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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2014



Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

Fiscal Year Ended
September 30, 2014



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, 2014

City Commission

Rebecca A. Tooley..... Mayor
Mikkie Belvedere..... Vice Mayor
Lou Sarbone Commissioner
Sandra L. Welch Commissioner
Joshua D. Rydell..... Commissioner

Administrative Staff

Mary C. Blasi..... City Manager
Terrill C. Pyburn City Attorney

Leslie Wallace May City Clerk

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



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March 31, 2015

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, 2014. Through proper planning, effective allocation of resources and dedication from the City's Commission and employees, the City of Coconut Creek has been successful in remaining financially stable while continuing to expand services and programs, invest in infrastructure and capital projects, and promote economic development.

The CAFR was prepared in accordance with Florida Statutes, the City Charter, and Generally Accepted Accounting Principles (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.

Marcum LLP, a firm of licensed certified public accountants, has audited the City of Coconut Creek's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Coconut Creek for the fiscal year ended September 30, 2014 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. Based upon the audit, the independent auditor concluded that the City of Coconut Creek's financial statements for the fiscal year ended September 30, 2014 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 northern central 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. Coconut Creek is located just north of Fort Lauderdale, and abuts unincorporated Palm Beach County to the north. Location is key, and with easy access to major highways and airports and its close proximity to the Atlantic Ocean, Coconut Creek is the ideal location for both individuals and businesses. The City is only 15 miles west of the beach, and the sub-tropical climate provides comfortable living year round. In addition, the City was ranked as the 9th "Top City to Live in Florida" by Movoto, a real estate brokerage licensed in over thirty states, and ranked in the "Top Ten Cities on The Rise" by NerdWallet, a personal financial website.

With an estimated population of 55,319, the City ranks 15th amongst the 31 municipalities in the County. The City has been developed primarily for residential purposes, with a proportionate mix of singles, families and retirees. Because the tax burden rests mostly on residential properties, the City has various aggressive economic development initiatives to encourage new business to locate 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, fire rescue, recreational and cultural activities, the construction and maintenance of streets and infrastructure, 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 1st of each year. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City of Coconut Creek's fiscal year.

For additional information concerning the City, please visit our website at 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, and weather events. In 2014, the Consumer Price Index for the Miami-Fort Lauderdale area showed a slight increase of 2% and is expected to slightly increase in 2015. The gross domestic product continues to trend upwards, and the labor market continues to strengthen, causing unemployment in Florida to continue to edge downwards. Broward County has one of the lowest unemployment rates in Florida at this time at 4.5%, which is the lowest it has been since 2008. Although the economy shows steady improvements, the City must also factor the uncertainty of any future tax reform or legislative changes that will directly affect the City's ability to maintain current service levels. Consideration of the impact of these economic indicators plays an important role in determining the use of City resources in the upcoming years.

As the economy continues to rebound, the City has been experiencing steady increases in residential property values and remains optimistic about the level of new construction. Several major development projects are either underway or in the planning stages, that will bring in building permit fees, impact fees, additional annual fire assessment fees, as well as increase the City's tax base. The City has been able to leverage these revenue sources to offset additional costs associated with providing service to these areas, including the addition of five police officers during fiscal year 2014 and several improvements to the City's infrastructure.

New Construction

New construction and development is one of the early indications of a rebounding economy. With the addition of several new developments, fiscal year 2014 proved to be a very fruitful year for the City. Several residential and commercial projects were either completed or in process during fiscal year 2014, including:

Commercial

-  Elite Aluminum warehouse expansion
-  Gunther Volkswagen structured parking garage
-  The Hampton Inn & Suites
-  Silverspot Cinema at the Promenade
-  Coconut Creek Medical Center
-  Public Storage at Bel Lago

Residential

-  Cypress Hammocks
-  Altis (Bel Lago)
-  Casa Palma
-  Long Pines Townhomes

Building Permits

One way to measure the level of new construction and development is by reviewing the number and associated value of building permits issued. The following table provides an historical look at residential and commercial permits issued for new developments.

Table 1

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Residential Units	33	720	81	60	68	26	85	71	203	62
Commercial Permits	9	3	3	4	2	4	24	5	5	18
Value (in millions)	\$ 30.7	\$ 67.1	\$46.2	\$55.7	\$15.7	\$9.4	\$75.6	\$35.2	\$22.4	\$39.7

With the onset of the recession in 2009, the level of residential building permits drastically declined from its pre-recession levels, but started to gain some momentum during fiscal year 2011 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 was attributed to the construction of three multi-family developments: Casa Palma, Cypress Hammocks, and Altis at Coconut Creek, which were added to the City's tax base in 2014 and 2015. In 2014, the City issued 32 residential permits for Long Pine Townhomes. The City continues to invest in the City as a means to attract residents with the addition of a fire station, improvements to various parks, and other infrastructure enhancements (see more detailed information in the Long-Term Financial Planning section on page iv).

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 surrounding economic uncertainty, the City experienced a decrease in the number of new construction permits issued in 2009; however, beginning in 2011, the value of new commercial construction increased and continues to remain strong as new developments come on board. During fiscal year 2014, the City issued several commercial permits, including permits for Silverspot Movie Theatre and Coconut Creek Medical Center.

The City's focus continues to be on tax base diversification and job creation through the expansion of our commercial base. In addition, the City is committed to expanding, maintaining, and upgrading existing public areas of the City. The number of commercial permits is expected to increase over the next five years due to several major initiatives planned, particularly in the MainStreet area.

Economic Development

MainStreet

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 nearly 500 acres in the center of the City.

The Promenade at Coconut Creek was the first project completed under the City’s MainStreet Design Standards and boasts LEED® Silver Certification by the U.S. Green Building Council. Major businesses at the Promenade continue to thrive not simply from the economic benefits of green building design, but also from continuous promotional and special events. The latest addition to the Promenade is the Silverspot Movie Theater, which is scheduled to open in 2015.

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 invested over \$ 56.7 million in capital expansion within the City’s limits, resulting in an economic boost for the City and surrounding area. Through concerts and other promotional events, the expanded casino continues to draw visitors from throughout the South Florida region.

The City has been proactive in identifying future uses of the MainStreet area and has completed a market study of the area in an effort to identify and define specific optimal development opportunities for the area over the next several years.

Economic Development Incentive Program

The City currently manages 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 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. For example, the City’s partnership with Cusano’s Bakery has resulted in a \$41.4 million dollar investment in Coconut Creek, including 20 new jobs and the retention of 153 jobs.

Long-term Financial Planning

Revenues Sources

The economic environment continues to show consistent and stable improvements, as evidenced by the increase in assessed values and new construction. Assessed property values (before new construction and additions) increased 6.3% for fiscal year 2015, the highest increase since the recession. This marks the third consecutive year the City has seen increases in assessed values since 2007, though total taxable value for fiscal year 2015, including new construction, is still \$787 million less than 2007. As consumer confidence and spending increases, demand driven revenues such as Half-Cent Sales Taxes and Shared Revenues are predicted to have noticeable increases as well. The City also anticipates receiving building permits and impact fees from new construction and additions for fiscal year 2015. Overall growth has been steady and is anticipated to remain this way for the next few years. In order to ensure fiscal sustainability, the City has adopted an optimistic yet cautious approach towards the economy overall, and future growth and development within the City.

The City currently has a Municipal Service Provider Agreement with the Seminole Tribe of Florida that provides for annual payments for City services and 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. As part of this agreement, the City received \$3.0 million during fiscal year 2014.

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 from

the State 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. As part of this agreement, the City received \$0.6 million during fiscal year 2014.

In fiscal year 2014, the City received \$3 million as part of a Fee To Trust Lands Mitigation agreement with the Seminole Tribe of Florida. The agreement calls for a one-time payment of \$3 million in consideration for the City's fulfillment of its obligations. If the Seminole Tribe of Florida's current application for Fee to Trust Lands is approved by the Bureau of Indian Affairs, the City will receive a payment of \$2.5 million, adjusted annually based on the consumer price index, to help mitigate the impact on the City. The application is currently under review by the Bureau of Indian Affairs.

Capital Improvement Program

Public Safety remains one of our top priorities, and the City has been proactively evaluating our current fire response times and anticipated increases in population, traffic, and strain on our current facilities and staffing. As a result, the need for a new fire station (Fire Station #50) near the southeast corner of Coconut Creek Parkway and Lyons Road was identified and construction is currently underway. Feasibility studies, traffic studies, and design of the station were completed with input from both the Commission and the community. Construction has an expected completion date of early 2016. Approximately \$5.9 million has been appropriated for the construction of Fire Station #50.

One of the City's strategic priorities is to provide various recreational opportunities for our residents. In support of this priority, the City Commission approved the Windmill Park Improvement project, which is anticipated to include additional parking, restrooms, pavilions, lighted concrete pathways, exercise stations, and landscape improvements. The project also incorporates improvements to existing facilities, including dog park enhancements and the re-surfacing the basketball and tennis courts. Approximately \$3.1 million has been appropriated for the entire Windmill Park Improvements project, including the purchase of additional land. Plans are currently being developed, and the project is expected to be completed in late 2016.

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, and will also have a reclaimed water component.

In addition, the City has been working diligently on several rehabilitation and beautification projects as follows:

<i>Project</i>	<i>Location</i>	<i>Project Description</i>	<i>Estimated Cost</i>	<i>Estimated Completion or Completion Date</i>
Education Corridor, Phase III	Coconut Creek Parkway from Banks Road to the Florida Turnpike	This project was developed to create a linear park-like corridor that provides multi-modal connectivity between the various educational facilities along Coconut Creek Parkway. The project includes sidewalks, landscaping, irrigation, hardscape, and transit facilities.	\$2.5 million (\$2.3 Grant Funded)	11/2014
Lyons Road Improvements, Phase II and III	Lyons Road from Copans Road to the Sawgrass Expressway	The project involves median enhancements, including landscaping, pavers, irrigation upgrades, and intersection improvements.	\$1.5 million (\$1.2 Grant Funded)	11/2014
Lyons Road Improvements, Phase IV	Lyons Road from Coconut Creek Parkway to Copans Road	This project involves roadway rehabilitation and consists of resurfacing, sidewalk improvements, drainage improvements, and installation of reclaimed water infrastructure.	\$4.5 million	TBD

As demonstrated above, 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 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 2014'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 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, office, or agency level, as appropriate. For the General Fund, 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. For all other funds, The City Manager or designee is authorized to transfer budgeted amounts within each fund.

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 that starts on page 64.

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 2015 through 2019 calls for funding of approximately \$ 36.9 million in the governmental funds and \$ 23.1 million in the enterprise funds.

During fiscal year 2014, the City spent \$ 6.5 million on governmental funds capital improvement projects and \$ 5.2 million on enterprise funds capital improvement projects and included the following:

Governmental Funds

-  Sabal Pines Greenway Trail
-  Oak Trails Park
-  Fire Station #50 (in progress)
-  Education Corridor (in progress)
-  Lyons Road Improvements (in progress)
-  Undergrounding of Aerial Utility Lines
-  Sidewalk Replacement
-  Recurring vehicle/computer replacements

Enterprise Funds

-  Lift Station Rehabilitation
-  Sewer Pipe and Main Rehabilitation
-  Lyons Road Force Main
-  SCADA Telemetry System (in progress)
-  Reclaimed Water project (in progress)
-  Stormwater Drainage Improvements
-  Waterbody Maintenance project (in progress)
-  NW 74th Street Fire Hydrants (in progress)

Revenue Policy

The City strives to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and 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 can be tied to one-time revenue sources to ensure fund balance integrity. For example, during fiscal year 2014, the City received \$3.0 million from a Fee to Trust Lands Mitigation Agreement with the Seminole Tribe of Florida and \$0.6 million as a result of the Compact between the Seminole Tribe of Florida and the State of Florida. 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, 2014 totaled \$ 14.9 million, a decrease of \$ 2.7 million from the previous year 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 \$ 52.6 million, of which \$ 15.4 million is unassigned fund balance of the General Fund. Unassigned fund balance represents 31.4%, or nearly four months of total General Fund's budgeted operating expenditures. An additional \$ 2.6 million has been reserved for Hurricane Emergencies. For more information on the City's Fund Balance Policy, please refer to pages 38 and 39, Note 1 to the Financial Statements.

Major Initiatives

Strategic 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 uphold 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 the City achieves this is by proactively conducting short and long-term strategic planning. Some tools utilized by the City include: Comprehensive Plan and Strategic Plan.

Comprehensive Plan

The Comprehensive Plan serves as a guide to future growth and development in the City and provides an overall vision for the community in the areas of future land use, transportation, housing, infrastructure, conservation, recreation and open space, intergovernmental coordination, capital improvement, water supply, and public school facilities.

Strategic Plan

The City's Vision 2020 Policy Statement is the foundation for the City's Strategic Plan and was developed based on citizen-generated strategic priorities. The following table lists these strategic priorities and identifies major initiatives and/or programs that support these priorities:

Maintain a high quality of life and maintain the current level of City services	Foster economic development and promote environmental preservation	Provide educational, recreational, and cultural opportunities
<ul style="list-style-type: none">  Addition of 5 Police Officers  Fire Station #50 Construction  Complete Streets  City Mobility Initiatives 	<ul style="list-style-type: none">  MainStreet, including the Promenade and Seminole Tribe of Florida Casino  Economic Development Incentive Program  City Green Plan  Reclaimed Water Projects 	<ul style="list-style-type: none">  Windmill Park Improvements  Education Corridor  Oak Trails Park

Complete Streets

There is a collective effort in Broward County 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. During fiscal year 2014, the City was granted approximately \$7.3 million in construction benefits from the Broward Metropolitan Planning Organization towards a Complete Streets project on Lyons Road between Atlantic Boulevard and Sawgrass Expressway. This funding is earmarked for the design and construction of all the hardscape elements to include the paving, pavement markings, sidewalks, signalization, transit amenities, drainage and signage for the project. The City also boasts the "2015 Complete Streets Community Award" provided by the Broward Metropolitan Planning Organization for outstanding efforts engaging the community in planning for Complete Streets.

City Mobility

The City has been actively working on 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. This includes creating 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.

Sustainability and Environmental Preservation

City Green Plan

The City is committed to its strategic priority of promoting environmental preservation, and in 2009, the City Commission adopted the "City Green Plan" in order to establish a framework for achieving environmental leadership. The Plan contains the adoption of a City green image, 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 that are anticipated to result in cost savings based on a diminished demand for resources.

Reclaimed Water

Another way in which the City seeks to promote sustainability is by incorporating a Reclaimed Water program, 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 reduction in fertilizer usage, reduction in use of groundwater and a decrease of treated wastewater into the ocean. The project is estimated to cost approximately \$2.0 million and comprises of the following phases:

-  Sabal Pines Park irrigation (complete)
-  Lyons Road, from Wiles Road to Serko Boulevard (design in progress)
-  Copans Road, from the Florida Turnpike overpass to Lyons Road
-  MainStreet area

The City's sustainability efforts were recognized in 2015 by the Florida Green Building Coalition's Green Local Government for achievements in outstanding environmental stewardship, where it received gold-level certification. In addition, the City's Public Works/EOC Building received LEED® Silver Certification and the Broward League of Cities Green Leaf Award. The City is proud to have received these awards and will continue to implement green and sustainable programs throughout the City.

Health and Wellness

The City is committed to providing a safe and healthy environment for its residents to live, work and play. Many of the recreational and capital improvement programs were developed to promote health and wellness within the community. In 2014, the City received gold recognition as a "Fit Friendly Worksites" by the Greater Miami/Fort Lauderdale American Heart Association and ranked 10th in the National League of Cities' "Let's Move!" Campaign. The City was also just awarded the State Surgeon General's "Healthy Weight Community Champion" certificate for the City's policies and programs to facilitate increased physical activity.

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, 2013. This was the 31th 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 with Special Capital Recognition and Special Performance Measures Recognition for its fiscal year 2014 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 2015 annual budget document has been submitted for another award and is currently under review.

The City also received an award for Outstanding Achievement in Popular Annual Financial Reporting for the September 30, 2013 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

In addition, the City is one of only 27 government agencies in Florida and one of only 68 cities in the United States to receive the 19th Annual Achievement of Excellence in Procurement Award for 2014. This award recognizes organizational excellence in procurement. The judging criteria are designed to measure innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.

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
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**

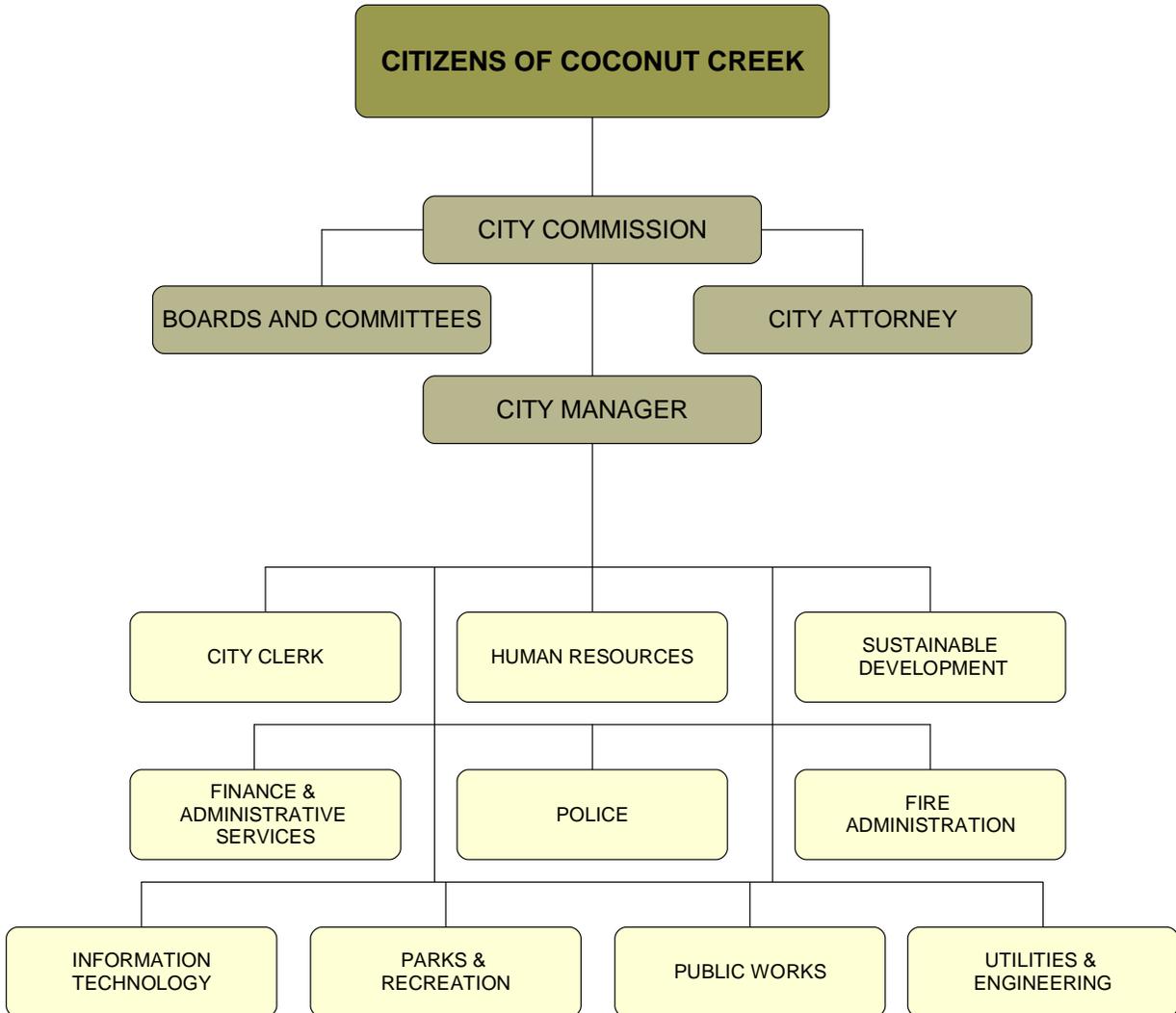
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



COCONUT CREEK GOVERNMENTAL STRUCTURE ORGANIZATION CHART FISCAL YEAR 2014



CITY OF COCONUT CREEK, FLORIDA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2014

Elected Officials

Mayor..... Rebecca A. Tooley
Vice Mayor..... Mikkie Belvedere
Commissioner..... Lou Sarbone
Commissioner..... Sandra L. Welch
Commissioner..... Joshua D. Rydell

Appointed Officials

City Manager Mary C. Blasi
City Attorney..... Terrill C. Pyburn
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
Acting Chief of Police..... Gregory B. Lees
Fire Marshall..... Rodney Zancanata

Finance Officials

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





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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal 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, budgetary comparison schedule and schedule of funding progress for other post-employment benefits on pages 4-21 and 58-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 combining and individual fund statements and schedules 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 combining and individual fund statements and schedules 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 30, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, Florida
March 30, 2015



Management's Discussion and Analysis

As management of the City of Coconut Creek, we offer readers this narrative overview and analysis of the financial activities of the City of Coconut Creek for the fiscal year ended September 30, 2014. 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 that we have furnished in our letter of transmittal which can be found on pages i through xi 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 \$217.9 (net position). Of this amount, \$70.8, 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 \$16.7 during the current fiscal year. Net position of our governmental and business-type activities increased by \$10.4 and \$6.3 respectively. The majority of the increase in governmental fund activities net position is due to an increase in program revenues, including capital grants for construction projects, and an increase in operating revenues for business-type activities due to capital contributions from developers and a water and sewer rate increase to fund current and future capital needs.
- Governmental Activities generated \$22.4 in program revenues, with \$52.5 in direct expenses.
- Business-type Activities generated \$23.1 in program revenues, with \$17.3 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 \$52.6, an increase of \$4.0, or 8.2%, over the prior year. Of this amount, approximately \$8.8 is nonspendable, \$3.8 is restricted, \$16.9 is committed, \$7.7 is assigned, and \$15.4 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15.4, or 31.4% of total General Fund budgeted operating expenditures.
- The City of Coconut Creek's total outstanding debt decreased \$2.7 during the current fiscal year due to scheduled annual debt service payments.
- Capital grants and contributions increased by \$3.3 due to an increase in construction of grant funded capital projects.
- The U.S. government securities market, interest rates and security yields continued to fluctuate this year, resulting in increased interest earnings. So while the City's net investment income decreased 116.7% in 2013, it increased approximately 800.0% in 2014.
- 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 non-major 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 and the stormwater operations, which the government operates like a business.

Management's Discussion and Analysis

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, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Coconut Creek is improving or deteriorating. However, other factors should be considered 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 22 and 23 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

The City of Coconut Creek maintains fourteen 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 six funds considered major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. For financial reporting purposes, the General Fund and the General Trust Fund have been combined and are reported as one fund (the General Fund). Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in this report beginning on page 64.

Major Governmental Funds:

General
Street Construction and Maintenance
Grants
2009 Capital Projects
Capital Improvement
Public Safety Improvement

Non-major Governmental Funds:

Law Enforcement
Affordable Housing
Community Improvement
State Housing Initiative Partnership (SHIP)
Seminole Mitigation
Parks Improvement
Utility Underground
Capital Improvement Revenue Bonds

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 24 through 29 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.

Major Enterprise Fund:

Water and Wastewater

Non-major Enterprise Fund:

Stormwater Management

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 30 through 33 of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire 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 34 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 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.

Management's Discussion and Analysis

Government-wide Financial Analysis

Summary of net position. The overall position of the City improved in 2014. 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:

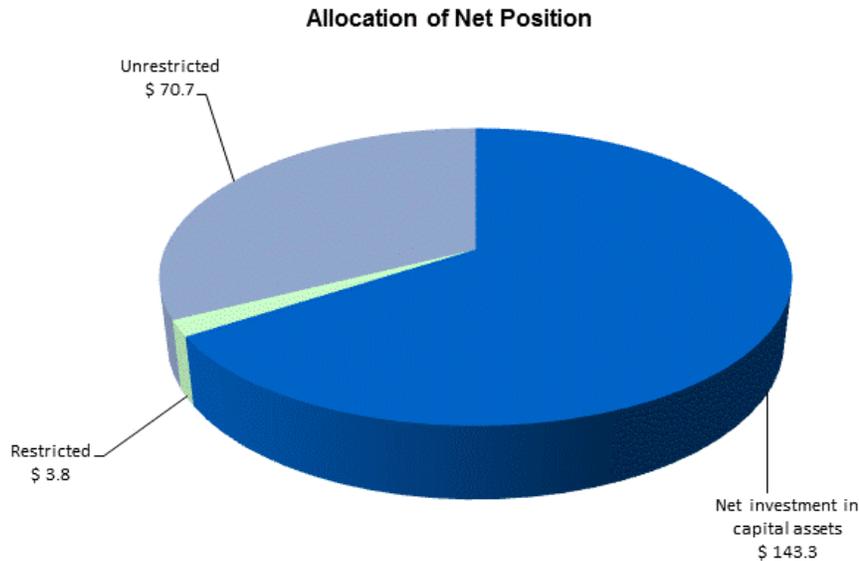
- 1) *Net results of activities* will impact (increase/decrease) current assets and unrestricted net position.
- 2) *Borrowing for capital* will increase current assets and long-term debt.
- 3) *Spending borrowed proceeds on new capital* will reduce current assets and increase capital assets. Additionally, 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.

In the case of the City of Coconut Creek, combined assets exceeded liabilities by \$217.9 at the close of fiscal year 2014 (see Table 1 below).

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Current and other assets	\$ 59.2	\$ 53.7	\$ 32.6	\$ 29.1	\$ 91.8	\$ 82.8	10.9%
Capital assets	88.5	85.0	69.9	66.3	158.4	151.3	4.7%
Total assets	147.7	138.7	102.5	95.4	250.2	234.1	6.9%
Long-term liabilities outstanding	20.8	22.7	0.9	0.9	21.7	23.6	-8.1%
Other liabilities	7.1	6.6	3.5	2.7	10.6	9.3	14.0%
Total liabilities	27.9	29.3	4.4	3.6	32.3	32.9	-1.8%
Net position:							
Net investment in capital assets	73.4	69.4	69.9	66.3	143.3	135.7	5.6%
Restricted	3.8	6.6	-	-	3.8	6.6	-42.4%
Unrestricted	42.6	33.4	28.2	25.5	70.8	58.9	20.2%
Total net position	\$ 119.8	\$ 109.4	\$ 98.1	\$ 91.8	\$ 217.9	\$ 201.2	8.3%

CHART 1



As depicted in Chart 1, 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 \$143.3 or 65.8% 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 \$7.6 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, at \$3.8 or 1.7%, represents resources that are subject to external restrictions on how they may be used. The 2014 balance in restricted net position decreased by \$2.8 due to scheduled use of funds that were restricted by various external agencies.

The remaining balance of \$70.8 or 32.5% reflects unrestricted net position, which increased by \$11.9, and may be used to meet the government's on-going obligations to citizens and creditors. This increase in unrestricted net position is due to an overall increase in revenues, mainly due to miscellaneous revenues from a Fee to Trust Lands Mitigation Agreement with the Seminole Tribe of Florida, utility rate increases, property and utility taxes, franchise fees, and capital grants and contributions.

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.

The City's long-term liabilities decreased by \$1.9. This decrease was mainly due to required annual debt service payments of \$2.7 offset by increases of \$0.5 in the unfunded actuarial accrued liability for other post-employment benefits and \$0.3 in earned but unused vacation and sick leave.

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 55 through 56.

Management's Discussion and Analysis

Other liabilities increased by \$1.3 due to the timing of annual activities (services received, customer deposits, etc.), which includes an increase of \$1.6 in vendor payments and a decrease of \$0.3 relating to the timing of grant receipts and expenses.

Current and other assets increased \$9.0 mainly due to an overall increase in cash and investments and accounts receivable as a result of annual activities (including timing of grant expenses and reimbursements) and the timing of payments and receipts. Changes in capital assets are discussed in the Capital Assets and Debt Administration section on page 18.

Capital assets increased \$7.1 mainly due to the construction of various ongoing capital projects, including the Education Corridor and Lyons Road Phase II and III Median Enhancements projects, as well as the annual replacement of vehicles and computers.

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 \$16.7, or 8.3%, during the fiscal year 2014. Approximately \$1.9 or 11.4% of the increase in net position can be 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 mainly due to increases in water and sewer revenues, charges for services, intergovernmental revenues, utility tax, franchise fees, property tax and investment income. Although costs increased from the prior year, they were less than budgeted due to a savings in total operating expenses, including staff vacancies. More detailed information is provided in the governmental and business-type activities change in net position section as follows.

Management's Discussion and Analysis

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Revenues							
Program revenues							
Charges for services	\$ 18.3	\$ 17.5	\$ 21.2	\$ 19.9	\$ 39.5	\$ 37.4	5.6%
Operating grants and contributions	0.8	0.7	-	-	0.8	0.7	14.3%
Capital grants and contributions	3.3	1.2	1.9	0.7	5.2	1.9	173.7%
General revenues							
Property taxes	16.9	16.1	-	-	16.9	16.1	5.0%
Utility taxes	6.6	6.3	-	-	6.6	6.3	4.8%
Local option gas tax	0.9	0.9	-	-	0.9	0.9	0.0%
Franchise fees	4.3	4.0	-	-	4.3	4.0	7.5%
Impact fees	0.5	0.7	0.2	1.1	0.7	1.8	-61.1%
Intergovernmental	5.3	5.1	-	-	5.3	5.1	3.9%
Investment income	0.5	-	0.2	(0.1)	0.7	(0.1)	-800.0%
Miscellaneous	5.5	2.8	0.1	0.1	5.6	2.9	93.1%
Total revenues	62.9	55.3	23.6	21.7	86.5	77.0	12.3%
Expenses							
General government	12.0	11.4	-	-	12.0	11.4	5.3%
Public safety	26.5	25.2	-	-	26.5	25.2	5.2%
Physical environment	7.4	6.5	-	-	7.4	6.5	13.8%
Culture/recreation	6.0	5.5	-	-	6.0	5.5	9.1%
Interest on long-term debt	0.6	0.7	-	-	0.6	0.7	-14.3%
Water and wastewater	-	-	16.2	16.0	16.2	16.0	1.3%
Stormwater management	-	-	1.1	1.1	1.1	1.1	0.0%
Total expenses	52.5	49.3	17.3	17.1	69.8	66.4	5.1%
Increase in net position	10.4	6.0	6.3	4.6	16.7	10.6	57.5%
Net position-beginning	109.4	103.4	91.8	87.2	201.2	190.6	
Net position-ending	\$119.8	\$109.4	\$ 98.1	\$ 91.8	\$217.9	\$201.2	8.3%

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City of Coconut Creek's net position by \$10.4, thereby accounting for 62.0% 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 \$.8 or 4.6% during the year. The increase is primarily attributed to an increase of \$0.5 in Fire assessment fees resulting from an increase of 7.9% to defray the increase of City's fire contract with the City of Margate; an increase of \$0.2 received from the City of Margate for Teletype Services; and an increase of \$0.3 from the municipal service agreement with the Seminole Tribe of Florida. The remaining net decrease is due to minor fluctuations in other accounts, including a reduction in building permits due to the timing of the construction of new developments.
- Operating grants/contributions increased by \$0.1 or 14.3%. This is due to the timing of grant reimbursements.
- Capital grants/contributions increased by \$2.1 or 175%. This increase is mainly due to the on-going construction of Phase III of the Education Corridor and Lyons Road Sections II and III Median Enhancement, as well as timing of grant reimbursements.
- Property tax collections increased \$0.8 or 5% due to new construction and an increase in property tax values.
- Utility taxes increased by \$0.3 or 4.8% mainly due to a combination of additional FPL customers and FPL rate increases.
- Local option gas tax remained the same from prior year.
- Franchise fees increased by \$0.3 or 7% mainly due to a combination of additional FPL customers and FPL rate increases.
- Impact fees decreased by \$0.2 or -28.6% due to the fewer new construction developments. During 2014, the City received \$0.1 in impact fees from Long Pines Townhomes, a residential townhome development; \$0.2 from Public Storage Inc., for the construction of a four story self-storage facility; \$0.1 from Elite Aluminum for the expansion of their production facilities; and \$0.1 from Gunther Volkswagen, for the construction of a permanent parking facility and undergrounding of utilities.
- Intergovernmental revenues increased by \$0.2 or 3.9% mainly due to a \$0.2 increase in half-cent sales tax, and a \$0.1 increase in state shared revenue, an indication that consumer confidence is on the rebound. These revenues were offset by a \$0.1 decrease in various other revenues.
- Investment income increased by \$0.5 or 100% mainly due to the continued fluctuations in the U.S. government securities market, interest rates and security yields.
- Miscellaneous revenues increased by \$2.7 or 96.4% primarily due to the one-time receipt of \$3.0 from a Fee to Trust Lands Mitigation Agreement with the Seminole Tribe of Florida.
- Expenses increased by \$3.2 or 6.5% due to a \$0.8 increase in personnel costs, which includes the addition of 5 police officers; a one-time expense for anticipated insurance claims of \$0.3 from the dissolution of the public risk entity pool; an increase of \$0.8 in contract prices, which includes a \$0.5 increase in the contract for medical and EMS services with the City of Margate; an increase of \$0.2 in reimbursable operating grant expenditures; an increase in general liability and property insurance premiums of \$0.1; an increase in utilities of \$0.1 and other minor fluctuations in operating expenses.

Governmental revenues increased 13.6% to \$62.9. The following chart (Chart 2) depicts the changes in governmental revenues from fiscal year 2013 to fiscal year 2014. Overall, revenues remained stable from fiscal year 2013 to fiscal year 2014, except for miscellaneous revenues. The majority of the increase in miscellaneous is due to the one-time receipt of \$3.0 for a Fee to Trust lands Mitigation Agreement with the Seminole Tribe of Florida.

CHART 2

Revenues By Source-Governmental Activities

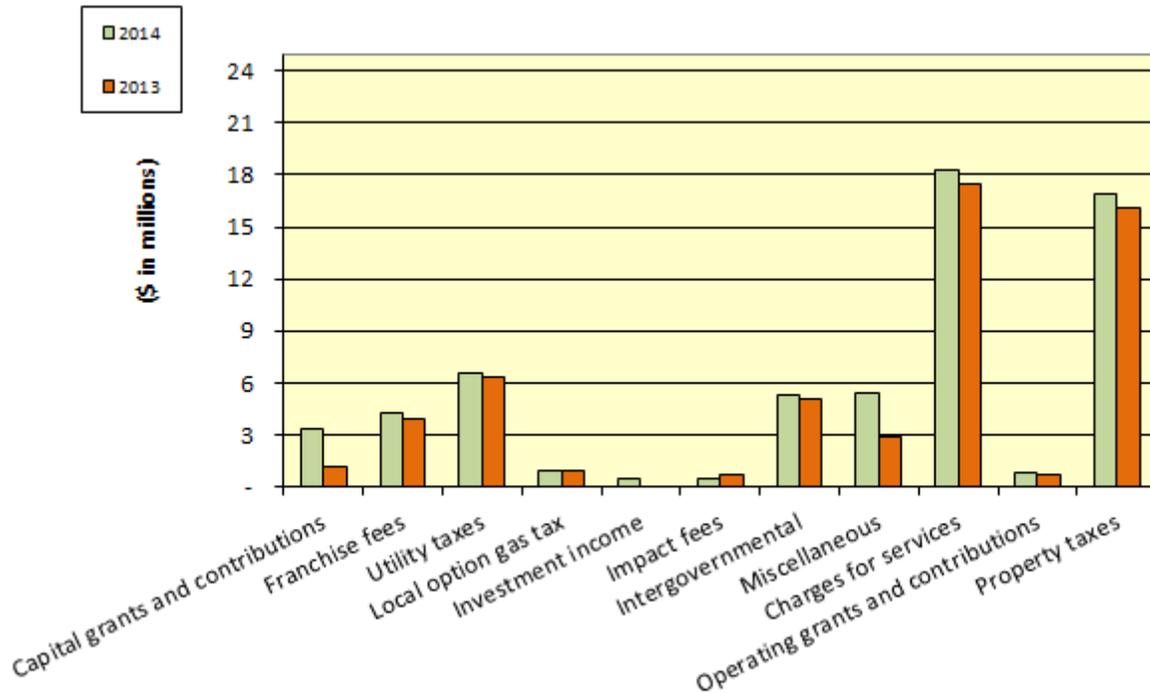
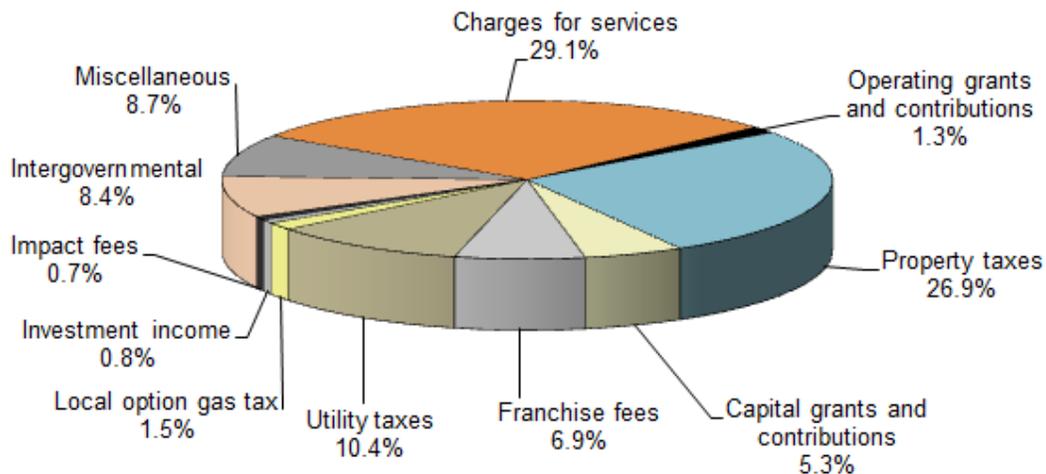


Chart 3 provides an overall view of the various governmental revenue sources. 26.9% of the revenues received come from property taxes, 10.4% from utility taxes, 6.9% from franchise fees, and 29.1% from charges for services.

CHART 3

Revenues By Source – Governmental Activities



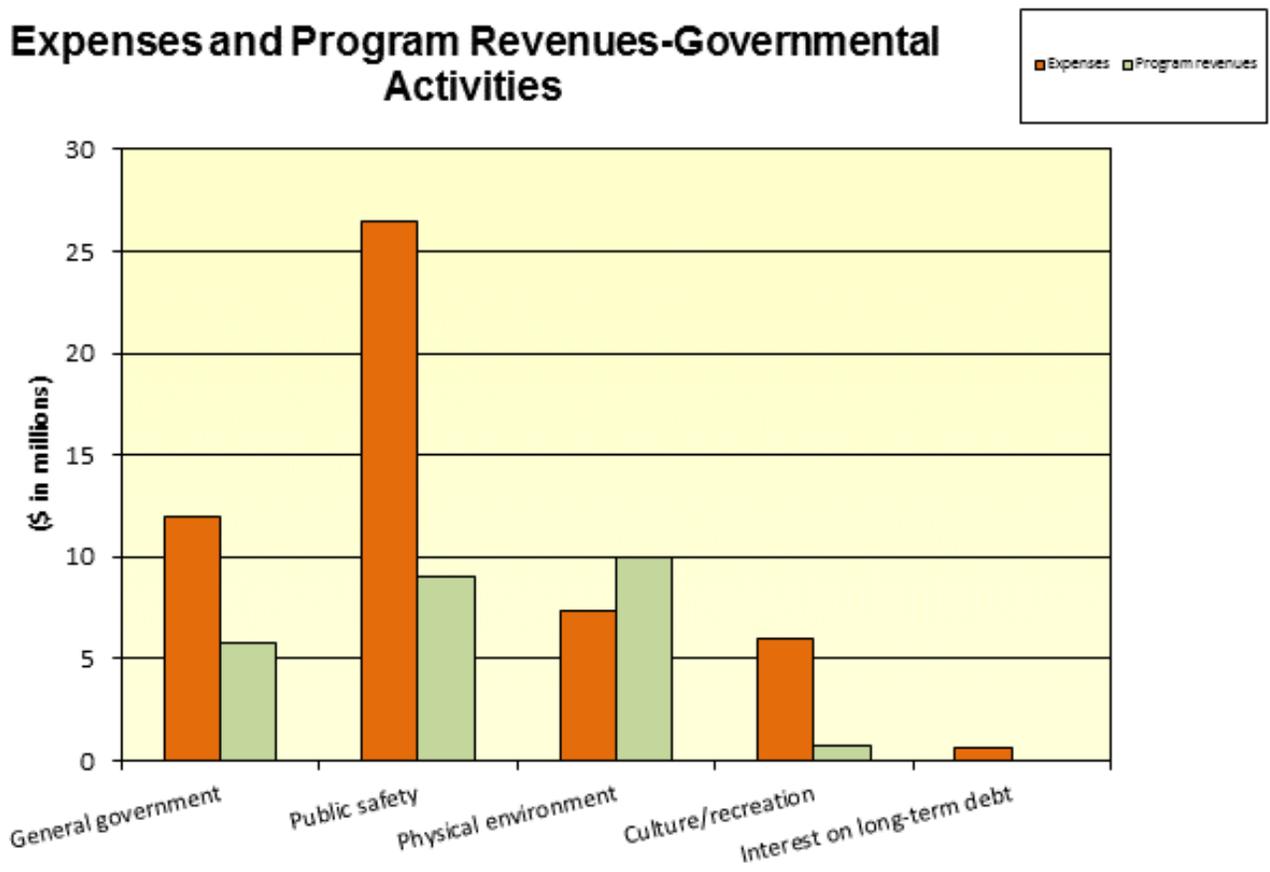
Management's Discussion and Analysis

Chart 4 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$52.5. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services of \$18.3, and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions of \$4.1.

The City financed the remaining \$30.1 "public benefit" portion of governmental activities with \$28.7 in taxes and franchise fees, and with other revenues such as unrestricted state aid, impact fees and miscellaneous revenues.

CHART 4



Physical Environment Program revenues exceeded expenses by \$2.5, primarily due to revenues received from the Fee to Trust Lands Mitigation Agreement with the Seminole Tribe of Florida.

Management's Discussion and Analysis

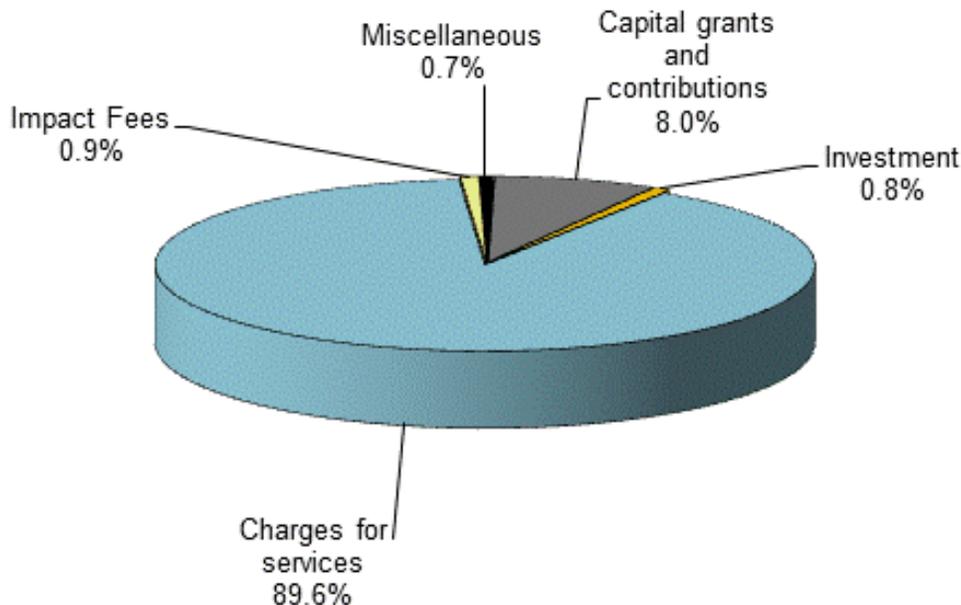
Business-type activities. Business-type activities increased the City of Coconut Creek's net position by \$6.3, accounting for 38.0% of the total increase in the government's net position. Revenues of the City's business-type activities increased 8.8% to \$23.6 while expenses remained relatively the same at \$17.3. Factors contributing to these results included:

- Charges for services increased by \$1.3 or 6.5% due to a rate increase and tiered rate structure implemented to mitigate the impact of Broward County rate increases, promote water conservation, and to provide funding to adequately maintain the system's infrastructure. The scheduled rate increase took effect April 1, 2014.
- Capital Grants and Contributions increased \$1.2 or 171% due to capital contributions of utility easements and infrastructure. This does not represent spendable revenue collected during the year.
- Impact fees decreased by \$0.9, or -450%, as a result of fewer new construction projects. Impact fees were collected for the construction of Long Pines Townhomes, Elite Aluminum and multiple smaller projects.
- Investment income increased \$0.3 or 300% due to the continued fluctuations in the U.S. government securities market, interest rates and security yields.
- Expenses increased by \$0.2, or 0.01%, during the year. This increase is partially attributable to a \$0.1 increase in personnel costs, which includes the addition of two Utility Service Worker I's; and increases in operating costs of \$0.1, which includes a contractual increase of \$0.2 paid to Broward County for water and wastewater services; offset by a decrease of \$0.1 in maintenance expenses.

Chart 5 provides an overall view of the various business-type revenue sources. 89.6% of these revenues received come from charges for services, 8.0% from capital grants and contributions, 0.9% from impact fees paid by developers, 0.8% from investments and 0.7% from miscellaneous sources.

CHART 5

Revenues by Source-Business-Type Activities



Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Coconut Creek's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Coconut Creek's financing requirements. In particular, *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 \$52.6, an increase of \$4.0 in comparison with the prior year.

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

	Governmental Activities	
	2014	2013
Nonspendable:		
Inventory	\$ 0.1	\$ 0.1
Prepays	0.1	0.1
Assets held for resale	8.6	8.6
Restricted for:		
Capital projects	1.1	1.8
Grants	0.4	2.1
Street construction/maintenance	1.2	1.2
Public safety	1.1	1.5
Committed to:		
Affordable housing program	0.8	0.8
Capital projects	13.4	6.2
Community Improvement	-	0.2
Debt service	0.1	0.1
Hurricane emergency reserve	2.6	2.4
Assigned to:		
Capital projects	1.4	2.5
General government	4.3	4.7
Community Improvement	0.3	-
General trust accounts	1.6	1.1
Other	0.1	0.1
Unassigned	15.4	15.1
Total fund balances	\$ 52.6	\$ 48.6

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

Management's Discussion and Analysis

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

- 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: \$3.8 is classified as *restricted*, which indicate amounts constrained to specific purposes by external entities. Restricted fund balance includes \$0.4 associated with grant restrictions; \$1.2 for statutory requirements for street construction and maintenance; \$1.1 for a debt covenant related to the undergrounding of aerial utility lines; and \$1.1 for federal, state, and local requirements for the use of law enforcement forfeitures and seizures.
- Committed Fund Balance: \$16.9 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 \$13.4 constrained to ongoing and future capital projects; \$0.1 related to debt service; \$0.8 related to housing; and \$2.6 related to hurricane emergencies.
- Assigned Fund Balance: \$7.7 is classified as assigned, to indicate amounts constrained by the City's *intent* to use for a specific purpose. Assigned fund balance mainly includes \$1.4 set aside for ongoing and future capital projects; \$4.3 for future budgetary requirements; \$1.6 to be used for various general trust accounts; \$0.3 to be used for community improvements; and \$0.1 for other purchase commitments.
- Unassigned Fund Balance: \$15.4 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 \$24.4, of which \$15.4 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 31.4%, or approximately four months of total General Fund's budgeted operating expenditures.

The fund balance of the City of Coconut Creek's General Fund increased \$0.7 at the fiscal year-end to \$24.4. The City had appropriated \$4.5 of fund balance for spending in the 2014 fiscal year budget. However, higher than anticipated utility taxes, franchise fees, intergovernmental revenues and unused departmental expenditures eliminated the need to use appropriated fund balance. Other factors contributing to the consistent fund balance includes personnel cost savings of \$2.8 (approximately 9.4% of total personnel cost) resulting from vacancies throughout the year; and various operating cost savings of \$1.2 (approximately 8.3% 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 \$1.2, which is mainly held in cash and investments for future street related expenditures and accounts receivable relating to the timing of grant reimbursements. Fund balance decreased by \$1.6 mainly due to the timing of grant reimbursements for the Lyons Road Sections II and III Median Enhancement and Phase III of the Education Corridor 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 increased \$0.03 during this fiscal year due to the timing of grant reimbursements.

The 2009 Capital Improvement Program Fund has a total fund balance of \$1.2, which is mainly held in cash and investments received from the \$10.0 Capital Improvement Revenue Note, Series 2009, issued in fiscal year 2010. The proceeds from the note are being used for the undergrounding of aerial utility lines. Furthermore, the new Public Works/EOC Administration Building, completed in fiscal year 2013, was constructed from the proceeds of this note. Fund balance decreased by \$0.6, representing the use of note proceeds to fund the underlying capital projects.

Management's Discussion and Analysis

The Capital Improvement Program Fund has a total fund balance of \$11.7, which consists mainly of \$8.6 for land reserved as assets held for resale and \$3.3 in cash and investments for ongoing projects, reduced by \$0.2 in outstanding invoices. Fund balance increased \$1.1 mainly due to \$2.7 from various revenue sources, including \$0.6 from revenues acquired through a compact between the Seminole Tribe of Florida and the State of Florida; capital grant reimbursements of \$0.2; transfers from other funds of \$1.7; and investment income and other miscellaneous revenues of \$0.2; offset by expenditures from on-going construction projects of \$1.6.

The Public Safety Improvement Fund has a total fund balance of \$2.5, which is mainly held in cash and investments for future capital assets. Fund balance decreased \$0.1 due to planned capital expenditures, including the construction of Fire Station #50.

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.

The unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to \$23.3. The total increase in net position was \$5.9. The increase in net position was mainly due to capital contributions made during fiscal year 2014, including \$1.9 of utility easements from various developers; higher than expected water and sewer sales of \$1.3; higher than anticipated interest earnings of \$0.1 due to fluctuating market conditions; lower than anticipated utility charges paid to Broward County of \$0.7; lower than anticipated service contracts of \$0.2; and the timing of 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 \$4.9. The total increase in net position was \$0.5 mainly due to various operational savings. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Coconut Creek's business-type activities.

General Fund Budgetary Highlights

During the year, there was a \$0.7 re-allocation in appropriations between the original and the final amended budget for the General Fund for the City's economic development incentive initiative.

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 \$0.4. The revenue difference is primarily attributed to the following factors:

- Utility taxes exceeded budget by \$0.3 due to a combination of additional FPL customers, power usage and FPL rate increases.
- 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.
- Fines and Forfeitures exceeded budget by \$0.1 due to an increase in court fine collections.
- Charges for services fell short of budget by \$0.1 with \$0.2 less in fire assessment collections and \$0.01 less in EMS Transport fees; offset by an increase of \$0.2 in Teletype Services, a new revenue source.
- Licenses and Permits fell short of budget by \$0.1 due to the timing of construction activity for new developments within the City.

Management’s Discussion and Analysis

Expenditures

As of fiscal year-end, actual expenditures came in under budget by \$5.4. The main operational expenditure differences are as follows:

- Personnel costs were less than budgeted amounts by \$2.7 due to staff turnover and vacancies throughout the year, leading to lower than budgeted personnel costs.
- Operating costs were \$2.6 less than budgeted mainly due to insurance -\$0.2; fuel -\$0.1; utilities -\$0.1; economic incentives and neighborhood enhancement grants -\$0.3; and contingency -\$0.7 all being under budget, as well as a concerted effort by all departments to continually seek ways to reduce spending each year.

Additional information on budgetary comparisons can be found on pages 58 through 62.

Capital Asset and Debt Administration

Capital assets (see Table 4 below). The City of Coconut Creek’s investment in capital assets for its governmental and business type activities as of September 30, 2014 amounts to \$158.4 (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 \$7.1, represented by a 4.1% increase in governmental activities and a 5.5% increase for business-type activities.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Land	\$ 25.1	\$ 25.1	\$ 0.4	\$ 0.4	\$ 25.5	\$ 25.5	0.0%
Buildings	22.7	23.1	2.4	2.5	25.1	25.6	-2.0%
Improvements	7.0	7.3	0.8	0.8	7.8	8.1	-3.7%
Equipment	6.0	5.4	1.6	1.2	7.6	6.6	15.2%
Infrastructure	22.3	22.8	56.6	55.9	78.9	78.7	0.3%
Intangibles	0.1	0.1	5.8	4.8	5.9	4.9	20.4%
Construction in progress	5.3	1.2	2.3	0.7	7.6	1.9	300.0%
Total	\$ 88.5	\$ 85.0	\$ 69.9	\$ 66.3	\$158.4	\$151.3	4.7%

For governmental activities, this year’s major capital asset additions before depreciation totaled \$6.5 (including transfers) and include the following:

- \$0.6 in buildings and improvement, which represents \$0.2 for the Sabal Pines Greenway Trail; \$0.1 for the Recreation Complex Gymnasium Renovations; \$0.1 for the Rowe Community Center Renovations; \$0.1 for Shade Structures; and \$0.1 for various other projects.

Management's Discussion and Analysis

- \$4.1 in construction in progress, which relates to projects started in the City, but not yet completed, including \$1.8 for the Education Corridor project; \$1.5 for the Lyons Road Phases II and III Median Enhancement project; \$0.4 for the construction of Fire Station #50; \$0.3 for Undergrounding Aerial Utility Lines; and \$0.1 for the 74th Street Passive Park project.
- \$0.1 in infrastructure, which was spent installing new or replacing deteriorated sidewalks throughout the City.
- \$1.7 in equipment, which represents \$0.2 for the purchase of communications equipment; \$0.5 for computer software and computer hardware purchases and replacements; and \$0.9 for vehicle replacements. The remaining difference of \$0.1 includes various other minor equipment purchases.

For governmental activities, this year's major capital asset disposal consisted of \$0.3 in vehicles and \$0.1 in computers as part of the annual vehicle and computer replacement plans. The City also disposed of other equipment and improvements totaling \$0.1. In addition, \$0.1 was transferred from construction in progress to improvements. The transfer represented the completion of various miscellaneous projects.

Capital additions for business-type activities before depreciation totaled \$5.2 and include the following:

- \$0.9 in utility easements from various developers.
- \$1.9 in infrastructure, which represents \$1.0 in contributions of water and sewer infrastructure from various developers; \$0.3 for Lift Station Rehabilitation; \$0.2 for Sewer Pipe and Main Rehabilitation; \$0.1 Lyons Road Force Main; and other minor additions totaling \$0.3.
- \$1.6 in construction in progress, which relates to projects started in the City, but not yet completed, including \$0.9 on the SCADA Telemetry System; \$0.2 on the Reclaimed Water project; \$0.1 on the Waterbody Maintenance project; \$0.1 on Stormwater Drainage Improvements; \$0.1 on the NW 74th Street Fire Hydrants Installation project; and \$0.2 for other various projects.
- \$0.7 in equipment, which represents \$0.5 for vehicles and \$0.2 for various other minor equipment purchases.
- The remaining additions of \$0.1 were various negligible items.

Capital asset disposals for business-type activities consisted of \$0.2 in vehicles.

Additional information on the City of Coconut Creek's capital assets can be found in Note 7 on pages 45 through 47 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 \$14.9. 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 \$2.7 or -15.3% during the current fiscal year due to required annual debt service payments.

Management’s Discussion and Analysis

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Revenue notes (backed by specific tax and fee revenues)	14.9	17.6	-	-	14.9	17.6	-15.3%
Total	\$ 14.9	\$ 17.6	\$ -	\$ -	\$ 14.9	\$ 17.6	-15.3%

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 47 through 50 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.

Unrestricted fund balance (which is comprised of committed, assigned, and unassigned fund balance) in the General Fund totals \$24.2. Of that amount, the City of Coconut Creek appropriated \$4.1 for spending in the 2015 fiscal year budget. The City continues to show improvement from prior years, which is representative of the economic stabilization and slow, 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 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. In addition, the City is committed to maintaining a diversified and stable revenue system to minimize the dependence on property taxes. Resources are monitored to determine the need for program adjustments or fee increases.

For fiscal year 2015 budget, property tax values increased 8.6% in the City. The net increase is comprised of a 6.3% increase from reassessments of existing properties and a 2.3% increase from new construction. The City Commission approved a decrease of .0949 or 1.5% in the operating property tax rate from 6.3250 to 6.2301 offsetting a 1.5% increase in the taxable value of the homesteaded properties. Therefore, residents enjoying the benefit of “Save Our Homes” which limits taxable value increases to 3% or CPI, whichever is less, will not see the amount of City taxes they pay increase. Due to the increase in property values, the gross tax revenues increased \$1.2, which helped fund the additional cost of 5.90 full time equivalent (FTE) employees, including police officers, building inspectors, a permit technician, and recreation workers to meet the needs of our growing City.

Management's Discussion and Analysis

The fire assessment rates increased by 9.0% from fiscal year 2014 to fiscal year 2015 to defray some of the increase in the City's fire contract with the City of Margate and the purchase of new equipment. The single family, multi-family, and mobile home rates are \$161.63, \$145.48, and \$80.82, respectively.

For the past several years, water levels in Lake Okeechobee have been a concern, causing the South Florida Water Management District (SFWMD) to implement permanent water restrictions throughout South Florida. Since the overall potable water is a limited resource, the SFWMD is mandating that local government agencies look for alternate water supplies. Broward County Water and Wastewater Services (WWS), which is the bulk supplier of our potable water, has identified the deeper Floridian Aquifer as the alternate source to meet the City's future demands. Additionally, based on a mandate by the State Legislature, all wastewater discharge into the ocean must cease by 2025. This will require higher level of treatment before wastewater could be disposed of by such means as reclaimed water and/or deep well injection, both of which are expensive options. Such mandates for water and wastewater will result in substantial increases in the utility rates for customers throughout the region.

During fiscal year 2009, the City completed a utility rate study, which identified the rate structure required to meet current and future demands for continuing operations and maintaining the current infrastructure. The Water and Wastewater Fund remains financially stable and as such, the City Commission rescinded the automatic rate increase scheduled for April 1, 2015. A stormwater rate increase of 2.4%, the consumer price index, went into effect on October 1, 2014.

All of these factors were considered in preparing the City of Coconut Creek's budget for the 2015 fiscal year.

Requests for Information

This financial report is designed to familiarize our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. 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. The reader may also visit the City's website at www.coconutcreek.net for an electronic version of this report.



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CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET POSITION
September 30, 2014

	Governmental Activities	Business- type Activities	Total
ASSETS:			
Cash	\$ 7,452,000	\$ 5,244,972	\$ 12,696,972
Accounts receivable	2,174,854	2,112,533	4,287,387
Due from other governments	4,537,390	48,076	4,585,466
Investments	36,161,440	25,197,084	61,358,524
Inventory and prepaid costs	227,370	-	227,370
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	30,371,154	8,494,427	38,865,581
Capital assets being depreciated	58,160,132	61,479,284	119,639,416
Total assets	147,704,424	102,576,376	250,280,800
LIABILITIES:			
Accounts payable and accrued liabilities	3,511,561	1,001,538	4,513,099
Retainage payable	284,736	29,738	314,474
Unearned revenue	262,628	45,883	308,511
Due to other governments	26,747	688,209	714,956
Customer and other deposits payable	600	1,651,549	1,652,149
Due within one year:			
Compensated absences payable	283,353	49,390	332,743
Revenue notes payable	2,770,942	-	2,770,942
Due in more than one year:			
Compensated absences payable	4,171,543	429,127	4,600,670
Revenue notes payable	12,114,273	-	12,114,273
Net OPEB obligation	4,512,000	538,000	5,050,000
Total liabilities	27,938,383	4,433,434	32,371,817
NET POSITION:			
Net investment in capital assets	73,361,335	69,943,973	143,305,308
Restricted:			
Capital projects	1,154,014	-	1,154,014
Street construction and maintenance	1,174,239	-	1,174,239
Public safety	1,096,007	-	1,096,007
Grants	388,463	-	388,463
Unrestricted	42,591,983	28,198,969	70,790,952
Total net position	\$ 119,766,041	\$ 98,142,942	\$ 217,908,983

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



CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2014

Functions/Programs	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
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 12,003,969	\$ 2,813,272	\$ -	\$ -	\$ (9,190,697)	\$ -	\$ (9,190,697)
Public safety	26,486,731	8,834,682	14,370	160,708	(17,476,971)	-	(17,476,971)
Physical environment	7,375,052	5,953,240	831,055	3,160,100	2,569,343	-	2,569,343
Culture and recreation	5,984,337	707,708	-	-	(5,276,629)	-	(5,276,629)
Interest on long-term debt	606,116	-	-	-	(606,116)	-	(606,116)
Total governmental activities	52,456,205	18,308,902	845,425	3,320,808	(29,981,070)	-	(29,981,070)
Business-type activities							
Water and wastewater	16,213,478	19,645,414	-	1,898,937	-	5,330,873	5,330,873
Stormwater management	1,158,255	1,575,609	-	-	-	417,354	417,354
Total business-type activities	17,371,733	21,221,023	-	1,898,937	-	5,748,227	5,748,227
Total primary government	\$ 69,827,938	\$ 39,529,925	\$ 845,425	\$ 5,219,745	(29,981,070)	5,748,227	(24,232,843)
General Revenues:							
Taxes:							
Property taxes					16,893,853	-	16,893,853
Utility taxes					6,562,640	-	6,562,640
Local option gas tax					930,940	-	930,940
Franchise fees					4,314,798	-	4,314,798
Impact fees					460,436	214,613	675,049
Intergovernmental not restricted to specific programs					5,285,841	-	5,285,841
Investment income					495,799	193,405	689,204
Miscellaneous					5,444,268	160,017	5,604,285
Total general revenues					40,388,575	568,035	40,956,610
Change in net position					10,407,505	6,316,262	16,723,767
Net position, beginning					109,358,536	91,826,680	201,185,216
Net position, ending					\$ 119,766,041	\$ 98,142,942	\$ 217,908,983

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

CITY OF COCONUT CREEK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

	General Fund	Street Construction and Maintenance Fund	Grants Fund
ASSETS:			
Cash	\$ 4,211,759	\$ 90,347	\$ 1,486
Accounts receivable	2,132,748	955	-
Due from other governments	1,580,945	2,825,847	46,852
Investments	19,790,061	663,280	506,031
Inventory and prepaid costs	218,390	-	7,380
Assets held for resale	-	-	-
Total assets	<u>27,933,903</u>	<u>3,580,429</u>	<u>561,749</u>
LIABILITIES:			
Accounts payable and accrued liabilities	2,547,509	386,759	214,971
Retainage payable	-	230,125	-
Unearned revenue	262,628	-	-
Due to other governments	20,606	-	-
Deposits	600	-	-
Total liabilities	<u>2,831,343</u>	<u>616,884</u>	<u>214,971</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - grants	-	1,789,306	2,949
Unavailable revenue - EMS	613,521	-	-
Total deferred inflows of resources	<u>613,521</u>	<u>1,789,306</u>	<u>2,949</u>
FUND BALANCES:			
Nonspendable:			
Inventory	122,764	-	-
Prepaid costs	95,626	-	7,380
Assets held for resale	-	-	-
Restricted:			
Capital projects	-	-	-
Grants	-	-	336,449
Street construction/maintenance	-	1,174,239	-
Public safety	-	-	-
Committed:			
Affordable housing program	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Hurricane emergency reserve	2,574,396	-	-
Assigned:			
Capital projects	-	-	-
General government	4,285,146	-	-
Community improvement	315,933	-	-
Physical environment	22,000	-	-
Public safety	32,280	-	-
Culture and recreation	53,626	-	-
General trust accounts	1,545,192	-	-
Unassigned	<u>15,442,076</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>24,489,039</u>	<u>1,174,239</u>	<u>343,829</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,933,903</u>	<u>\$ 3,580,429</u>	<u>\$ 561,749</u>

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

2009 Capital Projects Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 210,655	\$ 560,724	\$ 422,913	\$ 1,954,116	\$ 7,452,000
1,480	22,919	2,968	13,784	2,174,854
-	75,000	-	8,746	4,537,390
1,018,053	2,709,869	2,043,851	9,430,295	36,161,440
-	-	-	1,600	227,370
-	8,620,084	-	-	8,620,084
<u>1,230,188</u>	<u>11,988,596</u>	<u>2,469,732</u>	<u>11,408,541</u>	<u>59,173,138</u>
76,174	234,325	7,615	44,208	3,511,561
-	8,586	-	46,025	284,736
-	-	-	-	262,628
-	6,141	-	-	26,747
-	-	-	-	600
<u>76,174</u>	<u>249,052</u>	<u>7,615</u>	<u>90,233</u>	<u>4,086,272</u>
-	-	-	-	1,792,255
-	-	-	-	613,521
-	-	-	-	<u>2,405,776</u>
-	-	-	-	122,764
-	-	-	1,600	104,606
-	8,620,084	-	-	8,620,084
1,154,014	-	-	-	1,154,014
-	-	-	52,014	388,463
-	-	-	-	1,174,239
-	-	-	1,096,007	1,096,007
-	-	-	770,257	770,257
-	1,678,371	2,462,117	9,294,327	13,434,815
-	-	-	104,103	104,103
-	-	-	-	2,574,396
-	1,441,089	-	-	1,441,089
-	-	-	-	4,285,146
-	-	-	-	315,933
-	-	-	-	22,000
-	-	-	-	32,280
-	-	-	-	53,626
-	-	-	-	1,545,192
-	-	-	-	15,442,076
<u>1,154,014</u>	<u>11,739,544</u>	<u>2,462,117</u>	<u>11,318,308</u>	<u>52,681,090</u>
<u>\$ 1,230,188</u>	<u>\$ 11,988,596</u>	<u>\$ 2,469,732</u>	<u>\$ 11,408,541</u>	<u>\$ 59,173,138</u>

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



CITY OF COCONUT CREEK, FLORIDA
 RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 September 30, 2014

TOTAL FUND BALANCES, GOVERNMENTAL FUNDS, PAGE 25 \$ 52,681,090

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	\$	121,384,129	
Less accumulated depreciation		(32,852,843)	
Net Adjustment			88,531,286

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net assets additional Donation of Tequesta Bridge

Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of the funds, and under full accrual accounting they are considered revenues.	2,405,776
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Notes payable	(14,885,215)
Compensated absences	(4,454,896)
Other post employment benefit obligation (OPEB)	(4,512,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 22 \$ 119,766,041

The notes to the financial statements are an integral part of this statement.

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	General Fund	Street Construction and Maintenance Fund	Grants Fund	2009 Capital Projects Fund
REVENUES:				
Ad valorem taxes	\$ 16,893,853	\$ -	\$ -	\$ -
Franchise fees	4,314,798	-	-	-
Utility taxes	6,562,640	-	-	-
Licenses and permits	2,838,677	-	-	-
Intergovernmental revenues	4,800,976	2,713,034	858,763	-
Charges for services	12,033,349	-	-	-
Fines and forfeitures	404,497	-	-	-
Impact fees	-	-	-	-
Seminole mitigation fees	-	-	-	-
Investment income	197,853	17,862	-	10,115
Miscellaneous revenues	1,711,886	63,947	-	-
Total revenues	<u>49,758,529</u>	<u>2,794,843</u>	<u>858,763</u>	<u>10,115</u>
EXPENDITURES:				
Current:				
General government	9,915,107	-	-	-
Public safety	25,210,839	-	5,578	-
Physical environment	4,178,508	940,617	676,412	-
Culture and recreation	5,252,767	-	-	-
Nondepartmental	1,127,937	215,000	-	-
Capital outlay	412,240	3,205,080	143,839	269,531
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>46,097,398</u>	<u>4,360,697</u>	<u>825,829</u>	<u>269,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,661,131</u>	<u>(1,565,854)</u>	<u>32,934</u>	<u>(259,416)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	22,990	-	-	-
Transfers out	(2,985,040)	-	-	(421,937)
Total other financing sources (uses)	<u>(2,962,050)</u>	<u>-</u>	<u>-</u>	<u>(421,937)</u>
Net change in fund balances	699,081	(1,565,854)	32,934	(681,353)
FUND BALANCES- Beginning	23,789,958	2,740,093	310,895	1,835,367
FUND BALANCES - Ending	<u>\$ 24,489,039</u>	<u>\$ 1,174,239</u>	<u>\$ 343,829</u>	<u>\$ 1,154,014</u>

The notes to the financial statements are an integral part of this statement.

Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 16,893,853
-	-	-	4,314,798
-	-	-	6,562,640
-	-	-	2,838,677
182,184	-	34,756	8,589,713
-	-	2,953,240	14,986,589
-	-	160,708	565,205
-	794,897	355,125	1,150,022
-	-	3,000,000	3,000,000
19,298	185,716	64,955	495,799
722,663	-	-	2,498,496
<u>924,145</u>	<u>980,613</u>	<u>6,568,784</u>	<u>61,895,792</u>
-	-	32,812	9,947,919
-	-	44,987	25,261,404
-	-	184,170	5,979,707
-	-	-	5,252,767
-	-	-	1,342,937
1,577,469	454,473	700,358	6,762,990
-	-	2,685,618	2,685,618
-	-	606,116	606,116
<u>1,577,469</u>	<u>454,473</u>	<u>4,254,061</u>	<u>57,839,458</u>
<u>(653,324)</u>	<u>526,140</u>	<u>2,314,723</u>	<u>4,056,334</u>
1,721,937	-	3,748,460	5,493,387
-	(647,460)	(1,438,950)	(5,493,387)
<u>1,721,937</u>	<u>(647,460)</u>	<u>2,309,510</u>	<u>-</u>
1,068,613	(121,320)	4,624,233	4,056,334
10,670,931	2,583,437	6,694,075	48,624,756
<u>\$ 11,739,544</u>	<u>\$ 2,462,117</u>	<u>\$ 11,318,308</u>	<u>\$ 52,681,090</u>

The notes to the financial statements are an integral part of this statement.

CITY OF COCONUT CREEK, FLORIDA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended September 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 28 \$ 4,056,334

Amounts reported for governmental activities in the statement of activities
 (Page 23) are different because:

Governmental funds report capital outlays 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	\$ 6,484,060	
Depreciation expense	<u>(2,910,524)</u>	
Net Adjustment		3,573,536

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		967,918
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Repayment of debt principal is an expenditure in the
 governmental funds but the repayment reduces long-term
 liabilities in the statement of net position. This is the
 amount by which repayments exceed issuance of debt.

Principal payments		2,685,618
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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	(290,141)	
Change in other post employment benefit obligation (OPEB)	<u>(511,000)</u>	
		<u>(801,141)</u>

The net effect of various miscellaneous transactions involving capital assets.		<u>(74,760)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (PAGE 23) \$ 10,407,505

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	Business-type Activities		
	Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
ASSETS:			
Current assets:			
Cash	\$ 4,376,312	\$ 868,660	\$ 5,244,972
Accounts receivable	1,996,299	116,234	2,112,533
Due from other governments	35,270	12,806	48,076
Total current assets	6,407,881	997,700	7,405,581
Non-current assets:			
Investments	20,999,024	4,198,060	25,197,084
Capital assets:			
Land	406,071	-	406,071
Easements	5,806,811	-	5,806,811
Buildings	2,747,901	-	2,747,901
Improvements	1,061,375	18,866	1,080,241
Equipment	2,204,539	608,842	2,813,381
Infrastructure	80,169,191	760,193	80,929,384
Construction in progress	2,081,734	199,811	2,281,545
Total capital assets	94,477,622	1,587,712	96,065,334
Less accumulated depreciation	25,770,047	321,576	26,091,623
Total capital assets, net	68,707,575	1,266,136	69,973,711
Total assets	96,114,480	6,461,896	102,576,376
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Accounts payable and accrued liabilities	935,055	66,483	1,001,538
Retainage payable	20,050	9,688	29,738
Unearned revenues	45,883	-	45,883
Due to other governments	688,209	-	688,209
Compensated absences	48,012	1,378	49,390
Customer deposits payable	1,651,549	-	1,651,549
Total Current Liabilities	3,388,758	77,549	3,466,307
Noncurrent liabilities:			
Other postemployment benefit obligations	415,000	123,000	538,000
Compensated absences	367,961	61,166	429,127
Total noncurrent liabilities	782,961	184,166	967,127
Total liabilities	4,171,719	261,715	4,433,434
NET POSITION:			
Net investment in capital assets	68,687,525	1,256,448	69,943,973
Unrestricted	23,255,236	4,943,733	28,198,969
Total net position	\$ 91,942,761	\$ 6,200,181	\$ 98,142,942

The notes to the financial statements are an integral part of this statement.

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

	Business-type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 19,645,414	\$ 1,575,609	\$ 21,221,023
Miscellaneous	160,017	-	160,017
Total operating revenues	19,805,431	1,575,609	21,381,040
Operating expenses:			
Administrative costs	4,859,860	400,000	5,259,860
Operations and maintenance	9,769,104	683,706	10,452,810
Depreciation	1,446,808	54,000	1,500,808
Other services and charges	135,351	20,549	155,900
Total operating expenses	16,211,123	1,158,255	17,369,378
Operating income	3,594,308	417,354	4,011,662
Non-operating revenues (expenses)			
Interest expense and fees	(2,355)	-	(2,355)
Impact fees	214,613	-	214,613
Investment income	159,422	33,983	193,405
Total non-operating revenues	371,680	33,983	405,663
Income before contributions	3,965,988	451,337	4,417,325
Capital contributions - developers	1,898,937	-	1,898,937
Change in net position	5,864,925	451,337	6,316,262
Net Position - Beginning	86,077,836	5,748,844	91,826,680
Net Position - Ending	\$ <u>91,942,761</u>	\$ <u>6,200,181</u>	\$ <u>98,142,942</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

	Business-type Activities		
	Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 19,779,379	\$ 1,596,314	\$ 21,375,693
Payments to suppliers	(11,377,634)	(501,561)	(11,879,195)
Payments to employees for services	(2,609,555)	(557,338)	(3,166,893)
Net Cash Provided By Operating Activities	<u>5,792,190</u>	<u>537,415</u>	<u>6,329,605</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(2,355)	-	(2,355)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(2,914,658)	(331,813)	(3,246,471)
Impact fees	214,613	-	214,613
Net Cash Used In Capital and Related Financing Activities	<u>(2,700,045)</u>	<u>(331,813)</u>	<u>(3,031,858)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	159,422	33,983	193,405
Proceeds from sales and maturities of investments	2,380,000	490,000	2,870,000
Purchases of investments	(7,397,885)	(1,201,543)	(8,599,428)
Net Cash Used In Investing Activities	<u>(4,858,463)</u>	<u>(677,560)</u>	<u>(5,536,023)</u>
Net (Decrease) in Cash	<u>(1,768,673)</u>	<u>(471,958)</u>	<u>(2,240,631)</u>
CASH - BEGINNING	<u>6,144,985</u>	<u>1,340,618</u>	<u>7,485,603</u>
CASH - ENDING	<u>\$ 4,376,312</u>	<u>\$ 868,660</u>	<u>\$ 5,244,972</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

	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	\$ 3,594,308	\$ 417,354	\$ 4,011,662
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for depreciation	1,446,808	54,000	1,500,808
(Increase) decrease in assets:			
Accounts receivable	9,218	33,511	42,729
Due from other governments	(35,270)	(12,806)	(48,076)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities and retainage payable	(9,644)	35,228	25,584
Unearned revenues	(7,177)	-	(7,177)
Due to other governments	688,209	-	688,209
Compensated absences	(8,833)	4,128	(4,705)
Customer deposits payable	53,571	-	53,571
Other postemployment benefit obligations	61,000	6,000	67,000
Total adjustments	<u>2,197,882</u>	<u>120,061</u>	<u>2,317,943</u>
Net Cash Provided By Operating Activities	<u>\$ 5,792,190</u>	<u>\$ 537,415</u>	<u>\$ 6,329,605</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, AND CAPITAL RELATED FINANCING ACTIVITIES			
Contributions of capital assets from developers	\$ <u>1,898,937</u>	\$ <u>-</u>	\$ <u>1,898,937</u>
Decrease in fair value of investments	\$ <u>44,413</u>	\$ <u>9,144</u>	\$ <u>53,557</u>

The notes to the financial statements are an integral part of this statement.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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/waste-water, 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 organizations 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 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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 federal, 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 Fund* is a capital projects fund that accounts for the City's capital improvement program.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 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. 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.

E. Accounting Estimates

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

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, investments with the State Board of Administration investment pool, and investments with original maturities of three months or less when purchased. The City maintains a cash and investment pool that is available for use by all funds.

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.

G. Accounts Receivable

Accounts receivable balances consists of amounts due for charges for services, fees, taxes, grants, unbilled utility services, etc. The unbilled portion of water and sewer earned revenues is accrued at year-end and is based on the October billing. The City of Coconut Creek has an Interlocal Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The City of Margate collects charges for emergency medical services provided and remits the amounts collected to Coconut Creek, less a 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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Inventory and Prepaid Costs

Inventory is valued at cost. The costs of governmental fund-type inventory is recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These costs are accounted for under the consumption method.

I. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, sidewalks, pump stations, lighting system, water and sewer system and similar items), and intangibles 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 (including easements)	15-65 years
Equipment	5-30 years
Software	5 years

J. Compensated Absences

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Long-Term Obligations

In the government-wide financial statements and the 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. Bond issue costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond issue costs, 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.

L. 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 and deferred inflows/outflows 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 \$3,812,723 of restricted net position, of which \$2,322,260 is restricted by enabling legislation.

M. 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 2014, non-spendable fund balance is \$8,847,454.

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 2014, restricted fund balance is \$3,812,723.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (equally binding) 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 2014, committed fund balance is \$16,883,571.

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 through a resolution by City Commission, are generally temporary and normally the same formal action need not be taken to remove the assignment. In fiscal year 2014, assigned fund balance is \$7,695,266.

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 2014, unassigned fund balance is \$15,442,076.

Unrestricted fund balance: Unrestricted fund balance equals the total of committed, assigned and unassigned fund balance. In fiscal year 2014, unrestricted fund balance is \$40,020,913.

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.

N. 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 1/2 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.

O. 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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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.

Q. 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.

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 and emergency medical service (EMS).

R. Assets Held for Resale

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

NOTE 2 – PROPERTY TAXES

The City's property tax is levied each October on the assessed value established by the Broward County Property Appraiser as of January 1st 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, 2013, upon which the 2013-2014 tax levy calculation was based, was \$2,785,382,997. The tax rate to finance all governmental services for the year ended September 30, 2014 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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, and 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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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

As of September 30, 2014, the City of Coconut Creek had the following cash, cash equivalents and investments:

Deposits and Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percent Distribution
Cash deposits	\$ 12,696,972			17.1%
Total Deposits	<u>12,696,972</u>			
Florida Trust Day-to-Day Fund - money market fund	5,015,236	55 days	AAAm S&P	6.8%
State Board of Administration- Florida PRIME	136	39 days	AAAm S&P	0.0%
Florida Municipal Investment Trust:				
0-2 Year High Quality Bond Fund	12,064,887	.75 years	AAA/V1 Fitch	16.3%
1-3 Year High Quality Bond Fund	13,197,738	1.49 years	AAA/V2 Fitch	17.8%
Intermediate High Quality Bond Fund	2,405,669	3.96 years	AAA/V3 Fitch	3.2%
U.S. Government Sponsored Enterprises:				
Federal National Mortgage Association	2,998,120	6.24 years	Aaa Moody's	4.0%
Federal Home Loan Bank	5,909,560	6.24 years	Aaa Moody's	8.0%
Small Business Association Pool	1,972,428	6.24 years	Aaa Moody's	2.7%
Federal Home Loan Mortgage Corporation	794,750	6.24 years	Aaa Moody's	1.1%
Certificates of deposit	<u>17,000,000</u>	6.24 years	Not rated	<u>23.0%</u>
Total Investments	<u>61,358,524</u>			
Total Deposits and Investments	\$ <u><u>74,055,496</u></u>			<u><u>100.00%</u></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 and 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, 2014 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. GASB 40 requires disclosure when the percent is 5% or more in any one issuer. As of September 30, 2014, all investments are within the allowable percentages.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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

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, 2014, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

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 and amounts due from other governments as of September 30, 2014 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>Other</u>	<u>Total</u>	<u>Due from Other Governments</u>
Governmental activities:					
General Fund	\$ 4,456,846	\$ 1,214,976	\$ 108,024	\$ 5,779,846	\$ 1,580,945
Street Construction and Maintenance Fund	-	-	955	955	2,825,847
Grants Fund	-	-	-	-	46,852
2009 Capital Projects Fund	-	-	1,480	1,480	-
Capital Improvement Program Fund	18,982	-	3,937	22,919	75,000
Public Safety Improvement Fund	-	-	2,968	2,968	-
Nonmajor funds	-	-	13,784	13,784	8,746
Allowance for uncollectible accounts receivable	<u>(3,647,098)</u>	-	-	<u>(3,647,098)</u>	-
Total governmental activities	<u>\$ 828,730</u>	<u>\$ 1,214,976</u>	<u>\$ 131,148</u>	<u>\$ 2,174,854</u>	<u>\$ 4,537,390</u>
Business-type activities:					
Water and Wastewater Fund	\$ 1,965,783	\$ -	\$ 30,516	\$ 1,996,299	\$ 35,270
Stormwater Fund	110,135	-	6,099	116,234	12,806
Total business-type activities	<u>\$ 2,075,918</u>	<u>\$ -</u>	<u>\$ 36,615</u>	<u>\$ 2,112,533</u>	<u>\$ 48,076</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)

Payables and amounts due to other governments as of September 30, 2014 for the City's individual major funds and non-major funds in the aggregate are as follows:

	Vendors	Payroll and Related Taxes	Construction Bonds	Other	Total	Due to Other Governments
Governmental activities:						
General Fund	\$ 718,724	\$ 1,022,423	\$ 218,157	\$ 588,205	\$ 2,547,509	\$ 20,606
Street Construction and Maintenance Fund	608,280	8,604	-	-	616,884	-
Grants Fund	214,971	-	-	-	214,971	-
2009 Capital Projects Fund	76,174	-	-	-	76,174	-
Capital Improvement Program Fund	242,911	-	-	-	242,911	6,141
Public Safety Improvement Fund	7,615	-	-	-	7,615	-
Nonmajor funds	90,233	-	-	-	90,233	-
Total governmental activities	\$ 1,958,908	\$ 1,031,027	\$ 218,157	\$ 588,205	\$ 3,796,297	\$ 26,747
Business-type activities:						
Water and Wastewater Fund	\$ 888,750	\$ 66,205	\$ -	\$ 150	\$ 955,105	\$ 688,209
Stormwater Fund	62,256	13,915	-	-	76,171	-
Total business-type activities	\$ 951,006	\$ 80,120	\$ -	\$ 150	\$ 1,031,276	\$ 688,209

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, 2014 are as follows:

Major Funds:	
General Fund	\$ 120,634
Street Construction and Maintenance	899,465
Grants Fund	20,860
2009 Capital Projects Fund	81,019
Public Safety Improvement Fund	95,670
Capital Improvement Fund	38,404
Total Major Funds	1,256,052
Non-Major Governmental Funds	158,804
Total Encumbrances	\$ 1,414,856

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6 - INTERFUND TRANSACTIONS

Inter-fund transfers between the various funds for the year ended September 30, 2014 are as follows:

Transfers Out	Transfers In			Total
	General Fund	Capital Improvement Program Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 1,300,000	\$ 1,685,040	\$ 2,985,040
2009 Capital Projects Fund	-	421,937	-	421,937
Public Safety Improvement Fund	-	-	647,460	647,460
Nonmajor Funds	<u>22,990</u>	<u>-</u>	<u>1,415,960</u>	<u>1,438,950</u>
Total transfers in	\$ <u>22,990</u>	\$ <u>1,721,937</u>	\$ <u>3,748,460</u>	\$ <u>5,493,387</u>

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, 2014 is presented as follows:

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 25,061,755	\$ -	\$ -	\$ -	\$ 25,061,755
Easement	39,116	-	-	-	39,116
Construction-in-progress	<u>1,183,792</u>	<u>4,135,434</u>	<u>(48,943)</u>	<u>-</u>	<u>5,270,283</u>
Total capital assets, not being depreciated	<u>26,284,663</u>	<u>4,135,434</u>	<u>(48,943)</u>	<u>-</u>	<u>30,371,154</u>
Capital assets being depreciated:					
Buildings	30,577,109	173,495	48,943	-	30,799,547
Improvements	11,190,894	334,027	-	(46,889)	11,478,032
Infrastructure	31,966,946	81,757	-	-	32,048,703
Intangible asset	12,203	-	-	-	12,203
Equipment	<u>15,393,176</u>	<u>1,759,347</u>	<u>-</u>	<u>(478,033)</u>	<u>16,674,490</u>
Total capital assets being depreciated	<u>89,140,328</u>	<u>2,348,626</u>	<u>48,943</u>	<u>(524,922)</u>	<u>91,012,975</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 7 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Less accumulated depreciation for:					
Buildings	7,395,615	626,914	-	-	8,022,529
Improvements	3,897,777	564,368	-	(25,370)	4,436,775
Infrastructure	9,186,487	580,266	-	-	9,766,753
Intangible asset	5,644	2,440	-	-	8,084
Equipment	9,906,958	1,136,536	-	(424,792)	10,618,702
Total accumulated depreciation	<u>30,392,481</u>	<u>2,910,524</u>	<u>-</u>	<u>(450,162)</u>	<u>32,852,843</u>
Total capital assets being depreciated, net	<u>58,747,847</u>	<u>(561,898)</u>	<u>48,943</u>	<u>(74,760)</u>	<u>58,160,132</u>
Governmental activities capital assets, net	<u>\$ 85,032,510</u>	<u>\$ 3,573,536</u>	<u>\$ -</u>	<u>\$ (74,760)</u>	<u>\$ 88,531,286</u>

* This column represents transfers 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, 2014 is presented as follows:

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 406,071	\$ -	\$ -	\$ -	\$ 406,071
Easement	4,813,030	993,781	-	-	5,806,811
Construction-in-progress	660,950	1,620,595	-	-	2,281,545
Total capital assets not being depreciated	<u>5,880,051</u>	<u>2,614,376</u>	<u>-</u>	<u>-</u>	<u>8,494,427</u>
Capital assets being depreciated:					
Buildings	2,747,901	-	-	-	2,747,901
Improvements	1,061,375	18,866	-	-	1,080,241
Infrastructure	79,021,885	1,907,500	-	-	80,929,385
Equipment	2,361,140	677,259	-	(225,019)	2,813,380
Total capital assets being depreciated	<u>85,192,301</u>	<u>2,603,625</u>	<u>-</u>	<u>(225,019)</u>	<u>87,570,907</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 7 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Less accumulated depreciation for:					
Buildings	247,311	54,958	-	-	302,269
Improvements	238,810	53,540	-	-	292,350
Infrastructure	23,073,390	1,221,905	-	-	24,295,295
Equipment	1,183,730	170,405	-	(152,426)	1,201,709
Total accumulated depreciation	24,743,241	1,500,808	-	(152,426)	26,091,623
Total capital assets being depreciated, net	60,449,060	1,102,817	-	(72,593)	61,479,284
Business-type activities capital assets, net	\$ 66,329,111	\$ 3,717,193	\$ -	\$ (72,593)	\$ 69,973,711

* This column represents transfers 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	\$ 488,204
Public safety	682,868
Physical environment	1,125,048
Culture and recreation	614,404
Total depreciation expense - governmental activities	\$ 2,910,524
Business-type Activities:	
Water and wastewater	\$ 1,446,808
Stormwater management	54,000
Total depreciation expense - business-type activities	\$ 1,500,808

NOTE 8 - LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2014:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Revenue notes	\$ 17,570,833	\$ -	\$ 2,685,618	\$ 14,885,215	\$ 2,770,942
Compensated absences	4,164,755	3,125,093	2,834,952	4,454,896	283,353
Total governmental activities	21,735,588	3,125,093	5,520,570	19,340,111	3,054,295
Business-type activities:					
Compensated absences	\$ 483,222	\$ 319,457	\$ 324,162	\$ 478,517	\$ 49,390

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 – LONG-TERM DEBT (continued)

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

As of September 30, 2014, 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 fees 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 semiannually. The note matures in September 2017. The outstanding principal balance as of September 30, 2014 is \$2,587,185.

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

Year Ending September 30	Capital Improvement Revenue Refunding Note, Series 2003B	
	Principal	Interest
2015	\$ 831,282	\$ 104,522
2016	856,705	70,938
2017	899,198	36,328
	<u>\$ 2,587,185</u>	<u>\$ 211,788</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 was to be paid from a pledge of electric utility tax revenues. The note bore interest at 3.237% payable semi-annually. The note was to mature October 2014, but the outstanding principal balance was paid in full during the year ended September 30, 2014.

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 aerial 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, 2014 is \$9,182,950.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 – LONG-TERM DEBT (continued)

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
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	3,227,900	127,180
	<u>\$ 9,182,950</u>	<u>\$ 1,287,156</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, 2014 is \$3,115,080.

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
2015	\$ 758,510	\$ 54,825
2016	771,860	41,476
2017	785,440	27,891
2018	799,270	14,067
	<u>\$ 3,115,080</u>	<u>\$ 138,259</u>

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

Year Ending September 30	Revenue Notes Payable		Total
	Principal	Interest	
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>\$ 14,885,215</u>	<u>\$ 1,637,203</u>	<u>\$ 16,522,418</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 – LONG-TERM DEBT (continued)

Pledged Revenues: The City has pledged future public franchise fee revenues to repay \$6,052,312 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 60% of projected future public electric franchise fee revenues with total future payouts of \$6,052,312. Principal and interest paid for the current year and public electric franchise fee revenues are \$1,742,583 and \$2,908,265, respectively.

The City has pledged future non-ad-valorem tax revenues to repay \$10,470,106 in a Capital Improvement Revenue Note issued December 15, 2009. Proceeds from the revenue note provided financing for the undergrounding of aerial 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 \$10,470,106. Principal and interest paid for the current year and non-ad-valorem tax revenues are \$793,626 and \$25,523,655, respectively.

All the above revenue notes contain debt covenants, all of which the City was in compliance with at September 30, 2014.

NOTE 9 – LEASES

Operating leases, City as Lessee: The City leases vehicles and office equipment under noncancelable operating leases. Total lease expense was approximately \$72,700 for the year ended September 30, 2014. Future minimum lease payments as of September 30, 2014 are approximately as follows:

Year Ending September 30	Amount
2015	\$ 66,900
2016	10,700
2017	900
	<u>\$ 78,500</u>

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$343,337 for the year ended September 30, 2014. Future lease payments to be received as of September 30, 2014 are approximately as follows:

Year Ending September 30	Amount
2015	\$ 262,900
2016	234,500
2017	130,200
2018	83,200
	<u>\$ 710,800</u>

**CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

NOTE 9 - LEASES (continued)

On December 9, 2010, the City entered into a one year lease agreement with Seminole Properties II, Inc. The lease agreement provided 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 expired December 9, 2013. During fiscal year 2014, the City received \$37,222 in lease payments.

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 approximately 3 acres of the 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. The leased property is being used as a temporary parking facility while a permanent multi-story parking facility is being constructed. The lease agreement is renewable annually after the initial term, but in no event later than December 31, 2015. The annual lease payment is based on the City's annual Broward County real property tax bill resulting from the loss of the City's tax exempt status. The amount owed to the City at September 30, 2014 is \$18,982.

NOTE 10 - DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

As of September 30, 2014, 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	\$ 613,521	\$ -
Business licenses	-	74,884
Fitness memberships	-	187,744
Grant revenue	1,792,255	-
	<u>\$ 2,405,776</u>	<u>\$ 262,628</u>

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 direct 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, 2014 was Civil Service, 50 and Administrative Officers, 10.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11- PENSION PLANS (continued)

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, 2014. Contribution rates at September 30, 2014 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior management	21.14%
Regular employees	7.37%
Special risk	19.82%
Elected officials	43.24%

Employees are required to contribute 3% of their salary towards the Plan. Employees' contributions to the Plan amounted to \$539,328.

The City's contributions to the FRS amounted to \$2,533,200 for the year ended September 30, 2014, which represented 100% of the City's required contribution. The contribution requirements of covered payroll and actual contributions made for fiscal year 2014 and the two preceding fiscal years were as follows:

	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2012</u>
Contribution requirements	\$ <u>4,389,896</u>	\$ <u>3,818,959</u>	\$ <u>3,574,662</u>
Contributions made by employer (100%)			
401(a) Plan	\$ 774,321	\$ 763,055	\$ 794,822
FRS Plan	2,533,200	1,961,167	1,676,270
Contributions made by employee (100%)	<u>1,082,375</u>	<u>1,094,737</u>	<u>1,103,570</u>
Total Contributions Made	\$ <u>4,389,896</u>	\$ <u>3,818,959</u>	\$ <u>3,574,662</u>
Total Covered Payroll	\$ <u>23,067,538</u>	\$ <u>22,382,733</u>	\$ <u>21,961,814</u>
Percent of Contributions to Total Covered Payroll	19.03%	17.06%	16.28%

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 Wright National Flood Insurance Company and Travelers Casualty & Surety Company of America, 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.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Interlocal Agreement

The City has an Interlocal Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The agreement is effective through September 30, 2015. The service fee for the year ended September 30, 2014 was \$7,174,395. Future service fees are as follows:

Year Ending September 30	Amount
2015	\$ 7,379,641

Construction Commitment

During fiscal year 2014, the City entered into three separate construction agreements with independent contractors totaling \$808,696. Two projects were carried forward from fiscal year 2013 bringing the total to five projects in the amount of \$4,271,292. Of the five projects, three received grant funding totaling \$3,146,089 from various granting agencies. It is anticipated that all projects will be completed in fiscal year 2015. As of September 30, 2014 the remaining commitment on all construction contracts totaled \$1,327,053.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

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.

Grant Revenue

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is management's opinion that there are no significant contingent liabilities related to these grants.

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, 2014, a total of \$2,953,240 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 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 were estimated to be \$1 million. The City determined the lease of space in the Promenade was no longer needed since their requirements had changed. On November 14, 2013, the lease of retail space in the Promenade at Coconut Creek by the City was declared to be null and void.

Other Agreements

During fiscal year 2008, the City entered into an agreement with Coconut Creek Development, LLC. The agreement provided 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 was 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 were estimated to be \$2.5 million. The parking garages were completed during fiscal year 2010. This lease agreement was amended on November 14, 2013, reducing the amount of money owed by the City from \$2.5 million to \$1.8 million for the duration of the lease term. The amount paid by the City during fiscal year 2014 was \$113,078, and the cumulative total through September 30, 2014 was \$524,505.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 15 - CONDUIT DEBT

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, 2014 is \$6.2 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.

Funding Policy - The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at the blended group premium rates (implicitly subsidized) 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 2014 fiscal year the City provided contributions of \$29,022 from the General Fund on a pay-as-you-go basis toward annual OPEB costs, net of retiree contributions totaling \$113,008. As of September 30, 2014, there were 28 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 fiscal year ending September 30, 2014, was as follows:

Annual required contribution (ARC)	\$ 1,157,000
Interest on net OPEB obligation	179,000
Adjustment to annual required contribution	<u>(530,000)</u>
Annual OPEB cost	806,000
Imputed contributions	<u>(228,000)</u>
Increase in net OPEB obligation	578,000
Net OPEB obligation - beginning of year	<u>4,472,000</u>
Net OPEB obligation - end of year	<u><u>\$ 5,050,000</u></u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of fiscal September 30, 2014 and the preceding two years were as follows:

	Annual OPEB Cost	Imputed Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 806,000	\$ 228,000	28.0%	\$ 5,050,000
2013	800,000	217,000	27.0%	4,472,000
2012	901,000	185,000	21.0%	3,889,000

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.

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 2014 fiscal year, with future annual decreases assumed to grade uniformly to 5.5 percent over an 8 year period, to an ultimate rate of 5.50 percent for the fiscal year ending September 30, 2021.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 17- SUBSEQUENT EVENTS

On October 23, 2014, the City awarded a contract for the construction of a new fire station in the southern section of the City (Fire Station #50) to D. Stephenson Construction, Inc. in the amount of \$4,909,241. The construction of the new fire station will be funded from the Community Improvement Fund and the Public Safety Improvement Fund.

On January 22, 2015, the City Commission approved the Cullum Road Utility Conversion Special Assessment in the amount of \$930,373. The assessment will be applied to all undeveloped properties within the Cullum Road Utility Conversion Special Assessment (area along Cullum Road from Lyons Road west to State Road 7 and on Northwest 54 Avenue from Cullum Road south to Northwest 40th Street) based on linear feet. If not paid in full, interest will start to accrue after February 21, 2015 at a rate of 4% per annum. Payment of the assessment and accrued interest are due and payable in full on or before January 22, 2023.

**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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 16,904,700	\$ 16,904,700	\$ 16,893,853	\$ (10,847)
Franchise fees	4,251,510	4,251,510	4,314,798	63,288
Utility taxes	6,236,800	6,236,800	6,562,640	325,840
Licenses and permits	2,962,370	2,962,370	2,838,677	(123,693)
Intergovernmental revenues	4,603,260	4,603,260	4,789,952	186,692
Charges for services	12,112,690	12,112,690	12,033,349	(79,341)
Fines and forfeitures	284,940	284,940	404,497	119,557
Investment income (loss)	229,000	229,000	188,455	(40,545)
Miscellaneous revenues	848,470	848,470	820,159	(28,311)
Total revenues	48,433,740	48,433,740	48,846,380	412,640
EXPENDITURES:				
Departmental:				
City Commission	481,500	481,500	458,951	22,549
City Manager/City Attorney	10,439,880	10,439,880	9,442,961	996,919
Risk management	1,794,300	1,794,300	1,548,010	246,290
City Clerk	491,110	491,110	448,349	42,761
Finance and administration	1,656,390	1,656,390	1,362,474	293,916
Information technology	2,286,441	2,286,441	2,005,002	281,439
Human resources	1,083,330	1,083,330	796,350	286,980
Sustainable development	3,458,510	3,458,510	3,055,591	402,919
Police	16,876,530	16,876,530	15,531,789	1,344,741
Public works	5,877,590	5,877,590	5,577,445	300,145
Parks and recreation	4,144,040	4,144,040	3,877,098	266,942
Engineering	585,500	585,500	447,102	138,398
Total departmental	49,175,121	49,175,121	44,551,122	4,623,999
Nondepartmental	464,150	1,154,150	1,127,937	26,213
Contingency	784,310	784,310	-	784,310
Total expenditures	50,423,581	51,113,581	45,679,059	5,434,522
Excess (deficiency) of revenues over (under) expenditures	(1,989,841)	(2,679,841)	3,167,321	5,847,162
OTHER FINANCING SOURCES (USES):				
Transfers in	18,000	18,000	22,990	4,990
Transfers (out)	(2,985,040)	(2,985,040)	(2,985,040)	-
Total other financing sources (uses)	(2,967,040)	(2,967,040)	(2,962,050)	4,990
Net change in fund balance	\$ (4,956,881)	\$ (5,646,881)	205,271	\$ 5,852,152
FUND BALANCE, beginning			22,738,578	
FUND BALANCE, ending			\$ 22,943,849	

See note 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 Fiscal Year Ended September 30, 2014

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 \$ 48,846,380

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 912,149

Total revenues, per the Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Governmental Funds, Page 27 \$ 49,758,529

Total expenditures, page 58 \$ 45,679,059

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 418,339

Total expenditures, per the Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Governmental Funds, Page 27 \$ 46,097,398

See note 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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 915,000	\$ 915,000	\$ 930,940	\$ 15,940
County contribution	180,000	180,000	184,907	4,907
State shared revenue	379,500	379,500	401,033	21,533
Other grants and contributions	4,113,610	4,113,610	1,196,154	(2,917,456)
Total intergovernmental revenues	5,588,110	5,588,110	2,713,034	(2,875,076)
Investment income (loss)	18,000	18,000	17,862	(138)
Miscellaneous revenue	63,950	63,950	63,947	(3)
Total revenues	5,670,060	5,670,060	2,794,843	(2,875,217)
EXPENDITURES:				
Current:				
Physical environment	985,480	985,480	940,617	44,863
Nondepartmental	215,000	215,000	215,000	-
Capital outlay	6,946,470	6,946,470	3,205,080	3,741,390
Total expenditures	8,146,950	8,146,950	4,360,697	3,786,253
Excess (deficiency) of revenues over expenditures	\$ (2,476,890)	\$ (2,476,890)	(1,565,854)	\$ 911,036
FUND BALANCE, beginning			2,740,093	
FUND BALANCE, ending			\$ 1,174,239	

See note 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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 855,000	\$ 855,000	\$ 858,763	\$ 3,763
Total revenues	<u>855,000</u>	<u>855,000</u>	<u>858,763</u>	<u>3,763</u>
EXPENDITURES:				
Current:				
Public safety	6,000	6,000	5,578	422
Physical environment	690,000	690,000	676,412	13,588
Capital outlay	145,000	145,000	143,839	1,161
Total expenditures	<u>841,000</u>	<u>841,000</u>	<u>825,829</u>	<u>15,171</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 14,000</u>	<u>\$ 14,000</u>	32,934	<u>\$ 18,934</u>
FUND BALANCE, beginning			<u>310,895</u>	
FUND BALANCE, ending			<u>\$ 343,829</u>	

See note 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, 2014

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 budgetary control is established at the department, office, or agency level, as appropriate. For the General Fund, 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. For all other funds, the City Manager or designee is authorized to transfer budgeted amounts within each fund.

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, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a) / c)
January 1, 2009	\$ -	\$ 6,734,000	\$ 6,734,000	0.00%	\$ 20,273,000	33.2%
August 1, 2011	-	5,651,000	5,651,000	0.00%	20,231,000	27.9%
July 1, 2013	-	5,954,000	5,954,000	0.00%	21,363,000	27.9%

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





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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 is 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.

Seminole Mitigation Fund – This fund is used to account for proceeds received from the Seminole Tribe of Florida in accordance with the "Fee to Trust Lands Mitigation Agreement." Funds will be used for improvements within the MainStreet Regional Activity Center and any other expenses or improvements.

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, 2014

	Special Revenue			
	Law Enforcement Fund	Affordable Housing Fund	Community Improvement Fund	SHIP Fund
ASSETS:				
Cash	\$ 187,138	\$ 132,471	\$ 798,564	\$ 8,947
Accounts receivable	1,311	930	5,583	63
Due from other governments	8,746	-	-	-
Investments	904,395	640,203	3,837,770	43,238
Inventory and prepaid costs	1,600	-	-	-
Total assets	\$ 1,103,190	\$ 773,604	\$ 4,641,917	\$ 52,248
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$ 5,583	\$ 3,347	\$ 35,044	\$ 234
Retainage payable	-	-	46,025	-
Total liabilities	5,583	3,347	81,069	234
Fund balances:				
Nonspendable:				
Inventory and prepaid costs	1,600	-	-	-
Restricted for:				
Grants	-	-	-	52,014
Public safety	1,096,007	-	-	-
Committed to:				
Affordable housing project	-	770,257	-	-
Capital projects	-	-	4,560,848	-
Debt service	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Total fund balances	1,097,607	770,257	4,560,848	52,014
Total liabilities and fund balances	\$ 1,103,190	\$ 773,604	\$ 4,641,917	\$ 52,248

Seminole Mitigation Fund	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	
\$ 515,152	\$ 186,460	\$ 107,569	\$ 17,815	\$ 1,954,116
3,630	1,309	767	191	13,784
-	-	-	-	8,746
2,489,630	901,118	527,844	86,097	9,430,295
-	-	-	-	1,600
<u>\$ 3,008,412</u>	<u>\$ 1,088,887</u>	<u>\$ 636,180</u>	<u>\$ 104,103</u>	<u>\$ 11,408,541</u>
\$ -	\$ -	\$ -	\$ -	\$ 44,208
-	-	-	-	46,025
-	-	-	-	90,233
-	-	-	-	1,600
-	-	-	-	52,014
-	-	-	-	1,096,007
-	-	-	-	770,257
3,008,412	1,088,887	636,180	-	9,294,327
-	-	-	104,103	104,103
-	-	-	-	-
<u>3,008,412</u>	<u>1,088,887</u>	<u>636,180</u>	<u>104,103</u>	<u>11,318,308</u>
<u>\$ 3,008,412</u>	<u>\$ 1,088,887</u>	<u>\$ 636,180</u>	<u>\$ 104,103</u>	<u>\$ 11,408,541</u>

CITY OF COCONUT CREEK, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2014

	Special Revenue			
	Law Enforcement Fund	Affordable Housing Fund	Community Improvement Fund	SHIP Fund
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 34,756
Charges for services	-	-	2,953,240	-
Fines and forfeitures	160,708	-	-	-
Investment income	9,616	5,510	22,306	564
Impact fees	-	95,033	-	-
Seminole mitigation fees	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>170,324</u>	<u>100,543</u>	<u>2,975,546</u>	<u>35,320</u>
EXPENDITURES:				
Current:				
General government	-	18,000	14,812	-
Public safety	44,987	-	-	-
Physical environment	-	92,325	9,218	82,627
Capital outlay	515,681	-	184,677	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>560,668</u>	<u>110,325</u>	<u>208,707</u>	<u>82,627</u>
Excess (deficiency) of revenues over expenditures	(390,344)	(9,782)	2,766,839	(47,307)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	456,460	-
Transfers out	-	-	(1,435,774)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(979,314)</u>	<u>-</u>
Net change in fund balances	(390,344)	(9,782)	1,787,525	(47,307)
FUND BALANCES, beginning	<u>1,487,951</u>	<u>780,039</u>	<u>2,773,323</u>	<u>99,321</u>
FUND BALANCES, ending	<u>\$ <u>1,097,607</u></u>	<u>\$ <u>770,257</u></u>	<u>\$ <u>4,560,848</u></u>	<u>\$ <u>52,014</u></u>

Seminole Mitigation Fund	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	
\$ -	\$ -	\$ -	\$ -	\$ 34,756
-	-	-	-	2,953,240
-	-	-	-	160,708
8,412	6,947	3,887	7,713	64,955
-	102,500	157,592	-	355,125
3,000,000	-	-	-	3,000,000
-	-	-	-	-
<u>3,008,412</u>	<u>109,447</u>	<u>161,479</u>	<u>7,713</u>	<u>6,568,784</u>
-	-	-	-	32,812
-	-	-	-	44,987
-	-	-	-	184,170
-	-	-	-	700,358
-	-	-	2,685,618	2,685,618
-	-	-	606,116	606,116
-	-	-	3,291,734	4,254,061
<u>3,008,412</u>	<u>109,447</u>	<u>161,479</u>	<u>(3,284,021)</u>	<u>2,314,723</u>
-	-	-	3,292,000	3,748,460
-	-	(3,176)	-	(1,438,950)
-	-	(3,176)	3,292,000	2,309,510
3,008,412	109,447	158,303	7,979	4,624,233
-	979,440	477,877	96,124	6,694,075
<u>\$ 3,008,412</u>	<u>\$ 1,088,887</u>	<u>\$ 636,180</u>	<u>\$ 104,103</u>	<u>\$ 11,318,308</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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 160,700	\$ 160,700	\$ 160,708	\$ 8
Investment income	-	-	9,616	9,616
Total revenues	160,700	160,700	170,324	9,624
EXPENDITURES:				
Current:				
Public safety	45,000	45,000	44,987	13
Capital outlay	515,700	515,700	515,681	19
Total expenditures	560,700	560,700	560,668	32
Excess (deficiency) of revenues over expenditures	\$ <u>(400,000)</u>	\$ <u>(400,000)</u>	(390,344)	\$ <u>9,656</u>
FUND BALANCE, beginning			<u>1,487,951</u>	
FUND BALANCE, ending			\$ <u><u>1,097,607</u></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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 4,000	\$ 4,000	\$ 5,510	\$ 1,510
Impact fees	<u>68,580</u>	<u>68,580</u>	<u>95,033</u>	<u>26,453</u>
Total revenues	<u>72,580</u>	<u>72,580</u>	<u>100,543</u>	<u>27,963</u>
EXPENDITURES:				
General government	35,000	35,000	18,000	17,000
Physical environment	<u>380,000</u>	<u>380,000</u>	<u>92,325</u>	<u>287,675</u>
Total expenditures	<u>415,000</u>	<u>415,000</u>	<u>110,325</u>	<u>304,675</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(342,420)</u>	\$ <u>(342,420)</u>	(9,782)	\$ <u>332,638</u>
FUND BALANCE, beginning			<u>780,039</u>	
FUND BALANCE, ending			\$ <u><u>770,257</u></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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,691,070	\$ 2,691,070	\$ 2,953,240	\$ 262,170
Investment income	15,000	15,000	22,306	7,306
Miscellaneous revenues	500	500	-	(500)
Total revenues	<u>2,706,570</u>	<u>2,706,570</u>	<u>2,975,546</u>	<u>268,976</u>
EXPENDITURES:				
Current:				
General government	170,000	170,000	14,812	155,188
Physical environment	11,530	11,530	9,218	2,312
Capital outlay	3,568,165	3,568,165	184,677	3,383,488
Total expenditures	<u>3,749,695</u>	<u>3,749,695</u>	<u>208,707</u>	<u>3,540,988</u>
Excess (deficiency) of revenues over expenditures	(1,043,125)	(1,043,125)	2,766,839	3,809,964
OTHER FINANCING SOURCES (USES):				
Transfers in	456,460	456,460	456,460	-
Transfers out	(1,430,960)	(1,430,960)	(1,435,774)	(4,814)
Total other financing sources (uses)	<u>(974,500)</u>	<u>(974,500)</u>	<u>(979,314)</u>	<u>(4,814)</u>
Net change in fund balances	<u>\$ (2,017,625)</u>	<u>\$ (2,017,625)</u>	1,787,525	<u>\$ 3,805,150</u>
FUND BALANCE, beginning			<u>2,773,323</u>	
FUND BALANCE, ending			<u>\$ 4,560,848</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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ -	\$ 34,756	\$ 34,756
Investment income	-	-	564	564
Total revenues	-	-	35,320	35,320
EXPENDITURES:				
Current:				
Physical environment	99,000	99,000	82,627	16,373
Total expenditures	99,000	99,000	82,627	16,373
Excess (deficiency) of revenues over expenditures	<u><u>\$ (99,000)</u></u>	<u><u>\$ (99,000)</u></u>	(47,307)	<u><u>\$ 51,693</u></u>
FUND BALANCE, beginning			99,321	
FUND BALANCE, ending			<u><u>\$ 52,014</u></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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 9,398	\$ 9,398
Intergovernmental	902,800	902,800	902,751	(49)
Total revenues	902,800	902,800	912,149	9,349
EXPENDITURES:				
Departmental:				
City Manager/City Attorney	6,450	6,450	6,459	(9)
Human resources	273,100	273,100	273,108	(8)
Sustainable Development	13,000	13,000	12,967	33
Police	14,100	14,100	14,077	23
Public works	111,700	111,700	111,728	(28)
Total expenditures	418,350	418,350	418,339	11
Excess (deficiency) of revenues over expenditures	\$ 484,450	\$ 484,450	493,810	\$ 9,360
FUND BALANCE, beginning			1,051,380	
FUND BALANCE, ending			<u>1,545,190</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - SEMINOLE MITIGATION FUND
 September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Seminole mitigation fees	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -
Investment income	-	-	8,412	8,412
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,008,412</u>	<u>8,412</u>
EXPENDITURES:				
Capital outlay	-	200,000	-	-
Total expenditures	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 3,000,000</u>	<u>\$ 2,800,000</u>	3,008,412	<u>\$ 8,412</u>
FUND BALANCE, beginning			-	
FUND BALANCE, ending			<u>\$ 3,008,412</u>	

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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 7,713	\$ 7,713
Total revenues	<u>-</u>	<u>-</u>	<u>7,713</u>	<u>7,713</u>
EXPENDITURES:				
Debt service:				
Principal	2,685,620	2,685,620	2,685,618	2
Interest and fiscal charges	606,380	606,380	606,116	264
Total expenditures	<u>3,292,000</u>	<u>3,292,000</u>	<u>3,291,734</u>	<u>266</u>
Excess (deficiency) of revenues over expenditures	(3,292,000)	(3,292,000)	(3,284,021)	7,979
OTHER FINANCING SOURCES:				
Transfers in	3,292,000	3,292,000	3,292,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	7,979	<u>\$ 7,979</u>
FUND BALANCE, beginning			<u>96,124</u>	
FUND BALANCE, ending			<u>\$ 104,103</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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 500,000	\$ 500,000	\$ 102,500	\$ (397,500)
Investment income	-	-	6,947	6,947
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>109,447</u>	<u>(390,553)</u>
EXPENDITURES				
Capital outlay	<u>28,000</u>	<u>28,000</u>	-	<u>28,000</u>
Total expenditures	<u>28,000</u>	<u>28,000</u>	-	<u>28,000</u>
Excess (deficiency) of revenues over expenditures	\$ <u>472,000</u>	\$ <u>472,000</u>	109,447	\$ <u>(362,553)</u>
FUND BALANCE, beginning			<u>979,440</u>	
FUND BALANCE, ending			\$ <u><u>1,088,887</u></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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 3,000	\$ 3,000	\$ 3,887	\$ 887
Miscellaneous revenues	-	-	157,592	157,592
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>161,479</u>	<u>158,479</u>
EXPENDITURES:				
Current:				
Capital outlay	<u>164,000</u>	<u>164,000</u>	-	<u>164,000</u>
Total Expenditures	<u>164,000</u>	<u>164,000</u>	-	<u>164,000</u>
Excess (deficiency) of revenues over expenditures	(161,000)	(161,000)	161,479	322,479
OTHER FINANCING SOURCES:				
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,176)</u>	<u>(176)</u>
Net change in fund balance	<u><u>\$ (164,000)</u></u>	<u><u>\$ (164,000)</u></u>	<u>158,303</u>	<u><u>\$ 322,303</u></u>
FUND BALANCE, beginning			<u>477,877</u>	
FUND BALANCE, ending			<u><u>\$ 636,180</u></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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 10,115	\$ 115
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,115</u>	<u>115</u>
EXPENDITURES:				
Capital outlay	<u>1,710,923</u>	<u>1,710,923</u>	<u>269,531</u>	<u>1,441,392</u>
Total expenditures	<u>1,710,923</u>	<u>1,710,923</u>	<u>269,531</u>	<u>1,441,392</u>
Excess (deficiency) of revenues over expenditures	(1,700,923)	(1,700,923)	(259,416)	1,441,507
OTHER FINANCING SOURCES:				
Transfers out	<u>(421,940)</u>	<u>(421,940)</u>	<u>(421,937)</u>	<u>3</u>
Net change in fund balance	<u><u>\$ (2,122,863)</u></u>	<u><u>\$ (2,122,863)</u></u>	<u><u>(681,353)</u></u>	<u><u>\$ 1,441,510</u></u>
FUND BALANCE, beginning			<u>1,835,367</u>	
FUND BALANCE, ending			<u><u>\$ 1,154,014</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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 113,000	\$ 113,000	\$ 182,184	\$ 69,184
Investment income	11,500	11,500	19,298	7,798
Miscellaneous revenues	276,100	276,100	722,663	446,563
Total revenues	400,600	400,600	924,145	523,545
EXPENDITURES:				
Capital outlay	3,331,193	3,331,193	1,577,469	1,753,724
Total expenditures	3,331,193	3,331,193	1,577,469	1,753,724
Excess (deficiency) of revenues over expenditures	(2,930,593)	(2,930,593)	(653,324)	2,277,269
OTHER FINANCING SOURCES:				
Transfers in	1,300,000	1,300,000	1,721,937	421,937
Net change in fund balance	\$ (1,630,593)	\$ (1,630,593)	1,068,613	\$ 2,699,206
FUND BALANCE, beginning			10,670,931	
FUND BALANCE, ending			\$ 11,739,544	

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 Fiscal Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 813,420	\$ 813,420	\$ 794,897	\$ (18,523)
Investment income	16,000	16,000	185,716	169,716
Total revenues	<u>829,420</u>	<u>829,420</u>	<u>980,613</u>	<u>151,193</u>
EXPENDITURES:				
Capital outlay	<u>1,534,709</u>	<u>1,534,709</u>	<u>454,473</u>	<u>1,080,236</u>
Total expenditures	<u>1,534,709</u>	<u>1,534,709</u>	<u>454,473</u>	<u>1,080,236</u>
Excess (deficiency) of revenues over expenditures	(705,289)	(705,289)	526,140	1,231,429
OTHER FINANCING SOURCES:				
Transfers out	<u>(647,460)</u>	<u>(647,460)</u>	<u>(647,460)</u>	-
Net change in fund balance	<u><u>\$ (1,352,749)</u></u>	<u><u>\$ (1,352,749)</u></u>	<u>(121,320)</u>	<u><u>\$ 1,231,429</u></u>
FUND BALANCE, beginning			<u>2,583,437</u>	
FUND BALANCE, ending			<u><u>\$ 2,462,117</u></u>	





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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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Changes in Fund Balances of Governmental Funds	88 - 89
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Revenue Capacity

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

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Principal Property Taxpayers	95
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Debt Capacity

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

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Demographic and Economic Information

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

Demographic and Economic Statistics	101
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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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Capital Asset Statistics by Function	105

Insurance Information

These schedules contain information regarding by 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 notes, 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:				
Net investment in capital assets	\$ 29,056	\$ 32,517	\$ 42,344	\$ 45,140
Restricted	-	2,983	6,578	12,253
Unrestricted	<u>29,406</u>	<u>30,153</u>	<u>27,759</u>	<u>28,249</u>
Total governmental activities net position	<u>\$ 58,462</u>	<u>\$ 65,653</u>	<u>\$ 76,681</u>	<u>\$ 85,642</u>
Business-type activities:				
Net investment in capital assets	50,313	49,251	49,584	55,783
Restricted	-	-	-	-
Unrestricted	<u>14,600</u>	<u>16,913</u>	<u>18,223</u>	<u>14,687</u>
Total business-type activities net position	<u>\$ 64,913</u>	<u>\$ 66,164</u>	<u>\$ 67,807</u>	<u>\$ 70,470</u>
Primary Government:				
Net investment in capital assets	\$ 79,369	\$ 81,768	\$ 91,928	\$ 100,923
Restricted	-	2,983	6,578	12,253
Unrestricted	<u>44,006</u>	<u>47,066</u>	<u>45,982</u>	<u>42,936</u>
Total primary government net position	<u>\$ 123,375</u>	<u>\$ 131,817</u>	<u>\$ 144,488</u>	<u>\$ 156,112</u>

Table 1

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	49,710	\$ 57,183	\$ 59,771	\$ 67,752	\$ 69,352	\$ 73,361
	10,000	8,125	13,253	10,084	6,608	3,813
	<u>27,636</u>	<u>25,481</u>	<u>23,940</u>	<u>25,602</u>	<u>33,398</u>	<u>42,592</u>
\$	<u><u>87,346</u></u>	<u><u>90,789</u></u>	<u><u>96,964</u></u>	<u><u>103,438</u></u>	<u><u>109,358</u></u>	<u><u>119,766</u></u>
	60,239	65,348	64,542	65,989	66,329	69,944
	-	-	-	-	-	-
	<u>11,079</u>	<u>12,406</u>	<u>16,897</u>	<u>21,166</u>	<u>25,498</u>	<u>28,199</u>
\$	<u><u>71,318</u></u>	<u><u>77,754</u></u>	<u><u>81,439</u></u>	<u><u>87,155</u></u>	<u><u>91,827</u></u>	<u><u>98,143</u></u>
\$	109,949	\$ 122,531	\$ 124,313	\$ 133,741	\$ 135,681	\$ 143,305
	10,000	8,125	13,253	10,084	6,608	3,813
	<u>38,715</u>	<u>37,887</u>	<u>40,837</u>	<u>46,768</u>	<u>58,896</u>	<u>70,791</u>
\$	<u><u>158,664</u></u>	<u><u>168,543</u></u>	<u><u>178,403</u></u>	<u><u>190,593</u></u>	<u><u>201,185</u></u>	<u><u>217,909</u></u>

CITY OF COCONUT CREEK, FLORIDA

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses:				
Governmental activities:				
General government	\$ 8,070	\$ 9,233	\$ 10,363	\$ 10,354
Public safety	17,495	18,677	19,831	21,423
Physical environment	4,997	12,954	6,589	6,751
Culture/recreation	5,092	5,702	5,578	5,693
Interest on long-term debt	1,427	1,497	1,232	1,082
Total governmental activities expenses	<u>37,081</u>	<u>48,063</u>	<u>43,593</u>	<u>45,303</u>
Business-type activities				
Utilities	\$ 12,689	\$ 13,135	\$ 13,429	\$ 13,427
Stormwater management	575	1,113	661	745
Total business-type activities expenses	<u>13,264</u>	<u>14,248</u>	<u>14,090</u>	<u>14,172</u>
Total expenses	<u>\$ 50,345</u>	<u>\$ 62,311</u>	<u>\$ 57,683</u>	<u>\$ 59,475</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 5,317	\$ 5,748	\$ 6,345	\$ 6,544
Public safety	4,370	3,916	4,141	5,883
Physical environment	1,467	1,538	1,617	1,862
Culture/recreation	687	587	596	618
Operating grants and contributions	1,184	8,679	1,679	1,152
Capital grants and contributions	732	897	2,261	4,559
Total governmental activities program revenues	<u>13,757</u>	<u>21,365</u>	<u>16,639</u>	<u>20,618</u>
Business-type activities:				
Charges for services:				
Utilities	\$ 11,853	\$ 11,790	\$ 11,366	\$ 10,960
Stormwater management	1,192	1,195	1,264	1,336
Operating grants and contributions	509	324	82	-
Capital grants and contributions	842	1,165	1,762	3,715
Total business-type activities program revenues	<u>14,396</u>	<u>14,474</u>	<u>14,474</u>	<u>16,011</u>
Total Program Revenues	<u>\$ 28,153</u>	<u>\$ 35,839</u>	<u>\$ 31,113</u>	<u>\$ 36,629</u>
Net (Expense)/Revenue:				
Governmental activities	\$ (23,324)	\$ (26,698)	\$ (26,954)	\$ (24,685)
Business-type activities	<u>1,132</u>	<u>226</u>	<u>384</u>	<u>1,839</u>
Total net expenses	<u>\$ (22,192)</u>	<u>\$ (26,472)</u>	<u>\$ (26,570)</u>	<u>\$ (22,846)</u>

Table 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	10,813	\$ 10,777	\$ 10,743	\$ 11,742	\$ 11,376	\$ 12,004
	22,817	23,452	23,446	23,959	25,187	26,487
	6,695	6,195	5,698	5,814	6,518	7,375
	5,781	5,495	5,255	5,251	5,498	5,984
	980	1,160	991	878	688	606
	<u>47,086</u>	<u>47,079</u>	<u>46,133</u>	<u>47,644</u>	<u>49,267</u>	<u>52,456</u>
\$	14,934	\$ 15,645	\$ 14,603	\$ 15,022	\$ 15,969	\$ 16,214
	808	816	813	1,014	1,118	1,158
	15,742	16,461	15,416	16,036	17,087	17,372
\$	<u>62,828</u>	<u>63,540</u>	<u>61,549</u>	<u>63,680</u>	<u>66,354</u>	<u>69,828</u>
\$	4,493	\$ 5,031	\$ 5,404	\$ 5,823	\$ 6,120	\$ 2,813
	6,290	7,798	7,398	7,325	8,018	8,834
	2,068	2,116	2,122	2,498	2,637	5,953
	638	701	729	752	760	708
	918	979	618	423	680	843
	125	475	1,562	2,501	1,144	3,321
	<u>14,532</u>	<u>17,100</u>	<u>17,833</u>	<u>19,322</u>	<u>19,359</u>	<u>22,472</u>
\$	12,581	\$ 14,800	\$ 17,044	\$ 17,717	\$ 18,401	\$ 19,645
	1,388	1,457	1,453	1,498	1,523	1,576
	-	-	-	-	-	-
	2,131	6,105	2,848	1,464	705	1,899
	<u>16,100</u>	<u>22,362</u>	<u>21,345</u>	<u>20,679</u>	<u>20,629</u>	<u>23,120</u>
\$	<u>30,632</u>	<u>39,462</u>	<u>39,178</u>	<u>40,001</u>	<u>39,988</u>	<u>45,592</u>
\$	(32,554)	\$ (29,979)	\$ (28,300)	\$ (28,322)	\$ (29,908)	\$ (29,984)
	358	5,901	5,929	4,643	3,542	5,748
\$	<u>(32,196)</u>	<u>(24,078)</u>	<u>(22,371)</u>	<u>(23,679)</u>	<u>(26,366)</u>	<u>(24,236)</u>

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

	2005	2006	2007	2008
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 12,610	\$ 14,542	\$ 17,362	\$ 16,076
Utility taxes	5,276	5,331	5,413	5,544
Franchise taxes	3,225	3,540	4,009	3,989
Intergovernmental	5,563	6,057	5,816	5,551
Impact fees	-	-	-	-
Investment income	589	1,182	4,349	1,261
Miscellaneous	911	1,429	1,032	1,225
Gain on disposal of capital assets	562	1,807	-	-
Transfers	-	-	-	-
Total government revenues and transfers	<u>28,736</u>	<u>33,888</u>	<u>37,981</u>	<u>33,646</u>
Business-type activities:				
Investment income	348	782	1,073	621
Impact fees	-	-	-	-
Miscellaneous	210	243	187	203
Transfers	-	-	-	-
Total business-type activities	<u>558</u>	<u>1,025</u>	<u>1,260</u>	<u>824</u>
Total Revenues	<u>29,294</u>	<u>34,913</u>	<u>39,241</u>	<u>34,470</u>
Change in net position				
Governmental activities	5,412	7,190	11,027	8,961
Business-type activities	<u>1,689</u>	<u>1,251</u>	<u>1,644</u>	<u>2,663</u>
Total primary government	<u>\$ 7,101</u>	<u>\$ 8,441</u>	<u>\$ 12,671</u>	<u>\$ 11,624</u>

Table 2
(continued)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	15,886	\$ 16,213	\$ 15,906	\$ 16,129	\$ 16,145	\$ 16,894
	5,936	6,093	6,050	6,092	6,317	6,563
	4,222	4,095	4,070	3,971	3,936	4,315
	4,947	4,840	5,066	5,732	6,023	6,217
	-	-	1,187	876	674	460
	917	561	601	379	(56)	496
	2,502	1,730	1,095	1,617	2,849	5,444
	(152)	(110)	-	-	-	-
	-	-	500	-	-	-
	<u>34,258</u>	<u>33,422</u>	<u>34,475</u>	<u>34,796</u>	<u>35,888</u>	<u>40,389</u>
	303	157	206	140	(69)	193
	-	-	1,023	698	1,057	215
	186	378	295	236	141	160
	-	-	(500)	-	-	-
	<u>489</u>	<u>535</u>	<u>1,024</u>	<u>1,074</u>	<u>1,129</u>	<u>568</u>
	<u>34,747</u>	<u>33,957</u>	<u>35,499</u>	<u>35,870</u>	<u>37,017</u>	<u>40,957</u>
	1,704	3,443	6,175	6,474	5,980	10,405
	<u>847</u>	<u>6,436</u>	<u>6,953</u>	<u>5,717</u>	<u>4,671</u>	<u>6,316</u>
\$	<u><u>2,551</u></u>	<u><u>9,879</u></u>	<u><u>13,128</u></u>	<u><u>12,191</u></u>	<u><u>10,651</u></u>	<u><u>16,721</u></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)

	2005	2006	2007	2008
General Fund:				
Reserved	\$ 36	\$ 16	\$ 81	\$ 373
Unreserved	9,608	11,135	15,697	18,283
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total general fund	\$ <u>9,644</u>	\$ <u>11,151</u>	\$ <u>15,778</u>	\$ <u>18,656</u>
All other governmental funds:				
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
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total all other governmental funds	\$ <u>15,219</u>	\$ <u>23,137</u>	\$ <u>25,339</u>	\$ <u>22,492</u>

(1) Information for fiscal years 2005 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

Table 3

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	165	\$ 132	\$ -	\$ -	\$ -	\$ -
	18,554	18,192	-	-	-	-
	-	-	124	137	191	218
	-	-	-	-	-	-
	-	-	2,228	2,302	2,594	2,575
	-	-	4,075	5,159	5,856	6,254
	-	-	15,690	16,207	15,149	15,442
	<u>18,719</u>	<u>18,324</u>	<u>22,117</u>	<u>23,805</u>	<u>23,790</u>	<u>24,489</u>
\$	8,620	\$ 8,639	\$ 8,629	\$ -	\$ -	\$ -
	12,531	10,827	8,969	-	-	-
	4,473	3,148	12,791	-	-	-
	666	469	67	-	-	-
	-	-	-	8,624	8,623	8,629
	-	-	-	10,081	6,608	3,813
	-	-	-	6,385	7,129	14,309
	-	-	-	1,220	2,475	1,441
\$	<u>26,290</u>	<u>23,083</u>	<u>30,456</u>	<u>26,310</u>	<u>24,835</u>	<u>28,192</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)

	2005	2006	2007	2008
Revenues:				
Ad valorem taxes	\$ 12,610	\$ 14,542	\$ 17,362	\$ 16,077
Fire assessments tax	-	-	-	-
Franchise fees	3,226	3,540	4,009	3,989
Utility taxes	5,276	5,331	5,413	5,544
Licenses and permits	2,502	2,795	3,151	3,247
Intergovernmental revenues	8,080	14,573	7,456	6,668
Charges for services	8,298	8,281	9,026	11,267
Fines and forfeitures	523	729	507	3,598
Impact fees	-	-	-	-
Seminole mitigation fees	-	-	-	-
Investment income	588	1,182	4,349	1,227
Miscellaneous revenues	899	1,901	2,474	2,264
Total revenues	42,002	52,874	53,747	53,881
Expenditures:				
General government	7,166	8,416	9,258	9,833
Public safety	16,268	17,753	19,029	20,499
Physical environment	4,335	12,110	5,558	5,419
Culture and recreation	4,615	5,071	4,950	5,082
Nondepartmental		170	193	184
Capital outlay	5,480	5,044	3,261	2,459
Debt service				
Principal	2,339	2,436	8,323	2,630
Interest and fiscal charges	1,320	1,392	1,393	1,100
Total expenditures	41,523	52,392	51,965	47,206
Excess (deficiency) of revenues over expenditures	479	482	1,782	6,675
Other financing sources (uses):				
Net proceeds from long-term debt	5,817	-	-	-
Sale of land	3,176	3,224	-	-
Transfers in	5,285	4,574	4,542	2,937
Transfers out	(5,285)	(4,574)	(4,542)	(2,937)
Payment to Fiscal Agent	-	-	-	-
Total other financing sources (uses)	8,993	3,224	-	-
Net change in fund balances	\$ 9,472	\$ 3,706	\$ 1,782	\$ 6,675
Debt Service as a percentage of noncapital expenditures	10.1%	8.0%	20.2%	8.3%

Table 4

	2009	2010	2011	2012	2013	2014
\$	15,886	\$ 16,213	\$ 15,906	\$ 16,129	\$ 16,144	\$ 16,894
	-	-	-	-	-	-
	4,222	4,095	4,070	3,971	3,936	4,315
	5,937	6,093	6,050	6,092	6,317	6,563
	1,088	1,522	2,760	2,988	3,200	2,839
	5,805	6,702	5,969	7,523	8,282	8,590
	12,163	13,452	12,456	13,106	13,997	14,986
	462	488	938	1,220	613	565
	-	-	1,075	876	674	1,150
	-	-	-	-	-	3,000
	890	534	575	352	(83)	496
	1,313	1,621	1,208	1,618	2,920	2,498
	<u>47,766</u>	<u>50,720</u>	<u>51,007</u>	<u>53,875</u>	<u>56,000</u>	<u>61,896</u>
	9,525	9,505	9,247	9,767	9,762	9,948
	21,510	22,116	22,732	23,119	24,316	25,261
	5,977	4,944	4,865	4,932	5,343	5,980
	5,143	4,930	4,597	4,675	4,909	5,253
	210	294	511	514	660	1,343
	3,941	3,332	3,174	8,355	9,209	6,763
	3,452	7,398	3,049	2,647	2,603	2,686
	1,151	1,223	996	897	688	606
	<u>50,909</u>	<u>53,742</u>	<u>49,171</u>	<u>54,906</u>	<u>57,490</u>	<u>57,840</u>
	<u>(3,143)</u>	<u>(3,022)</u>	<u>1,836</u>	<u>(1,031)</u>	<u>(1,490)</u>	<u>4,056</u>
	-	10,000	-	5,270	-	-
	-	-	-	-	-	-
	3,834	7,698	4,291	13,064	4,988	5,493
	(3,834)	(7,698)	(3,791)	(13,064)	(4,988)	(5,493)
	-	-	-	(5,240)	-	-
	-	10,000	500	30	-	-
\$	<u>(3,143)</u>	<u>6,978</u>	<u>2,336</u>	<u>(1,001)</u>	<u>(1,490)</u>	<u>4,056</u>
	9.7%	16.9%	8.7%	7.6%	6.7%	6.4%



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

Fiscal Year Ended September 30	Property Taxes	Local Option Gas Tax	Utility Taxes	Franchise Fees	Total
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
2014	16,894	931	6,563	4,315	28,703

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

Fiscal Year Ended September 30	Save Our Homes (SOH) Value			
	Residential	Commercial	Industrial	Other*
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
2013	2,374,513,210	576,291,950	140,205,740	662,962,500
2014	2,494,888,270	594,326,970	122,620,490	656,952,910

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>
\$ 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%
1,215,545,240	2,538,428,160	6.3250	3,964,203,630	64.03%
1,207,415,350	2,661,373,290	6.3250	4,150,312,340	64.12%

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

Fiscal Year	City of Coconut Creek			Overlapping Rates					
	City of Coconut Creek			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
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
2014	6.3250	--	6.3250	5.4400	0.2830	5.7230	7.4800	-	7.4800

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
0.1739	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
0.1446	0.4902	1.8564	0.4289	0.0345	22.2886
0.1446	0.4882	1.7554	0.4110	0.0345	22.3617

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

Table 8

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ERP Operating ltd partnership	\$ 76,565	1	2.9%	76,808	1	2.7%
Seminole Properties II, Inc.	50,340	2	1.9%	-	-	-
Mept Hillsboro Bay, LLC	49,512	3	1.9%	-	-	-
Garrison Coconut Creek, LLC	41,384	4	1.6%	-	-	-
Florida Power & Light	39,379	5	1.5%	23,659	9	0.8%
CGL Banyan Bay limited partnership	33,847	6	1.3%	28,664	6	1.0%
Atlyons, LLC	26,274	7	1.0%	26,097	8	0.9%
Acpre Prs Realty, LLC	25,624	8	1.0%	-	-	-
Aerc Cypress Shores, Inc	24,412	9	0.9%	-	-	-
Centro Np Coconut Creek	20,710	10	0.8%	-	-	-
Minto Builders	-	-	-	37,413	2	1.3%
Coco Parc 1	-	-	-	31,194	3	1.1%
Evergreen Lakes	-	-	-	30,474	4	1.1%
HBC, Inc	-	-	-	29,997	5	1.0%
CA New Plan Asset Partnership	-	-	-	26,818	7	0.9%
559 North Federal Association	-	-	-	20,564	10	0.7%
Totals	\$ <u>388,047</u>		<u>14.8%</u>	\$ <u>331,688</u>		<u>11.5%</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>
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%
2013	16,831	16,164	96.04%	(19)	16,145	95.92%
2014	17,638	16,942	96.05%	(48)	16,894	95.78%

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

Note (1) Tax levy, net of discount

CITY OF COCONUT CREEK, FLORIDA

Table 10

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Promissory Note	Improvement Revenue Notes	Line of Credit	Capital Lease			
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%	554
2009	-	-	1,424	21,803	-	12	23,239	1.76%	486
2010	-	-	481	25,359	-	908	26,748	2.04%	555
2011	-	-	-	22,791	-	-	22,791	1.55%	431
2012	-	-	-	20,174	-	-	20,174	1.33%	378
2013	-	-	-	17,571	-	-	17,571	1.14%	327
2014	-	-	-	14,885	-	-	14,885	0.96%	269

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, 2014
 (Amounts Expressed in Thousands)

Table 11

Jurisdiction	Net Debt Outstanding	Estimated Percentage Applicable to City of Coconut Creek (1)	Amount Applicable to City of Coconut Creek
Debt repaid with property taxes:			
Broward County	\$ 279,026	2.11%	\$ 5,887
Subtotal, overlapping debt			5,887
City of Coconut Creek			14,885
Total direct and overlapping debt			\$ 20,772

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

(1) Based on ratio of assessed taxable value.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Coconut Creek. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.



CITY OF COCONUT CREEK, FLORIDA
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)

Table 12

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 623,949	\$ 683,280	\$ 813,197	\$ 917,836	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712	\$ 634,607	\$ 665,343
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 665,343</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 2014

Assessed Valuation of Taxable Real Property	\$ 2,661,373
Bonded Debt Limit - 25% of above	<u>665,343</u>
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt:	-
Less Revenue Bonds:	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin (1)	<u>\$ 665,343</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)

Table 13

Fiscal Year	Improvement Revenue Notes										
	Community Improvement Revenues	Electric Utility Taxes	Electric Franchise Fees	Total Revenue	Debt Service			Non-AD Valorem Revenue	Debt Service		Coverage
					Principal	Interest	Coverage		Principal	Interest	
2005	\$ -	\$ 2,533	\$ 2,383	\$ 4,916	\$ 1,542	\$ 1,101	1.86	\$ -	\$ -	\$ -	-
2006	-	2,536	2,833	5,369	1,603	1,192	1.92	-	-	-	-
2007	-	2,621	3,045	5,666	7,453	(1) 1,242	0.65	-	-	-	-
2008	-	2,689	3,064	5,753	1,725	968	2.14	-	-	-	-
2009	-	2,689	3,055	5,744	2,511	1,056	1.61	-	-	-	-
2010	-	2,939	2,800	5,739	6,444	(2) 815	0.79	22,421	-	313	71.63
2011	-	2,915	2,773	5,688	2,568	583	1.81	22,563	-	394	57.27
2012	-	2,991	2,708	5,699	7,887	(3) 473	0.68	23,458	-	394	59.54
2013	-	3,203	2,657	5,860	2,201	294	2.35	24,456	402	394	30.72
2014	-	3,521	2,908	6,429	2,270	228	2.57	25,524	415	378	32.19

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

(1) Includes \$5,786,353 principal payment of Series 2003D revenue note using proceeds from land sale.

(2) Includes \$3,973,491 principal payment of Series 2003C revenue note to extinguish debt.

(3) Includes \$5,240,097 to fully refund principal on Series 2003D from issuance of Series 2012 Revenue Note Proceeds.

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>
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%	
2013	53,783	(5)	1,547,874,740	28,780	(4)	40.6	(4)	8,564	5.6%	
2014	55,319	(5)	1,553,246,882	28,078	(4)	40.2	(4)	10,051	5.2%	

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

(2) Furnished by the Bureau of Labor Statistics

(3) Furnished by the School Board of Broward County

(4) Furnished by the American Community Survey/U.S. Census Bureau-Quick Facts-Factfinder

(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	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward College	3,965	1	14.09%	2,300	1	28.9%
Seminole Coconut Creek Casino	1,609	2	5.72%	-	--	-
Broward County School Board	1,268	3	4.51%	-	--	-
Publix	587	4	2.09%	665	2	8.4%
Walmart	400	5	1.42%	-	--	-
Food for the Poor	378	6	1.34%	-	--	-
City of Coconut Creek	360	7	1.28%	380	4	4.8%
Vista BMW	292	8	1.04%	-	--	-
Al Hendrickson Toyota	220	9	0.78%	-	--	-
Enterprise Car Rental (Regional Office)	157	10	0.56%	-	--	-
Atlantic Technical Center	--		0.00%	400	3	5.0%
Totals	9,236		32.83%	3,745		47.10%

Source: Broward Alliance

(1) No additional information available for fiscal year ending September 30, 2005

CITY OF COCONUT CREEK, FLORIDA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Table 16

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	59	61	64	61	62	62	62	56	60	61
Public safety	146	150	154	153	155	163	163	152	153	165
Physical environment	41	41	46	41	40	35	25	29	29	32
Culture and recreation	119	116	104	65	80	78	68	64	68	71
Water and wastewater	33	30	30	30	29	31	31	31	35	36
Stormwater management	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>9</u>
Total	<u>405</u>	<u>405</u>	<u>405</u>	<u>357</u>	<u>374</u>	<u>377</u>	<u>357</u>	<u>340</u>	<u>354</u>	<u>374</u>

Source: City of Coconut Creek, Florida.

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

Table 17

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Bids and contracts awarded	17	12	11	22	15	18	23	12	23	14
Building permits	4,513	6,228	3,840	2,794	2,446	2,530	2,272	2,738	2,898	2,588
Business licenses (new)	279	382	260	211	380	289	140	177	124	119
Police										
Personnel and officers	131	132	133	132	133	139	138	134	133	137
Physical arrests	1,274	946	887	995	1,100	1,070	984	883	933	899
Parking violations	417	511	622	513	1,074	653	1,027	909	1,260	1,332
Traffic violations	12,287	10,326	8,272	7,484	11,211	8,354	7,919	6,683	6,748	5,756
Fire										
Personnel and officers	2	2	4	4	4	4	4	5	4	4
Number of calls answered	6,090	6,072	5,733	5,724	6,178	6,820	6,528	6,807	6,720	5,902
Inspections	2,195	1,232	2,169	1,650	1,577	1,784	1,456	1,803	1,869	1,986
Streets										
Street resurfacing (miles)	--	1	--	--	--	29	--	1	--	--
Potholes repaired	136	70	185	265	273	173	325	303	248	224
Culture and Recreation										
Athletic field permits issued	2,472	2,330	3,404	2,927	3,420	3,222	4,075	4,081	4,364	4,722
Fitness memberships	913	1,266	1,291	1,326	1,663	1,577	1,443	1,193	1,161	1,175
Participants Registered:										
Athletic Programs	2,456	2,573	1,533	899	1,274	2,988	2,087	1,691	1,961	2,203
Recreation Programs	1,747	1,700	2,135	2,417	3,312	7,510	5,356	5,291	4,579	4,679
Water										
New connections	42	48	75	150	74	43	50	91	107	88
Water main breaks	1	--	75	2	1	--	2	--	1	--
Average daily consumption (thousands of gallons)	5,305	5,819	5,320	4,954	4,538	4,241	4,269	3,997	4,087	4,114
Active Accounts: (Average)										
Residential	10,221	10,250	10,350	10,393	10,424	10,473	10,542	10,617	10,719	10,834
Commercial	795	838	856	851	854	844	830	839	854	851

Source: City of Coconut Creek, Florida.

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

Table 18

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	116	120	120	122	122	123	126	126	116	134
Streets										
Streets (miles)	53	53	53	53	47	48	48	48	48	48
Streetlights	1,528	1,528	1,528	1,528	1,659	1,662	1,662	1,668	1,668	1,712
Culture and Recreation										
Parks acreage	170	170	170	107	107	107	107	107	107	170
Parks	18	18	18	18	18	18	18	18	18	18
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	2	2	2	3	3	3	3	3	3	3
Water										
Water mains (miles)	179	179	238	241	244	247	251	250	251	266
Fire hydrants	1,532	1,535	1,616	1,638	1,682	1,739	1,756	1,749	1,754	1,748
Maximum daily capacity (thousands of gallons)	6,540	6,540	6,540	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Sewer										
Sanitary sewers (miles)	181	182	199	201	203	205	205	209	207	224
Storm sewers (miles)	49	44	18	22	23	29	30	32	32	32
Maximum daily treatment capacity (thousands of gallons)	6,040	3,827	3,662	6,040	6,540	6,540	6,540	6,540	6,540	6,540

Source: City of Coconut Creek, Florida.

CITY OF COCONUT CREEK, FLORIDA
INSURANCE COVERAGE VIA PGIT (CONTINUED)
OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014

Table 19
(continued)

Policy	Type of Coverage	Insurer/Policy No.	From / To	Liability Limits	Deductible
Flood Insurance	Flood - National Flood Insurance Program (NFIP) Building Replacement Cost Contents Actual Cash Value	Wright National Flood Ins. Co. #091150025731	8/6/2013	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Govt. Ctr.-City Hall	through		
		Wright National Flood Ins.Co. #091150025737	8/6/2014	\$208,300 bldg/\$15,900 cnts	\$1,000/\$1,000
		Gerber Park			
		Wright National Flood Ins.Co. #091150025731		\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Govt. Ctr.-City Hall			
		Wright National Flood Ins.Co. #091150025732		\$500,000 bldg/\$72,100 cnts,	\$1,000/\$1,000
		Govt. Ctr.-Public Works			
		Wright National Flood Ins.Co. #091150025733		\$500,000 bldg/\$83,600 cnts	\$1,000/\$1,000
		Govt. Ctr.-Auto/Land/Carp			
Wright National Flood Ins.Co. #091150025734		\$180,600 bldg/\$13,100 cnts	\$1,000/\$1,000		
Govt. Ctr.-Equip. Bldg.					
Wright National Flood Ins.Co. #091150025735		\$500,000 bldg/\$148,900 cnts	\$1,000/\$1,000		
Govt. Ctr.-Comm. Chamb.					
Wright National Flood Ins.Co. #091150025736		\$132,800 bldg/\$9,600 cnts	\$1,000/\$1,000		
Govt. Ctr.-Storage Bldg.					
Flood Insurance	Building Replacement Cost Contents Actual Cash Value	Wright National Flood Ins.Co. #091150025731	8/6/2014	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Govt. Ctr.-City Hall	through		
		Wright National Flood Ins.Co. #091150025737	8/6/2015	\$208,300 bldg/\$15,900 cnts	\$1,000/\$1,000
		Gerber Park			
		Wright National Flood Ins.Co. #091150025731		\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Govt. Ctr.-City Hall			
		Wright National Flood Ins.Co. #091150025732		\$500,000 bldg/\$72,100 cnts,	\$1,000/\$1,000
		Govt. Ctr.-Public Works			
		Wright National Flood Ins.Co. #091150025733		\$500,000 bldg/\$83,600 cnts	\$1,000/\$1,000
		Govt. Ctr.-Auto/Land/Carp			
Wright National Flood Ins.Co. #091150025734		\$180,600 bldg/\$13,100 cnts	\$1,000/\$1,000		
Govt. Ctr.-Equip. Bldg.					
Wright National Flood Ins.Co. #091150025735		\$500,000 bldg/\$148,900 cnts	\$1,000/\$1,000		
Govt. Ctr.-Commission Chambers					
Wright National Flood Ins.Co. #091150025736		\$132,800 bldg/\$9,600 cnts	\$1,000/\$1,000		
Govt. Ctr.-Storage Bldg.					
Flood Insurance	Flood Per Occurrence/Aggregate (Property and contents not covered under the Wright National policies)	Preferred Governmental Insurance Trust PR FL1 0062801 11-03	10/1/2013 through 9/30/2014	\$5,000,000	\$ 10,000 (except zones A & V refer to Policy)

CITY OF COCONUT CREEK, FLORIDA
 INSURANCE COVERAGE VIA PGIT (CONTINUED)
 OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014

Table 19
 (continued)

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible
Crime Insurance	Employee Theft	Travelers Casualty & Surety Company of America 105684154	10/1/2013 through 9/30/2014	\$1,000,000	\$ 10,000
	Faithful Performance of Duty included				
	Computer Crime			\$1,000,000	\$ 10,000
	Funds Transfer			\$1,000,000	\$ 10,000
	Forgery or Alteration			\$500,000	\$ 5,000
	On Premises / In Transit			\$500,000	\$ 5,000
	Money Order/Counterfeit Currency			\$500,000	\$ 5,000
General Liability	Bodily Injury & Property Damage Combined Single Limit for all Premises/Ops.	Preferred Governmental Insurance Trust PKFL1 0062801 13-06	10/1/2013 through 9/30/2014	\$1,000,000 per occurrence	\$ -
	Employee Benefits Liability			\$1,000,000 per person	
	Fire Damage Limit			Included	
	No Fault Sewer Backup			\$1,000 per claimant \$5,000 Aggregate	
	Pesticide/Herbicide Limit			\$1,000,000 Aggregate	
	Law Enforcement			\$1,000,000 per occurrence	\$ 2,500
	Automobile Liability			Bodily Injury & Property Damage Combined Single Limit for any "auto"	
Public Official and Employment Practices Liability	Liability for Money Damages (other than BI 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 \$2,000,000 per claim \$2,000,000 Aggregate	\$ 2,500 2,500
	Media Content Services, Network Security and Privacy	Limit (inclusive of claim expenses)		\$100,000 Each Claim \$100,000 Aggregate	\$ 2,500
				\$100,000 Aggregate for all Privacy Notification Costs for Privacy Liability	\$ 2,500
				\$100,000 Aggregate for all Regulatory fines and claim expenses for Privacy Liability	\$ 2,500
Accidental Death & Dismemberment	Liabilities under F.S. 118 & 119.191 Applicable to Police Officers	Hartford Life Ins. Co. ETB125091	10/1/2012 through 9/30/2014	Statutory Benefits per F.S. 118 & 119.191 2 year policy through 2014	\$ -





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

To the Honorable Mayor and Members of the
City Commission
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 information of the City of Coconut Creek, Florida (the City) as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2015.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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*.

Purpose of this Report

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

Marcum LLP

Fort Lauderdale, Florida
March 30, 2015



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

To the Honorable Mayor and Members of the
City Commission
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 the City's major federal program for the fiscal year ended September 30, 2014. The City's major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Coconut Creek, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2014.



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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its 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.

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.

Marcum LLP

Fort Lauderdale, Florida
March 30, 2015

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Fiscal Year Ended September 30, 2014

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures
FEDERAL AGENCY NAME:			
United States Department of Justice			
Direct Programs:			
Federal Equitable Sharing	16.922	-	\$ 560,668
Bulletproof Vest Partnership Program 2012	16.607	2012BUBX12064244	833
Bulletproof Vest Partnership Program 2013	16.607	N/A	1,757
Bulletproof Vest Partnership Program 2014	16.607	N/A	2,699
			<u>5,289</u>
Sub total direct programs			<u>565,957</u>
Indirect Programs:			
Passed through Florida Department of Law Enforcement			
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2014-JAGD-BROW-3-E6-078	9,080
Total United States Department of Justice			<u>575,037</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Community Development Block Grants			
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-12-0054	125
	14.218	B-11-MC-12-0054	9,110
	14.218	B-12-MC-12-0054	61,015
	14.218	B-13-MC-12-0054	43,083
			<u>113,333</u>
Home Investment Partnership Program	14.239	N/A	11,933
	14.239	11-HFCD-036	53,461
	14.239	11-HFCD-054	73,296
	14.239	N/A	39,655
			<u>178,346</u>
Total United States Department of Housing and Urban Development			<u>291,679</u>

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 (continued)
 For The Fiscal Year Ended September 30, 2014

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures
United States Department of Transportation Indirect Program:			
Passed through Florida Department of Transportation			
Highway Planning and Construction	20.205	FM#425537-1	1,148,695
	20.205	FM#425534-1	1,720,670
Passed through Florida Department of Environmental Protection			
Recreational Trail Program	20.219	T11003	<u>107,184</u>
Total United States Department of Transportation			<u>2,976,549</u> *
United States Department of Agriculture Indirect Program:			
Passed through Florida Department of Agriculture Urban and Community Forestry Grant	10.664	# 020363	<u>10,250</u>
Total United States Department of Agriculture			<u>10,250</u>
Total Expenditures of Federal Awards			<u>\$ 3,853,515</u>

* Denotes cluster

See notes to schedule of expenditures of federal awards

CITY OF COCONUT CREEK, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Coconut Creek (the City) under programs of the federal government for the fiscal year ended September 30, 2014. 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*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as a reimbursement, except for equitable sharing programs for Justice, which follows *Guide to Equitable Sharing for Foreign Countries and Federal, State and Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended September 30, 2014

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditors’ report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses?

_____ Yes X None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major awards program:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)?

_____ Yes X None reported

Type of auditors’ report issued on compliance for major awards program:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?

_____ Yes X No

Identification of major federal program:

Federal Program/Cluster

CFDA No.

Department of Transportation

Highway Planning and Construction

20.205*

Recreational Trail Program

20.219*

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low risk auditee?

X Yes _____ No

* Denotes cluster

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
For the Fiscal Year Ended September 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported

SECTION III– FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

SECTION IV– SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None reported



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

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

Report on the Financial Statements

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, 2014, and have issued our report thereon dated March 30, 2015.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required By OMB Circular A-133; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 30, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The assessment was done as of the fiscal year end.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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

Marcum LLP

Fort Lauderdale, Florida
March 30, 2015

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

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

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

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

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

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

Marcum LLP

Fort Lauderdale, Florida
March 30, 2015

