

City of

Coconut Creek

Florida



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

**Fiscal Year Ended
September 30, 2012**



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

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

**CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2012**

City Commission

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

Administrative Staff

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



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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2012**

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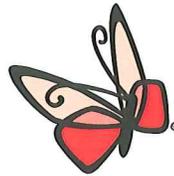
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March 21, 2013

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, 2012. This report was prepared in accordance with Florida Statute, the City Charter, and Accounting Principles Generally Accepted in the United States of America (GAAP). Florida Statutes require that every general purpose local government publish annually a report on its financial position and activity that is audited by an independent firm of certified public accountants. The City's commitment to full financial disclosure and financial transparency is reflected in the CAFR through the use of exhibits and the Statistical Tables included herein. All disclosures necessary to enable the reader to gain an understanding of the City of Coconut Creek's activities have been included.

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

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

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

Keefe, McCullough & Co., LLP, a firm of licensed certified public accountants, has audited the City of Coconut Creek's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Coconut Creek for the fiscal year ended September 30, 2012 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Coconut Creek's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Coconut Creek is a full-service municipality located within the northwestern portion of Broward County, the second most populated county in the State. The City was created in 1967 by the Legislature of the State of Florida and is approximately 12 square miles. The City is located north of Fort Lauderdale and abuts Boca Raton. The terrain is generally flat. The sub-tropical climate provides comfortable living year round.

With an estimated population of 53,313 people, the City ranks 15th in population amongst the 31 municipalities in the County. The City has been developed primarily for residential purposes, with a proportionate mix in population of families and retirees. Because the tax burden rests mostly on residential properties, the City has various aggressive economic development initiatives to encourage new construction, expansions, and re-development to obtain a suitable mix of residential and commercial properties within the City. More detailed information on the City's economic development efforts can be found on page vii.

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

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

The City of Coconut Creek provides a full range of services, including police and fire rescue services, the construction and maintenance of streets and infrastructures, recreational and cultural activities, and water and sewer 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 to develop a proposed budget. A proposed budget must be submitted to the City Commission no later than August 1st of each year. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City of Coconut Creek's fiscal year.

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, weather events and uncertainty of any future tax reform or legislative changes that will directly affect the City's ability to maintain current service levels. In 2012, the Consumer Price Index showed a slight increase and is expected to continue to slowly increase in 2013. Consideration of the impact of these economic indicators plays an important role in determining the use of City resources in the upcoming years.

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently minimal, plus the value of new construction. The impact of the current economic environment and declining property values has resulted in a loss of tax dollars and new construction related revenues. As the economy slowly recovers, the City anticipates only slight increases in residential property values, but is optimistic that there will be an increase in new construction.

During the early 2000's, the City of Coconut Creek experienced an increase in housing construction in the northern section of the City. However, the level of new construction declined drastically after 2008 but has started to gain some momentum during fiscal year 2012 as demonstrated by the following table:

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Residential Units	81	60	68	26	85	71	203	62	5	294
Commercial Permits	3	4	2	4	24	5	5	18	52	21
Value (in millions)	\$46.2	\$55.7	\$15.7	\$9.4	\$75.6	\$35.2	\$22.4	\$39.7	\$22.5	\$32.2

The spike in commercial permits in 2008 is a result of the completion of the first phase of the City's "downtown" area. Our focus is on tax base diversification and we will continue to emphasize expansion of our commercial base as well as renewed efforts to expand, maintain, and upgrade existing residential and public areas of the City. However, due to the recession of 2009, the housing debacle, and the surrounding economic uncertainty, the City experienced a drastic decrease in the number of new construction permits issued in 2009. The number of residential permits increased and stabilized in 2010 as a result of a slowly recovering housing market, but is far from returning to the early 2000 levels. The number of commercial permits remains constant since 2009, but the value (in millions) has shown significant improvements in 2011 and 2012. The majority of the increase in 2012 is attributed to the construction of three multi-family developments: Broadstone Cypress Hammocks, Paloma Lakes, and San Mellina. The number of commercial permits is expected to increase over the next 1-5 years due to several major initiatives planned for upcoming years; particularly in the MainStreet area (more detailed information is contained in the Major Initiatives section on page vi).

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

In 2010, the Florida Legislature approved a compact with the Seminole Tribe of Florida, authorizing blackjack and other card games at five Seminole casinos, including the casino in the City of Coconut Creek. On an annual basis, the City will receive a small portion of the net wins attributed to the Coconut Creek casino. Distributions began in March 2011 and will continue annually.

Long-term Financial Planning

Despite the current economic environment and the decline in the real estate market, the City has remained financially stable. Assessed values have shown a modest increase for fiscal year 2013, and demand driven revenues such as Half-Cent Sales Taxes and Shared Revenues are predicted to have modest increases as well. We also anticipate an increase in building permits and impact fees for fiscal year 2013. However, overall growth has been slow and is anticipated to remain this way for the next few years. The City has made prudent decisions in the past years, and will continue to do so in the current and future years, in an effort to maintain a financially sustainable City.

The City has been working diligently on a capital improvement project for Coconut Creek Parkway. There are several educational facilities located along the parkway including the north campus of Broward College, the North Regional County Library, the Associated Builders and Contractors Corporate Headquarters, Coconut Creek High School, Atlantic Technical Center, and the Dave Thomas Educational Center. The project, known as the "Education Corridor," creates a linear park-like corridor that will provide multi-modal connectivity between the various facilities. It includes a landscaped median, bus shelters, and a dedicated bicycle and pedestrian multi-purpose path. The project is well underway and expected to be completed by June 2015.

The City has undertaken a capital improvement project to construct a new state-of-the-art public works building. The old public works building needs major improvements and is not equipped to withstand a major hurricane. The current building was demolished and is being replaced with a safer and more modern structure. In addition, the City plans to use the building as an Emergency Operations Center (EOC) and the police dispatch center. Broward County is also planning to operate a regional EOC and dispatch center from the new public works building. The project is estimated to cost approximately \$ 7.8 million and will be completed in April 2013. The project is funded through the issuance of debt. Partial funding for the project was obtained through grants and contributions from the County. Proceeds received from the Seminole Tribe of Florida will be used to repay the debt.

The City is currently working on rehabilitation and beautification of Lyons Road, from Coconut Creek Parkway to Copans Road. The roadway rehabilitation consists of resurfacing, sidewalk improvements, drainage improvements, and installation of reclaimed water infrastructure. The beautification includes landscaping, irrigation adjustments, and decorative pavers in all medians. The project is estimated to cost approximately \$ 4.5 million and will be completed in December 2013. In addition, the City is working on beautification of Lyons Road, from Copans Road to the Sawgrass Expressway. The project includes median landscaping, pavers, and intersection improvements. The project is estimated to cost approximately \$ 2.5 million and will be completed in December 2014.

In December 2012, an Option Purchase Agreement with JPGP, LLC for the sale of 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek lapsed and the City refunded the deposit and interest earned to JPGP, LLC. The City is actively pursuing different strategies to market the property.

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 2012'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 it is our belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

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

As demonstrated by the budgetary comparison schedules included in this report, Coconut Creek continues to meet its responsibility for sound financial management practices. For the general fund and major special revenue funds, this comparison is presented beginning on page 58 as part of the required supplementary information. For the remaining governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, and starts on page 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, and infrastructure. Coconut Creek's Capital Improvement Program for fiscal years 2013 through 2017 calls for approximately \$ 40.2 million for governmental funds and \$ 32.9 million for enterprise funds.

During fiscal year 2012, the City spent \$ 7.6 million on governmental funds capital improvement projects and \$ 1.4 million on enterprise funds capital improvement projects.

Revenue Policy

The City strives to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and attempts to minimize dependence on property taxes. Charges for services are used to recover partial or full cost of providing services that benefit individual users. Additionally, it is the City's policy that new ongoing operating costs are funded with regular, ongoing revenue sources. One time operating costs are tied to one-time revenue sources to ensure fund balance integrity. During fiscal year 2012, the City received an additional \$ 0.4 million in municipal

service charges from the Seminoles due to the expansion of the Seminole Casino, which will be used for future community capital improvement projects.

Debt Policy

The City seeks to maintain the highest bond rating to minimize borrowing costs. Debt is issued when necessary to finance capital projects, but is never used for current operations. The City reviews and evaluates its existing obligations and future borrowing needs regularly. During fiscal year 2012, the City refunded the 2003D Capital Improvement Revenue Note and issued the Series 2012 Capital Improvement Revenue Refunding Note thereby reducing interest expense.

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 \$ 23.8 million, of which \$ 16.2 million is unassigned fund balance of the General Fund. Unassigned fund balance represents 37.0%, or 4.5 months of total General Fund's budgeted operating expenditures. For more information on the City's Fund Balance Policy, please refer to pages 36 and 37, Note 1 to the Financial Statements.

Major Initiatives

Strategic Planning

The City's Comprehensive Plan was originally adopted in 1989. A substantial revision was completed in 2003 to satisfy both the requirements of the 1996 adopted Evaluation and Appraisal Report and for the Broward County Planning Council Certification. The plan was again amended in 2007 as a result of the 2005 Evaluation and Appraisal Report. A water supply plan, identifying the long term plan for water supply sources and facilities was adopted in 2008. In addition, with the adoption of statewide school concurrency, a new Public School Facilities Element was adopted in 2009 and recently amended in 2011 to address changing regulations relating to school capacity. The Comprehensive Plan is intended to guide future growth and development and to provide an overall vision for the community. The City anticipates conducting a new Evaluation and Appraisal Report in 2015 and based upon the findings at that time, will amend the plan accordingly.

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

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

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

Economic Development

The City of Coconut Creek is in the process of enhancing economic development by creating a “downtown” area on some of the last consolidated open spaces in the City and in the County. The concept of the new MainStreet area is a vision for a green and sustainable downtown located in the center of the City and is that of a pedestrian-friendly and environmentally-safe urban downtown area of mixed-use facilities ranging from residential to retail and restaurants. The first project was completed in the fall of 2008. Several other projects are approved for the MainStreet area and are anticipated for construction in 2013/2014, including a new movie theater and expanding car dealerships.

Also located in the MainStreet area is the Seminole Tribe of Florida Coconut Creek Casino. The Seminole Tribe has plans for a major expansion of this facility with over 300,000 square feet of retail and restaurant space, a 1,000-room hotel, a 3,200-seat auditorium, a 6,500-vehicle parking garage, and an expansion of gaming activity. Based on the planned expansion, the City has undertaken discussions directly with the Seminole Tribe to evaluate and solve development impacts related to the City, as the project moves forward. In February 2012, the Seminole Tribe completed their most recent phase that included a Transportation Center and retail component. The Transportation Center contains approximately 2800 parking spaces with a 25,000 square foot retail component, featuring two new upscale restaurants. It is anticipated that the Seminole Tribe will continue to phase their development program over the next several years.

The City has developed and begun implementation of a new Business Assistance Program offering opportunities to assist our local business community. Program initiatives being offered include matching grants for property improvements including facade improvements, landscaping, signage and other general site improvements as well as a commercial rent subsidy program designed to assist new local businesses or expanding existing businesses for up to 12 months. The program is geared towards encouraging economic development within City limits.

City Green Plan

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

Reclaimed Water

The City has incorporated a Reclaimed Water Project where Broward County will provide two million gallons of reclaimed water per day to the City. Using reclaimed water provides various benefits throughout the community, such as the reduction in cost, reduction in fertilizer usage, reduction in stress on drinking supplies, and reduction in disposals into our waterways. The Reclaimed Water Project process ensures that only the highest quality, clear, and essentially pathogen-free water is distributed. The City will seek funding assistance from Broward County, the South Florida Water Management District, and other applicable grants to help fund the Reclaimed Water Project.

City Mobility

Over the last 10 years, the City has been planning a network of trails that aim to provide pedestrians, cyclists and even equestrians with recreational opportunities within a safe alternative mode of mobility throughout the City. The City is working to create visible trail heads, consistent icons, and maps which will identify various trailways and their connections with public transportation, parks, public facilities and major attractions in Coconut Creek.

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, 2011. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2012 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 2013 annual budget document has been submitted for another award and is currently under review.

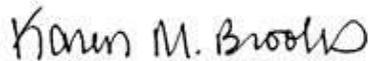
The City has also received the award for Outstanding Achievement in Popular Annual Financial Reporting for the September 30, 2011 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

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

Respectfully submitted,



David J. Rivera
City Manager



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

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, 2011

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



Christopher P. Mouill

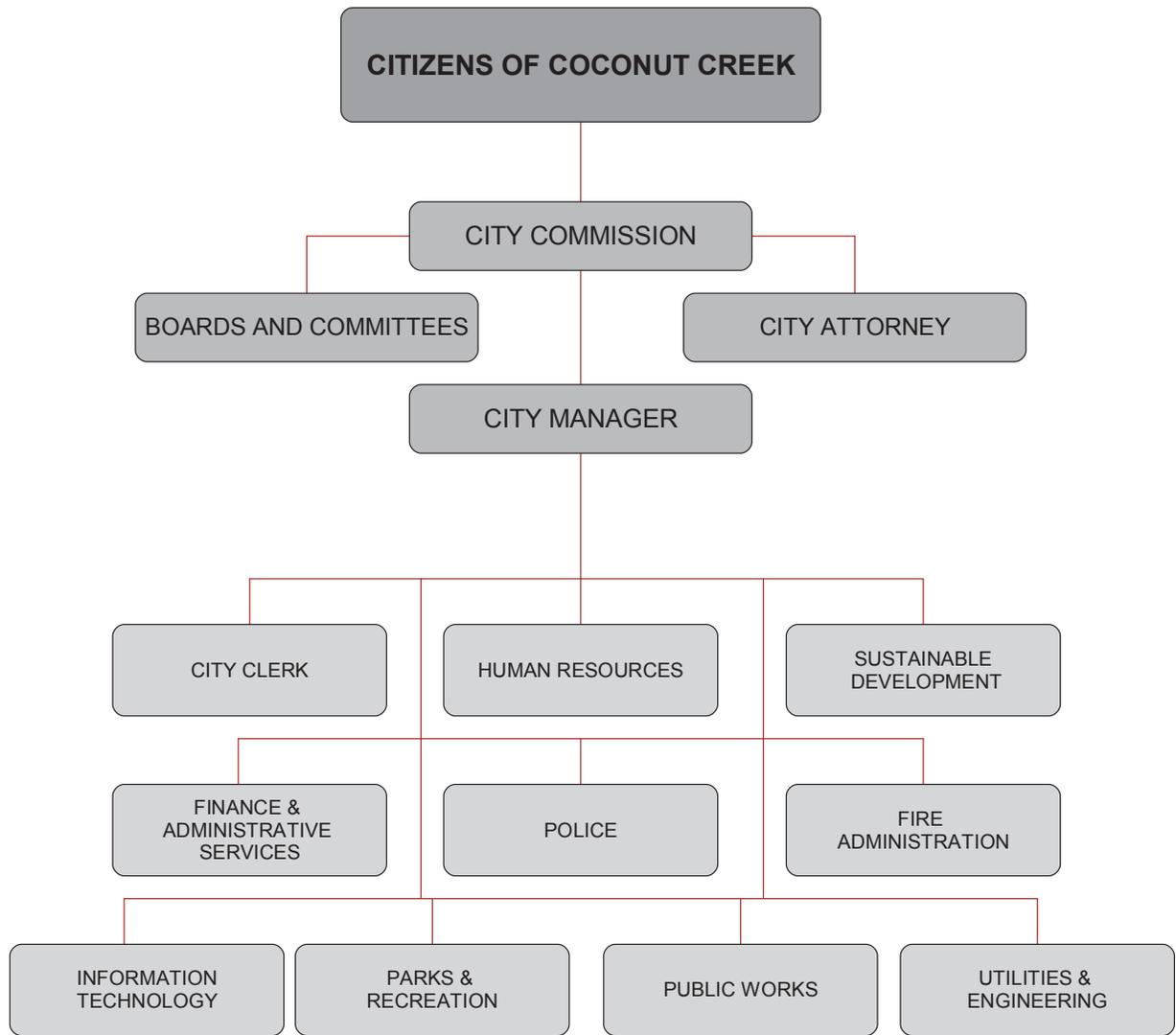
President

Jeffrey R. Emer

Executive Director



COCONUT CREEK GOVERNMENTAL STRUCTURE ORGANIZATION CHART FISCAL YEAR 2012



CITY OF COCONUT CREEK, FLORIDA
LIST OF PRINCIPAL OFFICIALS
September 30, 2012

Elected Officials

Mayor	Marilyn Gerber
Vice Mayor	Lisa K. Aronson
Commissioner	Lou Sarbone
Commissioner	Mikkie Belvedere
Commissioner	Sandra L. Welch

Appointed Officials

City Manager	David J. Rivera
Deputy City Manager	Mary C. Blasi
City Attorney	Paul S. Stuart
City Clerk	Barbara S. Price
Director of Sustainable Development	Sheila N. Rose
Director of Human Resources	Pamela J. Kershaw
Director of Utilities and Engineering	Raj Verma
Director of Public Works	James L. Berkman
Director of Parks and Recreation	Linda J. Wiederspan
CIO Information Technology	Francisco Porrás
Chief of Police	Michael J. Mann
Fire Rescue Chief	Steven Pollio

Finance Officials

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





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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida (the "City"), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, other post-employment benefits, on pages 3 through 19 and page 63, respectively, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

City of Coconut Creek, Florida

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budget and actual schedules, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards 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 is also not a required part of the basic financial statements of the City. The budget to actual schedules, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 21, 2013

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, 2012. 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 viii 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 \$ 190.7 (net assets). Of this amount, \$ 46.8 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$ 12.3 during the current fiscal year. Net assets of our governmental and business-type activities increased by \$ 6.5 and \$ 5.8, respectively. The majority of the increase in governmental fund activities net assets is due to increases in charges for services, capital grants and contributions, and intergovernmental revenues. \$ 1.5 of the increase in net assets for business-type activities is due to capital contributions and donations. The remaining difference resulted from a water and sewer rate increase in April 2011 to fund current and future capital needs, and unused contingencies.
- Governmental Activities generated \$ 19.3 in program revenues, with \$ 47.6 in direct expenses.
- Business-type Activities generated \$ 20.7 in program revenues, with \$ 16.0 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 \$ 50.1, a decrease of \$ 1.0, or 2.0%, over the prior year. Of this amount, approximately \$ 8.7 is nonspendable, \$ 10.1 is restricted, \$ 8.7 is committed, \$ 6.4 is assigned, and \$ 16.2 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 16.2, or 37.0% of total General Fund budgeted operating expenditures.
- The City of Coconut Creek's total outstanding debt decreased \$ 2.6 during the current fiscal year due to scheduled annual debt service payments.
- Overall, the City's financial position has improved from the prior year.

Overview of the Financial Statements

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

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

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

Management's Discussion and Analysis

that provide details about the nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and 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 20 and 21 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*.

The City of Coconut Creek maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Construction and Maintenance Fund, Grants Fund, 2009 Capital Projects Fund, Capital Improvement Program Fund, and the Public Safety Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in this report.

Management's Discussion and Analysis

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

The basic governmental fund financial statements can be found on pages 22 through 27 of this report.

Proprietary Funds. Proprietary fund financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, 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 operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 28 through 31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 32 of this report.

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

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

Government-wide Financial Analysis

Summary of net assets. The overall position of the City improved in 2012. As noted earlier, over time net assets 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 Assets summary presentation as reflected below:

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

Management’s Discussion and Analysis

In the case of the City of Coconut Creek, combined assets exceeded its liabilities by \$ 190.7 at the close of fiscal year 2012 (see Table 1 below).

TABLE 1
City of Coconut Creek's Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2012-2011
Current and other assets	\$ 57.1	\$ 56.5	\$ 25.2	\$ 20.2	\$ 82.3	\$ 76.7	7.3%
Capital assets	79.1	73.7	66.0	64.5	145.1	138.2	5.0%
Total assets	136.2	130.2	91.2	84.7	227.4	214.9	5.8%
Long-term liabilities outstanding	28.0	29.9	0.9	0.7	28.9	30.6	-5.6%
Other liabilities	4.7	3.3	3.2	2.6	7.9	5.9	33.9%
Total liabilities	32.7	33.2	4.1	3.3	36.8	36.5	0.8%
Net assets:							
Invested in capital assets, net of related debt	67.8	59.8	66.0	64.5	133.8	124.3	7.6%
Restricted	10.1	13.3	-	-	10.1	13.3	-24.1%
Unrestricted	25.6	23.9	21.2	16.9	46.8	40.8	14.7%
Total net assets	\$ 103.5	\$ 97.0	\$ 87.2	\$ 81.4	\$ 190.7	\$ 178.4	6.9%

The largest portion of the City of Coconut Creek’s net assets (\$ 133.8 or 70.2%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Coconut Creek uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Coconut Creek’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City’s portion of net assets invested in capital, net of related debt increased by \$ 9.5 due to the acquisition and construction of capital items and scheduled debt payments.

An additional portion of the City of Coconut Creek’s net assets (\$ 10.1, or 5.3%) represents resources that are subject to external restrictions on how they may be used. The 2012 balance in restricted net assets decreased by \$ 3.2 due to restrictions imposed by various external agencies, including debt covenant requirements.

The remaining balance of \$ 46.8 reflects unrestricted net assets (24.5%) increased by \$ 6.0, and may be used to meet the government’s ongoing obligations to citizens and creditors.

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

Management's Discussion and Analysis

The City's long-term liabilities decreased by \$ 1.7. The decrease was due mainly to the required annual debt service payments of \$ 2.6. The effects of the reduction were partially offset by an increase of \$ 0.2 in earned but unused vacation and sick leave due to the timing of usage and an increase of \$ 0.7 in unfunded actuarial accrued liability for other post-employment benefits. The City makes contributions towards other post-employment benefits on a pay-as-you go basis. Other post-employment benefits are discussed in more details in Note 16 on page 53. In addition, in 2012, the City refunded the 2003D Capital Improvement Revenue Note and issued the Series 2012 Capital Improvement Revenue Refunding Note reducing interest expense. See Note 8 on page 47 for more details.

Other liabilities increased by \$ 2.0 due to the timing of annual activities (services received, customer deposits, etc.) and vendor payments (\$ 1.8), and an increase in deferred and unearned revenues relating to the timing of grant receipts and expenditures (\$ 0.2).

Current and other assets increased \$ 5.6 due mainly to an increase in cash and investments, accounts receivable, and due from other governments as a result of annual activities (including capital purchases) and the timing of payments and receipts. Changes in capital assets are discussed in the Capital Assets and Debt Administration section on page 17.

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

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

Basic impacts on expenses are outlined below:

- 1) **Introduction or elimination of programs** can have an impact on staffing levels, operating costs, and capital outlay costs.
- 2) **Changes in service 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 assets increased by \$ 12.3, or 6.9%, during the fiscal year 2012. Approximately 12.2% (\$ 1.5) of the increase in net assets was attributed to capital contributions of utility easements and infrastructure and does not represent actual revenue collected during the year. The remaining increase in net assets is due mainly to increases in water and sewer revenues, charges for services, capital grants and contributions, and intergovernmental revenues. Additionally, although expenditures increased from prior year, expenditures were less than budgeted due to a reduction in pension costs, vacancies, and savings in operating expenses. More detailed information is provided in the governmental and business-type activities change in net assets section as follows.

City of Coconut Creek, Florida

Management's Discussion and Analysis

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

TABLE 2
City of Coconut Creek's Changes in Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2012-2011
Revenues							
Program revenues							
Charges for services	\$ 16.4	\$ 15.7	\$ 19.2	\$ 18.5	\$ 35.6	\$ 34.2	4.1%
Operating grants and contributions	0.4	0.6	-	-	0.4	0.6	-33.3%
Capital grants and contributions	2.5	1.6	1.5	2.8	4.0	4.4	-9.1%
General revenues							
Property taxes	16.1	15.9	-	-	16.1	15.9	1.3%
Utility taxes	6.1	6.1	-	-	6.1	6.1	0.0%
Local option gas tax	0.9	0.8	-	-	0.9	0.8	12.5%
Franchise fees	4.0	4.1	-	-	4.0	4.1	-2.4%
Impact fees	0.9	1.2	0.7	1.0	1.6	2.2	100.0%
Intergovernmental	4.8	4.1	-	-	4.8	4.1	17.1%
Investment income	0.4	0.6	0.2	0.2	0.6	0.8	-25.0%
Miscellaneous	1.6	1.1	0.2	0.3	1.8	1.4	28.6%
Transfers	-	0.5	-	(0.5)	-	-	0%
Total revenues	54.1	52.3	21.8	22.3	75.9	74.6	1.7%
Expenses							
General government	11.7	10.7	-	-	11.7	10.7	9.3%
Public safety	24.0	23.5	-	-	24.0	23.5	2.1%
Physical environment	5.8	5.7	-	-	5.8	5.7	1.8%
Culture/recreation	5.2	5.3	-	-	5.2	5.3	-1.9%
Interest on long-term debt	0.9	0.9	-	-	0.9	0.9	0.0%
Water and wastewater	-	-	15.0	14.6	15.0	14.6	2.7%
Stormwater management	-	-	1.0	0.8	1.0	0.8	25.0%
Total expenses	47.6	46.1	16.0	15.4	63.6	61.5	3.4%
Increase in net assets	6.5	6.2	5.8	6.9	12.3	13.1	-6.1%
Net assets-beginning	97.0	90.8	81.4	74.5	178.4	165.3	
Net assets-ending	\$ 103.5	\$ 97.0	\$ 87.2	\$ 81.4	\$ 190.7	\$ 178.4	6.9%

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City of Coconut Creek's net assets by \$ 6.5, thereby accounting for 52.8% of the total growth in the net assets of the City of Coconut Creek.

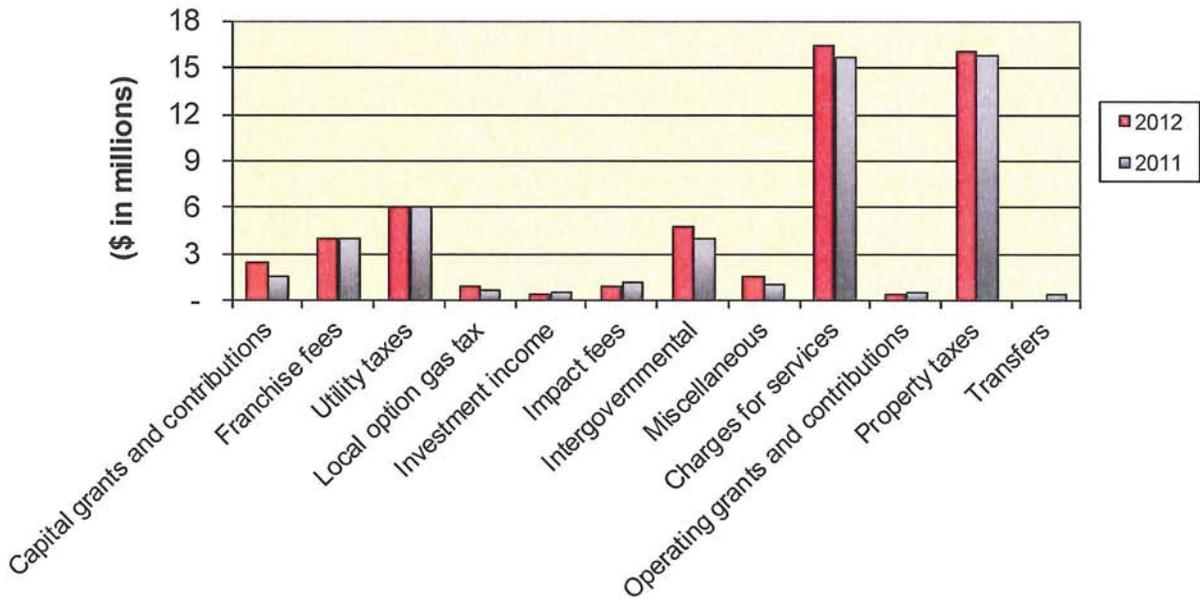
Key elements of this increase are as follows:

- Property taxes collections increased by \$ 0.2 (1.3%) during the year. This increase is mainly attributed to the collection of prior year ad valorem taxes.
- Charges for services increased by \$ 0.7 (4.5%) during the year. The increase is primarily attributed to an increase in municipal service charges received from the Seminoles due to the expansion of the Seminole Casino (\$ 0.4); an increase in administrative fees charged by the General Fund for services performed for other funds (\$ 0.2); and an increase in license and permits of \$ 0.2. In 2011, the City received \$ 1.2 in license and permits from the Seminole Casino for the parking garage. In 2012, the City received \$ 0.8 in license and permits for the construction of three multi-family developments: Broadstone Cypress Hammocks, Paloma Lakes, and San Mellina. The remaining difference is comprised of minimal increases in SRO subsidy due to a scheduled increase and EMS revenues due to increased collection efforts, among other minor changes.
- Operating grants/contributions decreased by \$ 0.2 (-33%). This is partially due to the expiration of several grants, in particular grants awarded to our Police Department as part of the American Recovery and Reinvestment Act. These grants are one-time grants designed to boost economic growth by providing for salaries and benefits for new positions.
- The capital grants/contributions increased by \$ 0.9 (56%). This increase is attributed to an increase in activity in grant funded capital projects, including the Education Corridor and improvements to Lyons Road. Additionally, fines and forfeitures collected from law enforcement forfeitures and seizures increased by \$ 0.3.
- Impact fees decreased by \$ 0.3 (25%) due to the timing of receipts from new developers. In 2011, the City received \$ 1.0 in impact fees charged for the construction of the new parking garage at the Seminole Casino. In 2012, the City received \$ 0.8 in impact fees from Broadstone Cypress Hammocks, Bel Lago, and San Mellina.
- Intergovernmental revenues increased by \$ 0.7 (17%) mainly due to an increase in half-cent sales tax (\$ 0.4) and state shared revenues (\$ 0.1) as a direct result of the slow recovery of the economy. In addition, the City received \$ 0.1 more in proceeds from the County's Materials Recovery Facility (MRF) due to a change in the contract with the City's solid waste provider whereby the City retains the entire proceeds. The remaining differences are minor.
- Investment income decreased by \$ 0.2 (-33%) due to a lower average interest rate during 2012.
- Miscellaneous revenues increased by \$ 0.5 (45%). In fiscal year 2012, the City received \$ 0.3 in revenues as a result of the compact between the Seminole Tribe of Florida and the State of Florida. In addition, the City received \$ 0.1 in contributions from developers to be used for the affordable housing program and \$ 0.1 for insurance reimbursements due to the damage to the boardwalk at the Recreation Complex.
- Transfers-in decreased by \$ 0.5 (-100%) due to the expiration of a one-time transfer from the Water and Wastewater Fund to the General Fund.
- Utility taxes, local option gas tax, and franchise fees remained generally the same from prior year.
- Expenses increased by \$ 1.5 (3%) due to increases in personnel costs (\$ 0.3); increases in contract prices, including the increase in the contract for medical and EMS services with the City of Margate (\$ 0.8); among other minor increases in operating expenditures.

Governmental revenues increased 3.4% to \$ 54.1. The following chart (Chart 1) depicts the changes in governmental revenues from fiscal year 2011 to fiscal year 2012. Overall, revenues remained relatively stable from one year to the next.

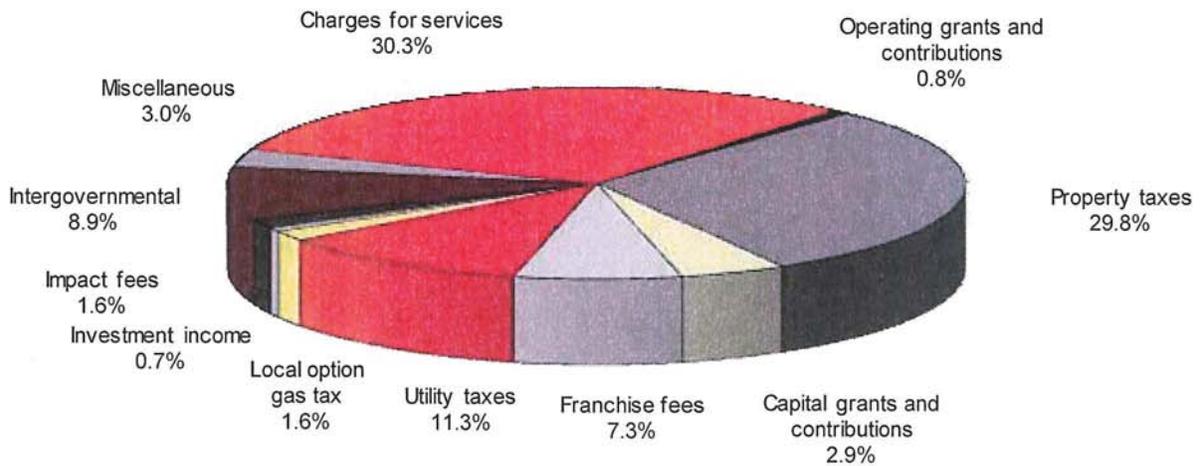
Management's Discussion and Analysis

CHART 1
Revenues By Source-Governmental Activities



The following chart provides an overall view of the various governmental revenue sources. 29.8% of these revenues received come from property taxes, 18.6% from utility taxes and franchise fees and 30.3% from charges for services.

CHART 2
Revenues by Source-Governmental Activities



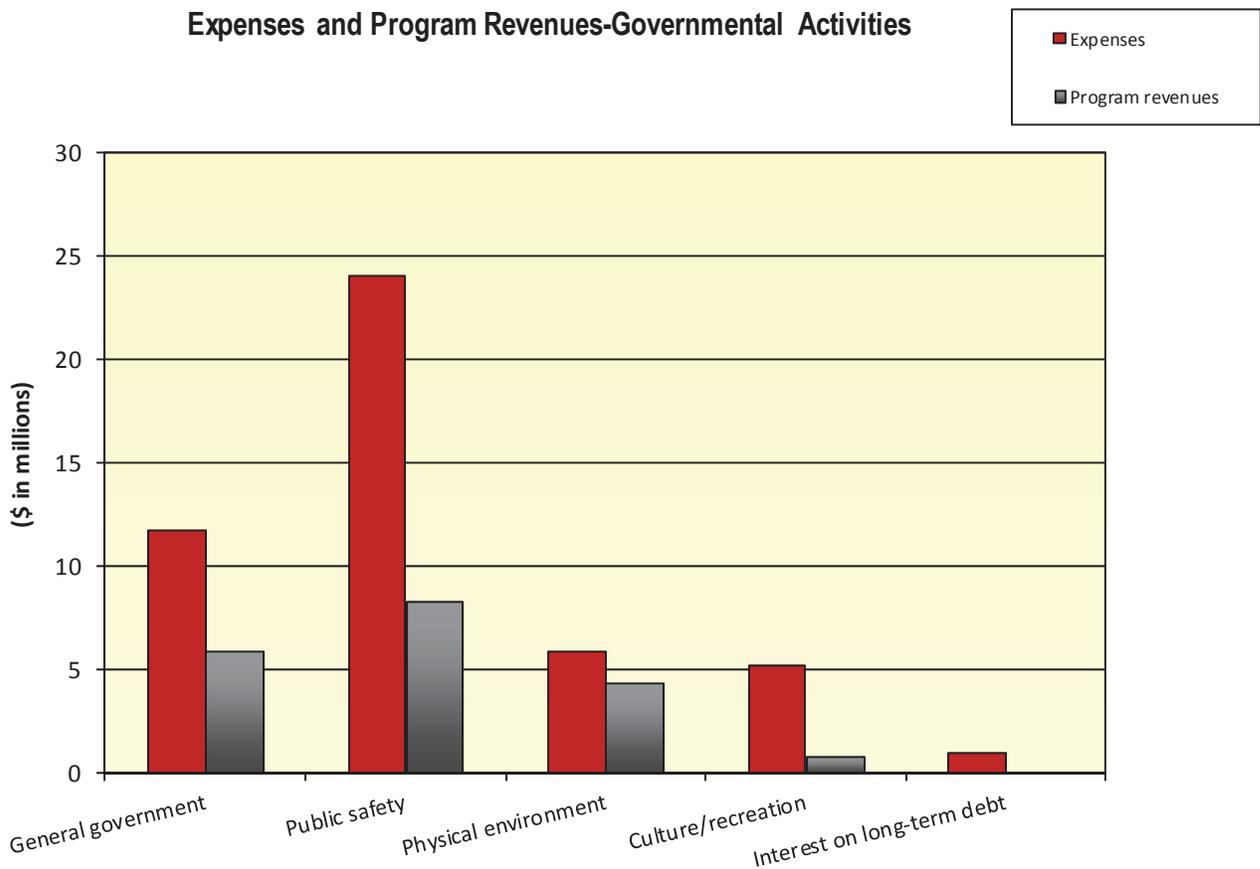
Management’s Discussion and Analysis

Chart 3 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$ 47.6. Some of that cost was financed by:

- Those who directly benefited from the programs through charges for services (\$ 16.4), and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions (\$ 2.9).

The City financed the remaining \$ 28.3 “public benefit” portion of governmental activities with \$ 27.1 in taxes and franchise fees, and with other revenues such as unrestricted state aid and interest income.

CHART 3
Expenses and Program Revenues-Governmental Activities



Business-type activities. Business-type activities increased the City of Coconut Creek’s net assets by \$ 5.8, accounting for 47.2% of the total increase in the government’s net assets. Revenues of the City’s business-type activities decreased 2.2% to \$ 21.8, while expenses increased by 3.9% to \$ 16.0. Factors contributing to these results included:

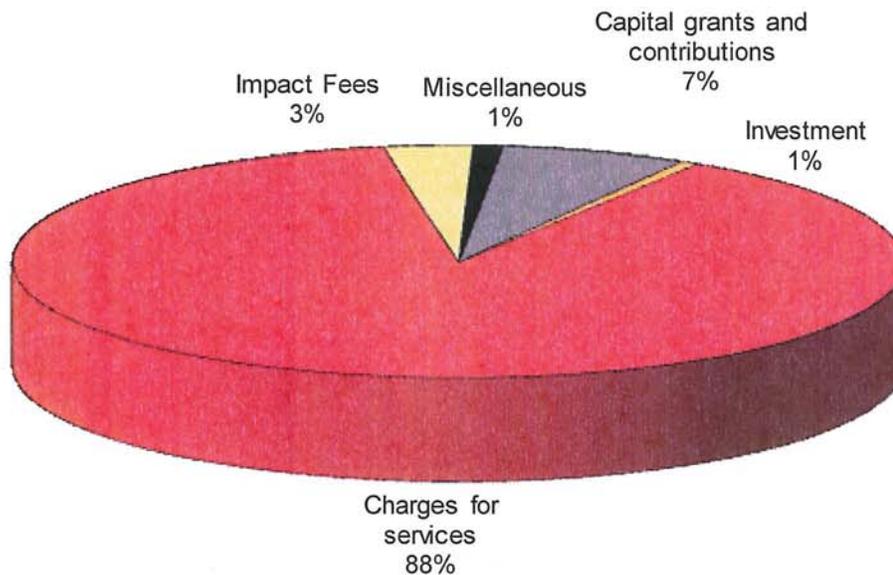
- Charges for services increased by \$ 0.7 (3.8%) due to a new water/wastewater rate structure implemented in fiscal year 2009. The new rate structure was introduced to mitigate the impact of Broward County rate increases, promote water conservation, and to provide funding to adequately maintain the system’s infrastructure.

Management's Discussion and Analysis

- Impact fees decreased by \$ 0.3 (-30%) due to the timing of the addition of new developments. In 2011, the City collected \$ 0.8 for the construction of the new parking garage at the Seminole Casino. In 2012, the City collected \$ 0.6 for Bel Lago, and \$ 0.1 for Broadstone Cypress Hammocks.
- Expenses slightly increased by \$ 0.6 (3.9%) during the year. This increase is partially attributed to an increase in administrative costs paid to the General Fund (\$ 0.2), increases in personnel costs (\$ 0.2), and increases in operating costs, including contractual increases and utility fees paid to Broward County for water and wastewater services (\$ 0.2).
- The City received \$ 1.5 in capital contributions of utility easements and infrastructure, a reduction of \$ 1.3 from the previous year, and does not represent spendable revenue collected during the year.

The following chart provides an overall view of the various business-type revenue sources. 88.0% of these revenues received come from charges for services, 3.0% from impact fees paid by developers, and 7.0% from capital grants and contributions.

CHART 4
Revenues by Source-Business-Type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$ 50.1, a decrease of \$ 1.0 in comparison with the prior year.

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

	Governmental Activities	
	2012	2011
Nonspendable:		
Inventory	0.1	0.1
Prepays	-	0.1
Assets held for resale	8.6	8.6
Restricted for:		
Capital projects	5.6	8.9
Grants	0.3	0.3
Street construction/maintenance	2.3	2.6
Public safety	1.9	1.4
Housing	-	0.1
Committed to:		
Affordable housing program	0.8	1.2
Capital projects	5.5	4.1
Debt service	0.1	0.1
Hurricane emergency reserve	2.3	2.2
Assigned to:		
Capital projects	1.2	1.6
General government	4.1	3.1
General trust accounts	1.0	1.0
Other	0.1	-
Unassigned	16.2	15.7
Total fund balances	\$ 50.1	\$ 51.1

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

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

- **Nonspendable Fund Balance:** A portion of fund balance is classified as *nonspendable* (\$ 8.7) to indicate that it is not available for new spending because it is not in spendable form. Nonspendable fund balance includes assets held for resale (\$ 8.6) and inventory and prepaid costs (\$ 0.1).
- **Restricted Fund Balance:** \$ 10.1 is classified as *restricted*, which indicate amounts constrained to specific purposes by external entities. Restricted fund balance includes amounts associated with grant restrictions (\$ 0.3); statutory requirements for street construction and maintenance (\$ 2.3); debt covenant for the construction of the new Public Works building and the undergrounding of above ground utility lines (\$ 5.6); and federal, state, and local requirements for the use of law enforcement forfeitures and seizures (\$ 1.9).

Management's Discussion and Analysis

- Committed Fund Balance: \$ 8.7 is classified as *committed*, to indicate amounts constrained to specific purposes by the City Commission through Ordinance or Resolution. Committed fund balance consists mainly of amounts constrained to ongoing and future capital projects (\$ 5.5), debt service (\$ 0.1), housing (\$ 0.8), and hurricane emergencies (\$ 2.3).
- Assigned Fund Balance: \$ 6.4 is classified as assigned, to indicate amounts constrained by the City's *intent* to use for a specific purpose. Assigned fund balance mainly includes amounts set aside for ongoing and future capital projects (\$ 1.2), future budgetary requirements (\$ 4.0), amounts to be used for various general trust accounts (\$ 1.0), and other purchase commitments of \$ 0.2.
- Unassigned Fund Balance: \$ 16.2 is classified as *unassigned* which identifies net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Coconut Creek. At the end of the current fiscal year, fund balance totaled \$ 23.8, of which \$ 16.2 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 37.0%, or approximately four and a half months of total General Fund's budgeted operating expenditures.

The fund balance of the City of Coconut Creek's General Fund increased by \$ 1.7 during the current fiscal year. The City had appropriated \$ 3.1 of fund balance for spending in the 2012 fiscal year budget. However, higher than anticipated building permits due mostly to construction of three new multi-family developments (Broadstone Cypress Hammocks, Paloma Lakes, and Bel Lago), staff vacancies and turnovers, and unused departmental expenditures eliminated the need for the use of appropriated fund balance. The primary factors contributing to the increase in fund balance includes the personnel cost savings of \$ 1.7 (approximately 5.5% of total personnel cost) resulting from lower pension costs and vacancies; and various operating cost savings of \$ 0.7 (approximately 2.5% of total operating costs). Additionally, the City collected more in licenses and permits and utility taxes. More detailed information is included in the General Fund Budgetary Highlights section on page 58.

The Streets Construction and Maintenance Fund has a fund balance of \$ 2.3, which is mainly held in cash and investments for future street related expenditures. Fund balance decreased by \$ 0.4 due mainly to scheduled grant related capital expenditures, which will be reimbursed in fiscal year 2013.

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 by \$ 0.1 due to various grant-related expenditures that were reimbursed after the end of the fiscal year.

The 2009 Capital Improvement Program Fund has a total fund balance of \$ 5.6, which is mainly held in cash and investments received from the \$ 10.0 Series 2009 Capital Improvement Revenue Note issued in fiscal year 2010. The proceeds from the note are being used for the undergrounding of above ground utility lines and the construction of a new Public Works building. Fund balance decreased by \$ 3.3, representing the use of note proceeds to fund the underlying capital projects.

The Capital Improvement Program Fund has a total fund balance of \$ 10.0, which consists mainly of \$ 8.6 for land reserved as assets held for resale and \$ 1.6 in cash and investments for ongoing projects, slightly reduced by \$ 0.2 in outstanding invoices. Fund balance increased from \$ 1.8 to \$ 10.0. The majority of the increase (\$ 8.6) resulted from collapsing the 2003 Capital Projects Fund into the Capital Improvement Program Fund. The remaining decrease of \$ 0.4 represents the use of fund balance set aside to fund ongoing capital projects.

The Public Safety Improvement Fund has a total fund balance of \$ 2.4, which is mainly held in cash and investments for future capital assets. Fund balance increased from \$ 1.4 to \$ 2.4 due mainly to a \$ 0.7 transfer from the General Fund to fund future capital projects and \$ 0.3 collection of public safety impact fees from various developers.

Management's Discussion and Analysis

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

Unrestricted net assets of the Water and Wastewater Fund at the end of the year amounted to \$ 16.8. The total increase in net assets was \$ 5.2. The increase in net assets was mainly due to capital contributions made during fiscal year 2012, including \$ 1.5 of utility easements from various developers, lower than anticipated utility charges paid to Broward County, and the timing of capital related expenses. Unrestricted net assets of the Stormwater Management Fund at the end of the year amounted to \$ 4.4. The total increase in net assets was \$ 0.5. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Coconut Creek's business-type activities.

General Fund Budgetary Highlights

During the year, there was a \$ 0.2 re-allocation in appropriations between the original and the final amended budget for the General Fund. \$ 0.2 in the General Fund was transferred to the City Attorney's budget to cover pension costs due to the City Attorney's reclassification from an independent contractor to an employee.

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 \$ 1.1. The additional revenue is primarily attributed to the following factors:

- License and permits came in higher than expected (\$ 1.3) as a result of the construction of three multi-family homes (Broadstone Cypress Hammocks, Paloma Lakes, and Bel Lago), in addition to an increase in volume of homeowner permits.
- Utility taxes in total had a negligible variance. However, communication services taxes came in lower than the budget by \$ 0.9 due to a decrease in collections from the State of Florida. This shortfall was offset by higher than anticipated electric utility taxes.
- Franchise fees fell short of budget by \$ 0.2 due to lower than expected franchise fees on electricity and refuse due to rate changes and collection patterns.
- Net property tax revenues showed a favorable variance of \$ 0.2 due to an increase in the collection of prior year ad valorem revenues.
- Intergovernmental revenues came in higher than anticipated by \$ 0.1 mainly due to a change in the contract with the City's solid waste provider whereby the City retains the entire proceeds from the County's Materials Recovery Facility (MRF) and slightly higher business tax receipts received from the County; partially offset by lower than expected state shared revenues from the State of Florida.
- Charges for services came in lower than anticipated by \$ 0.1 mainly due to a decrease in fire assessments (\$ 0.4). This shortfall was partially offset by higher than anticipated EMS transport fees (\$ 0.1), parks and recreation program fees (\$ 0.1), and fire plan reviews and fire inspection fees (\$ 0.1).
- Investment income fell short of the budget by \$ 0.1 due to a slowly recovering financial market.
- Fines and Forfeitures and Miscellaneous Revenues both had negligible variances.

Management’s Discussion and Analysis

Expenditures

As of fiscal year-end, actual expenditures came in under budget by \$ 3.6. The main operational savings are as follows:

- The Risk Management division had a total savings of \$ 0.2 due to less than anticipated insurance premiums, claims liability payments, and the lack of need for the insurance contingency.
- The Finance and Administrative Services Department realized a total savings for \$ 0.2 mainly due to staff vacancies and turnover.
- The Sustainable Development Department had a total savings of \$ 0.1 mainly due to lower than anticipated county inspection costs due to decreased usage as a result of hiring a Structural Plans Examiner, various staffing changes, and other minor operational savings.
- The Police Department had a total savings of \$ 1.2 due to savings in salaries, benefits and applicable operating costs. The majority of the savings was due to lower pension costs, staff turnover, and various other minor operational savings.
- The Public Works Department had a savings of \$ 0.4 due to vacancies throughout the year, landscaping maintenance cost savings, lower than anticipated utility expenditures, and various other operational savings.
- The Parks and Recreation Department had a savings of \$ 0.2 due to lower pension costs and various other operational savings.
- The Engineering division had a savings of \$ 0.2 due to due to elimination of a budgeted vacant position.
- Non-department and contingency had a savings of \$ 0.7 due to less than anticipated economic incentives provided to commercial customers and neighborhood enhancement grants awarded. Additionally, the City did not use \$ 0.3 in contingency.
- The remaining \$ 0.4 in savings is attributed to various minor operational savings throughout the year.

Capital Asset and Debt Administration

Capital assets (see Table 3). The City of Coconut Creek’s investment in capital assets for its governmental and business type activities as of September 30, 2012, amounts to \$ 145.1 (net of depreciation). This investment in capital assets includes land, buildings, water/sewer system improvements, machinery and equipment, park facilities, utility easements, and streets. The total increase in the City of Coconut Creek’s investment in capital assets for the current fiscal year was \$ 6.9, which represents a 78.3% increase in governmental activities and a 21.7% 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 2012-2011
	2012	2011	2012	2011	2012	2011	
Land	\$ 24.8	\$ 24.3	\$ 0.4	\$ 0.4	\$ 25.2	\$ 24.7	2%
Buildings	16.3	16.8	2.6	2.6	18.9	19.4	-3%
Improvements	6.9	6.5	0.9	0.9	7.8	7.4	5%
Equipment	4.7	4.3	1.3	1.5	6.0	5.8	3%
Infrastructure	19.0	18.3	55.9	54.5	74.9	72.8	3%
Intangibles	0.1	0.1	4.4	3.9	4.5	4.0	100%
Construction in progress	7.3	3.4	0.5	0.7	7.8	4.1	90%
Total	\$ 79.1	\$ 73.7	\$ 66.0	\$ 64.5	\$ 145.1	\$ 138.2	5%

Management's Discussion and Analysis

For governmental activities, this year's major capital asset additions before depreciation totaled \$ 8.0 and include the following:

- \$ 0.5 in land to be used for recreational purposes.
- \$ 4.6 in construction in progress, which relates to projects started in the City, but not yet completed, including \$ 3.0 for a new Public Works building (total project cost of \$ 3.4), \$ 0.3 for the undergrounding of above ground utility lines (total cost of \$ 1.5); \$ 0.9 for the Education Corridor project (total cost \$ 2.0); and \$ 0.2 for the multi-use athletic field project (total cost of \$ 0.2). The remaining \$ 0.2 includes various improvements to roads, sidewalks, parks and buildings.
- \$ 1.0 in infrastructure for the Lyons Road beautification project.
- \$ 0.7 in buildings and improvements Country Lakes Greenway (\$ 0.5), the government complex glass hardening project (\$ 0.1), and other miscellaneous projects.
- \$ 1.3 in equipment including the purchase of portable radios and alarm system (\$ 0.4), computer purchases and replacements (\$ 0.3), and vehicle replacements (\$ 0.5). The remaining difference of \$ 0.1 includes various other minor equipment purchases.
- The remaining additions were negligible.

For governmental activities, this year's major capital asset disposal consisted of \$ 0.4 in vehicles and \$ 0.1 in computers as part of the annual vehicle and computer replacement plans. In addition, Buildings was reduced by \$ 0.4 due to the removal of the old Public Works Building that was demolished in order to construct a new public works building. Additionally, \$ 0.7 was transferred from construction in progress to buildings, improvements, infrastructure, and equipment. The transfer represented the completion of various on-going projects, including the government center glass hardening project (\$ 0.1), the 69th Street Greenway (\$ 0.3), Copans Road Median improvements (\$ 0.1), and the Lyons Road beautification project (\$ 0.2).

Capital additions for business-type activities before depreciation totaled \$ 2.9 and include the following:

- \$ 0.4 in utility easements from various developers.
- \$ 2.2 in infrastructure, mainly due to the contributions of water and sewer infrastructure from various developers (\$ 1.0); lift station 12 rehabilitation (\$ 0.7), sewer pipe rehabilitations (\$ 0.1); and Lyons Road Force Main Isolation Valve Project (\$ 0.2); and other minor additions totaling \$ 0.2. In addition, \$ 0.4 was also transferred from construction in progress to infrastructure mainly due to the completion of the Hilton Water Tank improvements.
- Construction in progress decreased by \$ 0.1 due to a transfer to infrastructure for Hilton Water Tank improvements. However, the decrease was partially offset by the addition of \$ 0.3 in projects that started in the City, but were not yet completed, including the reclaimed water project and the SCADA Telemetry System.
- The remaining additions were negligible.

Capital asset disposals for business-type activities were negligible.

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

Long-term debt (see Table 4). At the end of the current fiscal year, the City of Coconut Creek had total debt outstanding of \$ 20.2. Debt is comprised of revenue notes used to finance various capital expenditures, including improvements to parks, public buildings and infrastructure, and the purchase of land.

The City of Coconut Creek's total debt decreased by \$ 2.6 (-11.4%) 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
	2012	2011	2012	2011	2012	2011	2012-2011
Revenue notes (backed by specific tax and fee revenues)	20.2	22.8	-	-	20.2	22.8	-11%
Total	\$ 20.2	\$ 22.8	\$ -	\$ -	\$ 20.2	\$ 22.8	-11%

The City's revenue notes were obtained as bank qualified loans therefore do not have a bond rating. In 2012, the City refunded the 2003D Capital Improvement Revenue Note and issued the Series 2012 Capital Improvement Revenue Refunding Note reducing interest rates and resulting in a total economic gain of \$ 356,248. Additional information on the City of Coconut Creek's long-term debt can be found in Note 8 on pages 45 through 48 of this report.

Economic Factors and Next year's Budgets and Rates

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

Unrestricted fund balance (which is comprised of committed, assigned, and unassigned fund balance) in the General Fund totals \$ 23.7. Of that amount, the City of Coconut Creek appropriated \$ 4.0 for spending in the 2013 fiscal year budget. The 2013 fiscal year budget bears the effects of a prolonged period of economic decline as well as the impact of legislative and constitutional measures designed to reduce taxes. As such, the City continuously evaluates current and potential legislative issues and actively seeks ways to reduce the impact on service levels. The City also constantly evaluates current services and differentiates needs versus wants in order to ensure an economically sustainable future. During the past several years, the City has been proactive and took necessary steps to ensure future stability in an uncertain economic environment, including eliminating and freezing vacant positions and reallocating personnel, among other staff and operating related changes.

Property tax relief proposals and counter-proposals have been hot topics on the legislative agenda for the past several years. The Legislature passed several property tax relief proposals from 2007 through 2012. These proposals required rolling back tax revenue to 2007 levels, less a growth penalty of 9%, and implementing additional exemptions for real and tangible personal property. The City will continue to monitor property tax and other legislative proposals to determine the impact on the City. In addition, the City will continue to build a diversified and stable revenue system to minimize the dependence on property taxes.

For fiscal year 2013, the City decreased its property tax millage rate of 6.3857 to 6.3250. This new property millage rate represents a 0.2% decrease from the rolled back rate and will generate less property tax revenue compared to the prior year. The decrease in the property tax millage rate is a result of the City's conscious effort to reduce property taxes and also a slight improvement in the housing market and related increase in taxable value.

City of Coconut Creek, Florida

Management's Discussion and Analysis

The fire assessment rates increased by five percent from fiscal year 2012 to fiscal year 2013 to defray some of the increase in the City's fire contract with the City of Margate. The single family, multi-family, and mobile home rates are \$ 137.43, \$ 123.69, and \$ 68.72, respectively.

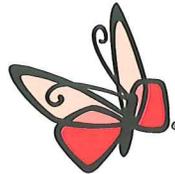
For the past several years, low water levels in Lake Okeechobee have been a concern, forcing the South Florida Water Management District (SFWMD) to implement permanent water restrictions throughout South Florida. Since the overall potable water is becoming a limited resource, the SFWMD is mandating that local government agencies look for alternate water supplies. Broward County Water and Wastewater Services (WWS), which is the bulk supplier of our potable water, has identified the deeper Floridian Aquifer as the alternate source to meet the city's future demands. Additionally, based on a mandate by the State Legislature, all wastewater discharge into the ocean must cease by 2025. This will require higher level of treatment before wastewater could be disposed of by such means as reclaimed water and/or deep well injection, both of which are expensive options. Such mandates for water and wastewater will result in substantial increases in the utility rates for customers throughout the region. During fiscal year 2009, the City completed a utility rate study, which identified the rate structure required to meet current and future demands for continuing operations and maintenance of current infrastructure of the City's utility system.

All of these factors were considered in preparing the City of Coconut Creek's budget for the 2013 fiscal year.

Requests for Information

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





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CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 9,049,590	\$ 4,804,640	\$ 13,854,230
Cash with fiscal agent	150,182	-	150,182
Accounts receivable	2,937,472	2,219,199	5,156,671
Due from other governments	1,820,417	-	1,820,417
Investments	34,307,882	18,222,362	52,530,244
Inventory and prepaid costs	140,877	-	140,877
Deferred financing costs	59,316	-	59,316
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	32,115,095	5,336,826	37,451,921
Capital assets being depreciated, net	<u>46,954,688</u>	<u>60,652,417</u>	<u>107,607,105</u>
Total assets	<u>136,155,603</u>	<u>91,235,444</u>	<u>227,391,047</u>
LIABILITIES:			
Accounts payable	2,513,538	1,237,737	3,751,275
Accrued liabilities	1,453,990	361,188	1,815,178
Unearned revenue	490,076	31,730	521,806
Due to other governments	110,839	-	110,839
Customer and other deposits payable	150,482	1,565,668	1,716,150
Noncurrent liabilities:			
OPEB liability	3,484,000	405,000	3,889,000
Due within one year	2,903,240	7,317	2,910,557
Due in more than one year	<u>21,611,201</u>	<u>471,065</u>	<u>22,082,266</u>
Total liabilities	<u>32,717,366</u>	<u>4,079,705</u>	<u>36,797,071</u>
NET ASSETS:			
Invested in capital assets, net of related debt	67,751,618	65,989,243	133,740,861
Restricted for:			
Capital projects	5,587,523	-	5,587,523
Street construction and maintenance	2,288,633	-	2,288,633
Public safety	1,879,193	-	1,879,193
Grants	320,904	-	320,904
Housing	8,688	-	8,688
Unrestricted	<u>25,601,678</u>	<u>21,166,496</u>	<u>46,768,174</u>
Total net assets	<u>\$ 103,438,237</u>	<u>\$ 87,155,739</u>	<u>\$ 190,593,976</u>

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



CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 11,741,158	\$ 5,822,929	\$ -	\$ 61,898	\$ (5,856,331)	\$ -	\$ (5,856,331)
Public safety	23,959,648	7,325,183	28,251	930,081	(15,676,133)	-	(15,676,133)
Physical environment	5,813,744	2,498,107	394,686	1,445,578	(1,475,373)	-	(1,475,373)
Culture and recreation	5,251,211	751,823	-	63,875	(4,435,513)	-	(4,435,513)
Interest on long-term debt	878,231	-	-	-	(878,231)	-	(878,231)
Total governmental activities	47,643,992	16,398,042	422,937	2,501,432	(28,321,581)	-	(28,321,581)
Business-type activities:							
Water and wastewater	15,022,410	17,717,296	-	1,463,689	-	4,158,575	4,158,575
Stormwater management	1,013,939	1,498,313	-	-	-	484,374	484,374
Total business-type activities	16,036,349	19,215,609	-	1,463,689	-	4,642,949	4,642,949
Total primary government	\$ 63,680,341	\$ 35,613,651	\$ 422,937	\$ 3,965,121	(28,321,581)	4,642,949	(23,678,632)
General Revenues:							
Taxes:							
Property taxes					16,128,597	-	16,128,597
Utility taxes					6,092,378	-	6,092,378
Local option gas tax					909,307	-	909,307
Franchise fees					3,971,279	-	3,971,279
Impact fees					876,023	698,112	1,574,135
Intergovernmental not restricted to specific programs					4,821,767	-	4,821,767
Investment income					379,139	139,943	519,082
Miscellaneous					1,617,405	235,520	1,852,925
Total general revenues and transfers					<u>34,795,895</u>	<u>1,073,575</u>	<u>35,869,470</u>
Change in net assets					6,474,314	5,716,524	12,190,838
Net assets, beginning					<u>96,963,923</u>	<u>81,439,215</u>	<u>178,403,138</u>
Net assets, ending					<u>\$ 103,438,237</u>	<u>\$ 87,155,739</u>	<u>\$ 190,593,976</u>

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

**CITY OF COCONUT CREEK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012**

	General Fund	Street Construction and Maintenance Fund	Grants Fund	2009 Capital Projects Fund
ASSETS:				
Cash and cash equivalents	\$ 5,028,764	\$ 504,145	\$ 125,119	\$ 1,427,970
Cash with fiscal agent	-	-	-	-
Accounts receivable, net	1,899,034	4,410	750	12,494
Due from other governments	653,880	695,170	38,721	432,640
Investments	19,058,261	1,912,048	474,536	5,415,803
Inventory and prepaid costs	136,877	-	-	-
Assets held for resale	-	-	-	-
Total assets	\$ 26,776,816	\$ 3,115,773	\$ 639,126	\$ 7,288,907
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 849,895	\$ 228,129	\$ 1,415	\$ 1,187,884
Accrued liabilities	1,207,699	155,431	-	80,860
Deferred or unearned revenues	803,549	443,580	316,807	432,640
Due to other governments	110,839	-	-	-
Deposits	300	-	-	-
Total liabilities	2,972,282	827,140	318,222	1,701,384
Fund balances:				
Non-spendable:				
Inventory	118,329	-	-	-
Prepays	18,548	-	-	-
Assets held for resale	-	-	-	-
Restricted for:				
Capital projects	-	-	-	5,587,523
Grants	-	-	320,904	-
Street construction/maintenance	-	2,288,633	-	-
Public safety	-	-	-	-
Committed to:				
Affordable housing program	-	-	-	-
Capital projects	-	-	-	-
Community improvement	16,685	-	-	-
Debt service	-	-	-	-
Hurricane emergency reserve	2,284,889	-	-	-
Assigned to:				
Capital projects	-	-	-	-
General government	4,064,054	-	-	-
Physical environment	17,743	-	-	-
Public safety	39,000	-	-	-
Culture and recreation	18,823	-	-	-
General trust accounts	1,019,456	-	-	-
Unassigned	16,207,007	-	-	-
Total fund balances	23,804,534	2,288,633	320,904	5,587,523
Total liabilities and fund balances	\$ 26,776,816	\$ 3,115,773	\$ 639,126	\$ 7,288,907

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

Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 325,924	\$ 497,801	\$ 1,139,867	\$ 9,049,590
150,182	-	-	150,182
2,851	667,189	350,744	2,937,472
-	-	6	1,820,417
1,236,119	1,887,989	4,323,126	34,307,882
-	-	4,000	140,877
8,620,084	-	-	8,620,084
<u>\$ 10,335,160</u>	<u>\$ 3,052,979</u>	<u>\$ 5,817,743</u>	<u>\$ 57,026,504</u>
\$ 181,826	\$ 4,447	\$ 59,942	\$ 2,513,538
-	-	10,000	1,453,990
-	662,834	23,193	2,682,603
-	-	-	110,839
150,182	-	-	150,482
<u>332,008</u>	<u>667,281</u>	<u>93,135</u>	<u>6,911,452</u>
-	-	-	118,329
-	-	4,000	22,548
8,620,084	-	-	8,620,084
-	-	-	5,587,523
-	-	8,688	329,592
-	-	-	2,288,633
-	-	1,875,193	1,875,193
-	-	789,257	789,257
1,045,855	2,385,698	2,062,861	5,494,414
-	-	-	16,685
-	-	101,513	101,513
-	-	-	2,284,889
337,213	-	883,096	1,220,309
-	-	-	4,064,054
-	-	-	17,743
-	-	-	39,000
-	-	-	18,823
-	-	-	1,019,456
-	-	-	16,207,007
<u>10,003,152</u>	<u>2,385,698</u>	<u>5,724,608</u>	<u>50,115,052</u>
<u>\$ 10,335,160</u>	<u>\$ 3,052,979</u>	<u>\$ 5,817,743</u>	<u>\$ 57,026,504</u>



**CITY OF COCONUT CREEK, FLORIDA
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2012**

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 23 **\$ 50,115,052**

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

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

Governmental capital assets	\$ 107,000,789	
Less accumulated depreciation	<u>(27,931,006)</u>	79,069,783

Grant revenues are considered deferred revenues in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. **2,192,527**

Financing costs related to the issuance of long-term debt are expended by governmental funds in the fund financial statements; under full accrual accounting these amounts are treated as an asset and amortized over the life of the debt. **59,316**

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

Notes payable		(20,174,126)
Compensated absences		(4,340,315)
Other post employment benefit obligation (OPEB)		<u>(3,484,000)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 20 **\$ 103,438,237**

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012

	General Fund	Street Construction and Maintenance Fund	Grants Fund	2009 Capital Projects Fund
REVENUES:				
Ad valorem taxes	\$ 16,128,597	\$ -	\$ -	\$ -
Franchise fees	3,971,279	-	-	-
Utility taxes	6,092,378	-	-	-
Licenses and permits	2,987,709	-	-	-
Intergovernmental revenues	4,291,959	2,589,175	503,271	-
Charges for services	10,631,368	-	-	-
Fines and forfeitures	290,064	-	-	-
Impact fees	-	-	-	-
Investment income	215,119	14,644	-	52,487
Miscellaneous revenues	769,297	63,103	-	-
Total revenues	<u>45,377,770</u>	<u>2,666,922</u>	<u>503,271</u>	<u>52,487</u>
EXPENDITURES:				
Current:				
General government	9,178,466	-	-	-
Public safety	23,012,133	-	-	-
Physical environment	3,678,380	791,344	397,694	-
Culture and recreation	4,674,613	-	-	-
Nondepartmental	310,030	204,000	-	-
Capital outlay	263,611	2,017,336	25,243	3,323,427
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>41,117,233</u>	<u>3,012,680</u>	<u>422,937</u>	<u>3,323,427</u>
Excess (deficiency) of revenues over expenditures	4,260,537	(345,758)	80,334	(3,270,940)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Transfers in	15,356	-	-	-
Transfers out	(2,587,970)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(2,572,614)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,687,923	(345,758)	80,334	(3,270,940)
FUND BALANCES, beginning	<u>22,116,611</u>	<u>2,634,391</u>	<u>240,570</u>	<u>8,858,463</u>
FUND BALANCES, ending	<u>\$ 23,804,534</u>	<u>\$ 2,288,633</u>	<u>\$ 320,904</u>	<u>\$ 5,587,523</u>

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

Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 16,128,597
-	-	-	3,971,279
-	-	-	6,092,378
-	-	-	2,987,709
138,750	-	-	7,523,155
-	-	2,474,914	13,106,282
-	-	930,081	1,220,145
-	310,460	565,563	876,023
9,985	13,511	46,640	352,386
543,295	-	241,710	1,617,405
<u>692,030</u>	<u>323,971</u>	<u>4,258,908</u>	<u>53,875,359</u>
-	-	588,456	9,766,922
-	-	107,546	23,119,679
-	-	64,385	4,931,803
-	-	-	4,674,613
-	-	-	514,030
1,294,306	56,491	1,374,206	8,354,620
-	-	2,646,636	2,646,636
-	-	867,822	867,822
-	-	29,750	29,750
<u>1,294,306</u>	<u>56,491</u>	<u>5,678,801</u>	<u>54,905,875</u>
(602,276)	267,480	(1,419,893)	(1,030,516)
-	-	5,269,850	5,269,850
8,779,154	755,000	3,514,700	13,064,210
-	-	(10,476,240)	(13,064,210)
-	-	(5,240,097)	(5,240,097)
<u>8,779,154</u>	<u>755,000</u>	<u>(6,931,787)</u>	<u>29,753</u>
8,176,878	1,022,480	(8,351,680)	(1,000,763)
<u>1,826,274</u>	<u>1,363,218</u>	<u>14,076,288</u>	<u>51,115,815</u>
\$ <u><u>10,003,152</u></u>	\$ <u><u>2,385,698</u></u>	\$ <u><u>5,724,608</u></u>	\$ <u><u>50,115,052</u></u>

CITY OF COCONUT CREEK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS, PAGE 26 **\$ (1,000,763)**

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

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

Recorded as capital assets	\$ 8,005,374	
Depreciation expense	<u>(2,432,516)</u>	5,572,858

Revenues that do not meet the period of availability are recorded as deferred revenue in the fund statements but are recorded as revenues in the government-wide statements. **242,947**

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

Bond issuance costs	29,750	
Issuance of debt	(5,269,850)	
Principal payments	<u>7,886,733</u>	2,646,633

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 accrued interest payable		4,458
Change in compensated absences		(135,785)
Provision for amortization of deferred financing costs		(14,867)
Change in other post employment benefit obligation (OPEB)		(632,000)

In the statement of activities, only the gains/(losses) on sale of capital assets are reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balances by the cost of the capital assets, net. **(209,167)**

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 21 **\$ 6,474,314**

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 3,885,015	\$ 919,625	\$ 4,804,640
Accounts receivable	2,046,494	172,705	2,219,199
Total current assets	<u>5,931,509</u>	<u>1,092,330</u>	<u>7,023,839</u>
Noncurrent assets:			
Investments	<u>14,734,536</u>	<u>3,487,826</u>	<u>18,222,362</u>
Capital assets:			
Land	406,071	-	406,071
Easements	4,397,978	-	4,397,978
Buildings	2,747,901	-	2,747,901
Improvements	1,061,375	-	1,061,375
Equipment	1,808,986	487,670	2,296,656
Infrastructure	77,139,870	690,357	77,830,227
Construction in progress	<u>532,777</u>	<u>-</u>	<u>532,777</u>
Total capital assets	<u>88,094,958</u>	<u>1,178,027</u>	<u>89,272,985</u>
Less accumulated depreciation	<u>23,065,341</u>	<u>218,401</u>	<u>23,283,742</u>
Total capital assets, net	<u>65,029,617</u>	<u>959,626</u>	<u>65,989,243</u>
Total assets	<u>\$ 85,695,662</u>	<u>\$ 5,539,782</u>	<u>\$ 91,235,444</u>
LIABILITIES AND NET ASSETS:			
Current liabilities:			
Accounts payable	\$ 1,228,458	\$ 9,279	\$ 1,237,737
Accrued liabilities	350,973	10,215	361,188
Unearned revenues	31,730	-	31,730
Compensated absences	6,654	663	7,317
Customer deposits payable	<u>1,565,668</u>	<u>-</u>	<u>1,565,668</u>
Total current liabilities	<u>3,183,483</u>	<u>20,157</u>	<u>3,203,640</u>
Noncurrent liabilities:			
Other postemployment benefit obligations	294,000	111,000	405,000
Compensated absences	<u>418,054</u>	<u>53,011</u>	<u>471,065</u>
Total liabilities	<u>3,895,537</u>	<u>184,168</u>	<u>4,079,705</u>
Net assets:			
Invested in capital assets	65,029,617	959,626	65,989,243
Unrestricted	<u>16,770,508</u>	<u>4,395,988</u>	<u>21,166,496</u>
Total net assets	<u>\$ 81,800,125</u>	<u>\$ 5,355,614</u>	<u>\$ 87,155,739</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	Business-Type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 17,717,296	\$ 1,498,313	\$ 19,215,609
Miscellaneous	235,520	-	235,520
Total operating revenues	17,952,816	1,498,313	19,451,129
Operating expenses:			
Administrative costs	4,612,738	383,520	4,996,258
Operations and maintenance	8,986,146	567,743	9,553,889
Depreciation	1,401,805	47,273	1,449,078
Other services and charges	17,508	15,403	32,911
Total operating expenses	15,018,197	1,013,939	16,032,136
Operating income	2,934,619	484,374	3,418,993
Non-operating revenues (expenses):			
Interest expense and fees	(4,213)	-	(4,213)
Impact fees	698,112	-	698,112
Investment income	112,107	27,836	139,943
Total non-operating revenues (expenses)	806,006	27,836	833,842
Income before contributions	3,740,625	512,210	4,252,835
Capital contributions - developers	1,463,689	-	1,463,689
Change in net assets	5,204,314	512,210	5,716,524
NET ASSETS, beginning	76,595,811	4,843,404	81,439,215
NET ASSETS, ending	\$ 81,800,125	\$ 5,355,614	\$ 87,155,739

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Year Ended September 30, 2012

	Business-Type Activities		
	Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
CASH FLOWS FROM			
OPERATING ACTIVITIES:			
Cash received from customers	\$ 17,993,116	\$ 1,481,977	\$ 19,475,093
Payments to employees for services	(8,498,514)	(577,530)	(9,076,044)
Payments to suppliers	(4,485,607)	(354,405)	(4,840,012)
Net cash provided by			
operating activities	5,008,995	550,042	5,559,037
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES:			
Interest paid	(4,213)	-	(4,213)
CASH FLOWS FROM CAPITAL AND			
RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(1,417,882)	(15,092)	(1,432,974)
Impact fees	698,112	-	698,112
Net cash used in			
capital and related			
financing activities	(719,770)	(15,092)	(734,862)
CASH FLOWS FROM			
INVESTING ACTIVITIES:			
Interest received	139,668	36,424	176,092
Proceeds from sales and			
maturities of investments	14,722,299	2,744,641	17,466,940
Purchase of investments	(18,476,061)	(3,264,980)	(21,741,041)
Net cash used in			
investing activities	(3,614,094)	(483,915)	(4,098,009)
Net increase in cash			
and cash equivalents	670,918	51,035	721,953
CASH AND CASH EQUIVALENTS,			
BEGINNING	3,214,097	868,590	4,082,687
CASH AND CASH EQUIVALENTS,			
ENDING	<u>\$ 3,885,015</u>	<u>\$ 919,625</u>	<u>\$ 4,804,640</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(continued)
For the Year Ended September 30, 2012

	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 (loss)	\$ 2,934,619	\$ 484,374	\$ 3,418,993
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for depreciation	1,401,805	47,273	1,449,078
(Increase) decrease in assets:			
Accounts receivable	(46,890)	(16,336)	(63,226)
Increase (decrease) in liabilities:			
Accounts payable	543,451	5,616	549,067
Accrued liabilities	(34,836)	2,269	(32,567)
Unearned revenues	(105)	-	(105)
Compensated absences	56,656	9,846	66,502
Customer deposits payable	87,295	-	87,295
Other postemployment benefit obligations	67,000	17,000	84,000
Total adjustments	<u>2,074,376</u>	<u>65,668</u>	<u>2,140,044</u>
Net cash provided by operating activities	<u>\$ 5,008,995</u>	<u>\$ 550,042</u>	<u>\$ 5,559,037</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, AND CAPITAL RELATED FINANCING ACTIVITIES			
Contributions of capital assets from developers	<u>\$ (1,463,689)</u>	<u>\$ -</u>	<u>\$ (1,463,689)</u>
Decrease in fair value of investments that are not cash and cash equivalents			
Unrealized loss on investments	<u>\$ 70,481</u>	<u>\$ 12,455</u>	<u>\$ 82,936</u>

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Financial Reporting Entity:

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

B. Government-Wide and Fund Financial Statements:

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

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. *Program revenues* include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

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

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

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other post-employment benefits, and claims and judgments, are recorded only when due.

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

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

The City reports the following major governmental funds:

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

The *Street Construction and Maintenance Fund* is a Special Revenue Fund that is used to account for revenues received from state and county agencies, which, by state law, may only be expended for street construction and maintenance programs.

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *2009 Capital Projects Fund* is a Capital Projects Fund that accounts for financial resources to be used for the City's capital improvement projects as funded by the Series 2009 – \$ 10 Million Capital Improvement Revenue Note.

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

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

The City reports the following major proprietary fund:

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

D. Proprietary Fund Accounting:

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

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

E. Accounting Estimates:

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

F. Cash, Cash Equivalents and Investments:

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

H. Inventories and Prepaid Costs:

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

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

I. Capital Assets:

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

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

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

J. Compensated Absences:

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

K. Long-Term Obligations:

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

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Debt principal payments are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Net Assets:

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt; restricted or unrestricted. Net assets invested in capital assets net of related debt, consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by enabling legislation or external restrictions by other governments, creditors or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components. The government-wide statement of net assets reports \$ 10,084,941 of restricted net assets, of which \$ 4,176,514 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:

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2012, non-spendable fund balance is \$ 8,760,961.

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 2012, restricted fund balance is \$ 10,080,941.

Committed: Committed fund balances include amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until City Commission takes the same action to remove or change the constraint. In fiscal year 2012, committed fund balance is \$ 8,686,758.

Assigned: Assigned fund balances include amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assignments of fund balances are made by City management based upon the direction of City Commission. In fiscal year 2012, assigned fund balance is \$ 6,379,385.

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 2012, unassigned fund balance is \$ 16,207,007.

Unrestricted fund balance: Unrestricted fund balance equals the total of committed, assigned and unassigned fund balance. In fiscal year 2012, unrestricted fund balance is \$ 31,273,150.

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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 Financing Costs:

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

R. Accrued Liabilities:

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

S. Deferred and unearned revenue:

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate current liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues at the government-wide level arise only when the City receives resources before it has legal claim to them.

T. 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.

U. Date of Management Review:

Subsequent events were evaluated by management through March 21, 2013, which is the date the financial statements were available for issuance.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

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, 2011, upon which the 2011-2012 tax levy calculation was based, was \$ 2,613,563,717. The tax rate to finance all governmental services for the year ended September 30, 2012 was 6.3857 per \$ 1,000 of assessed taxable value.

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

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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.

Deposits: Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. All of the City's public deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss.

Authorized investments: The City is authorized by state statutes and local ordinances to invest in the State Board of Administration's ("SBA") Investment Account; intergovernmental investment pools or local government investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Chapter 163.01, Florida Statutes; negotiable direct obligations of, or obligations where the principal and interest of which are unconditionally guaranteed by the United States Government; interest-bearing time deposits or savings accounts in qualified banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state; securities of, or other interests in investment trust registered under the Investment Company Act of 1940; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations of the Federal National Mortgage Association including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association.

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

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

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.

As of September 30, 2012, the City of Coconut Creek had the following cash, cash equivalents and investments

Portfolio/ Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percentage Distribution
Cash deposits	\$ 10,847,703			16.34%
Florida Trust Day-to-Day Fund - money market fund	3,006,393	55 days	AAAm S&P	4.53%
State Board of Administration-Florida PRIME	134	39 days	AAAm S&P	0.00%
Total cash and cash equivalents	<u>13,854,230</u>			
Florida Municipal Investment Trust				
0-2 Year High Quality Bond Fund	5,034,624	.83 years	AAAf/S1 S&P	7.58%
1-3 Year High Quality Bond Fund	8,119,276	1.67 years	AAA/V2 Fitch	12.23%
Intermediate High Quality Bond Fund	9,563,542	3.30 years	AAA/V3 Fitch	14.41%
U.S. Government Sponsored Enterprises:		6.29 years		
Federal National Mortgage Association	14,641,975		Aaa Moody's	22.05%
Federal Home Loan Bank	3,316,620		Aaa Moody's	5.00%
Federal Home Loan Mortgage Corporation	503,045		Aaa Moody's	0.76%
Government National Mortgage Association	457,090		Aaa Moody's	0.69%
Small Business Association Pool	1,894,072		Aaa Moody's	2.85%
Certificates of deposit	9,000,000		Not rated	13.56%
Total investments	<u>52,530,244</u>			
Total cash, cash equivalents and investments	\$ <u><u>66,384,474</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; 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, 2012 are presented in the preceding table. All are rated within the City's investment policy guidelines.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

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

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

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires securities be held by a third party custodian and be properly designated as an asset of the City and held in the City's name. As of September 30, 2012, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE

Receivables as of September 30, 2012 for the City's individual major funds and non-major funds in the aggregate are as follows:

	<u>Accounts</u>	<u>Taxes and Franchise Fees</u>	<u>Grants</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 3,820,207	\$ 1,428,297	\$ -	\$ 166,937	\$ 5,415,441
Street Construction and Maintenance Fund	-	72,963	622,207	4,410	699,580
Grants Fund	-	-	39,471	-	39,471
2009 Capital Projects Fund	-	-	432,640	12,494	445,134
Capital Improvement Program Fund	-	-	-	2,851	2,851
Public Safety Improvement Fund	662,834	-	-	4,355	667,189
Nonmajor funds	340,748	-	6	9,996	350,750
Allowance for uncollectible accounts receivable	<u>(2,862,527)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,862,527)</u>
Total governmental activities	<u>\$ 1,961,262</u>	<u>\$ 1,501,260</u>	<u>\$ 1,094,324</u>	<u>\$ 201,043</u>	<u>\$ 4,757,889</u>
Business-type activities:					
Water and Wastewater Fund	\$ 2,012,506	\$ -	\$ -	\$ 33,988	\$ 2,046,494
Stormwater Fund	<u>136,947</u>	<u>27,713</u>	<u>-</u>	<u>8,045</u>	<u>172,705</u>
Total business- type activities	<u>\$ 2,149,453</u>	<u>\$ 27,713</u>	<u>\$ -</u>	<u>\$ 42,033</u>	<u>\$ 2,219,199</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)

Payables as of September 30, 2012 for the City's individual major funds and non-major funds in the aggregate are as follows:

	<u>Vendors</u>	<u>Payroll and Related Taxes</u>	<u>Construction Bonds</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 997,770	\$ 710,327	\$ 197,002	\$ 152,495	\$ 2,057,594
Street Construction and Maintenance Fund	378,066	5,494	-	-	383,560
Grants Fund	1,415	-	-	-	1,415
2009 Capital Projects Fund	1,250,536	-	-	-	1,250,536
Capital Improvement Program Fund	181,826	-	-	-	181,826
Public Safety Improvement Fund	4,447	-	-	-	4,447
Nonmajor funds	<u>88,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,150</u>
Total governmental activities	<u>\$ 2,902,210</u>	<u>\$ 715,821</u>	<u>\$ 197,002</u>	<u>\$ 152,495</u>	<u>\$ 3,967,528</u>
Business-type activities:					
Water and Wastewater Fund	\$ 1,532,861	\$ 46,570	\$ -	\$ -	\$ 1,579,431
Stormwater Fund	<u>9,279</u>	<u>10,215</u>	<u>-</u>	<u>-</u>	<u>19,494</u>
Total business- type activities	<u>\$ 1,542,140</u>	<u>\$ 56,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,598,925</u>

NOTE 5 – ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances lapse at year-end, and may be reappropriated to the next fiscal year. Encumbrances reappropriated at September 30, 2012 are as follows:

Major Funds:	
General Fund	\$ 57,188
Street Construction and Maintenance	375,677
Grants Fund	134,653
2009 Capital Projects Fund	4,074,413
Capital Improvement Fund	750,460
Public Safety Improvement Fund	8,059
Total Major Funds	<u>5,400,450</u>
Non-Major Governmental Funds	<u>113,270</u>
Total Encumbrances	<u>\$ 5,513,720</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 6 - INTERFUND TRANSACTIONS

Inter-fund transfers between the various funds for the year ended September 30, 2012 are as follows:

Transfer Out	Transfer In				Total
	General Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Funds	
General Fund	\$ -	\$ 159,070	\$ 755,000	\$ 1,673,900	\$ 2,587,970
Nonmajor Funds	15,356	8,620,084	-	1,840,800	10,476,240
Total transfers in	\$ 15,356	\$ 8,779,154	\$ 755,000	\$ 3,514,700	\$ 13,064,210

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, 2012 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 24,311,387	\$ 450,968	\$ -	\$ -	\$ 24,762,355
Easement	39,116	-	-	-	39,116
Construction in progress	3,430,731	4,551,134	(668,241)	-	7,313,624
Total capital assets, not being depreciated	27,781,234	5,002,102	(668,241)	-	32,115,095
Capital assets, being depreciated:					
Buildings	23,337,506	153,427	89,525	(392,175)	23,188,283
Improvements	9,364,699	554,885	334,294	-	10,253,878
Infrastructure	26,494,370	951,805	229,423	-	27,675,598
Intangible asset	6,875	2,810	-	-	9,685
Equipment	12,933,997	1,340,345	14,999	(531,091)	13,758,250
Total capital assets being depreciated	72,137,447	3,003,272	668,241	(923,266)	74,885,694

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 7 - CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Less accumulated depreciation for:					
Buildings	6,560,872	476,203	-	(190,094)	6,846,981
Improvements	2,874,652	489,317	-	-	3,363,969
Infrastructure	8,200,961	459,544	-	-	8,660,505
Intangible asset	1,799	1,656	-	-	3,455
Equipment	8,574,305	1,005,796	-	(524,005)	9,056,096
Total accumulated depreciation	<u>26,212,589</u>	<u>2,432,516</u>	<u>-</u>	<u>(714,099)</u>	<u>27,931,006</u>
Total capital assets being depreciated, net	<u>45,924,858</u>	<u>570,756</u>	<u>668,241</u>	<u>(209,167)</u>	<u>46,954,688</u>
Governmental activities capital assets, net	<u>\$ 73,706,092</u>	<u>\$ 5,572,858</u>	<u>\$ -</u>	<u>\$ (209,167)</u>	<u>\$ 79,069,783</u>

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

A summary of changes in the business-type activities capital assets for the year ended September 30, 2012 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 406,071	\$ -	\$ -	\$ -	\$ 406,071
Easements	3,960,583	437,395	-	-	4,397,978
Construction in progress	669,200	246,831	(383,254)	-	532,777
Total capital assets, not being depreciated	<u>5,035,854</u>	<u>684,226</u>	<u>(383,254)</u>	<u>-</u>	<u>5,336,826</u>
Capital assets, being depreciated:					
Buildings	2,747,901	-	-	-	2,747,901
Improvements	1,061,375	-	-	-	1,061,375
Infrastructure	75,276,483	2,170,490	383,254	-	77,830,227
Equipment	2,282,967	42,695	-	(29,006)	2,296,656
Total capital assets being depreciated	<u>81,368,726</u>	<u>2,213,185</u>	<u>383,254</u>	<u>(29,006)</u>	<u>83,936,159</u>

**CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012**

NOTE 7 - CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers *</u>	<u>Retirements</u>	<u>Ending Balance</u>
Less accumulated depreciation for:					
Buildings	137,395	54,958	-	-	192,353
Improvements	132,672	53,069	-	-	185,741
Infrastructure	20,706,024	1,169,286	-	-	21,875,310
Equipment	886,831	171,765	-	(28,258)	1,030,338
Total accumulated depreciation	<u>21,862,922</u>	<u>1,449,078</u>	<u>-</u>	<u>(28,258)</u>	<u>23,283,742</u>
Total capital assets being depreciated, net	<u>59,505,804</u>	<u>764,107</u>	<u>383,254</u>	<u>(748)</u>	<u>60,652,417</u>
Business-type activities capital assets, net	<u>\$ 64,541,658</u>	<u>\$ 1,448,333</u>	<u>\$ -</u>	<u>\$ (748)</u>	<u>\$ 65,989,243</u>

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

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

Governmental activities:

General government	\$ 388,859
Public safety	714,778
Physical environment	765,539
Culture and recreation	563,340
Total depreciation expense governmental activities	<u>\$ 2,432,516</u>

Business-type activities:

Water and wastewater	\$ 1,401,805
Stormwater management	47,273
Total depreciation expense business-type activities	<u>\$ 1,449,078</u>

NOTE 8 - LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year ended September 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Revenue notes	\$ 22,791,009	\$ 5,269,850	\$ 7,886,733	\$ 20,174,126	\$ 2,603,293
Compensated absences	4,204,530	3,033,473	2,897,688	4,340,315	299,947
Total governmental activities	<u>\$ 26,995,539</u>	<u>\$ 8,303,323</u>	<u>\$ 10,784,421</u>	<u>\$ 24,514,441</u>	<u>\$ 2,903,240</u>
Business-type activities:					
Compensated absences	\$ 411,880	\$ 295,081	\$ 228,579	\$ 478,382	\$ 7,317

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 - LONG-TERM DEBT (continued)

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

As of September 30, 2012, long-term debt consisted of the following for governmental activities:

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

Revenue Note, Series 2003B: On December 12, 2003, the City issued a \$ 9,332,290 Capital Improvement Revenue Refunding Note, Series 2003B, to refund the then outstanding Series 1997 Bonds. Principal and interest on the note is to be paid from a pledge of public electric franchise fees. The note bears interest at 4.04% which is payable semi-annually. The note matures in September 2017. The outstanding principal balance as of September 30, 2012 is \$ 4,135,859.

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
2013	755,963	167,089
2014	792,711	136,548
2015	831,282	104,522
2016	856,705	70,938
2017	899,198	36,328
	\$ 4,135,859	\$ 515,425

Revenue Note, Series 2004: On September 30, 2004, the City issued a \$ 6,375,362 Capital Improvement Revenue Refunding Note, Series 2004, to retire the then outstanding Series 1994 Bonds. Principal and interest on the new note is to be paid from a pledge of electric utility tax revenues. The note bears interest at 3.237% payable semi-annually. The note matures in October 2014. The outstanding principal balance as of September 30, 2012 is \$1,445,317.

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

Year Ending September 30,	Capital Improvement Revenue Refunding Note, Series 2004	
	Principal	Interest
2013	713,240	46,785
2014	732,077	23,697
	\$ 1,445,317	\$ 70,482

Revenue Note, Series 2009: On December 15, 2009, the City issued a \$ 10,000,000 Capital Improvement Revenue Note, Series 2009 to finance certain construction projects including the undergrounding of above-ground utility lines and construction of a public works/communications building. Principal and interest is to be paid from a pledge of non-ad-valorem tax revenues. The note bears interest at 3.940% payable semi-annually. The note matures in October 2019. The outstanding principal balance as of September 30, 2012 is \$ 10,000,000.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

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
2013	401,600	394,000
2014	415,450	378,176
2015	1,181,150	361,808
2016	1,235,500	315,270
2017	1,276,300	266,592
2018-2019	5,490,000	343,486
	\$ 10,000,000	\$ 2,059,332

Revenue Note, Series 2012: On August 15, 2012, the City issued a \$ 5,269,250 Capital Improvement Revenue Refunding Note, Series 2012 to retire the then outstanding Series 2003D Revenue Note. As a result of this refunding, the Revenue Note, Series 2003D is considered defeased and the liability for this Note has been removed from the statement of net assets. The refunding of the Series 2003D Note will reduce the City's debt service payments over the next six years by \$ 379,372 with an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$ 356,248. 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, 2012 is \$ 4,592,950.

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
2013	732,490	80,836
2014	745,380	67,944
2015	758,510	54,825
2016	771,860	41,476
2017	785,440	27,891
2018	799,270	14,067
	\$ 4,592,950	\$ 287,039

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

Year Ending September 30,	Revenue Notes Payable		
	Principal	Interest	Total
2013	2,603,293	688,710	3,292,003
2014	2,685,618	606,365	3,291,983
2015	2,770,942	521,155	3,292,097
2016	2,864,065	427,684	3,291,749
2017	2,960,938	330,811	3,291,749
2018-2019	6,289,270	357,553	6,646,823
	\$ 20,174,126	\$ 2,932,278	\$ 23,106,404

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 8 - LONG-TERM DEBT (continued)

Pledged Revenues: The City has pledged future public franchise fee revenues to repay \$ 9,531,273 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 87% of projected future public electric franchise fee revenues with total future payouts of \$ 9,531,273. Principal and interest paid for the current year and public electric franchise fee revenues are \$ 2,363,899 and \$ 2,707,920, respectively.

The City has pledged future electric utility tax revenues to repay \$ 1,515,799 in Capital Improvement Revenue Notes issued September 30, 2004. Proceeds from the revenue note were used to retire the then outstanding Series 1994 Bonds. The note is payable solely from electric utility tax revenues through October 1, 2014. Annual principal and interest payments on the note is expected to require less than 25% of projected future electric utility tax revenues with total future payouts of \$ 1,515,799. Principal and interest paid for the current year and electric utility tax revenues are \$ 756,560 and \$ 2,990,654, respectively.

The City has pledged future non-ad-valorem tax revenues to repay \$ 12,059,332 in a Capital Improvement Revenue Note issued December 15, 2009. Proceeds from the revenue note provided financing for the undergrounding of above-ground utility lines and construction of a public works/communications building. The note is payable solely from non-ad-valorem tax revenues and is payable through October 2019. Annual principal and interest payments on the note are expected to require less than 1.7% of projected non-ad-valorem tax revenues with total future payouts of \$ 12,059,332. Principal and interest paid for the current year and non-ad-valorem tax revenues are \$ 394,000 and \$ 23,458,279.

All the above revenue notes contain debt covenants, all of which the City was in compliance with at September 30, 2012.

NOTE 9 - LEASES

Operating leases, City as Lessee: The City leases vehicles and office equipment under noncancelable operating leases. Total lease expense was \$ 107,744 for the year ended September 30, 2012. Future minimum lease payments as of September 30, 2012 are approximately as follows:

Year Ending September 30,	Amount
2013	142,300
2014	32,700
2015	29,400
2016	8,800
2017	800
	<u>\$ 214,000</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 9 – LEASES (continued)

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$ 319,657 for the year ended September 30, 2012. Future lease payments to be received as of September 30, 2012 are approximately as follows:

Year Ending September 30,	Amount
2013	303,700
2014	265,100
2015	181,600
2016	151,400
2017	45,300
2018	32,000
	<u>\$ 979,100</u>

On December 9, 2010, the City entered into a one year lease agreement with Seminole Properties II, Inc. The lease agreement provides for Seminole Properties II, Inc. to lease, with approval from JGP, LLC, 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. After the initial lease term, the lease agreement is renewable for two additional one-year terms, expiring December 9, 2013. The property is being used as a temporary parking facility and all improvements were the expense of Seminole Properties II, Inc. Total annual lease payments are \$ 200,000. During fiscal year 2012, the City received \$ 200,000 in lease payments.

NOTE 10 – DEFERRED AND UNEARNED REVENUE

As of September 30, 2012, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Deferred	Unearned
Emergency medical service fees	\$ 527,222	\$ -
Business licenses	-	155,362
Fitness memberships	-	51,297
Service fees	23,193	-
Miscellaneous fees	69,173	495
Grant revenue	910,105	282,922
Impact fees	662,834	-
	<u>\$ 2,192,527</u>	<u>\$ 490,076</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 fiduciary responsibility for the plans.

CITY, OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 11 – PENSION PLANS (continued)

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, 2012 was as follows: Civil Service, 57 and Administrative Officers, 11.

In December 2001, the City joined the FRS to provide retirement and survivor benefits to Police Department employees and elected officials. In May 2002, the City made the FRS available to all other City employees. On these respective dates, the employees had the option of making a one-time election of remaining in the 401(a) Plan or choosing the FRS Plan. All employees hired after May 1, 2002 were included in the FRS Plan. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the State of Florida Department of Management Services, Division of Retirement, Research, Education and Policy Section, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

Funding Policy – Effective July 1, 2011, both employees and employers are required to make contributions towards the Plan. The City's contribution rates to the FRS plan were amended July 1, 2012. Contribution rates at September 30, 2012 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior management	6.30%
Regular employees	5.18%
Special risk	14.90%
Elected officials	10.23%

Employees are required to contribute 3% of their salary towards the Plan. Employees' contributions to the Plan amounted to \$ 508,550.

CITY, OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 11 – PENSION PLANS (continued)

The City's contributions to the FRS amounted to \$ 1,676,270 for the year ended September 30, 2012, which represented 100% of the City's required contribution. The contribution requirements of covered payroll and actual contributions made for fiscal year 2012 and the two preceding fiscal years were as follows:

	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
Contribution requirements	\$ <u><u>3,574,662</u></u>	\$ <u><u>4,103,721</u></u>	\$ <u><u>4,272,074</u></u>
Contributions made by employer (100%)			
401(a) Plan	\$ 794,822	\$ 821,276	\$ 930,434
FRS Plan	1,676,270	2,534,740	2,651,355
Contributions made by employee (100%)	<u>1,103,570</u>	<u>747,705</u>	<u>690,285</u>
Total contributions made	\$ <u><u>3,574,662</u></u>	\$ <u><u>4,103,721</u></u>	\$ <u><u>4,272,074</u></u>
Total covered payroll	\$ <u><u>21,961,814</u></u>	\$ <u><u>21,275,240</u></u>	\$ <u><u>21,728,587</u></u>
Percent of contributions to total covered payroll	16.28%	19.29%	19.66%

NOTE 12 - DEFERRED COMPENSATION PLAN

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

NOTE 13 - RISK MANAGEMENT

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

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Interlocal Agreement:

The City has an Inter-local Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The agreement is effective through September 30, 2014. The service fee for the year ended September 30, 2012 was \$ 6,158,021. Future service fees are as follows:

Year Ending September 30,	Amount
2013	\$ 6,646,662
2014	7,174,395
	\$ <u>13,821,057</u>

Construction Commitment:

During fiscal year 2012 and 2011, the City entered into nine separate agreements with independent contractors for nine projects totaling \$ 9,918,933. Of the nine projects, two received approval for grant funding totaling \$ 1,000,000 from various granting agencies. All projects are anticipated to be completed in fiscal year 2013. As of September 30, 2012, the City completed \$ 5,427,487 of the contract amounts. The remaining commitment on all construction contracts totaled \$ 4,491,446.

Litigation:

The City is currently the defendant in a number of litigation issues and claims that arose in the normal course of operations. City management has indicated that they intend to vigorously defend such matters, the ultimate outcome of which, in the opinion of management, will not have a material adverse effect on the financial condition of the City.

Municipal Service Provider Agreement:

The City has a Municipal Service Provider Agreement with the Seminole Tribe of Florida. The agreement is in effect as long as the property is open for gaming. During the year ended September 30, 2012, a total of \$ 2,474,914 was earned and collected by the City. An annual escalation clause is in effect for subsequent years. Monies will be used for community capital improvement projects with any interest earned transferred to the General Fund.

Leases:

During fiscal year 2008, the City entered into a lease agreement with Coconut Creek Development, LLC. The lease agreement provides for the City to lease a 700-square foot space at the new Promenade at Coconut Creek for Police, Fire, and other City related services for a term of 20 years. The total payments over the term of the lease are estimated to be \$ 1 million. The City expects to take possession of the office space during fiscal year 2013. The City's obligations under the lease will be effective at the time of occupancy.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Other Agreements:

During fiscal year 2008, the City entered in an agreement with Coconut Creek Development, LLC. The agreement provides for the City to make annual payments to Coconut Creek, LLC equal to forty five percent of ad-valorem taxes on the commercial and office space located at the Promenade at Coconut Creek. In return, the City is granted the right to use fifty percent of the vehicular parking spaces within the two parking garages at the Promenade at Coconut Creek for emergency and special event purposes only for the next 50 years. The total payments over the term of the agreement are estimated to be \$2.5 million. The parking garages were completed during fiscal year 2010. The amount paid by the City during fiscal year 2012 was \$ 118,543, and the cumulative total through September 30, 2012 was \$ 298,350

On October 28, 2010, the City approved the execution of an Option Purchase Agreement with JPGP, LLC for the sale of 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek. JPGP, LLC may exercise the option to purchase the property for an estimated purchase price of \$ 14,045,000 any time during the option period or any extension thereof. During fiscal year 2012, the City received \$ 50,000 in option fees from JPGP, LLC. The City is currently holding as escrow \$ 150,182 in option deposits and interest as of September 30, 2012.

NOTE 15 - CONDUIT DEBT

On November 1, 2002, the City issued Industrial Revenue Bonds in the amount of \$ 6 million to provide financial assistance to a private-sector entity for the acquisition and construction of a manufacturing facility. The outstanding principal balance as of September 30, 2012 is \$ 3.480 million. Neither the City, nor State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

On December 20, 2007, the City issued Variable Rate Demand Revenue Bonds in the amount of \$ 7 million to provide financial assistance to a Florida not-for-profit corporation for financing and refinancing the cost of acquisition, construction, and equipping of an educational facility. The outstanding principal balance at September 30, 2012 is \$ 6.630 million. Neither the City, nor State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS

Plan Description - The City of Coconut Creek administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical and dental insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. The plan has no assets and does not issue a separate financial report.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Funding Policy - The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at the blended group (implicitly subsidized) premium rates offered to both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The City also provides an explicit subsidy for retirees depending on their employment group. Administrative officers and general employees receive \$ 150 per month and police officers, including officers, corporals and sergeants, hired prior to January 1, 2002 receive \$ 250 per month. This monthly stipend is effective until the retiree becomes eligible for Medicare. Effective October 1, 2009, police officers hired after January 1, 2002 received a City contribution in the amount of two-percent (2%) of their annual salary (including overtime) to a Retirement Health Savings Plan.

For the 2012 fiscal year the City provided contributions of \$ 18,500 from the General Fund on a pay-as-you-go basis toward annual OPEB costs, net of retiree contributions totaling \$ 84,425. As of September 30, 2012, there were 9 retirees receiving benefits.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost, the imputed amount contributed to the Plan, and changes in the City's net OPEB obligation for the year ending September 30, 2012, was as follows:

Annual required contribution	\$ 1,151,000
Interest on net OPEB obligation	126,000
Adjustment to annual required contribution	<u>(376,000)</u>
Annual OPEB cost	901,000
Imputed contributions	<u>(185,000)</u>
Increase in net OPEB obligation	716,000
Net OPEB obligation, beginning of year	<u>3,173,000</u>
Net OPEB obligation, end of year	<u><u>\$ 3,889,000</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2012 and the preceding two years were as follows:

	Annual OPEB Cost	Imputed Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 901,000	\$ 185,000	21.0%	\$ 3,889,000
2011	\$ 899,000	\$ 177,000	20.0%	\$ 3,173,000
2010	\$ 1,434,000	\$ 214,000	15.0%	\$ 2,451,000

Funded Status and Funding Progress - For the actuarial valuation date of August 1, 2011, the actuarial accrued liability for benefits was \$ 5,651,000, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$ 5,651,000. The covered payroll (annual payroll for active participating employees) was \$ 20,231,000 for fiscal year 2011, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 27.9%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

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

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

In the actuarial valuation as of August 1, 2011 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 45.2 years, the unfunded actuarial accrued liability is being amortized over a ten-year open period, utilizing the level dollar payment method. Because the other postemployment benefits liability is currently unfunded, the actuarial assumptions included a 4.0 percent rate of return on invested assets, with 2.50 percent of this amount being attributed to inflation. The actuarial assumptions also included an annual healthcare cost trend rate of 10 percent initially for the 2012 fiscal year, with future annual decreases assumed to grade uniformly to 6 percent over a 8 year period, to an ultimate rate of 5 percent for the fiscal year ending September 30, 2021.

NOTE 17 – SUBSEQUENT EVENTS

In December 2012, the Option Purchase Agreement with JGP, LLC for the sale of 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek lapsed and the City refunded the deposit and interest earned of \$ 150,208. The City is actively pursuing different strategies to market the property.

On December 13, 2012, the City approved the sublease of a portion of 10.028 acres of land owned by the City at the Commerce Center of Coconut Creek between Seminole Properties II and Gunther Motor Company. In 2010, the City originally approved the lease with Seminole Properties II for use as a temporary parking lot and is collecting rental income of \$ 200,000 annually. The property will be used by Gunther Motor Company for temporary parking.

On January 10, 2013, the City entered into a two year interlocal agreement with the Sheriff of Broward County for delivery of fire protection and emergency medical services to portions of unincorporated Broward County known as Hillsboro Pines and Hillsboro Ranches by the City of Coconut Creek. Annual payments are based on the amount equal to the fire assessment fees for the unincorporated areas.

On January 10, 2013, the City accepted a Quit Claim Deed from Broward County for the parcel of land commonly known as the Wiles Road Dome property. The City is responsible for preserving the natural areas. As part of the agreement, Broward County has approved a \$ 50,000 Land Stewardship Partners in Preservation Grant for the City to assist with the ecological restoration process. Additionally, a portion of the property is restricted for use for public park and recreational uses.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

NOTE 18 - PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

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

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

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989, FASB and AICPA Pronouncements*, was issued December 2010. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and interpretations; 2) Accounting Principles Board Opinions; and 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The provisions of the Statement will be effective for the fiscal year ending September 30, 2013.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued in June, 2011. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources as defined by GASB's Concepts Statement No. 4. GASB Statement No. 63 also amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of net assets and by renaming it as net position, rather than net assets. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was issued March, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities in order to be consistent with the definitions in Concepts Statement 4. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2014.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

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

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

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

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

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was issued January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

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

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

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 15,941,000	\$ 15,941,000	\$ 16,128,597	\$ 187,597
Franchise fees	4,138,940	4,138,940	3,971,279	(167,661)
Utility taxes	6,100,000	6,100,000	6,092,378	(7,622)
Licenses and permits	1,708,500	1,708,500	2,987,709	1,279,209
Intergovernmental revenues	4,206,360	4,206,360	4,291,959	85,599
Charges for services	10,756,290	10,756,290	10,631,368	(124,922)
Fines and forfeitures	297,200	297,200	290,064	(7,136)
Investment income	310,000	310,000	206,991	(103,009)
Miscellaneous revenues	684,700	684,700	685,105	405
Total revenues	44,142,990	44,142,990	45,285,450	1,142,460
EXPENDITURES:				
Departmental:				
City Commission	375,830	375,830	348,634	27,196
City Manager/City Attorney	2,419,318	2,579,318	2,345,942	233,376
Risk management	1,435,000	1,435,000	1,221,963	213,037
City Clerk	443,060	443,060	427,456	15,604
Finance and administration	1,339,440	1,339,440	1,161,384	178,056
Information technology	1,658,890	1,658,890	1,604,793	54,097
Human resources	841,150	841,150	772,381	68,769
Sustainable development	2,770,680	2,770,680	2,657,369	113,311
Police	15,739,240	15,739,240	14,550,263	1,188,977
Fire administration	6,787,490	6,787,490	6,702,039	85,451
Public works	5,449,304	5,449,304	5,011,386	437,918
Parks and recreation	3,626,670	3,626,670	3,465,268	161,402
Engineering	658,100	658,100	483,695	174,405
Total departmental	43,544,172	43,704,172	40,752,573	2,951,599
Nondepartmental	663,820	663,820	310,030	353,790
Contingency	500,000	340,000	-	340,000
Total expenditures	44,707,992	44,707,992	41,062,603	3,645,389
Excess (deficiency) of revenues over expenditures	(565,002)	(565,002)	4,222,847	4,787,849
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	25,000	15,356	(9,644)
Transfers (out)	(2,587,970)	(2,587,970)	(2,587,970)	-
Total other financing sources (uses)	(2,562,970)	(2,562,970)	(2,572,614)	(9,644)
Net change in fund balance	\$ (3,127,972)	\$ (3,127,972)	1,650,233	\$ 4,778,205
FUND BALANCE, beginning			21,134,845	
FUND BALANCE, ending			\$ 22,785,078	

See notes to budgetary comparison schedule.

**CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND (continued)
 For the Year Ended September 30, 2012**

**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 **\$ 45,285,450**

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 92,320

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 25 **\$ 45,377,770**

Total expenditures, page 58 **\$ 41,062,603**

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 54,630

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 25 **\$ 41,117,233**

See notes to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - STREET CONSTRUCTION AND MAINTENANCE FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 850,000	\$ 850,000	\$ 909,307	\$ 59,307
County contribution	180,000	180,000	185,010	5,010
State shared revenue	425,500	425,500	344,798	(80,702)
Other grants and contributions	4,750,000	4,750,000	1,150,060	(3,599,940)
Total intergovernmental revenues	6,205,500	6,205,500	2,589,175	(3,616,325)
Investment income	35,000	35,000	14,644	(20,356)
Miscellaneous revenue	60,000	60,000	63,103	3,103
Total revenues	6,300,500	6,300,500	2,666,922	(3,633,578)
EXPENDITURES:				
Current:				
Physical environment	952,410	952,410	791,344	161,066
Nondepartmental	204,000	204,000	204,000	-
Capital outlay	7,307,326	7,307,326	2,017,336	5,289,990
Total expenditures	8,463,736	8,463,736	3,012,680	5,451,056
Excess (deficiency) of revenues over expenditures	\$ (2,163,236)	\$ (2,163,236)	(345,758)	\$ 1,817,478
FUND BALANCE, beginning			2,634,391	
FUND BALANCE, ending			\$ 2,288,633	

See notes to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - GRANTS FUND
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 701,215	\$ 701,215	\$ 503,271	\$ (197,944)
Total revenues	<u>701,215</u>	<u>701,215</u>	<u>503,271</u>	<u>(197,944)</u>
EXPENDITURES:				
Current:				
Physical environment	595,638	595,638	397,694	197,944
Capital outlay	<u>45,575</u>	<u>45,575</u>	<u>25,243</u>	<u>20,332</u>
Total expenditures	<u>641,213</u>	<u>641,213</u>	<u>422,937</u>	<u>218,276</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 60,002</u>	<u>\$ 60,002</u>	80,334	<u>\$ 20,332</u>
FUND BALANCE, beginning			<u>240,570</u>	
FUND BALANCE, ending			<u>\$ 320,904</u>	

See notes to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2012

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

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

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

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

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

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

All funds have a legally adopted budget, with the exception of the 2003 Capital Projects Fund, since the 2003 Capital Projects Fund was combined with the Capital Improvement Program Fund during fiscal year 2012.

**CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FUNDING PROGRESS -
OTHER POST EMPLOYMENT BENEFITS
September 30, 2012**

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

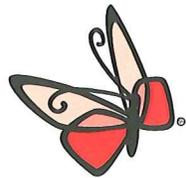
<u>Actual Valuation Date</u>	<u>Actuarial Value of Assets (1)</u>	<u>Actuarial Accrued Liability (AAL) (2)</u>	<u>Unfunded AAL (UAAL) (2) - (1)</u>	<u>Funded Ratio (1) : (2)</u>	<u>Covered Payroll (3)</u>	<u>UAAL as a Percentage of Covered Payroll {(2) - (1)} : (3)</u>
January 1, 2009	\$ -	\$ 6,734,000	\$ 6,734,000	0.0%	\$ 20,273,000	33.2%
August 1, 2011	-	5,651,000	5,651,000	0.0%	20,231,000	27.9%

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

CAPITAL PROJECTS FUNDS

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

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

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, 2012

	<u>Special Revenue</u>			
	<u>Law Enforcement Trust Fund</u>	<u>Affordable Housing Fund</u>	<u>Community Improvement Fund</u>	<u>SHIP Fund</u>
ASSETS:				
Cash and cash equivalents	\$ 402,250	\$ 164,380	\$ 328,350	\$ 2,589
Accounts receivable	3,542	1,438	343,620	23
Due from other governments	6	-	-	-
Investments	1,525,596	623,439	1,245,321	9,817
Inventory and prepaid costs	4,000	-	-	-
Total assets	<u>\$ 1,935,394</u>	<u>\$ 789,257</u>	<u>\$ 1,917,291</u>	<u>\$ 12,429</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$ 56,201	\$ -	\$ -	\$ 3,741
Accrued liabilities	-	-	-	-
Deferred or unearned revenues	-	-	23,193	-
Total liabilities	<u>56,201</u>	<u>-</u>	<u>23,193</u>	<u>3,741</u>
Fund balances:				
Nonspendable:				
Prepays	4,000	-	-	-
Restricted for:				
Grants	-	-	-	8,688
Public safety	1,875,193	-	-	-
Committed to:				
Affordable housing project	-	789,257	-	-
Capital projects	-	-	1,894,098	-
Debt service	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Total fund balances	<u>1,879,193</u>	<u>789,257</u>	<u>1,894,098</u>	<u>8,688</u>
Total liabilities and fund balances	<u>\$ 1,935,394</u>	<u>\$ 789,257</u>	<u>\$ 1,917,291</u>	<u>\$ 12,429</u>

Capital Projects			Debt Service	
2003 Capital Projects Fund	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	Total Nonmajor Governmental Funds
\$ -	\$ 149,744	\$ 69,329	\$ 23,225	\$ 1,139,867
-	1,310	608	203	350,744
-	-	-	-	6
-	567,928	262,940	88,085	4,323,126
-	-	-	-	4,000
<u>\$ -</u>	<u>\$ 718,982</u>	<u>\$ 332,877</u>	<u>\$ 111,513</u>	<u>\$ 5,817,743</u>
\$ -	\$ -	\$ -	\$ -	\$ 59,942
-	-	-	10,000	10,000
-	-	-	-	23,193
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>93,135</u>
-	-	-	-	4,000
-	-	-	-	8,688
-	-	-	-	1,875,193
-	-	-	-	789,257
-	4,763	164,000	-	2,062,861
-	-	-	101,513	101,513
<u>-</u>	<u>714,219</u>	<u>168,877</u>	<u>-</u>	<u>883,096</u>
<u>-</u>	<u>718,982</u>	<u>332,877</u>	<u>101,513</u>	<u>5,724,608</u>
<u>\$ -</u>	<u>\$ 718,982</u>	<u>\$ 332,877</u>	<u>\$ 111,513</u>	<u>\$ 5,817,743</u>

**CITY OF COCONUT CREEK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2012**

	<u>Special Revenue</u>			
	<u>Law Enforcement Trust Fund</u>	<u>Affordable Housing Fund</u>	<u>Community Improvement Fund</u>	<u>SHIP Fund</u>
REVENUES:				
Charges for services	\$ -	\$ -	\$ 2,474,914	\$ -
Fines and forfeitures	930,081	-	-	-
Investment income	11,078	6,039	10,118	94
Impact fees	-	4,896	-	-
Miscellaneous revenues	-	70,000	2,310	-
Total revenues	<u>941,159</u>	<u>80,935</u>	<u>2,487,342</u>	<u>94</u>
EXPENDITURES				
Current:				
General government	-	451,000	137,456	-
Public safety	107,546	-	-	-
Physical environment	-	-	-	64,385
Nondepartmental	-	-	-	-
Capital outlay	426,458	-	468,592	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>534,004</u>	<u>451,000</u>	<u>606,048</u>	<u>64,385</u>
Excess (deficiency) of revenues over expenditures	407,155	(370,065)	1,881,294	(64,291)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(1,853,433)	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,853,433)</u>	<u>-</u>
Net change in fund balances	407,155	(370,065)	27,861	(64,291)
FUND BALANCES, beginning	<u>1,472,038</u>	<u>1,159,322</u>	<u>1,866,237</u>	<u>72,979</u>
FUND BALANCES, ending	<u>\$ 1,879,193</u>	<u>\$ 789,257</u>	<u>\$ 1,894,098</u>	<u>\$ 8,688</u>

Capital Projects			Debt Service	
2003 Capital Projects Fund	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,474,914
-	-	-	-	930,081
-	4,045	1,686	13,580	46,640
-	560,667	-	-	565,563
-	-	169,400	-	241,710
<u>-</u>	<u>564,712</u>	<u>171,086</u>	<u>13,580</u>	<u>4,258,908</u>
-	-	-	-	588,456
-	-	-	-	107,546
-	-	-	-	64,385
-	-	-	-	-
-	479,156	-	-	1,374,206
-	-	-	2,646,636	2,646,636
-	-	-	867,822	867,822
-	-	-	29,750	29,750
<u>-</u>	<u>479,156</u>	<u>-</u>	<u>3,544,208</u>	<u>5,678,801</u>
-	85,556	171,086	(3,530,628)	(1,419,893)
-	-	-	5,269,850	5,269,850
-	-	-	3,514,700	3,514,700
(8,620,084)	-	(2,723)	-	(10,476,240)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,240,097)</u>	<u>(5,240,097)</u>
<u>(8,620,084)</u>	<u>-</u>	<u>(2,723)</u>	<u>3,544,453</u>	<u>(6,931,787)</u>
(8,620,084)	85,556	168,363	13,825	(8,351,680)
<u>8,620,084</u>	<u>633,426</u>	<u>164,514</u>	<u>87,688</u>	<u>14,076,288</u>
<u>\$ -</u>	<u>\$ 718,982</u>	<u>\$ 332,877</u>	<u>\$ 101,513</u>	<u>\$ 5,724,608</u>



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

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 930,000	\$ 930,000	\$ 930,081	\$ 81
Investment income	11,000	11,000	11,078	78
Total revenues	941,000	941,000	941,159	159
EXPENDITURES:				
Current:				
Public safety	115,150	115,150	107,546	7,604
Capital outlay	426,500	426,500	426,458	42
Total expenditures	541,650	541,650	534,004	7,646
Excess (deficiency) of revenues over (under) expenditures	\$ 399,350	\$ 399,350	\$ 407,155	\$ 7,805
FUND BALANCE, beginning			1,472,038	
FUND BALANCE, ending			\$ 1,879,193	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AFFORDABLE HOUSING FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 14,000	\$ 14,000	\$ 6,039	\$ (7,961)
Impact fees	36,480	36,480	4,896	(31,584)
Miscellaneous revenues	-	-	70,000	70,000
Total revenues	<u>50,480</u>	<u>50,480</u>	<u>80,935</u>	<u>30,455</u>
EXPENDITURES:				
General government	701,000	701,000	451,000	250,000
Total expenditures	<u>701,000</u>	<u>701,000</u>	<u>451,000</u>	<u>250,000</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(650,520)</u>	\$ <u>(650,520)</u>	(370,065)	\$ <u>280,455</u>
FUND BALANCE, beginning			1,159,322	
FUND BALANCE, ending			\$ <u>789,257</u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - COMMUNITY IMPROVEMENT FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,180,760	\$ 2,180,760	\$ 2,474,914	\$ 294,154
Investment income	25,000	25,000	10,118	(14,882)
Miscellaneous revenues	5,250	5,250	2,310	(2,940)
Total revenues	2,211,010	2,211,010	2,487,342	276,332
EXPENDITURES:				
Current:				
General government	13,620	138,620	137,456	1,164
Capital outlay	855,780	855,780	468,592	387,188
Total expenditures	869,400	994,400	606,048	388,352
Excess of revenues over expenditures	1,341,610	1,216,610	1,881,294	664,684
OTHER FINANCING USES:				
Transfers out	(1,865,800)	(1,865,800)	(1,853,433)	12,367
Net change in fund balance	\$ (524,190)	\$ (649,190)	27,861	\$ 677,051
FUND BALANCE, beginning			1,866,237	
FUND BALANCE, ending			\$ 1,894,098	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - SHIP FUND
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 94	\$ 94
Total revenues	<u>-</u>	<u>-</u>	<u>94</u>	<u>94</u>
EXPENDITURES:				
Current:				
Physical environment	<u>71,172</u>	<u>71,172</u>	<u>64,385</u>	<u>6,787</u>
Total expenditures	<u>71,172</u>	<u>71,172</u>	<u>64,385</u>	<u>6,787</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (71,172)</u>	<u>\$ (71,172)</u>	<u>(64,291)</u>	<u>\$ 6,881</u>
FUND BALANCE, beginning			<u>72,979</u>	
FUND BALANCE, ending			<u>\$ 8,688</u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - GENERAL TRUST FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 8,150	\$ 8,150	\$ 8,128	\$ (22)
Intergovernmental	84,200	84,200	84,192	(8)
Total revenues	<u>92,350</u>	<u>92,350</u>	<u>92,320</u>	<u>(30)</u>
EXPENDITURES:				
Departmental:				
City Manager/City Attorney	14,400	14,400	14,381	19
Police	3,350	3,350	3,360	(10)
Public works	36,900	36,900	36,889	11
Total expenditures	<u>54,650</u>	<u>54,650</u>	<u>54,630</u>	<u>20</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 37,700</u>	<u>\$ 37,700</u>	37,690	<u>\$ (10)</u>
FUND BALANCE, beginning			<u>981,766</u>	
FUND BALANCE, ending			<u>\$ 1,019,456</u>	

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

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND - CAPITAL IMPROVEMENT REVENUE BONDS FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 13,580	\$ 13,580
Total revenues	<u>-</u>	<u>-</u>	<u>13,580</u>	<u>13,580</u>
EXPENDITURES:				
Debt service:				
Principal	2,631,000	2,631,000	2,646,636	(15,636)
Interest and fiscal charges	883,700	883,700	867,822	15,878
Bond issuance costs	-	-	29,750	(29,750)
Total expenditures	<u>3,514,700</u>	<u>3,514,700</u>	<u>3,544,208</u>	<u>(29,508)</u>
Deficiency of revenues over expenditures	<u>(3,514,700)</u>	<u>(3,514,700)</u>	<u>(3,530,628)</u>	<u>(15,928)</u>
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	5,269,850	5,269,850
Transfers in	3,514,700	3,514,700	3,514,700	-
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>(5,240,097)</u>	<u>(5,240,097)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>13,825</u>	<u>\$ 13,825</u>
FUND BALANCE, beginning			<u>87,688</u>	
FUND BALANCE, ending			<u>\$ 101,513</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - PARKS IMPROVEMENT FUND
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 86,000	\$ 86,000	\$ 560,667	\$ 474,667
Investment income	-	-	4,045	4,045
Total revenues	<u>86,000</u>	<u>86,000</u>	<u>564,712</u>	<u>478,712</u>
EXPENDITURES:				
Capital outlay	<u>504,885</u>	<u>504,885</u>	<u>479,156</u>	<u>25,729</u>
Total expenditures	<u>504,885</u>	<u>504,885</u>	<u>479,156</u>	<u>25,729</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (418,885)</u>	<u>\$ (418,885)</u>	85,556	<u>\$ 504,441</u>
FUND BALANCE, beginning			633,426	
FUND BALANCE, ending			<u>\$ 718,982</u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - UTILITY UNDERGROUND FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 1,686	\$ 1,686
Miscellaneous revenues	-	-	169,400	169,400
Total revenues	<u>-</u>	<u>-</u>	<u>171,086</u>	<u>171,086</u>
EXPENDITURES:				
Current:				
Capital outlay	164,000	164,000	-	164,000
Total expenditures	<u>164,000</u>	<u>164,000</u>	<u>-</u>	<u>164,000</u>
Excess of revenues over expenditures	(164,000)	(164,000)	171,086	335,086
OTHER FINANCING USES:				
Transfers out	-	-	(2,723)	(2,723)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,723)</u>	<u>(2,723)</u>
Net change in fund balance	<u>\$ (164,000)</u>	<u>\$ (164,000)</u>	168,363	\$ <u>332,363</u>
FUND BALANCE, beginning			164,514	
FUND BALANCE, ending			<u>\$ 332,877</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - 2009 CAPITAL PROJECTS FUND
 For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 60,000	\$ 60,000	\$ 52,487	\$ (7,513)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>52,487</u>	<u>(7,513)</u>
EXPENDITURES:				
Capital outlay	8,620,153	8,620,153	3,323,427	5,296,726
Total expenditures	<u>8,620,153</u>	<u>8,620,153</u>	<u>3,323,427</u>	<u>5,296,726</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(8,560,153)</u>	\$ <u>(8,560,153)</u>	(3,270,940)	\$ <u>5,289,213</u>
FUND BALANCE, beginning			8,858,463	
FUND BALANCE, ending			\$ <u>5,587,523</u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - CAPITAL IMPROVEMENT PROGRAM FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 138,750	\$ 138,750	\$ 138,750	\$ -
Investment income	25,000	25,000	9,985	(15,015)
Miscellaneous revenues	300,000	300,000	543,295	243,295
Total revenues	463,750	463,750	692,030	228,280
EXPENDITURES:				
Capital outlay	2,220,472	2,627,972	1,294,306	1,333,666
Total expenditures	2,220,472	2,627,972	1,294,306	1,333,666
Excess (deficiency) of revenues over expenditures	(1,756,722)	(2,164,222)	(602,276)	1,561,946
OTHER FINANCING USES:				
Transfers in	159,070	159,070	8,779,154	8,620,084
Net change in fund balance	\$ (1,597,652)	\$ (2,005,152)	8,176,878	\$ 10,182,030
FUND BALANCE, beginning			1,826,274	
FUND BALANCE, ending			\$ 10,003,152	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - PUBLIC SAFETY IMPROVEMENT FUND
For the Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 21,850	\$ 21,850	\$ 310,460	\$ 288,610
Investment income	3,000	3,000	13,511	10,511
Total revenues	<u>24,850</u>	<u>24,850</u>	<u>323,971</u>	<u>299,121</u>
EXPENDITURES:				
Capital outlay	1,300,000	1,300,000	56,491	1,243,509
Total expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>56,491</u>	<u>1,243,509</u>
Excess (deficiency) of revenues over expenditures	(1,275,150)	(1,275,150)	267,480	1,542,630
OTHER FINANCING USES:				
Transfers in	755,000	755,000	755,000	-
Net change in fund balance	<u>\$ (520,150)</u>	<u>\$ (520,150)</u>	<u>1,022,480</u>	<u>\$ 1,542,630</u>
FUND BALANCE, beginning			<u>1,363,218</u>	
FUND BALANCE, ending			<u>\$ 2,385,698</u>	



BUTTERFLY CAPITAL OF THE WORLD®





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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Fund Balances of Governmental Funds	85 - 86
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General Governmental Tax Revenues by Source	89

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property	90 - 91
Property Tax Rates	92 - 93
Principal Property Taxpayers	94
Property Tax Levies and Collections	95

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.

Ratios of Outstanding Debt by Type	96
Direct and Overlapping Governmental Activities Debt	97
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Demographic and Economic Information

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

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STATISTICAL SECTION
(continued)

Operating Information

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

Full-Time Equivalent City Government Employees by Function	103
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Capital Asset Statistics by Function	105

Insurance Information

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

Insurance Coverage via PGIT	106 - 108
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 36,578	\$ 31,873	\$ 29,056	\$ 32,517
Restricted	680	-	-	2,983
Unrestricted	<u>12,644</u>	<u>21,177</u>	<u>29,406</u>	<u>30,153</u>
Total governmental activities net assets	<u>\$ 49,902</u>	<u>\$ 53,050</u>	<u>\$ 58,462</u>	<u>\$ 65,653</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 48,869	\$ 50,015	\$ 50,313	\$ 49,251
Restricted	-	-	-	-
Unrestricted	<u>14,586</u>	<u>13,209</u>	<u>14,600</u>	<u>16,913</u>
Total business-type activities net assets	<u>\$ 63,455</u>	<u>\$ 63,224</u>	<u>\$ 64,913</u>	<u>\$ 66,164</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 85,447	\$ 81,888	\$ 79,369	\$ 81,768
Restricted	680	-	-	2,983
Unrestricted	<u>27,230</u>	<u>34,386</u>	<u>44,006</u>	<u>47,066</u>
Total primary government net assets	<u>\$ 113,357</u>	<u>\$ 116,274</u>	<u>\$ 123,375</u>	<u>\$ 131,817</u>

Table 1

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 42,344	\$ 45,140	\$ 49,710	\$ 57,183	\$ 59,771	\$ 67,752
6,578	12,253	10,000	8,125	13,253	10,084
<u>27,759</u>	<u>28,249</u>	<u>27,636</u>	<u>25,481</u>	<u>23,940</u>	<u>25,602</u>
<u>\$ 76,681</u>	<u>\$ 85,642</u>	<u>\$ 87,346</u>	<u>\$ 90,789</u>	<u>\$ 96,964</u>	<u>\$ 103,438</u>
\$ 49,584	\$ 55,783	\$ 60,239	\$ 65,348	\$ 64,542	\$ 65,989
-	-	-	-	-	-
<u>18,223</u>	<u>14,687</u>	<u>11,079</u>	<u>12,406</u>	<u>16,897</u>	<u>21,166</u>
<u>\$ 67,807</u>	<u>\$ 70,470</u>	<u>\$ 71,318</u>	<u>\$ 77,754</u>	<u>\$ 81,439</u>	<u>\$ 87,155</u>
\$ 91,928	\$ 100,923	\$ 109,949	\$ 122,531	\$ 124,313	\$ 133,741
6,578	12,253	10,000	8,125	13,253	10,084
<u>45,982</u>	<u>42,936</u>	<u>38,715</u>	<u>37,887</u>	<u>40,837</u>	<u>46,768</u>
<u>\$ 144,488</u>	<u>\$ 156,112</u>	<u>\$ 158,664</u>	<u>\$ 168,543</u>	<u>\$ 178,403</u>	<u>\$ 190,593</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses:				
Governmental activities:				
General government	\$ 6,533	\$ 8,534	\$ 8,070	\$ 9,233
Public safety	14,212	15,914	17,495	18,677
Physical environment	4,885	5,038	4,997	12,954
Culture/recreation	4,359	4,878	5,092	5,702
Interest on long-term debt	<u>1,389</u>	<u>1,516</u>	<u>1,427</u>	<u>1,497</u>
Total governmental activities expenses	<u>\$ 31,378</u>	<u>\$ 35,880</u>	<u>\$ 37,081</u>	<u>\$ 48,063</u>
Business-type activities:				
Utilities	\$ 11,801	\$ 12,711	\$ 12,689	\$ 13,135
Stormwater management	<u>-</u>	<u>-</u>	<u>575</u>	<u>1,113</u>
Total business-type activities expenses	<u>11,801</u>	<u>12,711</u>	<u>13,264</u>	<u>14,248</u>
Total expenses	<u>\$ 43,179</u>	<u>\$ 48,591</u>	<u>\$ 50,345</u>	<u>\$ 62,311</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 3,689	\$ 3,810	\$ 5,317	\$ 5,748
Public safety	3,044	3,483	4,370	3,916
Physical environment	1,275	1,367	1,467	1,538
Culture/recreation	486	628	687	587
Operating grants and contributions	300	1,836	1,184	8,679
Capital grants and contributions	<u>482</u>	<u>1,496</u>	<u>732</u>	<u>897</u>
Total governmental activities program revenues	<u>\$ 9,276</u>	<u>\$ 12,620</u>	<u>\$ 13,757</u>	<u>\$ 21,365</u>
Business-type activities:				
Charges for services:				
Utilities	\$ 10,293	\$ 11,424	\$ 11,853	\$ 11,790
Stormwater management	-	-	1,192	1,195
Operating grants and contributions	-	27	509	324
Capital grants and contributions	<u>2,190</u>	<u>760</u>	<u>842</u>	<u>1,165</u>
Total business-type activities program revenues	<u>12,483</u>	<u>12,211</u>	<u>14,396</u>	<u>14,474</u>
Total program revenues	<u>\$ 21,759</u>	<u>\$ 24,831</u>	<u>\$ 28,153</u>	<u>\$ 35,839</u>

Table 2

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	10,363	\$ 10,354	\$ 10,813	\$ 10,777	\$ 10,743	\$ 11,742
	19,831	21,423	22,817	23,452	23,446	23,959
	6,589	6,751	6,695	6,195	5,698	5,814
	5,578	5,693	5,781	5,495	5,255	5,251
	<u>1,232</u>	<u>1,082</u>	<u>980</u>	<u>1,160</u>	<u>991</u>	<u>878</u>
\$	<u>43,593</u>	<u>45,303</u>	<u>47,086</u>	<u>47,079</u>	<u>46,133</u>	<u>47,644</u>
\$	13,429	13,427	\$ 14,934	\$ 15,645	\$ 14,603	\$ 15,022
	<u>661</u>	<u>745</u>	<u>808</u>	<u>816</u>	<u>813</u>	<u>1,014</u>
	14,090	14,172	15,742	16,461	15,416	16,036
\$	<u>57,683</u>	<u>59,475</u>	<u>62,828</u>	<u>63,540</u>	<u>61,549</u>	<u>63,680</u>
\$	6,345	\$ 6,544	\$ 4,493	\$ 5,031	\$ 5,404	\$ 5,823
	4,141	5,883	6,290	7,798	7,398	7,325
	1,617	1,862	2,068	2,116	2,122	2,498
	596	618	638	701	729	752
	1,679	1,152	918	979	618	423
	<u>2,261</u>	<u>4,559</u>	<u>125</u>	<u>475</u>	<u>1,562</u>	<u>2,501</u>
\$	<u>16,639</u>	<u>20,618</u>	<u>14,532</u>	<u>17,100</u>	<u>17,833</u>	<u>19,322</u>
\$	11,366	\$ 10,960	\$ 12,581	\$ 14,800	\$ 17,044	\$ 17,717
	1,264	1,336	1,388	1,457	1,453	1,498
	82	-	-	-	-	-
	<u>1,762</u>	<u>3,715</u>	<u>2,131</u>	<u>6,105</u>	<u>2,848</u>	<u>1,464</u>
	14,474	16,011	16,100	22,362	21,345	20,679
\$	<u>31,113</u>	<u>36,629</u>	<u>30,632</u>	<u>39,462</u>	<u>39,178</u>	<u>40,001</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (expense)/revenue				
Governmental activities	\$ (22,102)	\$ (23,260)	\$ (23,324)	\$ (26,698)
Business-type activities	682	(500)	1,132	226
Total net expenses	<u>\$ (21,420)</u>	<u>\$ (23,760)</u>	<u>\$ (22,192)</u>	<u>\$ (26,472)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes	\$ 10,131	\$ 11,272	\$ 12,610	\$ 14,542
Utility taxes	5,001	5,028	5,276	5,331
Franchise taxes	2,871	3,074	3,225	3,540
Intergovernmental	4,716	5,003	5,563	6,057
Impact fees	-	-	-	-
Investment income	634	384	589	1,182
Miscellaneous	601	722	911	1,429
Gain (loss) on disposal of capital assets	103	-	562	1,807
Transfers	-	-	-	-
Total governmental activities	<u>\$ 24,057</u>	<u>\$ 25,483</u>	<u>\$ 28,736</u>	<u>\$ 33,888</u>
Business-type activities:				
Investment income	\$ 419	\$ 198	\$ 348	\$ 782
Impact fees	-	-	-	-
Miscellaneous	101	72	210	243
Transfers	-	-	-	-
Total business-type activities	<u>520</u>	<u>270</u>	<u>558</u>	<u>1,025</u>
Total	<u>\$ 24,577</u>	<u>\$ 25,753</u>	<u>\$ 29,294</u>	<u>\$ 34,913</u>
Change in net assets				
Governmental activities	\$ 1,955	\$ 2,223	\$ 5,412	\$ 7,190
Business-type activities	<u>1,202</u>	<u>(230)</u>	<u>1,690</u>	<u>1,251</u>
Total	<u>\$ 3,157</u>	<u>\$ 1,993</u>	<u>\$ 7,102</u>	<u>\$ 8,441</u>

**Table 2
(continued)**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ (26,954)	\$ (24,685)	\$ (32,554)	\$ (29,979)	\$ (28,300)	\$ (28,322)
384	1,839	358	5,901	5,929	4,643
<u>\$ (26,570)</u>	<u>\$ (22,846)</u>	<u>\$ (32,196)</u>	<u>\$ (24,078)</u>	<u>\$ (22,371)</u>	<u>\$ (23,679)</u>
\$ 17,362	\$ 16,076	\$ 15,886	\$ 16,213	\$ 15,906	\$ 16,129
5,413	5,544	5,936	6,093	6,050	6,092
4,009	3,989	4,222	4,095	4,070	3,971
5,816	5,551	4,947	4,840	5,066	5,732
-	-	-	-	1,187	876
4,349	1,261	917	561	601	379
1,032	1,225	2,502	1,730	1,095	1,617
-	-	(152)	(110)	-	-
-	-	-	-	500	-
<u>\$ 37,981</u>	<u>\$ 33,646</u>	<u>\$ 34,258</u>	<u>\$ 33,422</u>	<u>\$ 34,475</u>	<u>\$ 34,796</u>
\$ 1,073	\$ 621	\$ 303	\$ 157	\$ 206	\$ 140
-	-	-	-	1,023	698
187	203	186	378	295	236
-	-	-	-	(500)	-
1,260	824	489	535	1,024	1,074
<u>\$ 39,241</u>	<u>\$ 34,470</u>	<u>\$ 34,747</u>	<u>\$ 33,957</u>	<u>\$ 35,499</u>	<u>\$ 35,870</u>
\$ 11,027	\$ 8,961	\$ 1,704	\$ 3,443	\$ 6,175	\$ 6,474
1,644	2,663	847	6,436	6,953	5,717
<u>\$ 12,671</u>	<u>\$ 11,624</u>	<u>\$ 2,551</u>	<u>\$ 9,879</u>	<u>\$ 13,128</u>	<u>\$ 12,191</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$ 431	\$ 567	\$ 36	\$ 16
Unreserved	6,719	7,524	9,608	11,135
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fund	<u>\$ 7,150</u>	<u>\$ 8,091</u>	<u>\$ 9,644</u>	<u>\$ 11,151</u>
All other governmental funds				
Reserved	\$ 249	\$ 6,961	\$ 11,820	\$ 11,818
Unreserved, reported in:				
Special revenue funds	3,719	3,848	8,280	8,304
Capital projects funds	1,847	3,997	2,523	4,648
Debt service fund	-	413	514	569
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 5,815</u>	<u>\$ 15,219</u>	<u>\$ 23,137</u>	<u>\$ 25,339</u>

(1) Information for fiscal years 2003 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

Table 3

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	81	\$ 373	\$ 165	\$ 132	\$ -	\$ -
	15,697	18,283	18,554	18,192	-	-
	-	-	-	-	124	137
	-	-	-	-	-	-
	-	-	-	-	2,228	2,302
	-	-	-	-	4,075	5,159
	-	-	-	-	15,690	16,207
	<u>15,778</u>	<u>18,656</u>	<u>18,719</u>	<u>18,324</u>	<u>22,117</u>	<u>23,805</u>
\$	8,620	\$ 8,620	\$ 8,639	\$ 8,629	\$ -	\$ -
	7,850	12,531	10,827	8,969	-	-
	5,366	4,473	3,148	12,791	-	-
	656	666	469	67	-	-
	-	-	-	-	8,745	8,624
	-	-	-	-	13,253	10,081
	-	-	-	-	5,360	6,385
	-	-	-	-	1,641	1,220
	<u>22,492</u>	<u>26,290</u>	<u>23,083</u>	<u>30,456</u>	<u>28,999</u>	<u>26,310</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)

	2003	2004	2005	2006
Revenues				
Ad valorem taxes	\$ 10,153	\$ 11,272	\$ 12,610	\$ 14,542
Fire assessments tax	1,662	1,827	-	-
Franchise fees	2,871	3,074	3,226	3,540
Utility taxes	5,001	5,028	5,276	5,331
Licenses and permits	1,405	1,310	2,502	2,795
Intergovernmental revenues	5,222	6,303	8,080	14,573
Charges for services	5,127	5,696	8,298	8,281
Fines and forfeitures	562	702	523	729
Impact fees	-	-	-	-
Investment income	634	384	588	1,182
Miscellaneous revenues	585	1,015	899	1,901
Total revenues	<u>33,222</u>	<u>36,611</u>	<u>42,002</u>	<u>52,874</u>
Expenditures:				
General government	6,408	7,045	7,166	8,416
Public safety	14,298	15,326	16,268	17,753
Physical environment	4,895	4,322	4,335	12,110
Culture and recreation	4,171	4,389	4,615	5,071
Nondepartmental				170
Capital outlay	1,829	6,717	5,480	5,044
Debt service:				
Principal	2,457	22,632	2,339	2,436
Interest and fiscal charges	1,199	1,360	1,320	1,392
Total expenditures	<u>35,257</u>	<u>61,791</u>	<u>41,523</u>	<u>52,392</u>
Excess (deficiency) of revenues over expenditures	<u>(2,035)</u>	<u>(25,180)</u>	<u>479</u>	<u>482</u>
Other financing sources (uses)				
Net proceeds from long-term debt	-	31,736	5,817	-
Sale of land	-	-	3,176	3,224
Transfers in	2,278	2,259	5,285	4,574
Transfers out	(2,278)	(2,259)	(5,285)	(4,574)
Payment to fiscal agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>31,736</u>	<u>8,993</u>	<u>3,224</u>
Net change in fund balances	<u>\$ (2,035)</u>	<u>\$ 6,556</u>	<u>\$ 9,472</u>	<u>\$ 3,706</u>
Debt service as a percentage of noncapital expenditures	11.4%	43.5%	10.1%	8.1%

Table 4

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	17,362	\$ 16,077	\$ 15,886	\$ 16,213	\$ 15,906	\$ 16,129
	-	-	-	-	-	-
	4,009	3,989	4,222	4,095	4,070	3,971
	5,413	5,544	5,937	6,093	6,050	6,092
	3,151	3,247	1,088	1,522	2,760	2,988
	7,456	6,668	5,805	6,702	5,969	7,523
	9,026	11,267	12,163	13,452	12,456	13,106
	507	3,598	462	488	938	1,220
	-	-	-	-	1,075	876
	4,349	1,227	890	534	575	352
	2,474	2,264	1,313	1,621	1,208	1,618
	<u>53,747</u>	<u>53,881</u>	<u>47,766</u>	<u>50,720</u>	<u>51,007</u>	<u>53,875</u>
	9,258	9,833	9,525	9,505	9,247	9,767
	19,029	20,499	21,510	22,116	22,732	23,119
	5,558	5,419	5,977	4,944	4,865	4,932
	4,950	5,082	5,143	4,930	4,597	4,675
	193	184	210	294	511	514
	3,261	2,459	3,941	3,332	3,174	8,355
	8,323	2,630	3,452	7,398	3,049	2,647
	1,393	1,100	1,151	1,223	996	897
	<u>51,965</u>	<u>47,206</u>	<u>50,909</u>	<u>53,742</u>	<u>49,171</u>	<u>54,906</u>
	<u>1,782</u>	<u>6,675</u>	<u>(3,143)</u>	<u>(3,022)</u>	<u>1,836</u>	<u>(1,031)</u>
	-	-	-	10,000	-	5,270
	-	-	-	-	-	-
	4,542	2,937	3,834	7,698	4,291	13,064
	(4,542)	(2,937)	(3,834)	(7,698)	(3,791)	(13,064)
	-	-	-	-	-	(5,240)
	-	-	-	10,000	500	30
\$	<u><u>1,782</u></u>	<u><u>6,675</u></u>	<u><u>(3,143)</u></u>	<u><u>6,978</u></u>	<u><u>2,336</u></u>	<u><u>(1,001)</u></u>
	20.5%	8.6%	9.5%	17.2%	8.7%	7.6%



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

Table 5

<u>Year Ended September 30</u>	<u>Property Taxes</u>	<u>Local Option Gas Tax</u>	<u>Utility Taxes</u>	<u>Franchise Fees</u>	<u>Total</u>
2003	\$ 10,153	\$ 861	\$ 5,001	\$ 2,871	\$ 18,886
2004	11,272	903	5,028	3,074	20,277
2005	12,610	909	5,276	3,226	22,021
2006	14,542	938	5,331	3,540	24,351
2007	17,362	861	5,413	4,009	27,645
2008	16,077	875	5,544	3,989	26,485
2009	15,886	850	5,936	4,222	26,894
2010	16,213	837	6,093	4,095	27,238
2011	15,906	838	6,050	4,070	26,864
2012	16,129	909	6,092	3,971	27,101

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

Year Ended September 30,	Residential	Commercial	Industrial	Other*
2003	\$ 1,957,065,810	\$ 244,748,860	\$ 38,030,490	\$ 196,591,650
2004	2,133,054,870	308,025,820	57,897,000	237,008,110
2005	2,294,915,310	323,973,990	84,432,590	255,198,760
2006	2,617,292,850	354,081,760	92,239,410	297,841,030
2007	3,092,591,130	413,431,190	115,114,040	456,010,140
2008	3,475,090,460	476,525,460	109,354,120	620,193,710
2009	3,325,196,440	544,993,880	131,761,640	627,363,020
2010	2,729,460,450	633,971,090	149,361,570	627,896,870
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

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

Notes:

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

Table 6

Exemptions	Total Taxable Assessed Value	City Direct Tax Rate	Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
\$ 537,379,150	\$ 1,899,057,660	5.3107	\$ 2,638,790,130	71.97%
598,207,480	2,137,778,320	5.2879	3,105,618,290	68.84%
618,205,520	2,340,315,130	5.3408	3,503,413,710	66.80%
664,623,860	2,696,831,190	5.3408	4,185,722,650	64.43%
824,360,310	3,252,786,190	5.3408	5,416,762,050	60.05%
1,009,820,010	3,671,343,740	4.3796	6,101,425,730	60.17%
1,330,667,720	3,298,647,260	4.8869	5,481,926,110	60.17%
1,271,152,380	2,869,537,600	5.6837	4,494,682,060	63.84%
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%

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

Fiscal Year	City of Coconut Creek			Overlapping Rates					
				County		School District			
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage
2003	5.0959	0.2148	5.3107	6.6685	0.6965	7.3650	8.5410	0.3415	8.8825
2004	5.0959	0.1920	5.2879	6.6481	0.5399	7.1880	8.1621	0.2555	8.4176
2005	5.3408	-	5.3408	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695
2006	5.3408	-	5.3408	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623
2007	5.3408	-	5.3408	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687
2008	4.3796	-	4.3796	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484
2009	4.8869	-	4.8869	4.8889	0.4256	5.3145	7.4170	-	7.4170
2010	5.6837	-	5.6837	4.8889	0.5000	5.3889	7.4310	-	7.4310
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

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
0.2616	0.3316	2.4803	0.6970	0.0385	25.3672
0.1925	0.3920	2.5000	0.6970	0.0385	24.7135
0.1739	0.4231	2.4803	0.6970	0.0385	24.4461
0.1679	0.4231	2.1746	0.6970	0.0385	23.6872
0.1679	0.4073	1.8317	0.6970	0.0385	22.4180
0.1446	0.3572	1.6255	0.6240	0.0345	20.1006
0.1446	0.3754	1.7059	0.6240	0.0345	20.5028
0.1446	0.4243	1.7059	0.6240	0.0345	21.4369
0.1446	0.4696	1.8750	0.6240	0.0345	22.7353
0.1446	0.4789	1.8750	0.4363	0.0345	22.3260

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

Table 8

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ERP OPERATING LTD PARTNERSHIP	\$ 49,161	1	2.0%	\$ 63,076	1	3.1%
MEPT HILLSBORO BAY LLC	47,148	2	1.9%	-	-	-
GARRISON COCONUT CREEK LLC	41,384	3	1.7%	-	-	-
SEMINOLE PROPERTIES II LLC	33,405	4	1.3%	-	-	-
CGL BANYAN BAY LP	30,770	5	1.2%	25,763	9	1.3%
FLORIDA POWER & LIGHT	26,093	6	1.0%	-	-	-
ATLYONS LLC	24,805	7	1.0%	-	-	-
AERC CYPRESS SHORES INC.	22,192	8	0.9%	-	-	-
559 NORTH FEDERAL ASSOC	21,628	9	0.9%	23,524	10	1.3%
CENTRO NP COCONUT CREEK	20,170	10	0.8%	-	-	-
MINTO BUILDERS	-	-	-	44,766	2	2.2%
CA NEW PLAN ASSET PARTNERSHIP	-	-	-	29,857	3	1.5%
COCO PARC I	-	-	-	29,168	4	1.5%
SOUTHERN BELL	-	-	-	28,228	5	1.4%
VILLAGE APTS AT COCONUT CREEK	-	-	-	26,951	6	1.3%
HBC, INC.	-	-	-	26,469	7	1.3%
EVERGREEN LAKES	-	-	-	26,444	8	1.3%
Totals	\$ <u>316,756</u>		<u>12.7%</u>	\$ <u>324,246</u>		<u>16.2%</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>
2003	\$ 10,174	\$ 10,136	99.63%	\$ 16	\$ 10,152	99.78%
2004	11,294	11,271	99.80%	16	11,287	99.94%
2005	13,082	12,584	96.19%	13	12,597	96.29%
2006	15,087	14,517	96.22%	25	14,542	96.39%
2007	17,964	17,360	96.64%	-	17,360	96.64%
2008	16,557	16,005	96.67%	22	16,027	96.80%
2009	16,676	15,772	94.58%	18	15,790	94.69%
2010	17,087	15,909	93.11%	265	16,174	94.66%
2011	16,838	15,796	93.81%	312	16,108	95.66%
2012	16,714	15,949	95.42%	180	16,129	96.50%

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

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

Table 10

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Promissory Note	Improvement Revenue Notes	Line of Credit	Capital Lease			
2003	\$ 395	\$ 15,845	\$ 6,367	\$ 4,636	\$ -	\$ -	\$ 27,243	2.48%	\$ 574
2004	-	-	5,623	23,637	7,343	-	36,603	2.49%	764
2005	-	-	4,847	35,095	-	138	40,080	2.12%	829
2006	-	-	4,041	33,492	-	111	37,644	3.05%	780
2007	-	-	3,202	26,039	-	79	29,320	2.21%	608
2008	-	-	2,331	24,314	-	46	26,691	1.98%	553
2009	-	-	1,424	21,803	-	12	23,239	1.76%	486
2010	-	-	481	25,359	-	-	25,840	1.97%	537
2011	-	-	-	22,791	-	-	22,791	1.55%	431
2012	-	-	-	20,174	-	-	20,174	1.33%	378

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, 2012
(Amounts Expressed in Thousands)

Table 11

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Coconut Creek (1)</u>	<u>Amount Applicable to City of Coconut Creek</u>
Debt repaid with property taxes:			
Broward County	\$ 322,330	2.08%	\$ 6,704
Subtotal, overlapping debt			<u>6,704</u>
City of Coconut Creek			\$ <u>20,174</u>
Total direct and overlapping debt			<u><u>\$ 26,878</u></u>

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

(1) Based on ratio of assessed taxable value.



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

Table 12

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 502,450	\$ 565,954	\$ 623,949	\$ 683,280	\$ 813,197	\$ 917,836	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712
Total net debt applicable to limit	<u>395</u>	<u>-</u>								
Legal debt margin	\$ <u><u>502,055</u></u>	\$ <u><u>565,954</u></u>	\$ <u><u>623,949</u></u>	\$ <u><u>683,280</u></u>	\$ <u><u>813,197</u></u>	\$ <u><u>917,836</u></u>	\$ <u><u>824,662</u></u>	\$ <u><u>717,384</u></u>	\$ <u><u>624,318</u></u>	\$ <u><u>623,712</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.08%	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 2012

Assessed Valuation of Taxable Real Property	\$ 2,494,848
Bonded Debt Limit - 25% of above	623,712
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt:	-
Less Revenue Bonds:	<u>-</u>
Capital Improvement Refunding	
Revenue Bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin (1)	<u><u>\$ 623,712</u></u>

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

Restated data for 2006 through 2010

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

Fiscal Year	General Obligation Bonds					Revenue Bonds				
	Total Revenue	Debt Service		Coverage	Total Revenue	Debt Service		Coverage		
		Principal	Interest			Principal	Interest			
2003	\$ 411	\$ 385	\$ 37	0.97	\$ 2,437	\$ 707	\$ 868	1.55		
2004	410	395	19	0.99	2,427	15,845 (1)	667	0.15		
2005	-	-	-	-	-	-	-	-		
2006	-	-	-	-	-	-	-	-		
2007	-	-	-	-	-	-	-	-		
2008	-	-	-	-	-	-	-	-		
2009	-	-	-	-	-	-	-	-		
2010	-	-	-	-	-	-	-	-		
2011	-	-	-	-	-	-	-	-		
2012	-	-	-	-	-	-	-	-		

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

- (1) Includes \$ 6,675,000 to refund principal amount of Series 1994 revenue bonds from Series 2004 revenue note proceeds and \$ 9,169,657 to refund principal amount of Series 1997 revenue bonds from Series 2003B revenue note proceeds.
- (2) Includes \$ 4,635,750 to refund principal amount Series 2001 revenue note from Series 2003A revenue note proceeds.
- (3) Includes \$ 5,786,353 principal payment of Series 2003D revenue note using proceeds from land sale.
- (4) Includes \$ 3,973,491 principal payment of Series 2003C revenue note to extinguish debt, which was designated in fiscal year 2009.
- (5) Includes \$ 5,240,097 to fully refund principal on Series 2003D from issuance of Series 2012 revenue note proceeds.

Table 13

Improvement Revenue Notes										
Community Improvement Revenues	Electric Utility Taxes	Electric Franchise Fees	Total Revenue	Debt Service		Coverage	Non-Ad Valorem Revenue	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
\$ 1,319	\$ -	\$ -	\$ 1,319	\$ 364	\$ 294	2.00	\$ -	\$ -	\$ -	-
1,379	2,427	2,183	5,989	5,393	(2) 502	1.02	-	-	-	-
-	2,533	2,383	4,916	1,542	1,101	1.86	-	-	-	-
-	2,536	2,833	5,369	1,603	1,192	1.92	-	-	-	-
-	2,621	3,045	5,666	7,453	(3) 1,242	0.65	-	-	-	-
-	2,689	3,064	5,753	1,725	1,082	2.05	-	-	-	-
-	2,689	3,055	5,744	2,511	1,056	1.61	-	-	-	-
-	2,939	2,800	5,739	6,444	(4) 815	0.79	22,421	-	313	71.63
-	2,915	2,773	5,688	2,568	583	1.81	22,563	-	394	57.27
-	2,991	2,708	5,699	7,887	(5) 473	0.68	23,458	-	394	59.54

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>	
2003	47,471	(1)	\$	1,099,903,070	\$	23,170	(2)	-	(2)	8,858	3.3%
2004	47,922	(1)		1,471,301,244		30,702	(2)	41.1	(2)	9,176	2.8%
2005	48,340	(1)		1,894,444,600		39,190	(2)	42.6	(2)	10,819	3.6%
2006	48,283	(1)		1,235,561,970		25,590	(2)	42.2	(2)	9,855	2.7%
2007	48,207	(1)		1,324,439,118		27,474	(4)	42.2	(2)	9,945	3.7%
2008	48,193	(1)		1,346,994,350		27,950	(4)	41.1	(2)	9,799	6.1%
2009	47,804	(5)		1,322,927,896		27,674	(4)	43.5	(4)	9,414	8.8%
2010	48,159	(5)		1,312,429,068		27,252	(4)	42.1	(4)	9,341	10.1%
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%

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

(2) Furnished by the Broward Alliance (figure for Broward County).

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

(4) Furnished by the American Community Survey

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

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

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

Table 15

Employer	2012			2003 ⁽¹⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward College	3,430		12.58%	-		-
Seminole Coconut Creek Casino	1,600		5.87%	-		-
Broward County School Board	1,167		4.28%	-		-
Publix	531		1.95%	-		-
Wal-Mart	430		1.58%	-		-
Food for the Poor	369		1.35%	-		-
City of Coconut Creek	343		1.26%	-		-
Vista BMW	285		1.05%	-		-
Al Hendricks Toyota	212		0.78%	-		-
Enterprise Car Rental (Regional Office)	154		0.56%	-		-
Totals	8,521		31.26%	-		-

Source: Broward Alliance.

(1) Information for fiscal year ending September 30, 2003 is not available, as it was not a required disclosure at that time.

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

Table 16

Function	Full-Time Equivalent Employees as of September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	56	46	59	61	64	61	62	62	62	56
Public safety	148	147	146	150	154	153	155	163	163	152
Physical environment	40	40	41	41	46	41	40	35	25	29
Culture and recreation	114	112	119	116	104	65	80	78	68	64
Water and wastewater	38	38	33	30	30	30	29	31	31	31
Stormwater management	-	-	7	7	7	7	8	8	8	8
Total	<u>396</u>	<u>383</u>	<u>405</u>	<u>405</u>	<u>405</u>	<u>357</u>	<u>374</u>	<u>377</u>	<u>357</u>	<u>340</u>

Source: City of Coconut Creek, Florida.

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

Table 17

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Bids and contracts awarded	8	6	17	12	11	22	15	18	23	12
Building permits	3,210	3,223	4,513	6,228	3,840	2,794	2,446	2,530	2,272	2,738
Business license (new)	62	191	279	382	260	211	380	289	140	177
Police										
Personnel and officers	131	130	131	132	133	132	133	139	138	134
Physical arrests	1,041	1,024	1,274	946	887	995	1,100	1,070	984	883
Parking violations	1,004	883	417	511	622	513	1,074	653	1,027	909
Traffic violations	15,662	14,172	12,287	10,326	8,272	7,484	11,211	8,354	7,919	6,683
Fire										
Personnel and officers	4	4	2	2	4	4	4	4	4	5
Number of calls answered	5,275	5,719	6,090	6,072	5,733	5,724	6,178	6,820	6,528	6,807
Inspections	2,055	2,385	2,195	1,232	2,169	1,650	1,577	1,784	1,456	1,803
Streets										
Street resurfacing (miles)	-	-	-	1	-	-	-	29	-	1
Potholes repaired	36	71	136	70	185	265	273	173	325	303
Culture and recreation										
Athletic field permits issued	2,356	2,499	2,472	2,330	3,404	309	292	309	335	361
Fitness memberships	390	728	913	1,266	1,291	1,326	1,663	1,577	1,443	1,193
Participants registered:										
Athletic programs	2,363	2,468	2,456	2,573	1,533	899	1,274	2,988	2,087	1,691
Recreation programs	629	547	683	1,062	1,087	1,087	1,201	1,953	1,269	1,200
Water										
New connections	111	28	42	48	75	150	74	43	50	91
Water main breaks	-	1	1	-	75	2	1	-	2	-
Average daily consumption (thousands of gallons)	5,781	5,272	5,305	5,819	5,320	4,954	4,538	4,241	4,269	3,997
Active accounts (average):										
Residential	N/A	10,166	10,221	10,250	10,350	10,393	10,424	10,473	10,542	10,617
Commercial	N/A	786	795	838	856	851	854	844	830	839

Source: City of Coconut Creek, Florida.

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

Table 18

<u>Function</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	116	116	116	120	120	122	122	123	126	126
Streets										
Streets (miles)	53	53	53	53	53	53	47	49	49	49
Streetlights	1,220	1,528	1,528	1,528	1,528	1,528	1,659	1,662	1,662	1,668
Culture and recreation										
Parks acreage	196	196	207	207	207	207	207	207	207	207
Parks	17	18	20	20	20	20	20	20	20	20
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	3	3	2	2	2	3	3	3	3	3
Water										
Water mains (miles)	164	164	179	179	238	241	244	247	251	250
Fire hydrants	1,514	1,516	1,532	1,535	1,616	1,638	1,682	1,739	1,756	1,749
Maximum daily capacity (thousands of gallons)	6,540	6,540	6,540	6,540	6,540	8,500	8,500	8,500	8,500	8,500
Sewer										
Sanitary sewers (miles)	182	182	181	182	199	201	203	205	205	209
Storm sewers (miles)	50	48	49	44	18	22	23	29	30	32
Maximum daily treatment capacity (thousands of gallons)	4,482	6,040	6,040	3,827	3,662	6,040	6,540	6,540	6,540	6,540

Source: City of Coconut Creek, Florida.

Restated data for 2003 through 2008

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
October 1, 2011 through September 30, 2012

Table 19

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Limit	Policy Period From / To	Liability Limits	Member Deductible
Property Package	Coverage is blanket; Including: Buildings and Contents EDP Hardware & Software is at replacement cost Inland Marine paid at ACV Value or 110% of value reported, whichever is less for Communications Equipment, Contractors Equipment, Fine Arts, Watercraft, Emergency Portable Equipment, Other or Island Marine	Preferred Governmental Insurance Trust PR2FL1 0062801 11-03		10/1/2011 through 9/30/2012	\$41,113,370 Total Insured Values (TIV)	\$ 10,000
					Per Buildings and Contents Schedule on file with PGIT	
					All other Perils deductible	10,000
					Windstorm 5% of TIV per location; per occ named storm	
					Minimum deductible, per named windstorm	25,000
					\$5,000,000 occ/agg for flood excluding Zone V & A	10,000
					\$100,000 Business income	10,000
					\$500,000 Extra Expense	10,000
					\$50,000 Communication Equipment	10,000
					\$1,299,434 Inland Marine (mobile equipment) - Scheduled	10,000
					\$350,000 other Inland Marine - unscheduled	10,000
					\$3,206,412 EDP Equipment - Scheduled	10,000
					Coverage Extensions:	
					\$10,000,000 occ/agg for earthquake	10,000
					\$100,000 building law or ordinance	10,000
					\$1,000,000 newly acquired or constructed buildings/personal property subject to 60 days	10,000
					\$500,000 valuable papers & records	10,000
					\$250,000 accounts receivable	10,000
					\$250,000 Errors & Omissions	10,000
					\$50,000 Pollution Cleanup Expense occur/annual aggregate	10,000
					\$500,000 Debris Removal	10,000
					\$25,000 Lawns, Trees, Plants - excl wind (\$1,000 max per tree)	10,000
					\$50,000 fine arts	10,000
					\$250,000 property in transit	10,000
					\$100,000 Service Interruption Coverage	10,000
					\$25,000 fire brigade and extinguishing expenses	10,000
	Automobile Physical Damage, owned and hired autos only				Per owned Vehicle Schedule on file with PGIT	
					Comprehensive - Agreed Value less	1,000
					Collision - Agreed Value less	1,000
Boiler & Machinery	Comprehensive coverage for City owned boilers, air conditioning & turbine equipment including business interruption, extra expense & utility interruption		100%	10/1/2011 through 9/30/2012	\$41,113,370 incl property damage,	\$ 10,000
					business interruption, extra expense	10,000
					Perishable goods. CFC refrigerants 24 hrs wait	10,000
					Ordinance/law	100,000
					Expediting Expenses	included
					Water Damage	50,000
					Ammonia Contamination	100,000
					Hazardous Substance Coverage	100,000

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
(continued)
October 1, 2011 through September 30, 2012

Table 19
(continued)

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible
Workers' Compensation and Employers' Liability	Workers' Compensation Liabilities under F.S. 440	Preferred Governmental Insurance Trust WCFL1 0062801 11-03	10/1/2011 through 9/30/2012	Statutory Benefits per F.S. 440	\$ -
				\$1,000,000 per accident	-
				\$1,000,000 per employee - disease \$1,000,000 policy limit - disease	-
Flood Insurance	Flood - National Flood Insurance Program (NFIP) Building Replacement Cost Contents Actual Cash Value	Fidelity Nat'l Property & Casualty Ins.Co. #091150025731 Govt. Ctr.-City Hall	8/6/2012 through	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025732 Govt. Ctr.-Public Works	8/6/2013	\$500,000 bldg/\$65,400 cnts,	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$75,800 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$149,300 bldg/\$11,900 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$135,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$109,700 bldg/\$8,700 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025737 Gerber Park		\$172,200 bldg/\$14,400 cnts	\$1,000/\$1,000
Flood Insurance	Building Replacement Cost Contents Actual Cash Value	Fidelity Nat'l Property & Casualty Ins.Co. #091150025731 Govt. Ctr.-City Hall	8/6/2012 through	\$500,000 bldg/\$500,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025732 Govt. Ctr.-Public Works	8/6/2013	\$500,000 bldg/\$65,400 cnts,	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$75,800 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$149,300 bldg/\$11,900 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$135,000 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$109,700 bldg/\$8,700 cnts	\$1,000/\$1,000
		Fidelity Nat'l Property & Casualty Ins.Co. #091150025737 Gerber Park		\$172,200 bldg/\$14,400 cnts	\$1,000/\$1,000

CITY OF COCONUT CREEK, FLORIDA
Insurance Coverage Via PGIT
(continued)
October 1, 2011 through September 30, 2012

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	10/01/11 through 09/30/12	\$1,000,000	\$ 10,000
	Faithful Performance of Duties included			\$1,000,000	\$ 10,000
	Computer Crime			\$500,000	\$ 5,000
	Depositors Forgery or Alteration and Theft, Disappearance & Destruction of Monies & Securities in/out			\$500,000	\$ 5,000
	Money Order/Counterfeit Currency			\$50,000	\$ 5,000
General Liability	Bodily Injury & Property Damage Combined Single Limit for all Premises/Ops.	Preferred Governmental Insurance Trust PK2FL1 0062801 11-03	10/1/2011 through 9/30/2012	\$1,000,000 per occurrence \$2,000,000 policy aggregate limit	\$ -
Employee Benefits Liab	Claims made coverage			\$1,000,000 per occurrence \$2,000,000 policy aggregate limit	
Fire Legal & Medical Benefits	Liability			\$50,000 any one premise \$1,000,000 per occurrence/ or person \$1,000,000 policy aggregate limit	\$ 2,500
Law Enforcement	Legal Liability				
Automobile Liability	Bodily Injury & Property Damage Combined Single Limit for any "auto"			\$1,000,000 per occurrence/ or accident	\$ -
Public Official and Employment Practices Liability	Liability for Money Damages (other than B1 or PD) due to Errors or Omissions of the City, it's Commissioners, & Employees			\$2,000,000 per claim \$2,000,000 policy aggregate/annually	\$ 2,500
Accidental Death & Dismemberment	Liabilities under F.S. 118 & 119.191 Applicable to Police Officers & Fire Fighters	Hartford Life Ins. Co. ETB108661	10/01/10 through 9/30/2012	Statutory Benefits per F.S. 118 & 119.191 2 year policy through 2012	\$ -





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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the City of Coconut Creek, Florida (the "City") as of and for the year ended September 30, 2012, which collectively comprise the City of Coconut Creek, Florida's basic financial statements, and have issued our report thereon dated March 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

City of Coconut Creek, Florida

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

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 21, 2013



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Coconut Creek, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended September 30, 2012. The City's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2012.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 in a timely basis.

City of Coconut Creek, Florida

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

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

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 21, 2013



INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

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

We have audited the financial statements of the City of Coconut Creek, Florida (the "City") as of and for the year ended September 30, 2012, and have issued our report thereon dated March 21, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With Government Auditing Standards; Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 21, 2013, should be considered in conjunction with this management letter.

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

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

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

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

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

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

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

City of Coconut Creek, Florida

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

Section 10.554(1)(i)7b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City For the Fiscal Year Ended September 30, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.

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

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

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 21, 2013

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2012

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Justice Equitable Sharing Program	* 16.922	-	\$ 532,604	\$ -
Bulletproof Vest Partnership Program	16.607	-	3,008	-
United States Department of Housing and Urban Development Community Development Block Grants ARRA Entitlement Grants	14.253	B-09-MY-12-0054	15,122	-
Home Investment Partnership Program	14.239	N/A	1,325	
	14.239	11-HFCD-036	<u>125</u>	
			1,450	
Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-12-0054	30,000	-
	14.218	B-10-MC-12-0054	205,459	-
	14.218	B-11-MC-12-0054	85,627	-
	14.218	B-08-MC-12-0054	<u>48,981</u>	-
			370,067	-
Indirect Programs:				
United States Department of Homeland Security Passed through Florida Division of Emergency Management Pre-Disaster Mitigation Grant	* 97.047	10DM-45-11-16-02-072	61,898	-
	* 97.047	10DM-5J-11-16-02-422	<u>432,640</u>	-
			494,538	-
Non-profit Security Program	97.008	N/A	15,243	-

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(continued)
For the Year Ended September 30, 2012

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
FEDERAL AGENCY NAME:				
Indirect Programs (continued):				
Federal Highway Administration, Department of Transportation Passed through State of Florida Department of Transportation Highway Planning and Construction	20.205	FM# 422210-1-58-01	465,144	-
	20.205	FM# 422209-1-58-01	513,029	
	20.205	FM# 423799-1-58-01	30,652	-
			<u>1,008,825</u>	
Passed through State of Florida Department of Environmental Protection Recreational Trails Program	20.219	T11003	30,560	-
	20.219	T29015	28,315	
			<u>58,875</u>	
United States Department of Justice Passed through State of Florida Department of Law Enforcement Edward Bryne Memorial Justice Assistance Grant	16.738	2012-JAGD-BROW-10-C5-091	10,000	-
Total Expenditures of Federal Awards			<u>\$ 2,509,732</u>	<u>\$ -</u>

* Denotes a major program

CITY OF COCONUT CREEK, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2012

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - CONTINGENCY

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

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2012

A. SUMMARY OF AUDITORS' RESULTS

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

Federal Programs	Federal CFDA No.
United States Department of Justice Equitable Sharing Program	16.922
United States Department of Homeland Security Pre-Disaster Mitigation	97.047

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

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
For the Year Ended September 30, 2012

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

NONE

D. OTHER ISSUES

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

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

