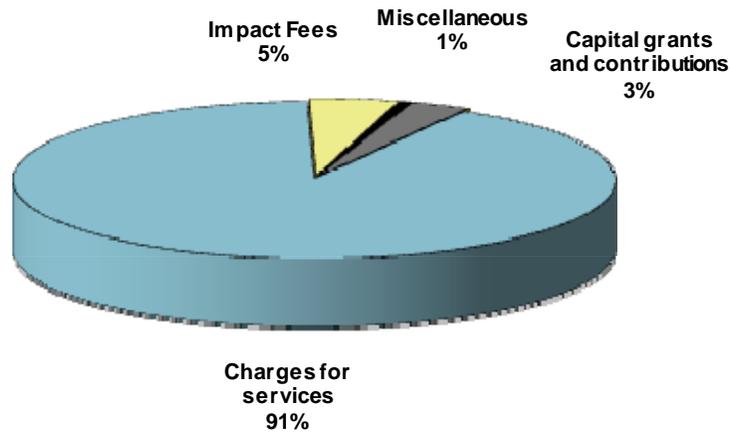
Management’s Discussion and Analysis

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- Expenses increased by \$ 1.1, or 6.9%, during the year. This increase is partially attributed to a \$ 0.1 increase in administrative costs paid to the General Fund; a \$ 0.2 increase in personnel costs; and increases in operating costs of \$ 0.8, which includes a contractual increase of \$ 0.3 paid to Broward County for water and wastewater services, an increase of \$ 0.3 in maintenance, and an additional increase of \$ 0.2 due to other minor fluctuations in various accounts.
- The City received \$ 0.7 in capital contributions of utility easements and infrastructure, a reduction of \$ 0.8 from the previous year, and does not represent spendable revenue collected during the year.

The following chart provides an overall view of the various business-type revenue sources. 91.0% of these revenues received come from charges for services, 5.0% from impact fees paid by developers, 3.0% from capital grants and contributions and 1.0% from miscellaneous sources.

**CHART 4**  
**Revenues by Source-Business-Type Activities**



**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, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Coconut Creek’s governmental funds reported combined ending fund balances of \$ 48.6, a decrease of \$ 1.5 in comparison with the prior year.

**Table 3**  
**City of Coconut Creek’s Governmental Fund Balance**  
**(in millions of dollars)**

	Governmental Activities	
	2013	2012
Nonspendable:		
Inventory	0.1	0.1
Prepays	0.1	-
Assets held for resale	8.6	8.6
Restricted for:		
Capital projects	1.8	5.6
Grants	2.1	0.3
Street construction/maintenance	1.2	2.3
Public safety	1.5	1.9
Committed to:		
Affordable housing program	0.8	0.8
Capital projects	6.2	5.5
Community Improvement	0.2	-
Debt service	0.1	0.1
Hurricane emergency reserve	2.4	2.3
Assigned to:		
Capital projects	2.5	1.2
General government	4.7	4.1
General trust accounts	1.1	1.0
Other	0.1	0.1
Unassigned	15.1	16.2
<b>Total fund balances</b>	<b>\$ 48.6</b>	<b>\$ 50.1</b>

\* Balances are rounded and may not include items under \$50,000.

Fund balance of governmental funds consists of the following classifications (see table 3 above):

- **Nonspendable Fund Balance:** \$ 8.8 of fund balance is classified as *nonspendable*, which indicate amounts that are not available for new spending because it is not in spendable form. Nonspendable fund balance includes \$ 8.6 for assets held for resale, \$ 0.1 for inventory and \$ 0.1 for prepaid costs.
- **Restricted Fund Balance:** \$ 6.6 is classified as *restricted*, which indicate amounts constrained to specific purposes by external entities. Restricted fund balance includes \$ 2.1 associated with grant restrictions; \$ 1.2 for statutory requirements for street construction and maintenance; \$ 1.8 for a debt covenant related to the construction of the new Public Works/EOC Administrative Building and the undergrounding of above ground utility lines; and \$ 1.5 for federal, state, and local requirements for the use of law enforcement forfeitures and seizures.
- **Committed Fund Balance:** \$ 9.7 is classified as *committed*, to indicate amounts constrained to specific purposes by the City Commission through Ordinance or Resolution. Committed fund balance consists mainly of \$ 6.2 constrained to ongoing and future capital projects; \$ 0.1 related to debt service; \$ 0.8 related to housing; \$ 0.2 related to community improvements; and \$ 2.4 related to hurricane emergencies.

## Management's Discussion and Analysis

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- Assigned Fund Balance: \$ 8.4 is classified as assigned, to indicate amounts constrained by the City's *intent* to use for a specific purpose. Assigned fund balance mainly includes \$ 2.5 set aside for ongoing and future capital projects; \$ 4.7 for future budgetary requirements; \$ 1.1 to be used for various general trust accounts, and \$ 0.1 for other purchase commitments.
- Unassigned Fund Balance: \$ 15.1 is classified as *unassigned* which identifies net resources available for spending at the end of the fiscal year.

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 \$ 23.8, of which \$ 15.1 is unassigned fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total budgeted expenditures. Unassigned fund balance represents 33.0%, or approximately four months of total General Fund's budgeted operating expenditures.

The fund balance of the City of Coconut Creek's General Fund remained relatively unchanged at the fiscal year-end at \$ 23.8. The City had appropriated \$ 4.0 of fund balance for spending in the 2013 fiscal year budget. However, higher than anticipated charges for service and building permit revenues, due mostly to construction of a new Hampton Inn & Suites; multi-family developments, single family homes and the Silverspot Movie Theater; staff vacancies and turnovers, and unused departmental expenditures eliminated the need for the use of appropriated fund balance. Other factors contributing to the consistent fund balance includes personnel cost savings of \$ 1.4 (approximately 4.9% of total personnel cost) resulting from lower than budgeted pension costs and vacancies; and various operating cost savings of \$ 1.1 (approximately 7.6% of total operating costs). More detailed information is included in the General Fund Budgetary Highlights section on page 58.

The Streets Construction and Maintenance Fund has a fund balance of \$ 2.7, which is mainly held in cash and investments for future street related expenditures. Fund balance increased by \$ 0.4 due mainly to reimbursement of grant related capital expenditures and the completion of the Education Corridor and Atlantic Boulevard Beautification projects.

The Grants Fund has a fund balance of \$ 0.3, which is mainly held in cash and investments for future use for various on-going projects. Fund balance remained constant during this fiscal year.

The 2009 Capital Improvement Program Fund has a total fund balance of \$ 1.8, which is mainly 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 have been used for undergrounding of above ground utility lines and construction of a new Public Works/EOC Administrative Building. Fund balance decreased by \$ 3.8, representing the use of note proceeds to fund the underlying capital projects. During this fiscal year, work was completed on the new Public Works/EOC Administrative Building at a cost of \$ 7.4.

The Capital Improvement Program Fund has a total fund balance of \$ 10.7, which consists mainly of \$ 8.6 for land reserved as assets held for resale and \$ 2.2 in cash and investments for ongoing projects, slightly reduced by \$ 0.1 in outstanding invoices. Fund balance increased \$ 0.7. Fund balance increased \$ 1.5 from various revenue sources: \$ 0.4 from gaming revenues, acquired through a compact between the Seminole Tribe of Florida and the State of Florida; \$ 0.6 from Broward County as reimbursement of construction costs for the new Public Works/EOC Administrative Building that will house the North Regional 911 Center; and \$ 0.5 from Broward County Solid Waste Disposal as a distribution of unrestricted reserves. The increase was partially offset by \$ 0.8 use of fund balance set aside to fund ongoing capital projects.

The Public Safety Improvement Fund has a total fund balance of \$ 2.6, which is mainly held in cash and investments for future capital assets. Fund balance increased \$ 0.2 due mainly to the collection of public safety impact fees from various developers.

***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

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The unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to \$ 20.7. The total increase in net position was \$ 4.3. The increase in net position was mainly due to capital contributions made during fiscal year 2013, including \$ 0.7 of utility easements from various developers, increased water and sewer sales of \$ 0.8; increased impact fees of \$ 0.6 as a result of new development in the City; lower than anticipated utility charges paid to Broward County of \$ 0.4; and a net savings of \$ 1.8 due to the timing of grant revenues, capital related expenses and various other operational savings. The unrestricted net position of the Stormwater Management Fund at the end of the year amounted to \$ 4.8. The total increase in net position was \$ 0.4. 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 amended budget for the General Fund. The City Attorney's budget was increased \$ 0.1 from contingency to cover additional pension costs, and \$ 0.1 was transferred from contingency to the City Manager's budget to cover various payouts.

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

#### Revenues

As of fiscal year-end, actual revenue amounts exceeded the final budget by \$ 0.8. The additional revenue is primarily attributed to the following factors:

- License and permits exceeded budget by \$ 0.6, as a result of the new construction of a Hampton Inn & Suites; multi-family home developments; and the Silverspot Movie Theater, in addition to an increase in volume of homeowner permits.
- Franchise fees fell short of budget by \$ 0.3 due to lower than expected franchise fees on electricity and solid waste due to rate changes and collection patterns.
- Net property tax revenues exceeded budget by \$ 0.1 due to an increase in the collection of prior year ad valorem revenues.
- Intergovernmental revenues exceeded budget by \$ 0.2 mainly due to higher than anticipated state shared revenues and half-cent sales tax from the State of Florida.
- Charges for services exceeded budget by \$ 0.4 due to an additional \$ 0.2 in fire assessments, \$ 0.1 in EMS transport fee revenue and \$ 0.1 in fire plan reviews, as a result of the new construction within the City.
- Investment income fell short of the budget by \$ 0.3 due to ongoing low interest rates.
- Fines and forfeitures exceeded budget by \$ 0.1 due to the increase in court fine collections.

#### Expenditures

As of fiscal year-end, actual expenditures came in under budget by \$ 3.3. The main operational savings are as follows:

- The City Manager/City Attorney Department realized a total savings of \$ 0.2 mainly due to staff vacancies.
- The Finance and Administrative Services Department realized a total savings for \$ 0.3 mainly due to staff vacancies.
- The Information Technology Department realized a total savings of \$ 0.3 due to lower than anticipated pension costs, maintenance contract cost savings and various other minor operational savings.
- The Police Department realized a total savings of \$ 0.8 due to savings in salaries, benefits and applicable operating costs. The majority of the savings was due to lower than anticipated pension costs, vacancies and various other minor operational savings.
- The Public Works Department realized a total savings of \$ 0.4 due to vacancies throughout the year, lower than anticipated utility and fuel expenditures, and various other operational savings.
- The Parks and Recreation Department realized a total savings of \$ 0.2 due to lower than anticipated pension costs and various other operational savings.

Management’s Discussion and Analysis

- Non-department and contingency realized a total savings of \$ 0.5 due to less than anticipated economic incentives provided to commercial customers and neighborhood enhancement grants awarded. Contingency represented \$ 0.2 of this savings.
- The remaining \$ 0.6 in savings is attributed to various minor operational savings among all General Fund departments throughout the year.

*Capital Asset and Debt Administration*

**Capital assets** (see Table 4) The City of Coconut Creek’s investment in capital assets for its governmental and business type activities as of September 30, 2013, amounts to \$151.3 (net of depreciation). This investment in capital assets includes land, buildings, water/sewer system improvements, machinery and equipment, park facilities, utility easements, and streets. The total increase in the City of Coconut Creek’s investment in capital assets for the current fiscal year was \$ 6.2, which represents a 7.4% increase in governmental activities and a .45% increase for business-type activities.

**Table 4  
City of Coconut Creek's Capital Assets  
(net of depreciation, in millions of dollars)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013-2012</b>
Land	\$ 25.1	\$ 24.8	\$ 0.4	\$ 0.4	\$ 25.5	\$ 25.2	1%
Buildings	23.1	16.3	2.5	2.6	25.6	18.9	35%
Improvements	7.3	6.9	0.8	0.9	8.1	7.8	4%
Equipment	5.4	4.7	1.2	1.3	6.6	6.0	10%
Infrastructure	22.8	19.0	55.9	55.9	78.7	74.9	5%
Intangibles	0.1	0.1	4.8	4.4	4.9	4.5	9%
Construction in progress	1.2	7.3	0.7	0.5	1.9	7.8	-76%
<b>Total</b>	<b>\$ 85.0</b>	<b>\$ 79.1</b>	<b>\$ 66.3</b>	<b>\$ 66.0</b>	<b>\$ 151.3</b>	<b>\$ 145.1</b>	<b>4%</b>

For governmental activities, this year’s major capital asset additions before depreciation totaled \$15.9 (including transfers) and include the following:

- \$ 0.3 in land to be used for recreational purposes.
- \$ 1.1 in construction in progress, which relates to projects started in the City, but not yet completed, including \$ 0.9 for the undergrounding of above ground utility lines (total cost of \$ 3.6). The remaining \$ 0.2 includes various improvements to roads, sidewalks, parks and buildings.
- \$ 4.3 in infrastructure; which represents \$ 2.1 for the Education Corridor project; \$ 0.5 for the Atlantic Boulevard Beautification project; \$ 1.5 for the undergrounding of above ground utility lines; and \$ 0.2 for various other projects.
- \$ 8.3 in buildings and improvements; which represents \$ 7.4 for the new Public Works/EOC Administrative Building; \$ 0.8 for the Multi-Use Athletic Field project; and \$ 0.1 for other miscellaneous projects.
- \$ 1.9 in equipment; this represents \$ 0.4 for the purchase of communications equipment, \$ 0.2 for computer software and computer hardware purchases and replacements, \$ 0.8 for vehicle replacements, and \$ 0.3 for other machinery and equipment. The remaining difference of \$ 0.2 includes various other equipment purchases.

For governmental activities, this year’s major capital asset disposal consisted of \$ 0.1 in vehicles and \$ 0.1 in computers as part of the annual vehicle and computer replacement plans. In addition, \$ 7.2 was transferred from construction in progress to buildings, improvements, infrastructure, and equipment. The transfer represented the completion of various on-going projects, including \$ 3.4 for the new Public Works/EOC Administrative Building; \$ 2.0 for the Education Corridor; \$ 1.5 for the undergrounding of above ground utility lines; \$ 0.2 for the Multi-use Athletic Field Construction; and the remaining \$ 0.1 for various other projects.

Management’s Discussion and Analysis

Capital additions for business-type activities before depreciation totaled \$ 1.8 and include the following:

- \$ 0.4 in utility easements from various developers.
- \$ 1.2 in infrastructure through \$ 0.3 in contributions of water and sewer infrastructure from various developers; \$ 0.2 for Lyons Road Force Main Isolation Valve and Section IV projects; \$ 0.4 for Lift Station Rehabilitation; \$ 0.2 for Sewer Pipe and Main Rehabilitation; and other additions totaling \$ 0.1.
- Construction in progress increased \$ 0.1, representing on-going construction on the Reclaimed Water project and the Supervisory Control and Data Acquisition (SCADA) Telemetry System.
- The remaining additions of \$ 0.1 were negligible.

Capital asset disposals for business-type activities were negligible.

Additional information on the City of Coconut Creek’s capital assets can be found in Note 7 on pages 43 through 45 of this report.

**Long-term debt** (see Table 5). At the end of the current fiscal year, the City of Coconut Creek had total debt outstanding of \$ 17.6. Debt is comprised of revenue notes used to finance various capital expenditures, including improvements to parks, public buildings and infrastructure, and the purchase of land.

The City of Coconut Creek’s total debt decreased by \$ 2.6 or (12.9%) during the current fiscal year due to required annual debt service payments.

**Table 5**  
**City of Coconut Creek's Debt**  
**(in millions of dollars)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change 2013-2012</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	
Revenue notes (backed by specific tax and fee revenues)	17.6	20.2	-	-	17.6	20.2	-12.9%
<b>Total</b>	<b>\$ 17.6</b>	<b>\$ 20.2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17.6</b>	<b>\$ 20.2</b>	<b>-12.9%</b>

The City’s revenue notes were obtained as bank qualified loans and therefore do not have a bond rating. Additional information on the City of Coconut Creek’s long-term debt can be found in Note 8 on pages 46 through 48 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.

## Management's Discussion and Analysis

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Unrestricted fund balance (which is comprised of committed, assigned, and unassigned fund balance) in the General Fund totals \$ 23.6. Of that amount, the City of Coconut Creek appropriated \$ 4.5 for spending in the 2014 fiscal year budget. The City continues to show improvement from prior years, which is representative of the economic stabilization and steady, positive growth occurring in the local and state economy. Additionally, the City continues to emphasize a disciplined and strategic allocation of resources and fiscal prudence to ensure long-term financial sustainability.

The Florida legislature continues to consider various proposals relating to property tax relief and communications services taxes rate reductions that could have a significant impact on a local government's ability to maintain and/or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at its present levels. Furthermore, the City is committed to build a diversified and stable revenue system to minimize the dependence on property taxes.

For the fiscal year 2014 budget, property tax values increased 5.3% in the City. The net increase is comprised of a 4.1% increase from reassessments of existing properties and a 1.2% increase from new construction. This is the largest property value increase since fiscal year 2008. The City Commission approved the same operating property tax rate of 6.3250 mills per \$1,000 of taxable value for fiscal year 2014. Due to the increase in property values, the gross tax revenues increased \$ 0.9, which helped to fund the cost of an additional five police officers.

Fire assessment rates increased by 7.9% from fiscal year 2013 to fiscal year 2014 to offset an increase in the City's fire contract with the City of Margate. The single family, multi-family, and mobile home rates are \$ 148.28, \$ 133.46, and \$ 74.15, 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 the City's potable water, has identified the deeper Floridian Aquifer as the alternate source to meet the City's future demands. Additionally, based on a mandate by the State Legislature, all wastewater discharge into the ocean must cease by 2025. This will require higher level of treatment before wastewater can 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. A previously authorized 5% rate increase is scheduled to take effect on April 1, 2014. A stormwater rate increase of 1.63%, the consumer price index, went into effect on October 1, 2013.

All of these factors were considered in preparing the City of Coconut Creek's budget for the 2014 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 POSITION  
September 30, 2013

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 11,367,945	\$ 7,485,603	\$ 18,853,548
Accounts receivable	2,640,351	2,155,262	4,795,613
Due from other governments	1,301,925	-	1,301,925
Investments	29,554,701	19,467,656	49,022,357
Inventory and prepaid costs	194,098	-	194,098
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	26,284,663	5,880,051	32,164,714
Capital assets being depreciated, net	58,747,847	60,449,060	119,196,907
Total assets	<u>138,711,614</u>	<u>95,437,632</u>	<u>234,149,246</u>
<b>LIABILITIES:</b>			
Accounts payable	1,348,286	842,397	2,190,683
Accrued liabilities	1,545,297	163,295	1,708,592
Unearned revenue	719,911	53,060	772,971
Due to other governments	2,296	-	2,296
Customer and other deposits payable	700	1,597,978	1,598,678
Due within one year:			
Compensated absences payable	316,161	37,050	353,211
Revenue notes payable	2,685,618	-	2,685,618
Due in more than one year:			
Compensated absences payable	3,848,594	446,172	4,294,766
Revenue notes payable	14,885,215	-	14,885,215
OPEB Obligation	4,001,000	471,000	4,472,000
Total liabilities	<u>29,353,078</u>	<u>3,610,952</u>	<u>32,964,030</u>
<b>NET POSITION:</b>			
Net investment in capital assets	69,352,233	66,329,111	135,681,344
Restricted for:			
Capital projects	1,835,367	-	1,835,367
Street construction and maintenance	1,243,699	-	1,243,699
Public safety	1,485,151	-	1,485,151
Grants	2,044,170	-	2,044,170
Unrestricted	33,397,916	25,497,569	58,895,485
Total net position	<u>\$ 109,358,536</u>	<u>\$ 91,826,680</u>	<u>\$ 201,185,216</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, 2013

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
General government	\$ 11,375,946	\$ 6,120,040	\$ -	\$ -	\$ (5,255,906)	\$ -	\$ (5,255,906)
Public safety	25,187,321	8,018,078	55,981	259,399	(16,853,863)	-	(16,853,863)
Physical environment	6,517,746	2,636,883	623,522	592,203	(2,665,138)	-	(2,665,138)
Culture and recreation	5,497,958	759,822	-	292,856	(4,445,280)	-	(4,445,280)
Interest on long-term debt	687,749	-	-	-	(687,749)	-	(687,749)
<b>Total governmental activities</b>	<b>49,266,720</b>	<b>17,534,823</b>	<b>679,503</b>	<b>1,144,458</b>	<b>(29,907,936)</b>	<b>-</b>	<b>(29,907,936)</b>
Business-type activities:							
Water and wastewater	15,968,773	18,400,798	-	704,969	-	3,136,994	3,136,994
Stormwater management	1,117,874	1,523,089	-	-	-	405,215	405,215
<b>Total business-type activities</b>	<b>17,086,647</b>	<b>19,923,887</b>	<b>-</b>	<b>704,969</b>	<b>-</b>	<b>3,542,209</b>	<b>3,542,209</b>
<b>Total primary government</b>	<b>\$ 66,353,367</b>	<b>\$ 37,458,710</b>	<b>\$ 679,503</b>	<b>\$ 1,849,427</b>	<b>(29,907,936)</b>	<b>3,542,209</b>	<b>(26,365,727)</b>
<b>General Revenues:</b>							
Taxes:							
Property taxes					16,144,489	-	16,144,489
Utility taxes					6,316,882	-	6,316,882
Local option gas tax					909,825	-	909,825
Franchise fees					3,936,329	-	3,936,329
Impact fees					673,982	1,056,492	1,730,474
Intergovernmental not restricted to specific programs					5,113,056	-	5,113,056
Investment income (loss)					(56,240)	(69,090)	(125,330)
Miscellaneous					2,849,228	141,330	2,990,558
<b>Total general revenues</b>					<b>35,887,551</b>	<b>1,128,732</b>	<b>37,016,283</b>
Change in net position					5,979,615	4,670,941	10,650,556
Net position, beginning, as restated, see Note 1, Section E					103,378,921	87,155,739	190,534,660
Net position, ending					<b>\$ 109,358,536</b>	<b>\$ 91,826,680</b>	<b>\$ 201,185,216</b>

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

CITY OF COCONUT CREEK, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2013

	General Fund	Street Construction and Maintenance Fund	Grants Fund
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 6,726,554	\$ 714,887	\$ 196,109
Accounts receivable, net	1,933,524	2,774	-
Due from other governments	505,920	497,004	190,825
Investments	17,483,926	1,859,191	510,016
Inventory and prepaid costs	191,298	-	-
Assets held for resale	-	-	-
<b>Total assets</b>	<b>\$ 26,841,222</b>	<b>\$ 3,073,856</b>	<b>\$ 896,950</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 760,805	\$ 201,071	\$ 48,998
Accrued liabilities	1,526,334	16,923	-
Unearned revenue	226,747	-	493,164
Due to other governments	2,296	-	-
Deposits	700	-	-
<b>Total liabilities</b>	<b>2,516,882</b>	<b>217,994</b>	<b>542,162</b>
Deferred inflows of resources:			
Unavailable revenue- grants	-	115,769	43,893
Unavailable revenue- impact fees	-	-	-
Unavailable revenue- EMS	534,382	-	-
<b>Total deferred inflows of resources</b>	<b>534,382</b>	<b>115,769</b>	<b>43,893</b>
Fund balances:			
Non-spendable:			
Inventory	122,146	-	-
Prepays	69,152	-	-
Assets held for resale	-	-	-
Restricted for:			
Capital projects	-	-	-
Grants	-	1,496,394	310,895
Street construction/maintenance	-	1,243,699	-
Public safety	-	-	-
Committed to:			
Affordable housing program	-	-	-
Capital projects	-	-	-
Community improvement	153,280	-	-
Debt service	-	-	-
Hurricane emergency reserve	2,440,989	-	-
Assigned to:			
Capital projects	-	-	-
General government	4,738,451	-	-
Culture and recreation	65,150	-	-
General trust accounts	1,051,381	-	-
Unassigned	15,149,409	-	-
<b>Total fund balances</b>	<b>23,789,958</b>	<b>2,740,093</b>	<b>310,895</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 26,841,222</b>	<b>\$ 3,073,856</b>	<b>\$ 896,950</b>

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

2009 Capital Projects Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 522,504	\$ 598,476	\$ 723,205	\$ 1,886,210	\$ 11,367,945
1,135	3,211	692,394	7,313	2,640,351
-	54,227	-	53,949	1,301,925
1,358,866	1,556,446	1,880,824	4,905,432	29,554,701
-	-	-	2,800	194,098
-	8,620,084	-	-	8,620,084
<u>\$ 1,882,505</u>	<u>\$ 10,832,444</u>	<u>\$ 3,296,423</u>	<u>\$ 6,855,704</u>	<u>\$ 53,679,104</u>
\$ 45,098	\$ 107,286	\$ 23,399	\$ 161,629	\$ 1,348,286
2,040	-	-	-	1,545,297
-	-	-	-	719,911
-	-	-	-	2,296
-	-	-	-	700
<u>47,138</u>	<u>107,286</u>	<u>23,399</u>	<u>161,629</u>	<u>3,616,490</u>
-	54,227	-	-	213,889
-	-	689,587	-	689,587
-	-	-	-	534,382
<u>-</u>	<u>54,227</u>	<u>689,587</u>	<u>-</u>	<u>1,437,858</u>
-	-	-	-	122,146
-	-	-	2,800	71,952
-	8,620,084	-	-	8,620,084
1,835,367	-	-	-	1,835,367
-	137,560	-	99,321	2,044,170
-	-	-	-	1,243,699
-	-	-	1,485,151	1,485,151
-	-	-	780,039	780,039
-	732,293	2,583,437	2,937,323	6,253,053
-	-	-	-	153,280
-	-	-	96,124	96,124
-	-	-	-	2,440,989
-	1,180,994	-	1,293,317	2,474,311
-	-	-	-	4,738,451
-	-	-	-	65,150
-	-	-	-	1,051,381
-	-	-	-	15,149,409
<u>1,835,367</u>	<u>10,670,931</u>	<u>2,583,437</u>	<u>6,694,075</u>	<u>48,624,756</u>
<u>\$ 1,882,505</u>	<u>\$ 10,832,444</u>	<u>\$ 3,296,423</u>	<u>\$ 6,855,704</u>	<u>\$ 53,679,104</u>



CITY OF COCONUT CREEK, FLORIDA  
 RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 September 30, 2013

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 22 \$ 48,624,756

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

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

Governmental capital assets	\$ 115,424,991	
Less accumulated depreciation	<u>(30,392,481)</u>	85,032,510

Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues.		1,437,858
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable		(17,570,833)
Compensated absences		(4,164,755)
Other post employment benefit obligation (OPEB)		<u>(4,001,000)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 19 \$ 109,358,536

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, 2013

	General Fund	Street Construction and Maintenance Fund	Grants Fund	2009 Capital Projects Fund
<b>REVENUES:</b>				
Ad valorem taxes	\$ 16,144,489	\$ -	\$ -	\$ -
Franchise fees	3,936,329	-	-	-
Utility taxes	6,316,882	-	-	-
Licenses and permits	3,200,080	-	-	-
Intergovernmental revenues	4,552,003	2,186,277	642,990	432,640
Charges for services	11,336,677	-	-	-
Fines and forfeitures	354,023	-	-	-
Impact fees	-	-	-	-
Investment income (loss)	(44,363)	(6,518)	-	11,738
Miscellaneous revenues	758,740	63,103	-	-
<b>Total revenues</b>	<b><u>46,554,860</u></b>	<b><u>2,242,862</u></b>	<b><u>642,990</u></b>	<b><u>444,378</u></b>
<b>EXPENDITURES:</b>				
Current:				
General government	9,623,740	-	-	-
Public safety	24,285,587	-	12,589	-
Physical environment	3,888,508	835,003	480,395	-
Culture and recreation	4,909,233	-	-	-
Nondepartmental	450,074	210,120	-	-
Capital outlay	403,993	746,279	160,015	4,196,534
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b><u>43,561,135</u></b>	<b><u>1,791,402</u></b>	<b><u>652,999</u></b>	<b><u>4,196,534</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,993,725</b>	<b>451,460</b>	<b>(10,009)</b>	<b>(3,752,156)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	185,380	-	-	-
Transfers out	<u>(3,193,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<b><u>(3,008,301)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net change in fund balances</b>	<b>(14,576)</b>	<b>451,460</b>	<b>(10,009)</b>	<b>(3,752,156)</b>
FUND BALANCES, beginning	<u>23,804,534</u>	<u>2,288,633</u>	<u>320,904</u>	<u>5,587,523</u>
FUND BALANCES, ending	<b><u>\$ 23,789,958</u></b>	<b><u>\$ 2,740,093</u></b>	<b><u>\$ 310,895</u></b>	<b><u>\$ 1,835,367</u></b>

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>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 16,144,489
-	-	-	3,936,329
-	-	-	6,316,882
-	-	-	3,200,080
372,613	-	95,464	8,281,987
-	-	2,660,076	13,996,753
-	-	259,399	613,422
-	277,325	396,657	673,982
(13,251)	(6,216)	(24,383)	(82,993)
1,934,249	-	163,981	2,920,073
<u>2,293,611</u>	<u>271,109</u>	<u>3,551,194</u>	<u>56,001,004</u>
-	-	138,619	9,762,359
-	-	17,871	24,316,047
-	-	139,415	5,343,321
-	-	-	4,909,233
-	-	-	660,194
3,125,832	73,370	503,081	9,209,104
-	-	2,603,293	2,603,293
-	-	687,749	687,749
<u>3,125,832</u>	<u>73,370</u>	<u>4,090,028</u>	<u>57,491,300</u>
(832,221)	197,739	(538,834)	(1,490,296)
1,500,000	-	3,302,681	4,988,061
-	-	(1,794,380)	(4,988,061)
<u>1,500,000</u>	<u>-</u>	<u>1,508,301</u>	<u>-</u>
667,779	197,739	969,467	(1,490,296)
<u>10,003,152</u>	<u>2,385,698</u>	<u>5,724,608</u>	<u>50,115,052</u>
\$ <u>10,670,931</u>	\$ <u>2,583,437</u>	\$ <u>6,694,075</u>	\$ <u>48,624,756</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, 2013

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS, PAGE 25 \$ (1,490,296)

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	\$	8,682,157	
Depreciation expense		<u>(2,716,154)</u>	5,966,003

Revenues that do not meet the period of availability are recorded as deferred inflows of resources in the fund statements but are recorded as revenues in the government-wide statements. (754,669)

Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceed issuance of debt.  
 Principal payments 2,603,293

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences			175,560
Change in other post employment benefit obligation (OPEB)			(517,000)

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 position differs from the change in fund balances by the cost of the capital assets, net. (3,276)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 20 \$ 5,979,615

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

CITY OF COCONUT CREEK, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2013

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 6,144,985	\$ 1,340,618	\$ 7,485,603
Accounts receivable	2,005,517	149,745	2,155,262
<b>Total current assets</b>	<u>8,150,502</u>	<u>1,490,363</u>	<u>9,640,865</u>
Noncurrent assets:			
Investments	15,981,139	3,486,517	19,467,656
Capital assets:			
Land	406,071	-	406,071
Easements	4,813,030	-	4,813,030
Buildings	2,747,901	-	2,747,901
Improvements	1,061,375	-	1,061,375
Equipment	1,865,435	495,705	2,361,140
Infrastructure	78,261,692	760,193	79,021,885
Construction in progress	660,950	-	660,950
<b>Total capital assets</b>	<u>89,816,454</u>	<u>1,255,898</u>	<u>91,072,352</u>
Less accumulated depreciation	24,475,666	267,575	24,743,241
<b>Total capital assets, net</b>	<u>65,340,788</u>	<u>988,323</u>	<u>66,329,111</u>
<b>Total assets</b>	<u>\$ 89,472,429</u>	<u>\$ 5,965,203</u>	<u>\$ 95,437,632</u>
<b>LIABILITIES AND NET POSITION:</b>			
Current liabilities:			
Accounts payable	\$ 819,211	\$ 23,186	\$ 842,397
Accrued liabilities	145,538	17,757	163,295
Unearned revenues	53,060	-	53,060
Compensated absences	35,009	2,041	37,050
Customer deposits payable	1,597,978	-	1,597,978
<b>Total current liabilities</b>	<u>2,650,796</u>	<u>42,984</u>	<u>2,693,780</u>
Noncurrent liabilities:			
Other postemployment benefit obligations	354,000	117,000	471,000
Compensated absences	389,797	56,375	446,172
<b>Total liabilities</b>	<u>3,394,593</u>	<u>216,359</u>	<u>3,610,952</u>
Net position:			
Net investment in capital assets	65,340,788	988,323	66,329,111
Unrestricted	20,737,048	4,760,521	25,497,569
<b>Total net position</b>	<u>\$ 86,077,836</u>	<u>\$ 5,748,844</u>	<u>\$ 91,826,680</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 POSITION -  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2013

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 18,400,798	\$ 1,523,089	\$ 19,923,887
Miscellaneous	141,330	-	141,330
<b>Total operating revenues</b>	<u>18,542,128</u>	<u>1,523,089</u>	<u>20,065,217</u>
Operating expenses:			
Administrative costs	4,791,857	395,030	5,186,887
Operations and maintenance	9,730,930	650,276	10,381,206
Depreciation	1,423,333	49,174	1,472,507
Other services and charges	20,014	23,394	43,408
<b>Total operating expenses</b>	<u>15,966,134</u>	<u>1,117,874</u>	<u>17,084,008</u>
<b>Operating income</b>	<u>2,575,994</u>	<u>405,215</u>	<u>2,981,209</u>
Non-operating revenues (expenses):			
Interest expense and fees	(2,639)	-	(2,639)
Impact fees	1,056,492	-	1,056,492
Investment income (loss)	(57,105)	(11,985)	(69,090)
<b>Total non-operating revenues (expenses)</b>	<u>996,748</u>	<u>(11,985)</u>	<u>984,763</u>
<b>Income before contributions</b>	<u>3,572,742</u>	<u>393,230</u>	<u>3,965,972</u>
Capital contributions - developers	<u>704,969</u>	<u>-</u>	<u>704,969</u>
<b>Change in net position</b>	<u>4,277,711</u>	<u>393,230</u>	<u>4,670,941</u>
NET POSITION beginning	<u>81,800,125</u>	<u>5,355,614</u>	<u>87,155,739</u>
NET POSITION, ending	<u>\$ 86,077,836</u>	<u>\$ 5,748,844</u>	<u>\$ 91,826,680</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, 2013

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,626,610	\$ 1,546,049	\$ 20,172,659
Payments to suppliers	(12,579,452)	(541,704)	(13,121,156)
Payments to employees for services	(2,517,933)	(494,805)	(3,012,738)
<b>Net cash provided by operating activities</b>	<u>3,529,225</u>	<u>509,540</u>	<u>4,038,765</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(2,639)	-	(2,639)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(1,029,535)	(77,871)	(1,107,406)
Impact fees	1,056,492	-	1,056,492
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>26,957</u>	<u>(77,871)</u>	<u>(50,914)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	(46,970)	(11,985)	(58,955)
Proceeds from sales and maturities of investments	2,327,458	641,397	2,968,855
Purchase of investments	(3,574,061)	(640,088)	(4,214,149)
<b>Net cash used in investing activities</b>	<u>(1,293,573)</u>	<u>(10,676)</u>	<u>(1,304,249)</u>
<b>Net increase in cash and cash equivalents</b>	2,259,970	420,993	2,680,963
CASH AND CASH EQUIVALENTS, BEGINNING	<u>3,885,015</u>	<u>919,625</u>	<u>4,804,640</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 6,144,985</u>	<u>\$ 1,340,618</u>	<u>\$ 7,485,603</u>

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

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 (continued)  
 For the Year Ended September 30, 2013

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 2,575,994	\$ 405,215	\$ 2,981,209
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for depreciation	1,423,333	49,174	1,472,507
(Increase) decrease in assets:			
Accounts receivable	30,842	22,960	53,802
Increase (decrease) in liabilities:			
Accounts payable	(409,247)	13,907	(395,340)
Accrued liabilities	(205,435)	7,542	(197,893)
Unearned revenues	21,330	-	21,330
Compensated absences	98	4,742	4,840
Customer deposits payable	32,310	-	32,310
Other postemployment benefit obligations	60,000	6,000	66,000
Total adjustments	<u>953,231</u>	<u>104,325</u>	<u>1,057,556</u>
Net cash provided by operating activities	<u>\$ 3,529,225</u>	<u>\$ 509,540</u>	<u>\$ 4,038,765</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, AND CAPITAL RELATED FINANCING ACTIVITIES			
Contributions of capital assets from developers	<u>\$ 704,969</u>	<u>\$ -</u>	<u>\$ 704,969</u>
Decrease in fair value of investments that are not cash and cash equivalents			
Unrealized loss on investments	<u>\$ 11,735</u>	<u>\$ 1,773</u>	<u>\$ 13,508</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, 2013

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, culture/recreation, water/wastewater, and stormwater.

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 position 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, 2013

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, 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. Licenses, 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 *Street Construction and Maintenance Fund* is a Special Revenue Fund that 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.

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

The *2009 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 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, 2013

**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 capital improvements.

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. Implementation of Governmental Accounting Standards Board Statements:

The City implemented the following GASB Statements during the fiscal year ended September 30, 2013:

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* - This statement classifies all sources of generally accepted accounting principles for state and local governments so that the authoritative accounting and financial reporting literature will be together in a single source, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* - This Statement provides guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of financial position. This Statement redefines certain assets and liabilities as "deferred outflows of resources" or "deferred inflows of resources." It further requires the "Capital assets, net of debt" now be titled "Net investment in capital assets" and that the last line of the statements, previously titled "Net assets" now be titled "Net position."

GASB No. 65, *Items Previously Reported as Assets and Liabilities* - This Statement provides additional guidance for the items listed in GASB 63 and includes additional changes in accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt. This Statement requires that debt issuance costs be expensed in the period in which that debt was issued. This Statement provides that revenues and other governmental fund financial resources should be recognized in the accounting period in which they become both measurable and available. When an asset is recorded in governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available. Changes to the government-wide financial statements, schedules and related disclosures are included in Note 1, section E in the Restatement of Prior Year Balances.

E. Restatement of Prior Year Balances:

The October 1, 2012 beginning net position of governmental activities was restated due to the implementation of GASB Statements No. 65:

Net position, October 1, 2012 previously stated	\$ 103,438,237
Restatement of net position due to the implementation of GASB 65	<u>(59,316)</u>
Net position, October 1, 2012 restated	<u><u>\$ 103,378,921</u></u>

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

F. Proprietary Fund Accounting:

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.

G. 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.

H. 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.

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.

I. 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 8.3% 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.

J. 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.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. 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 position.

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

**L. 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.

**M. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts 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.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position:

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets. Net position is reported as restricted when there are legal limitations imposed on its use by enabling legislation or external restrictions by other governments, creditors or grantors. Unrestricted net position consists of the net position not meeting the definition of either of the other two components. The government-wide statement of net position reports \$ 6,608,387 of restricted net position, of which \$ 4,324,565 is restricted by enabling legislation.

O. Fund Equity:

The Governmental Accounting Standards Board issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting requirements for all governmental funds and establishes criteria for classifying fund balances. Accordingly, the governmental fund financial statements report fund equity classifications that comprise a hierarchy based primarily on the extent to which the City is legally bound to honor specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

Non-Spendable: Non-spendable fund balances include amounts that cannot be spent because they are either (a) in a non-spendable form or (b) are legally or contractually required to remain intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans and notes receivable, as well as property held for resale. In fiscal year 2013, non-spendable fund balance is \$ 8,814,182.

Restricted: Restricted fund balances include amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or through enabling legislation. In fiscal year 2013, restricted fund balance is \$ 6,608,387.

Committed: Committed fund balances include amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until City Commission takes the same action to remove or change the constraint. In fiscal year 2013, committed fund balance is \$ 9,723,485.

Assigned: Assigned fund balances include amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assignments of fund balances are made by City management based on City Commission direction through resolution. Assignments generally only exist temporarily. Additional action does not normally have to be taken for the removal of an assignment. In fiscal year 2013, assigned fund balance is \$ 8,329,293.

Unassigned: Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. In fiscal year 2013, unassigned fund balance is \$ 15,149,409.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted fund balance: Unrestricted fund balance equals the total of committed, assigned and unassigned fund balance. In fiscal year 2013, unrestricted fund balance is \$ 33,202,187.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

P. Minimum Fund Balance Policy and Hurricane Emergency Reserve Account

The City's policy is to maintain an adequate General Fund Hurricane Emergency Reserve Account and General Fund unrestricted fund balance to provide liquidity in the event of an economic downturn or natural disaster.

The City Commission adopted a financial standard to maintain a General Fund Hurricane Emergency Reserve Account in an amount of 5% of the total subsequent fiscal year expenditures, less capital outlay and transfers out budgeted for the fund. This amount is considered committed funds and can only be changed by a majority vote of the Commission.

The City Commission adopted a financial standard to maintain a General Fund minimum unrestricted fund balance of 20%, which represents approximately 2 ½ months of working capital, of the total subsequent fiscal year expenditures, less capital outlay, contingency and transfers out budgeted for the fund. This reserve shall be in addition to all other required nonspendable, restricted, committed and assigned fund balances. A majority vote of the Commission is required to approve the use of the unrestricted fund balance.

Q. Encumbrances:

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While all appropriations lapse at year end, outstanding encumbrances may be re-appropriated and become part of the subsequent year's budget.

R. 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.

S. Accrued Liabilities:

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

T. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, there aren't any deferred outflows of resources to report.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The sources of unavailable revenue in the governmental funds are grant, emergency medical service (EMS) and impact fee revenues. Refer to Note 10 – Deferred Inflows of Resources and Unearned Revenue.

U. 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.

V. Date of Management Review:

Subsequent events were evaluated by management through March 24, 2014, which is the date the financial statements were available for issuance.

**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 January 1<sup>st</sup> 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, 2012, upon which the 2012-2013 tax levy calculation was based, was \$ 2,656,712,182. The tax rate to finance all governmental services for the year ended September 30, 2013 was 6.3250 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 lienied 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**

The City's investment practices are governed by Chapter 280 and 218.415, Florida Statutes and the City Codes of Ordinances, 2010-10, the adopted investment policy. For all investments authorized by statute and policy, the City applies the "Prudent Person Rule" when developing investment strategies.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

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

Deposits: 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 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any 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; intergovernmental investment pools or local government investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Chapter 163.01, Florida Statutes; 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.

The Florida Municipal Investment Trust was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities services as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a "2a-7 like" pool.

The Florida Trust Day to Day Fund, sponsored by the Florida Association of Court Clerks and Comptrollers (FACC) and the Florida Association of Counties (FAC), was created under the laws of the State of Florida to provide an investment diversification option for Florida local governments to specifically meet their cash management needs. Payden & Rygel serves as Portfolio Manager and is registered with the SEC and the State of Florida. FACC Services Group, LLC serves as Administrator and UMB Bank as Custodian for the fund. The Day to Day Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the fund is managed within the requirements of a "2a-7 like" pool.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

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

As of September 30, 2013, the City of Coconut Creek had the following cash, cash equivalents and investments:

Portfolio/ Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percentage Distribution
Cash deposits	\$ 13,841,869			20.39%
Florida Trust Day-to-Day Fund - money market fund	5,011,543	54 days	AAAm S&P	7.38%
State Board of Administration-Florida PRIME	136	44 days	AAAm S&P	0.00%
Total cash and cash equivalents	<u>18,853,548</u>			
Florida Municipal Investment Trust				
0-2 Year High Quality Bond Fund	12,042,847	.68 years	AAA/V1 Fitch	17.74%
1-3 Year High Quality Bond Fund	13,120,617	1.52 years	AAA/V2 Fitch	19.33%
Intermediate High Quality Bond Fund	2,352,135	3.71 years	AAA/V3 Fitch	3.47%
U.S. Government Sponsored Enterprises:		6.91 years		
Federal National Mortgage Association	3,927,800		Aaa Moody's	5.79%
Federal Home Loan Bank	5,812,410		Aaa Moody's	8.56%
Small Business Association Pool	2,627,216		Aaa Moody's	3.87%
Government National Mortgage Association	139,332		Aaa Moody's	0.21%
Certificates of deposit	9,000,000		Not rated	13.26%
Total investments	<u>49,022,357</u>			
Total cash, cash equivalents and investments	\$ <u>67,875,905</u>			<u>100.00%</u>

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. In accordance with the City investment policy, the City endeavors 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.

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. The ratings of investments held at September 30, 2013 are presented in the preceding table. All are rated within the City's investment policy guidelines.

Concentration of credit risk: In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The percentage allocation of each cash and investment type in the portfolio is shown in the preceding table. The City's investment policy allows investment concentrations in various percentages for different types of investments. The investments held at year end are all within the allowable percentages.

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, 2013, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

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

Foreign currency risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The City investment policy does not permit investments issued by a foreign entity and is, therefore, not exposed to foreign currency risk.

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE

Receivables as of September 30, 2013 for the City's individual major funds and non-major funds in the aggregate are as follows:

	<u>Accounts</u>	<u>Taxes and Franchise Fees</u>	<u>Grants</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 4,206,144	\$ 1,514,345	\$ -	\$ 105,602	\$ 5,826,091
Street Construction and Maintenance Fund	-	77,880	419,124	2,774	499,778
Grants Fund	-	-	190,825	-	190,825
2009 Capital Projects Fund	-	-	-	1,135	1,135
Capital Improvement Program Fund	-	-	54,227	3,211	57,438
Public Safety Improvement Fund	689,587	-	-	2,807	692,394
Nonmajor funds	-	-	53,949	7,313	61,262
Allowance for uncollectible accounts receivable	<u>(3,386,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,386,647)</u>
<b>Total governmental activities</b>	<b><u>\$ 1,509,084</u></b>	<b><u>\$ 1,592,225</u></b>	<b><u>\$ 718,125</u></b>	<b><u>\$ 122,842</u></b>	<b><u>\$ 3,942,276</u></b>
Business-type activities:					
Water and Wastewater Fund	\$ 1,981,664	\$ -	\$ -	\$ 23,853	\$ 2,005,517
Stormwater Fund	<u>144,542</u>	<u>-</u>	<u>-</u>	<u>5,203</u>	<u>149,745</u>
<b>Total business- type activities</b>	<b><u>\$ 2,126,206</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,056</u></b>	<b><u>\$ 2,155,262</u></b>

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)**

Payables as of September 30, 2013 for the City's individual major funds and non-major funds in the aggregate are as follows:

	<u>Vendors</u>	<u>Payroll and Related Taxes</u>	<u>Construction Bonds</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 805,264	\$ 1,052,780	\$ 188,734	\$ 240,361	\$ 2,287,139
Street Construction and Maintenance Fund	211,048	6,946	-	-	217,994
Grants Fund	48,998	-	-	-	48,998
2009 Capital Projects Fund	47,138	-	-	-	47,138
Capital Improvement Program Fund	107,286	-	-	-	107,286
Public Safety Improvement Fund	23,399	-	-	-	23,399
Nonmajor funds	<u>161,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,629</u>
<b>Total governmental activities</b>	<u>\$ 1,404,762</u>	<u>\$ 1,059,726</u>	<u>\$ 188,734</u>	<u>\$ 240,361</u>	<u>\$ 2,893,583</u>
Business-type activities:					
Water and Wastewater Fund	\$ 905,614	\$ 54,135	\$ -	\$ 5,000	\$ 964,749
Stormwater Fund	<u>28,680</u>	<u>12,263</u>	<u>-</u>	<u>-</u>	<u>40,943</u>
<b>Total business- type activities</b>	<u>\$ 934,294</u>	<u>\$ 66,398</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,005,692</u>

**NOTE 5 – ENCUMBRANCES**

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances lapse at year-end, and may be reappropriated to the next fiscal year. Encumbrances reappropriated at September 30, 2013 are as follows:

Major Funds:	
General Fund	\$ 73,450
Street Construction and Maintenance	534,910
Grants Fund	46,052
2009 Capital Projects Fund	27,137
Public Safety Improvement Fund	30,953
Capital Improvement Fund	17,692
Total Major Funds	<u>730,194</u>
Non-Major Governmental Funds	<u>63,505</u>
Total Encumbrances	<u>\$ 793,699</u>

CITY OF COCONUT CREEK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 - INTERFUND TRANSACTIONS**

Inter-fund transfers between the various funds for the year ended September 30, 2013 are as follows:

Transfer Out	Transfer In			Total
	General Fund	Capital Improvement Program Fund	Nonmajor Funds	
General Fund	\$ -	\$ 1,500,000	\$ 1,693,681	\$ 3,193,681
Nonmajor Funds	185,380	-	1,609,000	1,794,380
<b>Total transfers in</b>	<b>\$ 185,380</b>	<b>\$ 1,500,000</b>	<b>\$ 3,302,681</b>	<b>\$ 4,988,061</b>

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 7 - CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the year ended September 30, 2013 is presented as follows:

	Beginning Balance	Additions	Transfers *	Retirements	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 24,762,355	\$ 299,400	\$ -	\$ -	\$ 25,061,755
Easement	39,116	-	-	-	39,116
Construction in progress	7,313,624	1,109,299	(7,239,131)	-	1,183,792
<b>Total capital assets, not being depreciated</b>	<b>32,115,095</b>	<b>1,408,699</b>	<b>(7,239,131)</b>	<b>-</b>	<b>26,284,663</b>
Capital assets, being depreciated:					
Buildings	23,188,283	3,962,353	3,426,473	-	30,577,109
Improvements	10,253,878	694,219	242,797	-	11,190,894
Infrastructure	27,675,598	729,571	3,561,777	-	31,966,946
Intangible asset	9,685	2,518	-	-	12,203
Equipment	13,758,250	1,884,797	8,084	(257,955)	15,393,176
<b>Total capital assets being depreciated</b>	<b>74,885,694</b>	<b>7,273,458</b>	<b>7,239,131</b>	<b>(257,955)</b>	<b>89,140,328</b>

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 7 - 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	6,846,981	548,634	-	-	7,395,615
Improvements	3,363,969	533,808	-	-	3,897,777
Infrastructure	8,660,505	525,982	-	-	9,186,487
Intangible asset	3,455	2,189	-	-	5,644
Equipment	<u>9,056,096</u>	<u>1,105,541</u>	<u>-</u>	<u>(254,679)</u>	<u>9,906,958</u>
<b>Total accumulated depreciation</b>	<u>27,931,006</u>	<u>2,716,154</u>	<u>-</u>	<u>(254,679)</u>	<u>30,392,481</u>
<b>Total capital assets being depreciated, net</b>	<u>46,954,688</u>	<u>4,557,304</u>	<u>7,239,131</u>	<u>(3,276)</u>	<u>58,747,847</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 79,069,783</u>	<u>\$ 5,966,003</u>	<u>\$ -</u>	<u>\$ (3,276)</u>	<u>\$ 85,032,510</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, 2013 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	4,397,978	415,052	-	-	4,813,030
Construction in progress	<u>532,777</u>	<u>128,173</u>	<u>-</u>	<u>-</u>	<u>660,950</u>
<b>Total capital assets, not being depreciated</b>	<u>5,336,826</u>	<u>543,225</u>	<u>-</u>	<u>-</u>	<u>5,880,051</u>
Capital assets, being depreciated:					
Buildings	2,747,901	-	-	-	2,747,901
Improvements	1,061,375	-	-	-	1,061,375
Infrastructure	77,830,227	1,191,658	-	-	79,021,885
Equipment	<u>2,296,656</u>	<u>77,492</u>	<u>-</u>	<u>(13,008)</u>	<u>2,361,140</u>
<b>Total capital assets being depreciated</b>	<u>83,936,159</u>	<u>1,269,150</u>	<u>-</u>	<u>(13,008)</u>	<u>85,192,301</u>

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

NOTE 7 - 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	192,353	54,958	-	-	247,311
Improvements	185,741	53,069	-	-	238,810
Infrastructure	21,875,310	1,198,080	-	-	23,073,390
Equipment	<u>1,030,338</u>	<u>166,400</u>	<u>-</u>	<u>(13,008)</u>	<u>1,183,730</u>
<b>Total accumulated depreciation</b>	<u>23,283,742</u>	<u>1,472,507</u>	<u>-</u>	<u>(13,008)</u>	<u>24,743,241</u>
<b>Total capital assets being depreciated, net</b>	<u>60,652,417</u>	<u>(203,357)</u>	<u>-</u>	<u>-</u>	<u>60,449,060</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 65,989,243</u>	<u>\$ 339,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,329,111</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	\$ 445,928
Public safety	740,659
Physical environment	944,695
Culture and recreation	584,872
<b>Total depreciation expense governmental activities</b>	<u>\$ 2,716,154</u>
Business-type activities:	
Water and wastewater	\$ 1,423,333
Stormwater management	49,174
<b>Total depreciation expense business-type activities</b>	<u>\$ 1,472,507</u>

CITY OF COCONUT CREEK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2013

NOTE 8 – LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental activities:</b>					
Revenue notes	\$ 20,174,126	-	\$ 2,603,293	\$ 17,570,833	\$ 2,685,618
Compensated absences	<u>4,340,315</u>	<u>2,772,675</u>	<u>2,948,235</u>	<u>4,164,755</u>	<u>316,161</u>
<b>Total governmental activities</b>	<u>\$ 24,514,441</u>	<u>\$ 2,772,675</u>	<u>\$ 5,551,528</u>	<u>\$ 21,735,588</u>	<u>\$ 3,001,779</u>
<b>Business-type activities:</b>					
Compensated absences	<u>\$ 478,382</u>	<u>\$ 349,526</u>	<u>\$ 344,686</u>	<u>\$ 483,222</u>	<u>\$ 37,050</u>

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

As of September 30, 2013, 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 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, 2013 is \$ 3,379,896.

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

<u>Year Ending September 30,</u>	<u>Capital Improvement Revenue Refunding Note, Series 2003B</u>	
	<u>Principal</u>	<u>Interest</u>
2014	792,711	136,548
2015	831,282	104,522
2016	856,705	70,938
2017	<u>899,198</u>	<u>36,328</u>
	<u>\$ 3,379,896</u>	<u>\$ 348,336</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, 2013 is \$ 732,077.

CITY OF COCONUT CREEK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2013

NOTE 8 - LONG-TERM DEBT (continued)

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
2014	<u>732,077</u>	<u>23,697</u>
	\$ <u>732,077</u>	\$ <u>23,697</u>

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 Works/EOC Administration 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, 2013 is \$ 9,598,400.

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
2014	415,450	378,176
2015	1,181,150	361,808
2016	1,235,500	315,270
2017	1,276,300	266,592
2018	2,262,100	216,306
2019	<u>3,227,900</u>	<u>127,180</u>
	\$ <u>9,598,400</u>	\$ <u>1,665,332</u>

Revenue Note, Series 2012: On August 15, 2012, the City issued a \$ 5,269,250 Capital Improvement Revenue Refunding Note, Series 2012 to refund the then outstanding Series 2003D Revenue Note. Principal and interest on the note is to be paid from a pledge of public electric franchise fees. This note bears interest at 1.76% payable semi-annually and matures in October 2018. The outstanding principal balance as of September 30, 2013 is \$ 3,860,460.

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

Year Ending September 30,	Capital Improvement Revenue Note, Series 2012	
	Principal	Interest
2014	745,380	67,944
2015	758,510	54,825
2016	771,860	41,476
2017	785,440	27,891
2018	<u>799,270</u>	<u>14,067</u>
	\$ <u>3,860,460</u>	\$ <u>206,203</u>

CITY OF COCONUT CREEK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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NOTE 8 - LONG-TERM DEBT (continued)

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		Total
	Principal	Interest	
2014	2,685,618	606,365	3,291,983
2015	2,770,942	521,155	3,292,097
2016	2,864,065	427,684	3,291,749
2017	2,960,938	330,811	3,291,749
2018	3,061,370	230,373	3,291,743
2019	3,227,900	127,180	3,355,080
	<u>\$ 17,570,833</u>	<u>\$ 2,243,568</u>	<u>\$ 19,814,401</u>

Pledged Revenues: The City has pledged future public franchise fee revenues to repay \$ 7,794,895 in Capital Improvement Revenue Notes issued December 12, 2003 and August 15, 2012. Proceeds from the notes provided financing to retire the then outstanding Series 1997 Bonds, and Series 2003D Revenue Note. 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 65% of projected future public electric franchise fee revenues with total future payouts of \$ 7,794,895. Principal and interest paid for the current year and public electric franchise fee revenues are \$ 1,735,664 and \$ 2,656,729, respectively.

The City has pledged future electric utility tax revenues to repay \$ 755,774 in Capital Improvement Revenue Notes issued September 30, 2004. Proceeds from the revenue note were used to retire 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 24% of projected future electric utility tax revenues with total future payouts of \$ 755,774. Principal and interest paid for the current year and electric utility tax revenues are \$ 759,778 and \$ 3,202,512, respectively.

The City has pledged future non-ad-valorem tax revenues to repay \$ 11,263,732 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 Works/EOC Administration 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 3% of projected non-ad-valorem tax revenues with total future payouts of \$ 11,263,732. Principal and interest paid for the current year and non-ad-valorem tax revenues are \$ 795,600 and \$ 24,456,424, respectively.

All the above revenue notes contain debt covenants, all of which the City was in compliance with at September 30, 2013.

CITY OF COCONUT CREEK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - LEASES**

Operating leases, City as Lessee: The City leases vehicles and office equipment under noncancelable operating leases. Total lease expense was approximately \$ 142,300 for the year ended September 30, 2013. Future minimum lease payments as of September 30, 2013 are approximately as follows:

Year Ending September 30,	Amount
2014	32,700
2015	29,400
2016	8,800
2017	800
	<u>\$ 71,700</u>

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$ 335,769 for the year ended September 30, 2013. Future lease payments to be received as of September 30, 2013 are approximately as follows:

Year Ending September 30,	Amount
2014	302,500
2015	220,600
2016	191,900
2017	87,400
2018	32,000
	<u>\$ 834,400</u>

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 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. The lease agreement was renewed for two additional one-year terms, expiring December 9, 2013. The property is being used as a temporary parking facility and all improvements were the expense of Seminole Properties II, Inc. Total annual lease payments are \$ 200,000. During fiscal year 2013, the City received \$ 200,000 in lease payments.

**NOTE 10 – DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE**

As of September 30, 2013, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows	Unearned
Emergency medical service fees	\$ 534,382	\$ -
Business licenses	-	163,389
Fitness memberships	-	63,358
Grant revenue	213,889	493,164
Service fees	-	-
Impact fees	689,587	-
	<u>\$ 1,437,858</u>	<u>\$ 719,911</u>

**CITY OF COCONUT CREEK, FLORIDA**  
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**NOTE 11 – 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 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 each department during the annual budget process. 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. The total number of employees for each employee group under the 401(a) Plan as of September 30, 2013 was as follows: Civil Service, 56 and Administrative Officers, 11.

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.

Funding Policy – Effective July 1, 2011, both employees and employers are required to make contributions towards the Plan. The City's contribution rates to the FRS plan were amended July 1, 2013. Contribution rates at September 30, 2013 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior management	18.31%
Regular employees	6.95%
Special risk	19.06%
Elected officials	33.03%

Employees are required to contribute 3% of their salary towards the Plan. Employees' contributions to the Plan amounted to \$ 520,845.

The City's contributions to the FRS amounted to \$ 1,961,167 for the year ended September 30, 2013, which represented 100% of the City's required contribution. The contribution requirements of covered payroll and actual contributions made for fiscal year 2013 and the two preceding fiscal years were as follows:

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 11 – PENSION PLANS (continued)

	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
Contribution requirements	\$ <u>3,818,959</u>	\$ <u>3,574,662</u>	\$ <u>4,103,721</u>
Contributions made by employer (100%)			
401(a) Plan	\$ 763,055	\$ 794,822	\$ 821,276
FRS Plan	1,961,167	1,676,270	2,534,740
Contributions made by employee (100%)	<u>1,094,737</u>	<u>1,103,570</u>	<u>747,705</u>
Total contributions made	\$ <u>3,818,959</u>	\$ <u>3,574,662</u>	\$ <u>4,103,721</u>
Total covered payroll	\$ <u>22,382,733</u>	\$ <u>21,961,814</u>	\$ <u>21,275,240</u>
Percent of contributions to total covered payroll	17.06%	16.28%	19.29%

NOTE 12 - 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.

NOTE 13 - 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 Cigna Health and Life Insurance Company. The amount of settlements has not exceeded insurance coverage in the past three fiscal years.

CITY, OF COCONUT CREEK, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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NOTE 14 - 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, 2013 was \$ 6,646,662. Future service fees are as follows:

Year Ending	Amount
September 30,	
2014	\$ <u><u>7,174,395</u></u>

Construction Commitment:

During fiscal year 2013, the City entered into three separate construction agreements with independent contractors totaling \$ 3,809,565. Seven projects were carried forward from fiscal year 2012 bringing the total to ten projects in the amount of \$ 12,706,630. Of the ten projects, five received grant funding totaling \$ 4,121,442 from various granting agencies. As of September 30, 2013, two construction projects remain in progress, with a commitment amount of \$ 3,315,520.

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.

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, 2013, a total of \$ 2,660,076 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 Garrison Coconut Creek, 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 has not taken possession of the office space as of September 30, 2013. The City's obligations under the lease will be effective at the time of occupancy. For further information refer to Note 17, Subsequent Events.

CITY OF COCONUT CREEK, FLORIDA  
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**NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)**

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. The amount paid by the City during fiscal year 2013 was \$ 113,078, and the cumulative total through September 30, 2013 was \$ 411,428.

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. Under the agreement, 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. During fiscal year 2012, the City received \$ 50,000 in option fees from JPGP, LLC. JPGP, LLC did not exercise their option to purchase the property, and funds on deposit, including interest of \$ 150,208 were returned in December 2012.

**NOTE 15 - 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 was paid in full during the year ended September 30, 2013.

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, 2013 is \$ 6.435 million. Neither the City, nor State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

**NOTE 16 – 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, 2013

**NOTE 16 – 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 2013 fiscal year the City provided contributions of \$ 18,140 from the General Fund on a pay-as-you-go basis toward annual OPEB costs, net of retiree contributions totaling \$ 79,013. As of September 30, 2013, there were 11 retirees receiving benefits.

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, 2013, was as follows:

Annual required contribution	\$ 1,107,000
Interest on net OPEB obligation	155,000
Adjustment to annual required contribution	<u>(462,000)</u>
Annual OPEB cost	800,000
Imputed contributions	<u>(217,000)</u>
Increase in net OPEB obligation	583,000
Net OPEB obligation, beginning of year	<u>3,889,000</u>
Net OPEB obligation, end of year	<u><u>\$ 4,472,000</u></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, 2013 and the preceding two years were as follows:

	<u>Annual OPEB Cost</u>	<u>Imputed Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 800,000	\$ 217,000	27.0%	\$ 4,472,000
2012	\$ 901,000	\$ 185,000	21.0%	\$ 3,889,000
2011	\$ 899,000	\$ 177,000	20.0%	\$ 3,173,000

Funded Status and Funding Progress - For the actuarial valuation date of July 1, 2013, the actuarial accrued liability for benefits was \$ 5,954,000, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$ 5,954,000. The covered payroll (annual payroll for active participating employees) was \$ 21,363,000 for fiscal year 2013, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 27.9%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

**NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)**

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation as of July 1, 2013 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 45.4 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 9 percent initially for the 2013 fiscal year, with future annual decreases assumed to grade uniformly to 5.5 percent over a 8 year period, to an ultimate rate of 5.50 percent for the fiscal year ending September 30, 2021.

**NOTE 17 – SUBSEQUENT EVENTS**

On October 24, 2013, the City approved a five year interlocal agreement with the City of Margate for delivery of teletype services to the City of Margate. Annual payments amount to \$ 236,000, with annual increases tied to the greater of the Consumer Price Index, or five percent. The agreement is renewable upon agreement by both parties.

On November 14, 2013, the City amended the lease agreements between the City and Garrison Coconut Creek, LLC for retail lease space and parking garages at the Promenade. The amendment voided the retail space lease, removed the lease obligations of Garrison Coconut Creek LLC, provided for a credit to the City, and reduced the amount of money owned by the City to Garrison under the provisions of the parking garage agreement.

On February 13, 2014, the City entered into a one year agreement with Gunther Motor Company, effective January 1, 2014. The lease agreement provides for Gunther Motor Company to lease 3 acres of the 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. The property will be used as a temporary parking facility. The annual lease payment is based on City's annual Broward County real property tax bill resulting from the loss of the City's tax exempt status. The lease agreement is renewable annually after the initial term, for a period of one year.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

**NOTE 18 - PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

GASB Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*, was issued March, 2012. The objective of this Statement is to resolve conflicting accounting and financial reporting guidance that resulted from the issuance of Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* that could diminish the consistency of financial reporting. Statement No. 66 modifies guidance on accounting for operating lease payments, purchased loan or group of loans, and mortgage loans servicing fees. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The requirements of this Statement will enhance the usefulness of the financial reports. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2014.

GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, was issued in June, 2012. The objective of this Statement is to address accounting and financial reporting for the activities of defined benefit pension plans that are administered through trusts. This statement modifies the format of financial statements for plans and mandates various disclosures for the total pension liability and net pension liability, including significant assumptions and rates of return. GASB Statement No. 67 replaces the requirements provided for in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, for pensions that are provided through pension plans administered through trusts or equivalent arrangements. The requirements of this Statement will improve accounting and financial reporting for the activities of pension plans that are administered through trusts. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2014.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was issued in June, 2012. The objective of this Statement is to address accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. Statement No. 68 establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. GASB Statement No. 68 also replaces the requirements provided for in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, for pensions that are provided through pension plans administered through trusts or equivalent arrangements. The requirements of this Statement will improve accounting and financial reporting by state and local governments for pensions and provide information by state and local governmental employers about financial support for pensions provided by other entities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was issued in January, 2013. The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations, including mergers, acquisitions, and transfers of operations. Statement No. 69 provides guidance on how to record government combination and disposals and requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The requirements of this Statement will improve decision usefulness of financial reporting for government agencies that engage in combinations arrangements and/or disposal of operations. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2015.

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013

**NOTE 18 - PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (continued)**

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, was issued in November, 2013. The objective of this Statement is to address the application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions* by amending paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The requirements of this Statement will improve accounting and financial reporting by eliminating the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2015.

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



**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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad valorem taxes	\$ 16,027,700	\$ 16,027,700	\$ 16,144,489	\$ 116,789
Franchise fees	4,255,400	4,255,400	3,936,329	(319,071)
Utility taxes	6,268,000	6,268,000	6,316,882	48,882
Licenses and permits	2,541,300	2,541,300	3,200,080	658,780
Intergovernmental revenues	4,361,520	4,361,520	4,552,003	190,483
Charges for services	10,950,910	10,950,910	11,336,677	385,767
Fines and forfeitures	281,620	281,620	354,023	72,403
Investment income (loss)	305,000	305,000	(41,399)	(346,399)
Miscellaneous revenues	663,890	663,890	661,069	(2,821)
<b>Total revenues</b>	<b>45,655,340</b>	<b>45,655,340</b>	<b>46,460,153</b>	<b>804,813</b>
<b>EXPENDITURES:</b>				
Departmental:				
City Commission	435,360	435,360	434,050	1,310
City Manager/City Attorney	2,186,510	2,401,830	2,166,779	235,051
Risk management	1,605,000	1,605,000	1,454,861	150,139
City Clerk	555,820	555,820	555,820	-
Finance and administration	1,456,980	1,456,980	1,193,934	263,046
Information technology	2,025,694	2,025,694	1,707,569	318,125
Human resources	933,110	933,110	845,001	88,109
Sustainable development	2,948,470	2,948,470	2,851,189	97,281
Police	16,010,840	16,057,480	15,235,116	822,364
Fire administration	7,358,130	7,358,130	7,208,658	149,472
Public works	5,702,943	5,702,943	5,271,150	431,793
Parks and recreation	3,819,103	3,819,103	3,632,298	186,805
Engineering	555,060	555,060	491,853	63,207
<b>Total departmental</b>	<b>45,593,020</b>	<b>45,854,980</b>	<b>43,048,278</b>	<b>2,806,702</b>
Nondepartmental	710,425	710,425	450,074	260,351
Contingency	500,000	238,040	-	238,040
<b>Total expenditures</b>	<b>46,803,445</b>	<b>46,803,445</b>	<b>43,498,352</b>	<b>3,305,093</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,148,105)</b>	<b>(1,148,105)</b>	<b>2,961,801</b>	<b>4,109,906</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	175,000	175,000	185,380	10,380
Transfers (out)	(3,183,200)	(3,183,200)	(3,193,681)	(10,481)
<b>Total other financing sources (uses)</b>	<b>(3,008,200)</b>	<b>(3,008,200)</b>	<b>(3,008,301)</b>	<b>(101)</b>
<b>Net change in fund balance</b>	<b>\$ (4,156,305)</b>	<b>\$ (4,156,305)</b>	<b>(46,500)</b>	<b>\$ 4,109,805</b>
FUND BALANCE, beginning			22,785,078	
FUND BALANCE, ending			\$ 22,738,578	

See notes to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND (continued)  
 For the Year Ended September 30, 2013

EXPLANATION OF DIFFERENCES BETWEEN CHANGE IN FUND BALANCE - BUDGET TO ACTUAL  
 AND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 GOVERNMENTAL FUNDS

Total revenues, page 58 \$ 46,460,153

Amounts reported for budget to actual are different because:

Revenues in the City's General Trust Fund are reported in the General Trust Fund for budgetary purposes but in the General Fund for the purpose of the Statement of Revenues, Expenditures and changes in Fund Balance - Governmental Funds

General Trust Fund Revenues 94,707

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 25 \$ 46,554,860

Total expenditures, page 58 \$ 43,498,352

Amounts reported for budget to actual are different because:

Expenditures in the City's General Trust Fund are reported in the General Trust Fund for budgetary purposes but in the General Fund for the purpose of the Statement of Revenues, Expenditures and changes in Fund Balance - Governmental Funds

General Trust Fund Expenditures 62,783

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 24 \$ 43,561,135

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 - STREET CONSTRUCTION AND MAINTENANCE FUND  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 930,000	\$ 930,000	\$ 909,825	\$ (20,175)
County contribution	180,000	180,000	185,115	5,115
State shared revenue	366,000	366,000	375,938	9,938
Other grants and contributions	<u>3,924,000</u>	<u>3,924,000</u>	<u>715,399</u>	<u>(3,208,601)</u>
<b>Total intergovernmental revenues</b>	<b>5,400,000</b>	<b>5,400,000</b>	<b>2,186,277</b>	<b>(3,213,723)</b>
Investment income (loss)	30,000	30,000	(6,518)	(36,518)
Miscellaneous revenue	<u>63,000</u>	<u>63,000</u>	<u>63,103</u>	<u>103</u>
<b>Total revenues</b>	<b><u>5,493,000</u></b>	<b><u>5,493,000</u></b>	<b><u>2,242,862</u></b>	<b><u>(3,250,138)</u></b>
EXPENDITURES:				
Current:				
Physical environment	981,595	981,595	835,003	146,592
Nondepartmental	210,120	210,120	210,120	-
Capital outlay	<u>7,321,634</u>	<u>7,321,634</u>	<u>746,279</u>	<u>6,575,355</u>
<b>Total expenditures</b>	<b><u>8,513,349</u></b>	<b><u>8,513,349</u></b>	<b><u>1,791,402</u></b>	<b><u>6,721,947</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (3,020,349)</b>	<b>\$ (3,020,349)</b>	<b>451,460</b>	<b>\$ 3,471,809</b>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>600,000</u>	<u>600,000</u>	-	<u>(600,000)</u>
<b>Total other financing sources (uses)</b>	<b><u>600,000</u></b>	<b><u>600,000</u></b>	<b>-</b>	<b><u>(600,000)</u></b>
<b>Net change in fund balance</b>	<b><u><u>\$ (2,420,349)</u></u></b>	<b><u><u>\$ (2,420,349)</u></u></b>	<b>451,460</b>	<b><u><u>\$ 2,871,809</u></u></b>
FUND BALANCE, beginning			<u>2,288,633</u>	
FUND BALANCE, ending			<u><u>\$ 2,740,093</u></u>	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 926,000	\$ 926,000	\$ 642,990	\$ (283,010)
Total revenues	<u>926,000</u>	<u>926,000</u>	<u>642,990</u>	<u>(283,010)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	15,400	15,400	12,589	2,811
Physical environment	924,400	924,400	480,395	444,005
Capital outlay	<u>160,000</u>	<u>160,000</u>	<u>160,015</u>	<u>(15)</u>
Total expenditures	<u>1,099,800</u>	<u>1,099,800</u>	<u>652,999</u>	<u>446,801</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (173,800)</u>	<u>\$ (173,800)</u>	(10,009)	<u>\$ 163,791</u>
FUND BALANCE, beginning			<u>320,904</u>	
FUND BALANCE, ending			<u>\$ 310,895</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, 2013**

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. By 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, 2013

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%
August 1, 2011	-	5,651,000	5,651,000	0.0%	20,231,000	27.9%
July 1, 2013	-	5,954,000	5,954,000	0.0%	21,363,000	27.9%

\* 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.

**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 current and future residents. The funds have been committed 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 committed 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.

**Parks Improvement Fund** – This fund is used to account for the fees charged to developers in lieu of dedicating land as well as grants and other governmental resources (other than bond proceeds). It finances the acquisition, construction and expansion of City park facilities.

**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.

## DEBT SERVICE FUNDS

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

**Capital Improvement Revenue Bonds Fund** – This fund is used for payment of the 2003B Capital Improvement Revenue Note, the 2004 Capital Improvement Revenue Note, 2009 Capital Improvement Revenue Note and 2012 Capital Improvement Revenue Note.

CITY OF COCONUT CREEK, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2013

	Special Revenue			
	Law Enforcement Trust Fund	Affordable Housing Fund	Community Improvement Fund	SHIP Fund
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 439,297	\$ 217,606	\$ 769,588	\$ 28,754
Accounts receivable	1,703	844	2,982	112
Due from other governments	53,949	-	-	-
Investments	1,142,472	565,925	2,001,451	74,780
Inventory and prepaid costs	2,800	-	-	-
<b>Total assets</b>	<b>\$ 1,640,221</b>	<b>\$ 784,375</b>	<b>\$ 2,774,021</b>	<b>\$ 103,646</b>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts payable	\$ 152,270	\$ 4,336	\$ 698	\$ 4,325
<b>Total liabilities</b>	<b>152,270</b>	<b>4,336</b>	<b>698</b>	<b>4,325</b>
Fund balances:				
Nonspendable:				
Prepays	2,800	-	-	-
Restricted for:				
Grants	-	-	-	99,321
Public safety	1,485,151	-	-	-
Committed to:				
Affordable housing project	-	780,039	-	-
Capital projects	-	-	2,773,323	-
Debt service	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>1,487,951</b>	<b>780,039</b>	<b>2,773,323</b>	<b>99,321</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,640,221</b>	<b>\$ 784,375</b>	<b>\$ 2,774,021</b>	<b>\$ 103,646</b>

Capital Projects		Debt Service	
Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	Total Nonmajor Governmental Funds
\$ 271,722	\$ 132,576	\$ 26,667	\$ 1,886,210
1,055	514	103	7,313
-	-	-	53,949
706,663	344,787	69,354	4,905,432
-	-	-	2,800
<u>\$ 979,440</u>	<u>\$ 477,877</u>	<u>\$ 96,124</u>	<u>\$ 6,855,704</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,629</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>161,629</u>
-	-	-	2,800
-	-	-	99,321
-	-	-	1,485,151
-	-	-	780,039
-	164,000	-	2,937,323
-	-	96,124	96,124
<u>979,440</u>	<u>313,877</u>	<u>-</u>	<u>1,293,317</u>
<u>979,440</u>	<u>477,877</u>	<u>96,124</u>	<u>6,694,075</u>
<u>\$ 979,440</u>	<u>\$ 477,877</u>	<u>\$ 96,124</u>	<u>\$ 6,855,704</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, 2013

	Special Revenue			
	Law Enforcement Trust Fund	Affordable Housing Fund	Community Improvement Fund	SHIP Fund
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 95,464
Charges for services	-	-	2,660,076	-
Fines and forfeitures	259,399	-	-	-
Investment income (loss)	(2,570)	(1,498)	(9,018)	(506)
Impact fees	-	128,680	-	-
Miscellaneous revenues	501	-	4,480	-
<b>Total revenues</b>	<u>257,330</u>	<u>127,182</u>	<u>2,655,538</u>	<u>94,958</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	12,001	126,618	-
Public safety	17,871	-	-	-
Physical environment	-	124,399	10,691	4,325
Capital outlay	445,321	-	39,022	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>463,192</u>	<u>136,400</u>	<u>176,331</u>	<u>4,325</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(205,862)	(9,218)	2,479,207	90,633
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	9,018	-
Transfers out	(185,380)	-	(1,609,000)	-
<b>Total other financing sources (uses)</b>	<u>(185,380)</u>	<u>-</u>	<u>(1,599,982)</u>	<u>-</u>
<b>Net change in fund balances</b>	(391,242)	(9,218)	879,225	90,633
FUND BALANCES, beginning	1,879,193	789,257	1,894,098	8,688
FUND BALANCES, ending	<u>\$ 1,487,951</u>	<u>\$ 780,039</u>	<u>\$ 2,773,323</u>	<u>\$ 99,321</u>

Capital Projects		Debt Service	
Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 95,464
-	-	-	2,660,076
-	-	-	259,399
(2,781)	(1,463)	(6,547)	(24,383)
267,977	-	-	396,657
-	159,000	-	163,981
<u>265,196</u>	<u>157,537</u>	<u>(6,547)</u>	<u>3,551,194</u>
-	-	-	138,619
-	-	-	17,871
-	-	-	139,415
4,738	14,000	-	503,081
-	-	2,603,293	2,603,293
-	-	687,749	687,749
<u>4,738</u>	<u>14,000</u>	<u>3,291,042</u>	<u>4,090,028</u>
260,458	143,537	(3,297,589)	(538,834)
-	1,463	3,292,200	3,302,681
-	-	-	(1,794,380)
<u>-</u>	<u>1,463</u>	<u>3,292,200</u>	<u>1,508,301</u>
260,458	145,000	(5,389)	969,467
718,982	332,877	101,513	5,724,608
<u>\$ 979,440</u>	<u>\$ 477,877</u>	<u>\$ 96,124</u>	<u>\$ 6,694,075</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 259,400	\$ 259,400	\$ 259,399	\$ (1)
Investment income (loss)	-	-	(2,570)	(2,570)
Miscellaneous revenues	500	500	501	1
<b>Total revenues</b>	<u>259,900</u>	<u>259,900</u>	<u>257,330</u>	<u>(2,570)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	17,900	17,900	17,871	29
Capital outlay	445,300	445,300	445,321	(21)
<b>Total expenditures</b>	<u>463,200</u>	<u>463,200</u>	<u>463,192</u>	<u>8</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(203,300)	(203,300)	(205,862)	(2,562)
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(185,400)</u>	<u>(185,400)</u>	<u>(185,380)</u>	<u>20</u>
<b>Net change in fund balance</b>	<u>\$ (388,700)</u>	<u>\$ (388,700)</u>	<u>\$ (391,242)</u>	<u>\$ (2,542)</u>
FUND BALANCE, beginning			1,879,193	
FUND BALANCE, ending			<u>\$ 1,487,951</u>	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 14,000	\$ 14,000	\$ (1,498)	\$ (15,498)
Impact fees	81,820	81,820	128,680	46,860
<b>Total revenues</b>	<u>95,820</u>	<u>95,820</u>	<u>127,182</u>	<u>31,362</u>
EXPENDITURES:				
General government	47,000	47,000	12,001	34,999
Physical environment	500,000	500,000	124,399	375,601
<b>Total expenditures</b>	<u>547,000</u>	<u>547,000</u>	<u>136,400</u>	<u>410,600</u>
<b>Excess (deficiency)     of revenues     over expenditures</b>	\$ <u>(451,180)</u>	\$ <u>(451,180)</u>	(9,218) \$	<u>441,962</u>
FUND BALANCE, beginning			789,257	
FUND BALANCE, ending			\$ <u>780,039</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,652,390	\$ 2,652,390	\$ 2,660,076	\$ 7,686
Investment income (loss)	25,000	25,000	(9,018)	(34,018)
Miscellaneous revenues	-	-	4,480	4,480
<b>Total revenues</b>	<b>2,677,390</b>	<b>2,677,390</b>	<b>2,655,538</b>	<b>(21,852)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	170,000	170,000	126,618	43,382
Physical environment	13,620	13,620	10,691	2,929
Capital outlay	1,837,188	1,837,188	39,022	1,798,166
<b>Total expenditures</b>	<b>2,020,808</b>	<b>2,020,808</b>	<b>176,331</b>	<b>1,844,477</b>
<b>Excess of revenues over expenditures</b>	<b>656,582</b>	<b>656,582</b>	<b>2,479,207</b>	<b>1,822,625</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	9,018	9,018
Transfers out	(1,697,300)	(1,697,300)	(1,609,000)	88,300
<b>Total other financing sources (uses)</b>	<b>(1,697,300)</b>	<b>(1,697,300)</b>	<b>(1,599,982)</b>	<b>97,318</b>
<b>Net change in fund balance</b>	<b>\$ (1,040,718)</b>	<b>\$ (1,040,718)</b>	<b>879,225</b>	<b>\$ 1,919,943</b>
FUND BALANCE, beginning			1,894,098	
FUND BALANCE, ending			<u>\$ 2,773,323</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 95,464	\$ 95,464
Investment income (loss)	-	-	(506)	(506)
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>94,958</u>	<u>94,958</u>
<b>EXPENDITURES:</b>				
Current:				
Physical environment	<u>12,400</u>	<u>12,400</u>	<u>4,325</u>	<u>8,075</u>
<b>Total expenditures</b>	<u>12,400</u>	<u>12,400</u>	<u>4,325</u>	<u>8,075</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (12,400)</u>	<u>\$ (12,400)</u>	90,633	<u>\$ 103,033</u>
FUND BALANCE, beginning			<u>8,688</u>	
FUND BALANCE, ending			<u>\$ 99,321</u>	

CITY OF COCONUT CREEK, FLORIDA  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - GENERAL TRUST FUND  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ -	\$ -	\$ (2,964)	\$ (2,964)
Intergovernmental	<u>97,700</u>	<u>97,700</u>	<u>97,671</u>	<u>(29)</u>
Total revenues	<u>97,700</u>	<u>97,700</u>	<u>94,707</u>	<u>(2,993)</u>
<b>EXPENDITURES:</b>				
Departmental:				
City Manager/City Attorney	11,150	11,150	11,156	(6)
Police	7,750	7,750	7,727	23
Public works	<u>43,900</u>	<u>43,900</u>	<u>43,900</u>	<u>-</u>
Total expenditures	<u>62,800</u>	<u>62,800</u>	<u>62,783</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 34,900</u>	<u>\$ 34,900</u>	31,924	<u>\$ (2,976)</u>
FUND BALANCE, beginning			<u>1,019,456</u>	
FUND BALANCE, ending			<u>\$ 1,051,380</u>	

NOTE: This fund is considered part of the General Fund in the accompanying Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

CITY OF COCONUT CREEK, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND - CAPITAL IMPROVEMENT REVENUE BONDS FUND  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ (6,547)	\$ (6,547)
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>(6,547)</u>	<u>(6,547)</u>
EXPENDITURES:				
Debt service:				
Principal	2,559,400	2,559,400	2,603,293	(43,893)
Interest and fiscal charges	796,100	796,100	687,749	108,351
<b>Total expenditures</b>	<u>3,355,500</u>	<u>3,355,500</u>	<u>3,291,042</u>	<u>64,458</u>
<b>Deficiency of revenues     over expenditures</b>	<u>(3,355,500)</u>	<u>(3,355,500)</u>	<u>(3,297,589)</u>	<u>57,911</u>
OTHER FINANCING SOURCES:				
Transfers in	3,355,500	3,355,500	3,292,200	(63,300)
<b>Net change     in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,389)</u>	<u>\$ (5,389)</u>
FUND BALANCE, beginning			101,513	
FUND BALANCE, ending			<u>\$ 96,124</u>	

CITY OF COCONUT CREEK, FLORIDA  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 CAPITAL PROJECTS FUND - PARKS IMPROVEMENT FUND  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 424,000	\$ 424,000	\$ 267,977	\$ (156,023)
Investment income (loss)	-	-	(2,781)	(2,781)
<b>Total revenues</b>	<u>424,000</u>	<u>424,000</u>	<u>265,196</u>	<u>(158,804)</u>
EXPENDITURES:				
Capital outlay	<u>4,763</u>	<u>4,763</u>	<u>4,738</u>	<u>25</u>
<b>Total expenditures</b>	<u>4,763</u>	<u>4,763</u>	<u>4,738</u>	<u>25</u>
<b>Excess (deficiency)     of revenues     over expenditures</b>	<u>\$ 419,237</u>	<u>\$ 419,237</u>	260,458	<u>\$ (158,779)</u>
FUND BALANCE, beginning			<u>718,982</u>	
FUND BALANCE, ending			<u>\$ 979,440</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ (1,463)	\$ (1,463)
Miscellaneous revenues	160,000	160,000	159,000	(1,000)
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>157,537</u>	<u>(2,463)</u>
EXPENDITURES:				
Current:				
Capital outlay	164,000	164,000	14,000	150,000
Total expenditures	<u>164,000</u>	<u>164,000</u>	<u>14,000</u>	<u>150,000</u>
Excess of revenues over expenditures	(4,000)	(4,000)	143,537	147,537
OTHER FINANCING SOURCES:				
Transfers in	-	-	1,463	1,463
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,463</u>	<u>1,463</u>
Net change in fund balance	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	145,000	\$ 149,000
FUND BALANCE, beginning			<u>332,877</u>	
FUND BALANCE, ending			<u>\$ 477,877</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ 432,640	\$ 432,640
Investment income	60,000	60,000	11,738	(48,262)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>444,378</u>	<u>384,378</u>
EXPENDITURES:				
Capital outlay	<u>5,916,118</u>	<u>5,916,118</u>	<u>4,196,534</u>	<u>1,719,584</u>
Total expenditures	<u>5,916,118</u>	<u>5,916,118</u>	<u>4,196,534</u>	<u>1,719,584</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(5,856,118)</u>	\$ <u>(5,856,118)</u>	(3,752,156)	\$ <u>2,103,962</u>
FUND BALANCE, beginning			<u>5,587,523</u>	
FUND BALANCE, ending			\$ <u><u>1,835,367</u></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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 150,000	\$ 150,000	\$ 372,613	\$ 222,613
Investment income (loss)	16,000	16,000	(13,251)	(29,251)
Miscellaneous revenues	836,200	836,200	1,934,249	1,098,049
<b>Total revenues</b>	<b>1,002,200</b>	<b>1,002,200</b>	<b>2,293,611</b>	<b>1,291,411</b>
EXPENDITURES:				
Capital outlay	3,678,925	3,678,925	3,125,832	553,093
<b>Total expenditures</b>	<b>3,678,925</b>	<b>3,678,925</b>	<b>3,125,832</b>	<b>553,093</b>
Excess (deficiency) of revenues over expenditures	(2,676,725)	(2,676,725)	(832,221)	1,844,504
OTHER FINANCING USES:				
Transfers in	1,500,000	1,500,000	1,500,000	-
<b>Net change in fund balance</b>	<b>\$ (1,176,725)</b>	<b>\$ (1,176,725)</b>	<b>667,779</b>	<b>\$ 1,844,504</b>
FUND BALANCE, beginning			10,003,152	
FUND BALANCE, ending			<b>\$ 10,670,931</b>	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 762,310	\$ 762,310	\$ 277,325	\$ (484,985)
Investment income (loss)	20,000	20,000	(6,216)	(26,216)
Total revenues	<u>782,310</u>	<u>782,310</u>	<u>271,109</u>	<u>(511,201)</u>
EXPENDITURES:				
Capital outlay	<u>1,528,508</u>	<u>1,528,508</u>	<u>73,370</u>	<u>1,455,138</u>
Total expenditures	<u>1,528,508</u>	<u>1,528,508</u>	<u>73,370</u>	<u>1,455,138</u>
Excess (deficiency) of revenues over expenditures	<u>(746,198)</u>	<u>(746,198)</u>	197,739	<u>943,937</u>
FUND BALANCE, beginning			<u>2,385,698</u>	
FUND BALANCE, ending			\$ <u><u>2,583,437</u></u>	

## STATISTICAL SECTION

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

### Contents

#### Financial Trends

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

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#### Revenue Capacity

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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.

Full-Time Equivalent City Government Employees by Function	103
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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	106 - 108
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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 Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 31,873	\$ 29,056	\$ 32,517	\$ 42,344
Restricted	-	-	2,983	6,578
Unrestricted	<u>21,177</u>	<u>29,406</u>	<u>30,153</u>	<u>27,759</u>
<b>Total governmental activities net position</b>	<u>\$ 53,050</u>	<u>\$ 58,462</u>	<u>\$ 65,653</u>	<u>\$ 76,681</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 50,015	\$ 50,313	\$ 49,251	\$ 49,584
Restricted	-	-	-	-
Unrestricted	<u>13,209</u>	<u>14,600</u>	<u>16,913</u>	<u>18,223</u>
<b>Total business-type activities net position</b>	<u>\$ 63,224</u>	<u>\$ 64,913</u>	<u>\$ 66,164</u>	<u>\$ 67,807</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 81,888	\$ 79,369	\$ 81,768	\$ 91,928
Restricted	-	-	2,983	6,578
Unrestricted	<u>34,386</u>	<u>44,006</u>	<u>47,066</u>	<u>45,982</u>
<b>Total primary government net position</b>	<u>\$ 116,274</u>	<u>\$ 123,375</u>	<u>\$ 131,817</u>	<u>\$ 144,488</u>

\* Restated. See Note 1E.

Table 1

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	45,140	\$ 49,710	\$ 57,183	\$ 59,771	\$ 67,752	\$ 69,352
	12,253	10,000	8,125	13,253	10,084	6,608
	<u>28,249</u>	<u>27,636</u>	<u>25,481</u>	<u>23,940</u>	<u>25,543</u> *	<u>33,398</u>
\$	<u>85,642</u>	<u>87,346</u>	<u>90,789</u>	<u>96,964</u>	<u>103,379</u> *	<u>109,358</u>
\$	55,783	\$ 60,239	\$ 65,348	\$ 64,542	\$ 65,989	\$ 66,329
	-	-	-	-	-	-
	<u>14,687</u>	<u>11,079</u>	<u>12,406</u>	<u>16,897</u>	<u>21,166</u>	<u>25,498</u>
\$	<u>70,470</u>	<u>71,318</u>	<u>77,754</u>	<u>81,439</u>	<u>87,155</u>	<u>91,827</u>
\$	100,923	\$ 109,949	\$ 122,531	\$ 124,313	\$ 133,741	\$ 135,681
	12,253	10,000	8,125	13,253	10,084	6,608
	<u>42,936</u>	<u>38,715</u>	<u>37,887</u>	<u>40,837</u>	<u>46,709</u> *	<u>58,896</u>
\$	<u>156,112</u>	<u>158,664</u>	<u>168,543</u>	<u>178,403</u>	<u>190,534</u> *	<u>201,185</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses:</b>				
<b>Governmental activities:</b>				
General government	\$ 8,534	\$ 8,070	\$ 9,233	\$ 10,363
Public safety	15,914	17,495	18,677	19,831
Physical environment	5,038	4,997	12,954	6,589
Culture/recreation	4,878	5,092	5,702	5,578
Interest on long-term debt	<u>1,516</u>	<u>1,427</u>	<u>1,497</u>	<u>1,232</u>
<b>Total governmental activities expenses</b>	<b><u>\$ 35,880</u></b>	<b><u>\$ 37,081</u></b>	<b><u>\$ 48,063</u></b>	<b><u>\$ 43,593</u></b>
<b>Business-type activities:</b>				
Utilities	\$ 12,711	\$ 12,689	\$ 13,135	\$ 13,429
Stormwater management	<u>-</u>	<u>575</u>	<u>1,113</u>	<u>661</u>
<b>Total business-type activities expenses</b>	<b><u>12,711</u></b>	<b><u>13,264</u></b>	<b><u>14,248</u></b>	<b><u>14,090</u></b>
<b>Total expenses</b>	<b><u>\$ 48,591</u></b>	<b><u>\$ 50,345</u></b>	<b><u>\$ 62,311</u></b>	<b><u>\$ 57,683</u></b>
<b>Program Revenues:</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
General government	\$ 3,810	\$ 5,317	\$ 5,748	\$ 6,345
Public safety	3,483	4,370	3,916	4,141
Physical environment	1,367	1,467	1,538	1,617
Culture/recreation	628	687	587	596
Operating grants and contributions	1,836	1,184	8,679	1,679
Capital grants and contributions	<u>1,496</u>	<u>732</u>	<u>897</u>	<u>2,261</u>
<b>Total governmental activities program revenues</b>	<b><u>\$ 12,620</u></b>	<b><u>\$ 13,757</u></b>	<b><u>\$ 21,365</u></b>	<b><u>\$ 16,639</u></b>
<b>Business-type activities:</b>				
<b>Charges for services:</b>				
Utilities	\$ 11,424	\$ 11,853	\$ 11,790	\$ 11,366
Stormwater management	-	1,192	1,195	1,264
Operating grants and contributions	27	509	324	82
Capital grants and contributions	<u>760</u>	<u>842</u>	<u>1,165</u>	<u>1,762</u>
<b>Total business-type activities program revenues</b>	<b><u>12,211</u></b>	<b><u>14,396</u></b>	<b><u>14,474</u></b>	<b><u>14,474</u></b>
<b>Total program revenues</b>	<b><u>\$ 24,831</u></b>	<b><u>\$ 28,153</u></b>	<b><u>\$ 35,839</u></b>	<b><u>\$ 31,113</u></b>

Table 2

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	10,354	\$ 10,813	\$ 10,777	\$ 10,743	\$ 11,742	\$ 11,376
	21,423	22,817	23,452	23,446	23,959	25,187
	6,751	6,695	6,195	5,698	5,814	6,518
	5,693	5,781	5,495	5,255	5,251	5,498
	<u>1,082</u>	<u>980</u>	<u>1,160</u>	<u>991</u>	<u>878</u>	<u>688</u>
\$	<u><u>45,303</u></u>	<u><u>47,086</u></u>	<u><u>47,079</u></u>	<u><u>46,133</u></u>	<u><u>47,644</u></u>	<u><u>49,267</u></u>
\$	13,427	\$ 14,934	\$ 15,645	\$ 14,603	\$ 15,022	\$ 15,969
	<u>745</u>	<u>808</u>	<u>816</u>	<u>813</u>	<u>1,014</u>	<u>1,118</u>
	<u>14,172</u>	<u>15,742</u>	<u>16,461</u>	<u>15,416</u>	<u>16,036</u>	<u>17,087</u>
\$	<u><u>59,475</u></u>	<u><u>62,828</u></u>	<u><u>63,540</u></u>	<u><u>61,549</u></u>	<u><u>63,680</u></u>	<u><u>66,354</u></u>
\$	6,544	\$ 4,493	\$ 5,031	\$ 5,404	\$ 5,823	\$ 6,120
	5,883	6,290	7,798	7,398	7,325	8,018
	1,862	2,068	2,116	2,122	2,498	2,637
	<u>618</u>	<u>638</u>	<u>701</u>	<u>729</u>	<u>752</u>	<u>760</u>
	<u>1,152</u>	<u>918</u>	<u>979</u>	<u>618</u>	<u>423</u>	<u>680</u>
	<u>4,559</u>	<u>125</u>	<u>475</u>	<u>1,562</u>	<u>2,501</u>	<u>1,144</u>
\$	<u><u>20,618</u></u>	<u><u>14,532</u></u>	<u><u>17,100</u></u>	<u><u>17,833</u></u>	<u><u>19,322</u></u>	<u><u>19,359</u></u>
\$	10,960	\$ 12,581	\$ 14,800	\$ 17,044	\$ 17,717	\$ 18,401
	<u>1,336</u>	<u>1,388</u>	<u>1,457</u>	<u>1,453</u>	<u>1,498</u>	<u>1,523</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,715</u>	<u>2,131</u>	<u>6,105</u>	<u>2,848</u>	<u>1,464</u>	<u>705</u>
	<u>16,011</u>	<u>16,100</u>	<u>22,362</u>	<u>21,345</u>	<u>20,679</u>	<u>20,629</u>
\$	<u><u>36,629</u></u>	<u><u>30,632</u></u>	<u><u>39,462</u></u>	<u><u>39,178</u></u>	<u><u>40,001</u></u>	<u><u>39,988</u></u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Net (expense)/revenue:</b>				
Governmental activities	\$ (23,260)	\$ (23,324)	\$ (26,698)	\$ (26,954)
Business-type activities	(500)	1,132	226	384
<b>Total net expenses</b>	<u>\$ (23,760)</u>	<u>\$ (22,192)</u>	<u>\$ (26,472)</u>	<u>\$ (26,570)</u>
<b>General revenues and other changes in net position:</b>				
<b>Governmental activities:</b>				
Taxes:				
Property taxes	\$ 11,272	\$ 12,610	\$ 14,542	\$ 17,362
Utility taxes	5,028	5,276	5,331	5,413
Franchise taxes	3,074	3,225	3,540	4,009
Intergovernmental	5,003	5,563	6,057	5,816
Impact fees	-	-	-	-
Investment income (loss)	384	589	1,182	4,349
Miscellaneous	722	911	1,429	1,032
Gain (loss) on disposal of capital assets	-	562	1,807	-
Transfers	-	-	-	-
<b>Total governmental activities</b>	<u>\$ 25,483</u>	<u>\$ 28,736</u>	<u>\$ 33,888</u>	<u>\$ 37,981</u>
<b>Business-type activities:</b>				
Investment income (loss)	\$ 198	\$ 348	\$ 782	\$ 1,073
Impact fees	-	-	-	-
Miscellaneous	72	210	243	187
Transfers	-	-	-	-
<b>Total business-type activities</b>	<u>270</u>	<u>558</u>	<u>1,025</u>	<u>1,260</u>
<b>Total</b>	<u>\$ 25,753</u>	<u>\$ 29,294</u>	<u>\$ 34,913</u>	<u>\$ 39,241</u>
<b>Change in net position:</b>				
Governmental activities	\$ 2,223	\$ 5,412	\$ 7,190	\$ 11,027
Business-type activities	(230)	1,690	1,251	1,644
<b>Total</b>	<u>\$ 1,993</u>	<u>\$ 7,102</u>	<u>\$ 8,441</u>	<u>\$ 12,671</u>

Table 2  
(continued)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	(24,685)	\$ (32,554)	\$ (29,979)	\$ (28,300)	\$ (28,322)	\$ (29,908)
	1,839	358	5,901	5,929	4,643	3,542
\$	<u>(22,846)</u>	<u>(32,196)</u>	<u>(24,078)</u>	<u>(22,371)</u>	<u>(23,679)</u>	<u>(26,366)</u>
\$	16,076	\$ 15,886	\$ 16,213	\$ 15,906	\$ 16,129	\$ 16,145
	5,544	5,936	6,093	6,050	6,092	6,317
	3,989	4,222	4,095	4,070	3,971	3,936
	5,551	4,947	4,840	5,066	5,732	6,023
	-	-	-	1,187	876	674
	1,261	917	561	601	379	(56)
	1,225	2,502	1,730	1,095	1,617	2,849
	-	(152)	(110)	-	-	-
	-	-	-	500	-	-
\$	<u>33,646</u>	<u>34,258</u>	<u>33,422</u>	<u>34,475</u>	<u>34,796</u>	<u>35,888</u>
\$	621	\$ 303	\$ 157	\$ 206	\$ 140	\$ (69)
	-	-	-	1,023	698	1,057
	203	186	378	295	236	141
	-	-	-	(500)	-	-
	824	489	535	1,024	1,074	1,129
\$	<u>34,470</u>	<u>34,747</u>	<u>33,957</u>	<u>35,499</u>	<u>35,870</u>	<u>37,017</u>
\$	8,961	\$ 1,704	\$ 3,443	\$ 6,175	\$ 6,474	\$ 5,980
	2,663	847	6,436	6,953	5,717	4,671
\$	<u>11,624</u>	<u>2,551</u>	<u>9,879</u>	<u>13,128</u>	<u>12,191</u>	<u>10,651</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Fund:</b>				
Reserved	\$ 567	\$ 36	\$ 16	\$ 81
Unreserved	7,524	9,608	11,135	15,697
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total general fund</b>	<b>\$ 8,091</b>	<b>\$ 9,644</b>	<b>\$ 11,151</b>	<b>\$ 15,778</b>
<b>All other governmental funds:</b>				
Reserved	\$ 6,961	\$ 11,820	\$ 11,818	\$ 8,620
Unreserved, reported in:				
Special revenue funds	3,848	8,280	8,304	7,850
Capital projects funds	3,997	2,523	4,648	5,366
Debt service fund	413	514	569	656
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total all other     governmental funds</b>	<b>\$ 15,219</b>	<b>\$ 23,137</b>	<b>\$ 25,339</b>	<b>\$ 22,492</b>

(1) Information for fiscal years 2004 to 2010 have not been restated for  
Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

Table 3

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 373	\$ 165	\$ 132	\$ -	\$ -	\$ -
18,283	18,554	18,192	-	-	-
-	-	-	124	137	191
-	-	-	-	-	-
-	-	-	2,228	2,302	2,594
-	-	-	4,075	5,159	5,856
-	-	-	15,690	16,207	15,149
<u>\$ 18,656</u>	<u>\$ 18,719</u>	<u>\$ 18,324</u>	<u>\$ 22,117</u>	<u>\$ 23,805</u>	<u>\$ 23,790</u>
\$ 8,620	\$ 8,639	\$ 8,629	\$ -	\$ -	\$ -
12,531	10,827	8,969	-	-	-
4,473	3,148	12,791	-	-	-
666	469	67	-	-	-
-	-	-	8,745	8,624	8,623
-	-	-	13,253	10,081	6,608
-	-	-	5,360	6,385	7,129
-	-	-	1,641	1,220	2,475
<u>\$ 26,290</u>	<u>\$ 23,083</u>	<u>\$ 30,456</u>	<u>\$ 28,999</u>	<u>\$ 26,310</u>	<u>\$ 24,835</u>

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

	2004	2005	2006	2007
<b>Revenues:</b>				
Ad valorem taxes	\$ 11,272	\$ 12,610	\$ 14,542	\$ 17,362
Fire assessments tax	1,827	-	-	-
Franchise fees	3,074	3,226	3,540	4,009
Utility taxes	5,028	5,276	5,331	5,413
Licenses and permits	1,310	2,502	2,795	3,151
Intergovernmental revenues	6,303	8,080	14,573	7,456
Charges for services	5,696	8,298	8,281	9,026
Fines and forfeitures	702	523	729	507
Impact fees	-	-	-	-
Investment income (loss)	384	588	1,182	4,349
Miscellaneous revenues	1,015	899	1,901	2,474
<b>Total revenues</b>	<u>36,611</u>	<u>42,002</u>	<u>52,874</u>	<u>53,747</u>
<b>Expenditures:</b>				
General government	7,045	7,166	8,416	9,258
Public safety	15,326	16,268	17,753	19,029
Physical environment	4,322	4,335	12,110	5,558
Culture and recreation	4,389	4,615	5,071	4,950
Nondepartmental	-	-	170	193
Capital outlay	6,717	5,480	5,044	3,261
Debt service:				
Principal	22,632	2,339	2,436	8,323
Interest and fiscal charges	1,360	1,320	1,392	1,393
<b>Total expenditures</b>	<u>61,791</u>	<u>41,523</u>	<u>52,392</u>	<u>51,965</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(25,180)</u>	<u>479</u>	<u>482</u>	<u>1,782</u>
<b>Other financing sources (uses):</b>				
Net proceeds from long-term debt	31,736	5,817	-	-
Sale of land	-	3,176	3,224	-
Transfers in	2,259	5,285	4,574	4,542
Transfers out	(2,259)	(5,285)	(4,574)	(4,542)
Payment to fiscal agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>31,736</u>	<u>8,993</u>	<u>3,224</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 6,556</u>	<u>\$ 9,472</u>	<u>\$ 3,706</u>	<u>\$ 1,782</u>
<b>Debt service as a percentage of noncapital expenditures</b>	43.5%	10.1%	8.1%	20.5%

Table 4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	16,077	\$ 15,886	\$ 16,213	\$ 15,906	\$ 16,129	\$ 16,145
	-	-	-	-	-	-
	3,989	4,222	4,095	4,070	3,971	3,936
	5,544	5,937	6,093	6,050	6,092	6,317
	3,247	1,088	1,522	2,760	2,988	3,200
	6,668	5,805	6,702	5,969	7,523	8,282
	11,267	12,163	13,452	12,456	13,106	13,997
	3,598	462	488	938	1,220	613
	-	-	-	1,075	876	674
	1,227	890	534	575	352	(83)
	2,264	1,313	1,621	1,208	1,618	2,920
	<u>53,881</u>	<u>47,766</u>	<u>50,720</u>	<u>51,007</u>	<u>53,875</u>	<u>56,001</u>
	9,833	9,525	9,505	9,247	9,767	9,763
	20,499	21,510	22,116	22,732	23,119	24,316
	5,419	5,977	4,944	4,865	4,932	5,343
	5,082	5,143	4,930	4,597	4,675	4,909
	184	210	294	511	514	660
	2,459	3,941	3,332	3,174	8,355	9,209
	2,630	3,452	7,398	3,049	2,647	2,603
	1,100	1,151	1,223	996	897	688
	<u>47,206</u>	<u>50,909</u>	<u>53,742</u>	<u>49,171</u>	<u>54,906</u>	<u>57,491</u>
	<u>6,675</u>	<u>(3,143)</u>	<u>(3,022)</u>	<u>1,836</u>	<u>(1,031)</u>	<u>(1,490)</u>
	-	-	10,000	-	5,270	-
	-	-	-	-	-	-
	2,937	3,834	7,698	4,291	13,064	4,988
	(2,937)	(3,834)	(7,698)	(3,791)	(13,064)	(4,988)
	-	-	-	-	(5,240)	-
	-	-	10,000	500	30	-
\$	<u><u>6,675</u></u>	<u><u>(3,143)</u></u>	<u><u>6,978</u></u>	<u><u>2,336</u></u>	<u><u>(1,001)</u></u>	<u><u>(1,490)</u></u>
	8.6%	9.5%	17.2%	8.7%	7.6%	6.8%



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>
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
2011	15,906	838	6,050	4,070	26,864
2012	16,129	909	6,092	3,971	27,101
2013	16,144	910	6,317	3,936	27,307

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*
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
2011	2,349,102,060	597,927,930	151,805,050	635,594,810
2012	2,353,406,490	555,543,250	138,124,920	662,510,000
<b>2013</b>	<b>2,374,513,210</b>	<b>576,291,950</b>	<b>140,205,740</b>	<b>662,962,500</b>

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

Notes:

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

Table 6

<u>Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Total Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Estimated Actual Value</u>
\$ 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%
1,237,156,670	2,497,273,180	6.4036	3,901,423,180	64.01%
1,214,736,610	2,494,848,050	6.3857	3,937,457,080	63.36%
<b>1,215,545,240</b>	<b>2,538,428,160</b>	<b>6.3250</b>	<b>3,964,203,630</b>	<b>64.03%</b>

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
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
2011	6.4036	-	6.4036	5.1021	0.4509	5.5530	7.6310	-	7.6310
2012	6.3857	-	6.3857	5.1860	0.3670	5.5530	7.4180	-	7.4180
2013	6.3250	-	6.3250	5.2576	0.2954	5.5530	7.4560	-	7.4560

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
0.1925	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
0.1446	0.4696	1.8750	0.6240	0.0345	22.7353
0.1446	0.4789	1.8750	0.4363	0.0345	22.3260
<b>0.1446</b>	<b>0.4902</b>	<b>1.8564</b>	<b>0.4289</b>	<b>0.0345</b>	<b>22.2886</b>

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

Table 8

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ERP OPERATING LTD PARTNERSHIP	\$ 70,999	1	2.80%	\$ 65,078	1	2.6%
MEPT HILLSBORO BAY LLC	47,476	2	1.90%	-	-	-
GARRISON COCONUT CREEK LLC	41,384	3	1.60%	-	-	-
SEMINOLE PROPERTIES II LLC	36,576	4	1.40%	-	-	-
FLORIDA POWER & LIGHT	35,159	5	1.40%	22,525	10	0.9%
CGL BANYAN BAY LP	31,171	6	1.20%	25,096	9	1.0%
CENTRO NP COCONUT CREEK	27,878	7	1.10%	-	-	-
ATLYONS LLC	25,226	8	1.00%	-	-	-
ACPRE PRS REALTY LLC	23,688	9	0.90%	-	-	-
AERC CYPRESS SHORES INC.	22,888	10	0.90%	-	-	-
MINTO BUILDERS	-	-	-	43,098	2	1.7%
CA NEW PLAN ASSET PARTNERSHIP	-	-	-	30,291	3	1.2%
SOUTHERN BELL	-	-	-	28,546	4	1.2%
EVERGREEN LAKES	-	-	-	27,506	5	1.1%
VILLAGE APTS at COCONUT CREEK	-	-	-	27,260	6	1.1%
COCO PARC I	-	-	-	27,161	7	1.1%
HBC, INC.	-	-	-	25,582	8	1.0%
Totals	\$ <u>362,445</u>		<u>14.2%</u>	\$ <u>322,143</u>		<u>12.9%</u>

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>
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%
2011	16,838	15,796	93.81%	312	16,108	95.66%
2012	16,714	15,949	95.42%	180	16,129	96.50%
<b>2013</b>	<b>16,831</b>	<b>16,164</b>	<b>96.04%</b>	<b>(19)</b>	<b>16,145</b>	<b>95.92%</b>

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  
(Amounts expressed in thousands, except per capita amount)

Table 10

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			
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
2011	-	-	-	22,791	-	-	22,791	1.55%	431
2012	-	-	-	20,174	-	-	20,174	1.33%	378
2013	-	-	-	17,571	-	-	17,571	1.14%	327

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, 2013  
 (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	\$ 326,017	2.09%	\$ 6,814
Subtotal, overlapping debt			<u>6,814</u>
City of Coconut Creek			<u>17,571</u>
Total direct and overlapping debt			<u><u>\$ 24,385</u></u>

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

(1) The percentage of overlapping debt applicable is determined by using taxable assessed property values. Taxable value within the City's boundaries is divided by the county total taxable assessed value.



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

Table 12

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 565,954	\$ 623,949	\$ 683,280	\$ 813,197	\$ 917,836	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712	\$ 634,607
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 565,954</u>	<u>\$ 623,949</u>	<u>\$ 683,280</u>	<u>\$ 813,197</u>	<u>\$ 917,836</u>	<u>\$ 824,662</u>	<u>\$ 717,384</u>	<u>\$ 624,318</u>	<u>\$ 623,712</u>	<u>\$ 634,607</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Valuation of Taxable Real Property	\$ 2,538,428
Bonded Debt Limit - 25% of above	634,607
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt:	-
Less Revenue Bonds:	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin (1)	<u>\$ 634,607</u>

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

Restated data for 2006 through 2010

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			
2004	\$ 410	\$ 395	\$ 19	0.99	\$ 2,427	\$ 15,845	(1) \$ 667	0.15		
2005	-	-	-	-	-	-	-	-		
2006	-	-	-	-	-	-	-	-		
2007	-	-	-	-	-	-	-	-		
2008	-	-	-	-	-	-	-	-		
2009	-	-	-	-	-	-	-	-		
2010	-	-	-	-	-	-	-	-		
2011	-	-	-	-	-	-	-	-		
2012	-	-	-	-	-	-	-	-		
2013	-	-	-	-	-	-	-	-		

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.
- (5) Includes \$ 5,240,097 to fully refund principal on Series 2003D from issuance of Series 2012 revenue note proceeds.

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	
\$ 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
-	2,915	2,773	5,688	2,568		583	1.81	22,563	-	394	57.27
-	2,991	2,708	5,699	7,887	(5)	473	0.68	23,458	-	394	59.54
-	3,203	2,657	5,860	2,201		294	2.35	24,456	402	394	30.72

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

Table 14

<u>Fiscal Year</u>	<u>Population</u>		<u>Personal Income</u>		<u>Per Capita Income</u>		<u>Median Age</u>		<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>	
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%
2011	52,909	(5)		1,474,891,284		27,876	(4)	40.3	(4)	8,718	10.7%
2012	53,313	(5)		1,516,488,285		28,445	(4)	40.0	(4)	8,784	7.6%
<b>2013</b>	<b>53,783</b>	<b>(5)</b>		<b>1,547,874,740</b>		<b>28,780</b>	<b>(4)</b>	<b>40.6</b>	<b>(4)</b>	<b>8,564</b>	<b>5.6%</b>

- (1) Furnished by Broward County, Florida Planning Services Division. Population estimated as of April 1st of each year.
- (2) Furnished by the Broward Alliance (figure for Broward County).
- (3) Furnished by the School Board of Broward County.
- (4) Furnished by the American Community Survey/U.S. Census Bureau-Quick Facts
- (5) Furnished by the Bureau of Economic and Business Research

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

Table 15

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward College	2,432	1	8.69%	-	-	-
Seminole Coconut Creek Casino	1,700	2	6.07%	-	-	-
Broward County School Board	1,253	3	4.48%	-	-	-
Publix	533	4	1.90%	-	-	-
Wal-Mart	405	5	1.45%	-	-	-
Food for the Poor	368	6	1.31%	-	-	-
City of Coconut Creek	350	7	1.25%	-	-	-
Vista BMW	292	8	1.04%	-	-	-
Al Hendrickson Toyota	212	9	0.76%	-	-	-
Enterprise Car Rental (Regional Office)	155	10	0.55%	-	-	-
<b>Totals</b>	<b>7,700</b>		<b>27.50%</b>	-	-	-

Source: Broward Alliance.

(1) Information for fiscal year ending September 30, 2004 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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	46	59	61	64	61	62	62	62	56	60
Public safety	147	146	150	154	153	155	163	163	152	153
Physical environment	40	41	41	46	41	40	35	25	29	29
Culture and recreation	112	119	116	104	65	80	78	68	64	68
Water and wastewater	38	33	30	30	30	29	31	31	31	35
Stormwater management	-	7	7	7	7	8	8	8	8	9
Total	383	405	405	405	357	374	377	357	340	354

Source: City of Coconut Creek, Florida.

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

Table 17

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Bids and contracts awarded	6	17	12	11	22	15	18	23	12	23
Building permits	3,223	4,513	6,228	3,840	2,794	2,446	2,530	2,272	2,738	2,898
Business license (new)	191	279	382	260	211	380	289	140	177	124
Police										
Personnel and officers	130	131	132	133	132	133	139	138	134	133
Physical arrests	1,024	1,274	946	887	995	1,100	1,070	984	883	933
Parking violations	883	417	511	622	513	1,074	653	1,027	909	1,260
Traffic violations	14,172	12,287	10,326	8,272	7,484	11,211	8,354	7,919	6,683	6,748
Fire										
Personnel and officers	4	2	2	4	4	4	4	4	5	4
Number of calls answered	5,719	6,090	6,072	5,733	5,724	6,178	6,820	6,528	6,807	6,720
Inspections	2,385	2,195	1,232	2,169	1,650	1,577	1,784	1,456	1,803	1,869
Streets										
Street resurfacing (miles)	-	-	1	-	-	-	29	-	1	-
Potholes repaired	71	136	70	185	265	273	173	325	303	248
Culture and recreation										
Athletic field permits issued	2,499	2,472	2,330	3,404	2,927	3,420	3,222	4,075	4,081	4,364
Fitness memberships	728	913	1,266	1,291	1,326	1,663	1,577	1,443	1,193	1,161
Participants registered:										
Athletic programs	2,468	2,456	2,573	1,533	899	1,274	2,988	2,087	1,691	1,961
Recreation programs	2,221	1,747	1,700	2,135	2,417	3,312	7,510	5,356	5,291	4,579
Water										
New connections	28	42	48	75	150	74	43	50	91	107
Water main breaks	1	1	-	75	2	1	-	2	-	1
Average daily consumption (thousands of gallons)	5,272	5,305	5,819	5,320	4,954	4,538	4,241	4,269	3,997	4,087
Active accounts (average):										
Residential	10,166	10,221	10,250	10,350	10,393	10,424	10,473	10,542	10,617	10,719
Commercial	786	795	838	856	851	854	844	830	839	854

Source: City of Coconut Creek, Florida.

Restated Athletic Field Permit data for 2008 through 2012  
 Restated Recreation Programs data for 2004 through 2012

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

Table 18

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	116	116	120	120	122	122	123	126	126	116
Streets										
Streets (miles)	53	53	53	53	53	47	49	49	49	49
Streetlights	1,528	1,528	1,528	1,528	1,528	1,659	1,662	1,662	1,668	1,668
Culture and recreation										
Parks acreage	196	207	207	207	207	207	207	207	207	207
Parks	18	20	20	20	20	20	20	20	20	20
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	3	2	2	2	3	3	3	3	3	3
Water										
Water mains (miles)	164	179	179	238	241	244	247	251	250	251
Fire hydrants	1,516	1,532	1,535	1,616	1,638	1,682	1,739	1,756	1,749	1,754
Maximum daily capacity (thousands of gallons)	6,540	6,540	6,540	6,540	8,500	8,500	8,500	8,500	8,500	8,500
Sewer										
Sanitary sewers (miles)	182	181	182	199	201	203	205	205	209	207
Storm sewers (miles)	48	49	44	18	22	23	29	30	32	32
Maximum daily treatment capacity (thousands of gallons)	6,040	6,040	3,827	3,662	6,040	6,540	6,540	6,540	6,540	6,540

Source: City of Coconut Creek, Florida.

Restated data for 2004 through 2008

CITY OF COCONUT CREEK, FLORIDA  
Insurance Coverage Via PGIT  
October 1, 2012 through September 30, 2013

Table 19

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Limit	Policy Period From / To	Liability Limits	Member Deductible
Property Package	Coverage is blanket; Including: Buildings and Contents EDP Hardware & Software is at replacement cost Inland Marine paid at ACV Value or 110% of value reported, whichever is less for Communications Equipment, Contractors Equipment, Fine Arts, Watercraft, Emergency Portable Equipment, Other or Island Marine	Preferred Governmental Insurance Trust PR2FL1 0062801 12-05		10/01/12 through 09/30/13	\$52,596,282 Total Insured Values (TIV)	\$
					Per Buildings and Contents Schedule on file with PGIT	
					All other Perils deductible	10,000
					Windsstorm 5% of TIV per location; per occ named storm	
					Minimum deductible, per named windstorm	25,000
					\$5,000,000 occ/agg for flood excluding Zone V & A	10,000
					\$100,000 Business income	10,000
					\$500,000 Extra Expense	10,000
					\$50,000 Communication Equipment	10,000
					\$1,454,754 Inland Marine (mobile equipment) - Scheduled	10,000
					\$100,000 other Inland Marine - unscheduled	10,000
					\$3,206,412 EDP Equipment - Scheduled	10,000
					\$50,000 fine arts	10,000
					\$500,000 valuable papers	10,000
					\$50,000 watercraft	10,000
					<b>Coverage Extensions:</b>	
					\$5,000,000 occ/agg for earthquake	10,000
					\$500,000 demolition, ordinance and ICC	10,000
					\$2,000,000 newly acquired or constructed buildings/personal property subject to 60 days	10,000
					\$250,000 accounts receivable	10,000
					\$250,000 Errors & Omissions	10,000
					\$25,000/\$50,000 Pollution Cleanup Expense occur/annual aggregate	10,000
					\$500,000 Debris Removal	10,000
					\$25,000 Lawns, Trees, Plants	10,000
					\$250,000 property in transit	10,000
					\$100,000 Service Interruption Coverage	10,000
					\$25,000 fire department charges	10,000
	Automobile Physical Damage, owned and hired autos only				Per owned Vehicle Schedule on file with Preferred Comprehensive - Agreed Value less	1,000
					Collision - Agreed Value less	1,000
Boiler & Machinery	Comprehensive coverage for City owned boilers, air conditioning & turbine equipment including business interruption, extra expense & utility interruption		100%	10/01/12 through 09/30/13	\$50,000,000 incl property damage, business interruption, extra expense	\$ 10,000
					\$2,000,000 utility interruption (24hrs wait)	10,000
					\$500,000 Ordinance/law	10,000
					\$1,000,000 Expediting Expenses	10,000
					\$500,000 Water Damage	10,000
					\$500,000 Ammonia Contamination	10,000
					\$500,000 Hazardous Substance Coverage	10,000

CITY OF COCONUT CREEK, FLORIDA  
Insurance Coverage Via PGIT  
(continued)  
October 1, 2012 through September 30, 2013

Table 19  
(continued)

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 WC2FL1 0062801 12-05	10/01/12 through 09/30/13	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	Flood - National Flood Insurance Program (NFIP) Building Replacement Cost Contents Actual Cash Value	Fidelity Nat'l Property & Casualty Ins.Co. #091150025731 Govt. Ctr.-City Hall	08/06/12 through	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025732 Govt. Ctr.-Public Works	08/06/13	\$500,000 bldg/\$68,700 cnts,	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$79,600 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$164,200 bldg/\$12,500 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$141,800 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$120,700 bldg/\$9,100 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025737 Gerber Park		\$189,400 bldg/\$15,100 cnts	\$1,000/\$1,000
Flood Insurance	Building Replacement Cost Contents Actual Cash Value	Fidelity Nat'l Property & Casualty Ins.Co. #091150025731 Govt. Ctr.-City Hall	08/06/13 through	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025732 Govt. Ctr.-Public Works	08/06/14	\$500,000 bldg/\$72,100 cnts,	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$83,600 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$180,600 bldg/\$13,100 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$148,900 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$132,800 bldg/\$9,600 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025737 Gerber Park		\$208,300 bldg/\$15,900 cnts	\$1,000/\$1,000

CITY OF COCONUT CREEK, FLORIDA  
Insurance Coverage Via PGIT  
(continued)  
October 1, 2012 through September 30, 2013

Table 19  
(continued)

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible
Flood Insurance	Flood per Occurrence/Aggregate (Property and contents not covered under the Fidelity policies)	Preferred Governmental Insurance Trust PR FL1 0062801 12-05	10/01/12 through 09/30/13	\$5,000,000	\$10,000 (except zones A&V refer to Policy)
Crime Insurance	Employee Theft	Travelers Casualty & Surety Company of America 105684154	10/01/12 through 09/30/13	\$1,000,000	\$ 10,000
	Faithful Performance of Duties included			\$1,000,000	\$ 10,000
	Computer Crime			\$500,000	\$ 5,000
	Depositors Forgery or Alteration and Theft, Disappearance & Destruction of Monies & Securities in/out			\$500,000	\$ 5,000
	Money Order/Counterfeit Currency			\$50,000	\$ 5,000
General Liability	Bodily Injury & Property Damage Combined Single Limit for all Premises/Ops.	Preferred Governmental Insurance Trust PKFL1 0062801 12-05	10/01/12 through 09/30/13	\$1,000,000 per occurrence \$2,000,000 policy aggregate limit	\$ -
Employee Benefits Liab	Claims made coverage			\$1,000,000 per occurrence \$2,000,000 policy aggregate limit	
Fire Legal & Medical Benefits	Liability			\$2,500 any one premise	
Law Enforcement	Law Enforcement Liability			\$1,000,000 per occurrence/ or person	\$ 2,500
Automobile Liability	Bodily Injury & Property Damage Combined Single Limit for any "auto"			\$1,000,000 per occurrence/ or accident	\$ -
Public Official and Employment Practices Liability	Liability for Money Damages (other than B1 or PD) due to Errors or Omissions of the City, it's Commissioners, & Employees			\$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	Hartford Life Ins. Co. ETB108661	10/01/12 through 09/30/14	Statutory Benefits per F.S. 118 & 119.191 2 year policy through 2014	\$ -





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements which collectively comprise the City of Coconut Creek, Florida's basic financial statements, and have issued our report thereon dated March 24, 2014.

#### Internal Control over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### Compliance and Other Matters

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

City of Coconut Creek, Florida

**Purpose of this Report**

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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
March 24, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

### Report on Compliance for Each Major Federal Program

We have audited the City of Coconut Creek, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended September 30, 2013. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

### Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2013.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
March 24, 2014



## INDEPENDENT AUDITOR'S 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 fiscal year ended September 30, 2013, and have issued our report thereon dated March 24, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 24, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's 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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements.

Section 10.554(1)(i)6a., 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.

City of Coconut Creek, Florida

Section 10.554(1)(i)6b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.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.

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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
March 24, 2014

CITY OF COCONUT CREEK, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended September 30, 2013

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Justice Equitable Sharing Program	16.922	-	\$ 562,791	\$ -
Bulletproof Vest Partnership Program	16.607	2012BUBX12064244 2012BUBX11056596	2,965 221 <u>3,186</u>	- - -
United States Department of Housing and Urban Development Home Investment Partnership Program	14.239	N/A	105,123	-
	14.239	11-HFCD-036	42,092	-
	14.239	11-HFCD-054	3,550	-
	14.239	N/A	225 <u>150,990</u>	- -
Community Development Block Grants/Entitlement Grants	*	14.218	B-09-MC-12-0054 86,921	-
	*	14.218	B-10-MC-12-0054 24,700	-
	*	14.218	B-11-MC-12-0054 160,000	-
	*	14.218	B-12-MC-12-0054 39,622 <u>311,243</u>	- -
Indirect Programs:				
United States Department of Homeland Security Passed through Florida Division of Emergency Management Pre-Disaster Mitigation Grant	97.067	11DS-A1-11-16-02-487	46,356	-

CITY OF COCONUT CREEK, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 (continued)  
 For the Year Ended September 30, 2013

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Indirect Programs (continued):				
Federal Highway Administration, Department of Transportation Passed through State of Florida Department of Transportation Highway Planning and Construction	20.205	AQX-77FM# 425534-1	9,067	-
	20.205	AQX-90FM# 425537-1	<u>7,636</u>	-
			16,703	
United States Department of Justice Passed through State of Florida Department of Law Enforcement Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGD-BROW-1-D8-073	<u>9,403</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u><u>1,100,672</u></u>	\$ <u><u>-</u></u>

\* Denotes a major program

CITY OF COCONUT CREEK, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
September 30, 2013

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - CONTINGENCY

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

CITY OF COCONUT CREEK, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended September 30, 2013

A. SUMMARY OF AUDITOR'S RESULTS

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

Federal Program	Federal CFDA No.
United States Department of Housing and Urban Development Community Development Block Grants/ Entitlement Grants	14.218

8. The threshold for distinguishing Types A and B programs was \$ 300,000 for the major Federal programs.
9. City of Coconut Creek, Florida was determined to be a low-risk auditee pursuant to OMB Circular A-133.

CITY OF COCONUT CREEK, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(continued)  
For the Year Ended September 30, 2013

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

NONE

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS**

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 Single Audit Act.

