



CITY OF GREENACRES

Florida

2018 Comprehensive Annual Financial Report

FISCAL YEAR ENDING SEPTEMBER 30, 2018



Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2018

Prepared by Department of Finance
James McInnis, Director of Finance

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i-vi
Principal Officials	vii
Organizational Chart.....	viii
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	ix
FINANCIAL SECTION	
Independent Auditors' Report.....	1-3
Management's Discussion and Analysis	4-13
BASIC FINANCIAL STATEMENTS	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position.....	14
Statement of Activities	15
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Position – Fiduciary Fund	20
Statement of Changes in Fiduciary Net Position – Fiduciary Fund.....	21
Notes to Basic Financial Statements.....	22-69
<i>Required Supplementary Information:</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	70-73
Note to Budgetary Comparison Schedule – General Fund.....	74
Florida Retirement System:	
Schedule of Employer Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan.....	75
Schedule of Employer Contributions – Florida Retirement System Pension Plan.....	76
Schedule of Employer Proportionate Share of Net Pension Liability – Florida Retirement System Health Insurance Subsidy Pension Plan	77
Schedule of Employer Contributions – Florida Retirement System Health Insurance Subsidy Pension Plan.....	78

TABLE OF CONTENTS

(Continued)

	<u>PAGE</u>
Public Safety Officers' and Firefighters' Retirement Plan:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	79
Schedule of Employer Contributions	80
Schedule of Investment Returns	81
Notes to the Schedule of Contributions – Public Safety Officers' and Firefighters' Retirement Plan	82
Schedule of Changes in the City's Total OPEB Liability	83

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Major Governmental Funds:

Capital Projects Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – New Growth Capital Projects Fund.....	84
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Parks and Recreation Capital Projects Fund.....	85
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Reconstruction and Maintenance Capital Projects Fund.....	86
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Infrastructure Surtax Capital Projects Fund.....	87

Nonmajor Governmental Funds:

Combining Balance Sheet	88-89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	90-91

Nonmajor Special Revenue Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Arboreous Special Revenue Fund.....	92
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Public Safety Donation Special Revenue Fund	93
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Youth Programs Special Revenue Fund	94

Nonmajor Debt Service Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Municipal Complex Debt Service Fund.....	95
--	----

TABLE OF CONTENTS
(Continued)

STATISTICAL SECTION	<u>PAGE</u>
Table of Contents	96
Schedule 1 - Net Position by Component	97
Schedule 2 - Changes in Net Position.....	98-99
Schedule 3 - Fund Balances, Governmental Funds.....	100-101
Schedule 4 - Changes in Fund Balances, Governmental Funds	102-103
Schedule 5 - Assessed Value and Actual Value of Taxable Property.....	104
Schedule 6 - Direct and Overlapping Property Tax Rates	105
Schedule 7 - Principal Property Tax Payers.....	106
Schedule 8 - Property Tax Levies and Collections.....	107
Schedule 9 - Ratios of Outstanding Debt by Type	108
Schedule 10 - Ratios of General Bonded Debt Outstanding.....	109
Schedule 11 - Direct and Overlapping Governmental Activities Debt.....	110
Schedule 12 - Legal Debt Margin Information	111
Schedule 13 - Pledged Revenue Coverage	112
Schedule 14 - Demographic and Economic Information	113
Schedule 15 - Principal Employers.....	114
Schedule 16 - Full-Time City Government Employees by Function/Program.....	115
Schedule 17 - Operating Indicators by Function/Program	116
Schedule 18 - Capital Asset Statistics by Function/Program	117

OTHER REPORTS

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 <i>Government Auditing Standards</i>	118-119
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	120-122
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes.....	123

INTRODUCTORY SECTION



City of Greenacres

Department of Finance
5800 Melaleuca Lane Greenacres Florida 33463-3515
Ph: 561-642-2013 Fax: 561-642-2037 Email: groupfin@greenacresfl.gov

Joel Flores, Mayor
Andrea McCue, City Manager

March 21, 2019

The Honorable Mayor and Members of the City Council
City of Greenacres, Florida

We are pleased to submit the Comprehensive Annual Financial Report of the City (CAFR) of Greenacres, Florida for the fiscal year ended September 30, 2018 in compliance with Florida Statutes. The purpose of this report is to provide the City Council, citizens, representatives of financial institutions, and others with detailed information concerning the financial condition and performance of the City. In addition, the report provides assurance that the City presents fairly, in all material respects, its financial position as verified by independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. Management of the City has established a comprehensive internal control framework to provide a reasonable basis for making these representations. This framework is designed to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh the benefits, the City's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Nowlen, Holt & Miner, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide a reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the City's various financial statements included in this document. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles for government entities require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the report entitled Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Greenacres, incorporated in 1926, is located in the central part of Palm Beach County, Florida, approximately five miles from the Atlantic Ocean. The City has a land area of 5.85 square miles with a population of 39,770 (BEBR Census), making the City the eighth largest of the 38 cities in the county. Greenacres is empowered to levy a property tax on both real and personal properties located within its boundaries and it also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Greenacres has operated under the Council-Manager form of government since 1980. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and five Council members. The City Council is responsible, among other things, for approving ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the Directors of the various departments. The Council is elected on a non-partisan basis. Council members serve two-year staggered terms. The Mayor is also elected to serve a two-year term. The Mayor and the five Council members are elected at large.

The City provides general municipal services such as police (contracted), fire, emergency medical services, protective inspections, public works, planning, zoning, engineering, recreation, and cultural events. The City provides solid waste collection and recycling services through a contract with a privately owned sanitation company. For fiscal year 2018, Advanced Disposal Services Solid Waste Southeast, Inc. held this franchise contract. Palm Beach County Water Utilities Department provides water and sanitary sewage service in the City.

The financial reporting entity includes all of the funds of the City of Greenacres. There is one subordinate entity reporting to the City and included in this report, the Public Safety Officer and Firefighter Retirement Plan. This subordinate entity was created effective January 1, 1996, to provide retirement, death survivorship, and disability benefits to all Public Safety Officers and Firefighters hired January 1, 1996, and thereafter, consistent with the provisions of Florida Statutes 175 and 185.

ECONOMIC CONDITION AND OUTLOOK

The City is located in the central area of Palm Beach County, Florida. The primary economic sectors in the County are agriculture, tourism, service industry, and retirement housing. The City is a residentially oriented suburb, with supporting commercial establishments to serve its diverse population. Residential uses account for 65% of the land area, while commercial uses account for 9%, public uses (institutional, recreation, roadways and waterways), account for 22% of the land area with the remaining 4% comprising mixed uses and vacant undeveloped land. It is estimated that the City's population will increase by approximately 14% from the 2010 census figure of 37,572 residents to 42,905 residents in the 2020 census.

The City's economy is primarily driven by residential and commercial developments representing a broad spectrum of the population and business types. The City has no industrial zoning, and as such, has no single large employers within the City limits. The majority of the commercial establishments offer a variety of services, restaurants, retail, and entertainment, mainly located along Lake Worth Road, Forest Hill Boulevard, Tenth Avenue North and Jog Road.

Palm Beach County School District and Palm Beach County government are the two largest local employers, with over 21,200 and 11,210 employees, respectively. The American Community Survey for Palm Beach County lists the three top trades as: 1) Educational services, health care and social assistance, the largest sector at more than 126,000 employees; 2) Professional, scientific, management, administrative, and waste management services at over 98,000; and 3) Retail trade at approximately 86,000.

FY2018 final property values increased by 10.5% from the FY2017 final values. Ad valorem tax revenue increased by \$1,109,918 while maintaining a millage rate of 6.0854 mills. Additionally, the City continued to close the gap between revenues and expenditures for non-essential services. The City has

developed several strategies for financial sustainability for future years. They are: 1) drawdown unassigned fund balance and maintain at or above 25% of annual expenditures; 2) control expenditures by evaluating staffing levels, overtime, and benefits; and 3) increase/stabilize revenues by adjusting fee schedules and the tax rate. The implementation of those strategies has enabled the City to maintain a sound financial position without impacting levels of service.

The outlook for 2018 and beyond continues to appear positive as the City's primary intergovernmental revenue sources including half-cent sales tax and State Revenue Sharing showed an increase of \$ 189,108 and permits and fees which include franchise fees and new construction related building permit fees remained steady. The City also receives the one-penny sales surtax that was approved by voters' referendum in 2016. Of the \$2.8 million received in fiscal year 2018, \$1.1 million has been expended on various projects such as a state of the art playground equipment with shade structure and a rubberized play surface at Samuel J. Ferreri Community Park and Rambo Park, planning and design to provide for irrigation and landscaping to City medians, enhancements to existing storm water drainage systems, parks roof replacements and replacement of emergency vehicles. The surtax is projected to be \$2.3 million per year for the next ten years for a total of \$23 million. The short-term future growth rate is expected to remain steady as approved developments are completed and new developments are approved within existing and future annexation boundaries.

MAJOR INITIATIVES

During fiscal year 2018, the City has addressed the following major areas:

- ✓ Investment in Public Safety and security in the City
- ✓ Improving roads, infrastructure, and appearance throughout the City's neighborhoods
- ✓ Development and improvement of parks and recreational facilities for all City residents

Initiatives related to public safety included: Replacement of a seventeen (17) year old pumper truck and eight (8) year old rescue truck using Surtax dollars; two (2) Fire Rescue extrication equipment systems; Addition of new cameras as part of the parks surveillance camera project; and the purchase of a ranger crew cab for community policing. The Insurance Services Office (ISO), a principal provider of ratings and statistical information for the insurance industry in the country, evaluates the fire protection services of a city and assigns a Public Protection Classification (PPC) number from 1 to 10, with 1 being exemplary. The City of Greenacres PPC rating is currently a two (2). This benefits residents and business owners as most Insurance Company Underwriters incorporate the ISO Public Protection Classification into their decision making process of whether to insure properties and setting the price for policies written.

Construction was completed on Phase IV of the Original Section Drainage Improvement project, which included drainage enhancements to the existing storm water drainage system for the southeastern corner of the Original Section, by increasing capacity and conveyance effectiveness at the existing alleys through excavation and grading. Roadway resurfacing and refurbishing of asphalt markings and stripes were completed at Broward Avenue, south of 10th Avenue North and Swain Boulevard, south of 10th Avenue North.

The City is committed to the development of parks and recreation facilities and enhancing "green space" within the City through the allocation of funds for the construction, renovation, expansion and improvement of City parks and recreational areas. During fiscal year 2018, the City replaced the play structure/shade structure to include the installation of a rubberized play surface at Samuel J. Ferreri Community Park and Rambo Park. Additionally, to provide for ongoing repairs and upkeep of the City's public parks, sports turf was replaced at Freedom Park, Ira Van Bullock Park and Veterans Park, resurfacing of three (3) basketball courts at Burrowing Owl Park and removal of shuffleboard courts at Samuel J. Community Park to provide for more open space for park patrons.

LONG-TERM FINANCIAL PLANNING

As part of the City's long term financial planning, the City has allocated resources for initiatives, programs, and strategies to achieve long term goals related to the City's mission of improving the quality of life by providing the best and most cost efficient public services and facilities to the City's residents and businesses. The City's strategic plan outlines four (4) strategic priority areas (goals) that include:

- ✓ **Safe City:** For FY2018, \$18.7 million is allocated for public safety programs and activities to provide for physical safety and property protection in the City. This includes adding three battalion chief positions, the replacement of a fire truck and medic rescue truck, installing or upgrading the security cameras at various City facilities, six additional crossing guards and upgrading a deputy officer to a motorcycle deputy.
- ✓ **Well-Planned Attractive Community:** Ongoing maintenance of roads and drainage systems, landscaping, parks and buildings to serve City residents.
- ✓ **Efficient and Effective Government:** Investing in technology to increase efficiency in the delivery of services, increase accessibility and interaction with residents and businesses.
- ✓ **Diversity in Community Life, Leisure and Recreation:** Development of community and recreation programs including events and festivals, recreational athletic leagues, senior activities and afterschool programs.

Management strives to offset the increasing costs associated with the commitment to increased level of services in all areas by careful management of reserves and holding the line on operating costs. The strategic use of reserves is only a short-term fix, however, and these challenges will continue into future years with expenditures expected to outpace revenues over the next five years. It will continue to be a challenging environment, requiring tough decisions by both the Council and staff to balance fiscal realities with the collective expectations of our constituents for exceptional municipal services and their associated costs.

GENERAL FINANCIAL INFORMATION

Financial Policies

The City of Greenacres' financial policies provide the framework for the overall fiscal management of the City. The policies cover a broad range of topics including, but not limited to, accounting, auditing, internal controls, operating and capital budgeting, cash and investment management, asset management, and financial reporting. Pursuant to Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Type Fund Definitions, the City adopted a fund balance policy including classifications and fund balance reserves within each category. The fund balances reported in the financial statements are shown pursuant to Statement 54.

Internal Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that government assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure of the City of Greenacres is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The City of Greenacres adopts fiscal year budgets for all funds. The City maintains budgetary controls through the annual budget public hearing and approval process of GAAP based budgets. The formal budget approval for each fiscal year is accomplished in a manner to comply with Florida State Statute 200.065,

commonly referred to as Truth-In-Millage (TRIM). Activities of the General Fund, Debt Service Funds, Arborous, Youth Programs, and Public Safety Donations Special Revenue Funds, and all Capital Project Funds are included in the annual appropriated budget. Chapter 932, Florida State Statutes prohibits budgeting revenues in the Forfeitures Special Revenue Fund. Expenditures in the Forfeitures Special Revenue Fund are appropriated through individual requests on a project-by-project basis at public meetings of the City Council. Budget amendments for all funds require prior City Council approval at public meetings. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is at the Departmental level.

The City of Greenacres also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances can be re-appropriated as part of the following year's approved budget. The City continues to meet its responsibility for sound financial management, as demonstrated by the statements and schedules included in the financial section of this report.

Capital Financing

In conjunction with the annual adoption of the operating budget, the City prepares a Capital Improvement Program to provide for improvements to the City's public facilities for the ensuing fiscal year and next five years, along with proposals for the financing of these improvements. The first year of the program constitutes the capital budget for the current fiscal year and the remaining years are used as a planning guide. The program identifies projects and allocates funding over five years for City infrastructure, park development, public works projects, and new equipment. The City has been able to provide the needed funding of the Capital Improvement Program through dedicated sources of revenue such as impact fees, grants, and previous transfers.

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum, unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution expresses that "Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors..." The City has no general obligation debt outstanding.

Fiduciary Operations

The City's fiduciary operations are limited to the City of Greenacres Public Safety Officer and Firefighter Retirement Plan that was established effective January 1, 1996, to cover high-risk employees with a defined benefit retirement plan. The Florida League of Cities was selected to provide administrative services for the plan. A pension trust fund was established to account for that new plan in fiscal year 1996.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Greenacres for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. The City of Greenacres has received a Certificate of Achievement for the last twenty-six consecutive years (fiscal years 1991-2016).

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conforms to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The City of Greenacres also received an award from GFOA for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year Ended September 30, 2016. The award is valid for one year.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2016. The City has received the Distinguished Budget Presentation award for the last twenty-four years (fiscal years 1994-2017). In order to earn the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, financial plan, operations guide, and communication device.

OTHER INFORMATION

Independent Audit

State Statutes require an annual audit by independent certified public accountants. The accounting firm of Nowlen, Holt & Miner, P. A. performed the City's audit and their report on the financial statements is included in the financial section of this report.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report for the City of Greenacres was made possible by the dedicated efforts of the staff of the Department of Finance. We also extend our appreciation to the independent certified public accounting firm of Nowlen, Holt & Miner, P. A. for their professionalism during the performance of the audit.

We would like to thank the Mayor and City Council for their guidance and support in establishing the policy for the planning and administration of the financial operations of the City of Greenacres in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for the City of Greenacres during challenging economic times.



James McInnis
Director of Finance



Andrea McCue
City Manager



PRINCIPAL OFFICIALS
As of September 30, 2018

ELECTED OFFICIALS

Joel Flores
Mayor

Paula Bousquet
Deputy Mayor, District V

John Tharp
Councilman, District I

Peter Noble
Councilman, District II

Judith Dugo
Councilwoman, District III

Jonathan G. Pearce
Councilman, District IV

SENIOR MANAGEMENT

Andrea McCue
City Manager

Kara Irwin-Ferris
Director of Planning & Engineering

Melody Larson
Acting City Clerk

James McInnis
Director of Finance

Suzanne Skidmore
Director of Human Resources

Carlos Cedeño
Director of Public Works

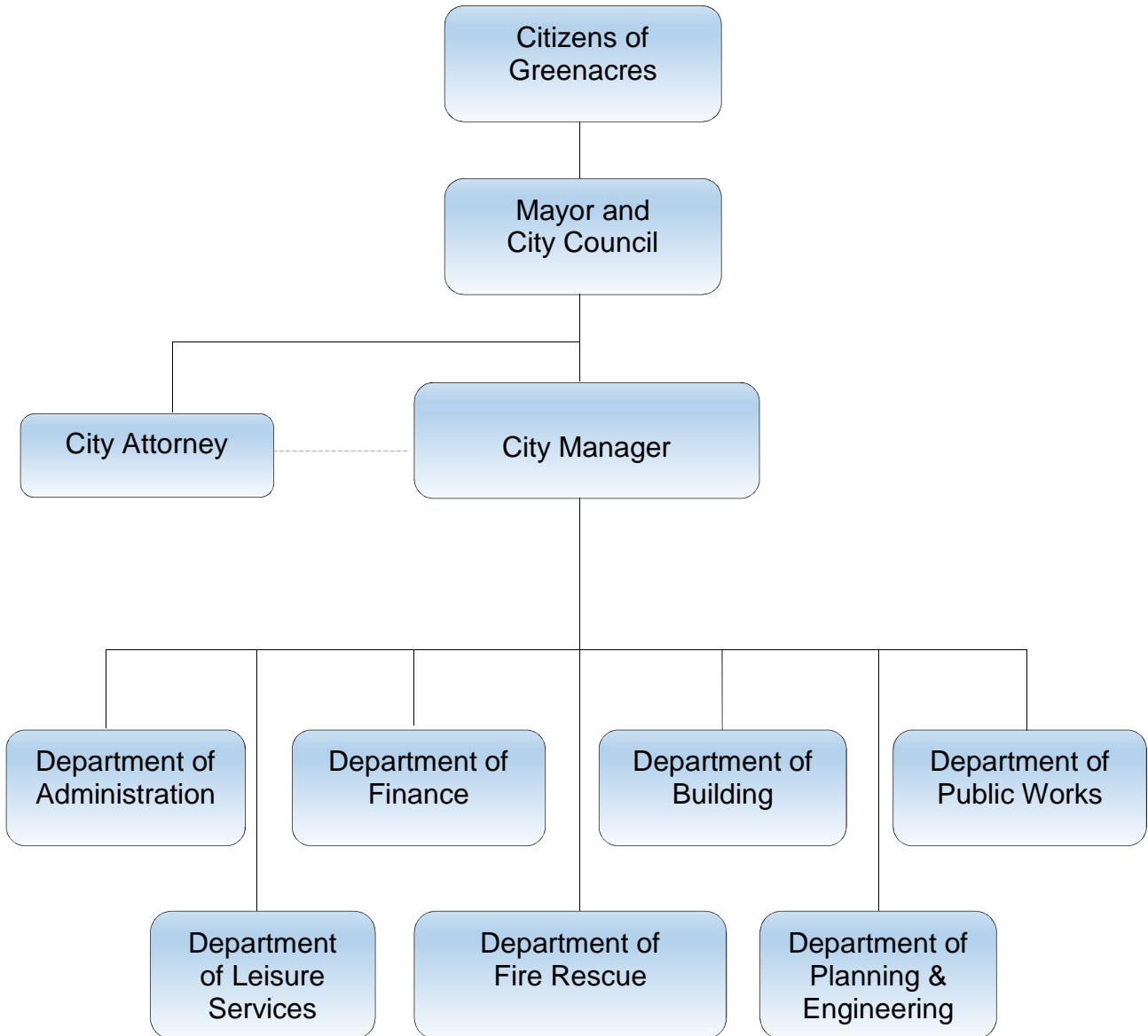
Mark Pure
Fire Chief

Michele Thompson
Director of Leisure Services

Michael Grimm
Director of Building

Glen J. Torcivia,
Torcivia, Donlon, Goddeau & Ansay, P.A.,
City Attorney

City of Greenacres, Florida Organizational Chart



Mission Statement

To continually improve the quality of life by providing the best and most cost efficient public services and facilities to exceed the expectations of city residents and businesses.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Greenacres
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCHIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Greenacres, Florida

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Greenacres, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida, as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the fiscal year ended September 30, 2018. The net position of the governmental activities as of October 1, 2017 has been restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on pages 71 through 75, the pension schedules on pages 76 through 83, and the other postemployment benefits schedule on page 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenacres, Florida's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2019 on our consideration of the City of Greenacres, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Greenacres, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Greenacres, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 21, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Greenacres Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial performance for the fiscal year ended September 30, 2018. It is designed to provide a broad overview and a short and long-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activities, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), clarify material deviations from the approved budget, and explain individual fund issues. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter (beginning on page i), the City's basic financial statements (beginning on page 15), and notes to the financial statements (pages 22-69).

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2018, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$46.7 million (*net position*). Of this amount, \$16.7 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$2.7 million in 2018, primarily because increases in property taxes (\$867 thousand) and the infrastructure surtax (\$880 thousand) outpaced across-the-board increases in expenses.
- Combined governmental fund balances increased \$360 thousand in 2018, from \$19.6 million to \$19.9 million. Approximately 39.3% of this amount, or \$7.8 million, is available for spending at the City's discretion (unassigned fund balance).
- At the close of the 2018 fiscal year, the General Fund fund balance (the total of *non-spendable, committed, assigned, and unassigned* components of *fund balance*) was \$11.3 million, with \$3.5 million, or 30.7% that was either non-spendable, committed or assigned.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Greenacres basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected solid waste fees and earned but unused vacation leave).

The governmental activities of the City of Greenacres include general government, public safety, transportation, culture and recreation, and physical environment.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over financial resources that have been segregated for specific activities or objectives. The City of Greenacres, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. The main features of each are shown below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported in *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 cash, as well as cash balances available at year end (fund balance). Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, so 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 long-term impacts of 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 maintains ten (10) individual governmental funds: the General Fund, four (4) Special Revenue Funds, one (1) Debt Service Fund, and four (4) Capital Projects Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, and all of the Capital Projects Funds: the New Growth Fund, Parks and Recreation Fund, and Reconstruction and Maintenance Fund, the Infrastructure Surtax Fund, all of which are considered *major funds*. Data from the five remaining governmental funds are combined into a single column for an aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 84-95 of this report.

The City of Greenacres adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. (See *Other Information* below.)

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. While fiduciary (trust and agency) funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The City has one (1) fiduciary trust fund, the Police Officers and Firefighters Pension Trust Fund, found on pages 20-21 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 on pages 22-69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*, including a budgetary comparison statement for the general fund, and detailed information concerning the City's obligation to provide pension benefits to its employees. The required supplementary information can be found on pages 70-83 of this report.

The combining and individual fund financial statements and schedules referred to earlier in connection with major and non-major governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The government-wide financial statements were designed so that the user could determine if the City is in a better or worse financial condition from the prior year. The fiscal 2017 balances have been included so that the results from the prior year can be compared.

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Greenacres, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$46.7 million at the close of the most recent fiscal year.

	<u>2018</u>	<u>2017</u>	<u>Increase / (Decrease)</u>
Current and other assets	\$ 26,698	\$ 25,488	4.7%
Capital assets, net	24,145	23,266	3.8%
Total assets	50,843	48,754	4.3%
Deferred Outflows of Resources	7,559	7,556	0.0%
Current liabilities	2,891	2,789	3.7%
Long-term liabilities	5,121	4,819	6.3%
Total liabilities	8,012	7,607	5.3%
Deferred Inflows of Resources	3,738	4,131	(9.5%)
Net position:			
Net investment in capital assets	22,015	20,828	5.7%
Restricted	7,970	6,628	20.2%
Unrestricted	16,667	17,116	(2.6%)
Total net position	\$ 46,652	\$ 44,572	4.7%

The largest portion of the City's net position is invested in capital assets (land, buildings, machinery and equipment) less any related debt still outstanding that was used to acquire those assets, and represents 47.2% of total net position. The City uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City'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. (See also the discussion on Capital Assets on page 12).

Another portion of net position, \$7.9 million, has restrictions on its use that are externally imposed (gas taxes, public safety forfeitures, grants & pensions) or by enabling legislation (impact fees). The remaining net position balance of \$16.7 million, or 35.8% of total net position, is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental Activities. Revenues and expenses for the current and previous fiscal year are compared below:

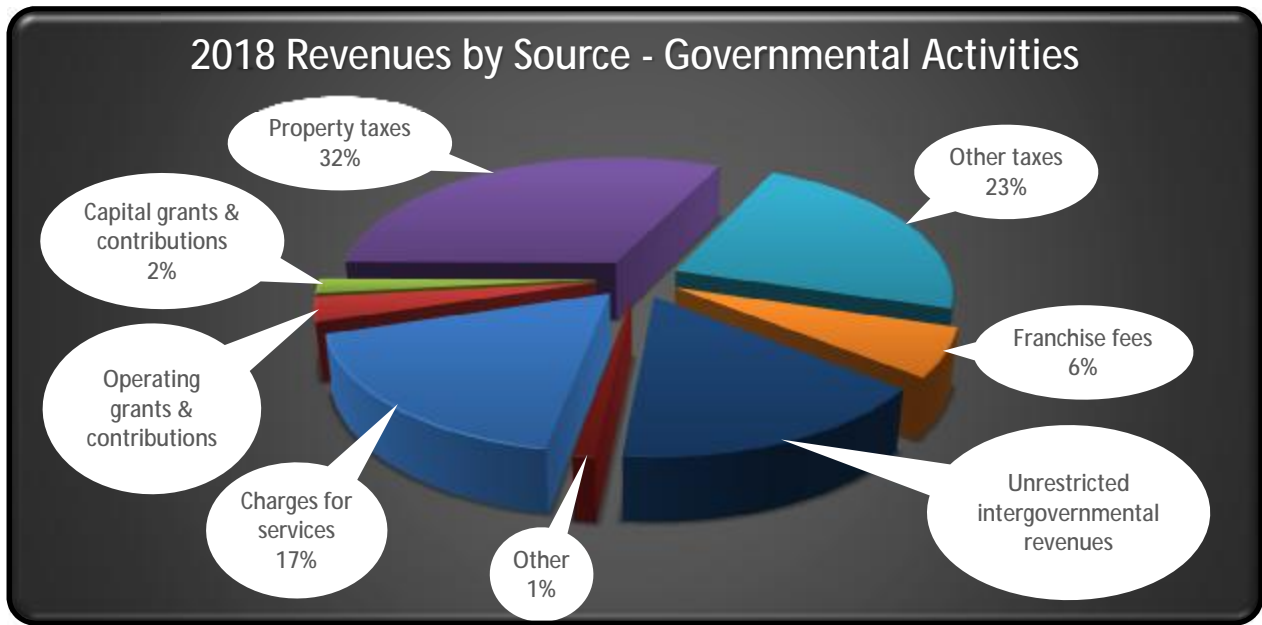
City of Greenacres, Florida
Summary of Changes in Net Position (in thousands)

	2018	2017	Increase / (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 5,408	\$ 5,673	(4.7%)
Operating grants and contributions	946	834	13.4%
Capital grants and contributions	563	740	(23.9%)
General revenues:			
Property taxes	9,866	8,999	9.6%
Other taxes	7,005	6,012	16.5%
Other	7,153	6,879	4.0%
Total revenues	30,941	29,137	6.2%
Expenses:			
General government	4,042	3,696	9.4%
Public safety	17,076	16,405	4.1%
Transportation	1,681	1,614	4.2%
Culture and recreation	2,820	2,632	7.1%
Physical environment	2,518	2,414	4.3%
Interest and other fiscal charges	95	107	(11.2%)
Total expenses	28,232	26,868	5.1%
Change in net position	2,709	2,269	
Net position beginning of year	44,572	42,303	5.4%
Ending net position	\$ 47,281	\$ 44,572	6.1%

In 2018, net position increased by \$2.7 million. Key elements include:

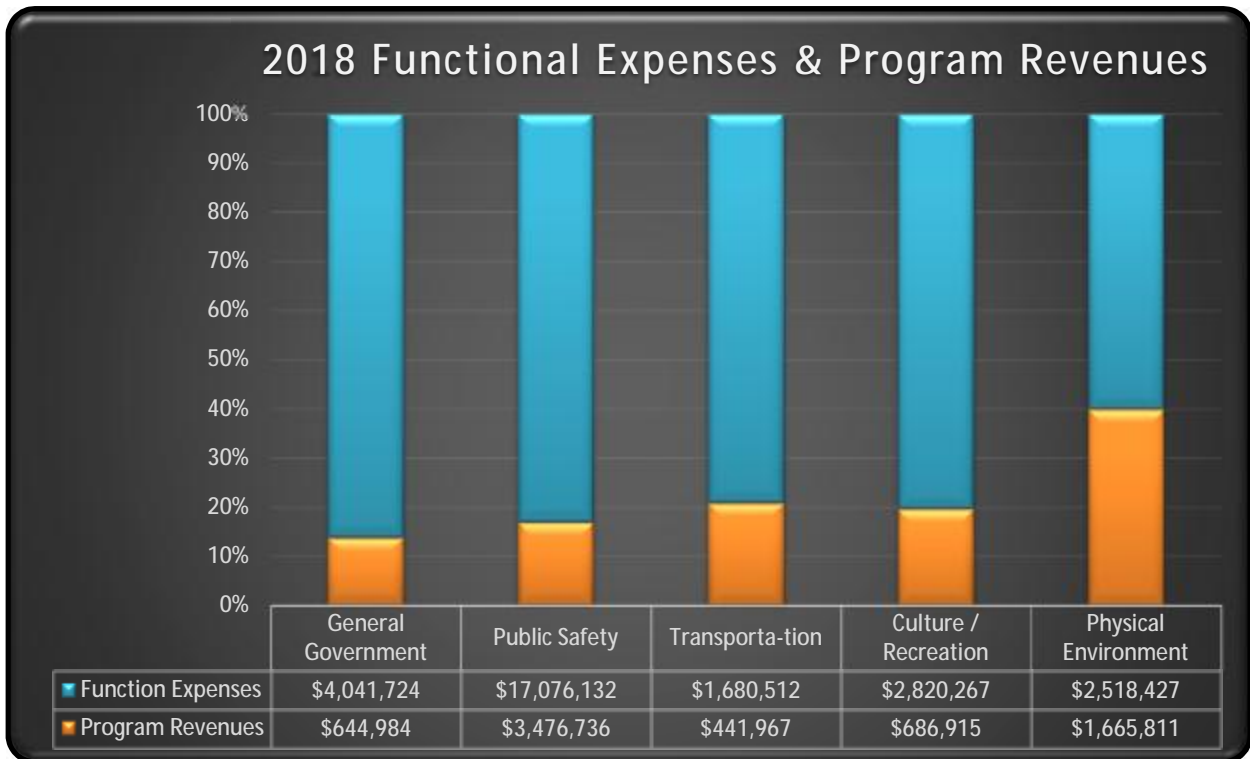
- Revenues increased by \$1.8 million, or 6.2% compared to the prior year. The most significant increases were \$867 thousand from property taxes and \$880 thousand from the infrastructure surtax. The increased property taxes resulted from increased property values in the City in 2018 and the infrastructure surtax was in effect for all of 2018 after it voted in by referendum in early 2017. Increases in other taxes, intergovernmental shared revenues, and investment earnings (\$401 thousand combined) offset decreases in charges for services (\$264 thousand) and capital grants (\$176 thousand) program revenues.
- Total expenses increased by \$1.4 million, or 5.1% in 2018. The largest changes were attributable to:
 - General government expenses increased by \$346 thousand, or 9.4%, in salaries due primarily to new hires, reclassifications or promotions.
 - Public safety expenses increased by \$671 thousand, or 4.1% compared to a year ago. Law enforcement services increased by \$283 thousand due to a 3 percent increase in the Palm Beach Sheriff's contractual agreement, and fire rescue services increased by \$486 thousand mostly due to added personnel positions and increased retirement contributions.

2018 Revenues by Source - Governmental Activities



The cost of all governmental activities increased by \$1.4 million, or 5.1%, to \$28.2 million in 2018. As shown on the Statement of Activities on page 16, the amount financed by general revenues (primarily taxpayers) was about \$24 million, while \$5.4 million was paid by those who benefitted directly from the programs (charges for services), and another \$1.5 million was subsidized by other governments and organizations through grants and contributions. The following table shows to what extent the functional expenses of the City are supported by the program revenues that directly support those programs. The remainder of the functional expenses are covered by the general revenues of the city, primarily taxes.

2018 Functional Expenses & Program Revenues



Financial Analysis of the City of Greenacres Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Greenacres *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for discretionary use. It represents the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City Council.

At September 30, 2018, the City of Greenacres governmental funds reported combined fund balances of \$19.9 million. Approximately 39.3% of total fund balances (\$7.8 million) are *unassigned*, and are available for spending at the government's discretion. The remainder is either *non-spendable*, *restricted*, *committed* or *assigned* to indicate it is:

- a) not in spendable form (non-spendable, \$1.5 million),
- b) restricted for specific purposes by (a) external resource providers such as creditors, grantors, contributors, constitutional provisions or laws and regulations of other governments; or (b) imposed by law through enabling legislation (restricted, \$3.8 million),
- c) committed for specific purposes as formally established by the City Council (committed, \$2.0 million), or
- d) assigned for specific purposes as determined by management of the City, (assigned, \$4.8 million).

The general fund is the chief operating fund of the City. At the end of the 2018 fiscal year, the unassigned fund balance of the general fund was \$7.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. At the close of the 2018 fiscal year, unassigned fund balance represented approximately 29.4% of total general fund expenditures including transfers to other funds, while total fund balance was approximately 42.4% of that same amount.

The following table shows the results of operations in 2018 and 2017, the revenues, expenditures, and other financing sources and uses (fund transfers), and the change in fund balance for the major funds reported by the City.

Major Funds Information (in thousands)

<u>Fiscal Year 2018</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>	<u>Infrastructure Surtax</u>
Revenues	\$ 27,051	\$ 125	\$ 10	\$ 508	\$ 2,839
Expenditures	(26,539)	(85)	(342)	(893)	(1,792)
Other financing sources (uses)	(110)	(500)	-	500	-
Increase (decrease) in fund balance	<u>\$ 402</u>	<u>\$ (460)</u>	<u>\$ (332)</u>	<u>\$ 115</u>	<u>\$ 1,047</u>

<u>Fiscal Year 2017</u>	<u>General</u>	<u>New Growth</u>	<u>Parks and Recreation</u>	<u>Reconstruction and Maintenance</u>	<u>Infrastructure Surtax</u>
Revenues	\$ 25,751	\$ 179	\$ 342	\$ 305	\$ 1,947
Expenditures	(25,206)	(322)	(538)	(1,359)	(441)
Other financing sources (uses)	(1,430)	-	-	1,000	-
Increase (decrease) in fund balance	<u>\$ (885)</u>	<u>\$ (143)</u>	<u>\$ (196)</u>	<u>\$ (54)</u>	<u>\$ 1,506</u>

The general fund balance increased by \$402 thousand in fiscal 2018 after a decrease of \$885 thousand in 2017. Overall revenues increased by \$1.3 million in 2018, attributable primarily to an increase of \$1.0 million in tax revenues, most notably property tax revenues as discussed in the analysis of net position on page 8. Overall expenditures also increased in 2018 by approximately the same amount of \$1.3 million, offsetting the increase in revenues. The real difference maker in 2018 was interfund transfers (Other Financing Uses) of only \$110 thousand in 2018 which were \$1.3 million less than in 2017. The city was able to manage its reserves in the debt service fund to pay principal and interest of \$402 thousand on its bank note, and reserves in the capital projects funds were sufficient to cover planned expenditures on capital projects that had required \$1.0 million in transfers the previous year.

Overall, total governmental fund balances increased by \$360 thousand to \$19.9 million in 2018, up from \$19.6 million in 2017. Please refer to the Net Change in Fund Balance line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance on page 19 of this report (third line from the bottom) to see the changes in fund balance for all of the individual major funds of the City as well as the combined non-major funds. The City reports 5 major funds; the General Fund and four capital projects funds, New Growth, Parks and Recreation, Reconstruction and Maintenance, and the Infrastructure Surtax Fund. Additional detail for 5 non-major funds can be found on pages 88-95 of this report.

The City uses the four capital projects funds to budget and account for capital improvement projects and asset purchases exceeding \$10,000 for each project or purchase. All of the capital projects funds are major funds. In 2018, excess reserves of \$500 thousand were transferred from the New Growth capital projects fund to the Reconstruction and Maintenance capital projects fund because a significant portion of the Reconstruction and Maintenance reserves were accumulated from Local Option Gas taxes that have significant restrictions limiting their use to road improvements. The transfer provided a source of unrestricted funds to finance other Reconstruction and Maintenance projects for which the restricted gas taxes could not be used.

In addition to the \$500 thousand transfer from New Growth to Reconstruction and Maintenance, capital projects totaling \$493 thousand were budgeted in the New Growth Fund and only \$85 thousand was actually spent on electronic marquis signs used to advertise City events, computer equipment, and EMS rescue equipment. Another \$178 thousand was re-appropriated in 2019 to continue a sidewalks installation project (\$147 thousand) and street light installations on Haverhill Rd (\$30 thousand) that were delayed in 2018. Another project with \$200 thousand budgeted for street light enhancements was cancelled as the City continued to research upgrading to LED street lighting in its service territory.

In the Parks and Recreation fund, \$342 thousand was expended on projects with budgets totaling \$425 thousand and of the remaining \$84 thousand budget, \$70 thousand was re-appropriated in 2019 to continue City parks improvements and upgrade parks surveillance cameras. Projects in 2018 included finishing a project begun in 2017, demolition of old playground equipment at Rambo Park and installation of new equipment with a safety play surface totaling \$199 thousand (\$80 thousand expended in 2017). Other spending in 2018 included parking lot and hiking trail asphalt repairs, \$154 thousand, landscaping and sod repairs, \$48 thousand, parks equipment (picnic tables, benches, garbage receptacles) and fencing, \$14 thousand, and demolition of the shuffleboard court at Samuel J. Ferreri Community Park, \$19 thousand.

Capital projects totaling \$1.6 million were budgeted in the Reconstruction and Maintenance Fund, including \$677 thousand that was re-appropriated from projects not completed in the previous year, while \$893 thousand was actually spent, and \$383 thousand was rolled over to 2019 for the project completions. The major project spending in 2018 included \$178 thousand on road repairs and striping, \$257 thousand for equipment and vehicle replacements, \$140 thousand for Stormwater pipe and drainage improvements, \$154 thousand for building maintenance that included exterior painting, and roof and a/c replacements, \$90 thousand for Public safety Station 94 building renovations, and \$47 thousand for an automated fuel system upgrade.

The new Infrastructure Surtax fund was budgeted at \$2.8 million for various projects in 2018 with an additional \$1.2 re-appropriated from 2017 projects that were continued in 2018. The 2018 planned additions included \$1.6 million for 2 new fire trucks, an emergency rescue vehicle, and a bus for youth programs activities and trips (the school bus and one ladder firetruck were purchased so far); \$1 million for median landscaping and rejuvenation on Jog Road and Lake Worth Road (\$80 thousand was spent in 2018); \$576 thousand for new playground equipment and safety play surfaces at several City parks (substantially completed in 2018); \$275 thousand for drainage improvements in original Greenacres (\$100 thousand was spent by 2018 year-end); \$215 thousand for roof replacements on City buildings (entire project was delayed and re-scheduled in 2019).

General Fund Budgetary Highlights

Original budget compared to final budget. In 2018, the net budget amendments totaled \$77 thousand and included encumbered amounts from fiscal 2017 that were re-appropriated in 2018, a fund transfer to eliminate a revenue deficit in the Youth Programs special revenue fund, and inter-departmental adjustments at year end to eliminate a budget deficit in Public Safety.

Functional Expenditures	Original Adopted Budget	Amendments	Amended Budget	Actual Results	Budget Variance Positive / (Negative)
General Government	\$ 3,824,611	\$ (45,603)	\$ 3,779,008	\$ 3,584,908	\$ 194,100
Public Safety	17,768,651	130,000	17,898,651	17,864,359	34,292
Transportation	1,639,248	(66,910)	1,572,338	1,582,775	(10,437)
Culture/Recreation	1,610,429	(58,099)	1,552,330	1,471,836	80,494
Physical Environment	1,831,208	10,139	1,841,347	1,927,759	(86,412)
Capital Outlay	35,450	17,635	53,085	107,448	(54,363)
Interfund Transfers	20,000	90,000	110,000	110,000	-
	\$ 26,729,597	\$ 77,162	\$ 26,806,759	\$ 26,649,085	\$ 157,674

Revenue Source	Adopted Budget*	Actual Results	Budget Variance Positive / (Negative)
Taxes	\$ 15,057,177	\$ 15,156,479	\$ 99,302
Permits and Franchise Fees	2,436,820	2,627,886	191,066
Intergovernmental	4,887,240	5,049,679	162,439
Charges for Services	3,583,152	3,428,302	(154,850)
Fines and Forfeitures	90,800	111,778	20,978
Investment Income	97,951	188,401	90,450
Contributions	9,900	10,058	158
Rents and Royalties	376,596	343,500	(33,096)
Miscellaneous Revenues	118,250	134,969	16,719
	\$ 26,657,886	\$ 27,051,052	\$ 393,166

* No amendments to revenue budget; original budget same as final budget.

Final budget compared to actual results. In 2018, general fund revenues exceeded budgeted by \$393 thousand. The negative budget variances in the chart above of \$155 thousand in charges for services, mainly from ambulance transport fees, and \$33 thousand in investment income and were more than offset by positive variances totaling \$581 thousand in all of the other revenue sources.

General fund expenditures in 2018 were \$158 thousand less than budgeted, mainly due to savings from unfilled vacant positions, some unspent obligations (encumbrances) and the contingency reserve. As noted, budget amendments were required in 2018 to eliminate deficits in other areas. Fire Rescue overtime costs in excess of

budgeted amounts contributed to the deficit in Public safety, while in Youth programs, revenue shortfalls for spring, summer and winter camps programs created a deficit of revenues to expenditures.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets on September 30, 2018, net of accumulated depreciation, was \$24.1 million, an increase of \$333 thousand or 3.8% from 2017. Notable additions were parks playground equipment and safety surfaces totaling \$454 thousand, a Pierce Enforcer Ladder Fire Truck, \$778 thousand, a Blue Bird 30-passenger school bus, \$124 thousand, and a new John Deere Backhoe Loader, \$96 thousand.

**City of Greenacres Capital Assets
(in thousands, net of accumulated depreciation)**

	<u>2018</u>	<u>2017</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,271	\$ 7,271	0.0%
Buildings	8,761	9,189	(4.7%)
Improvements other than buildings	3,417	3,122	9.4%
Furniture, fixtures and equipment	1,197	1,445	(17.2%)
Vehicles	1,773	846	109.6%
Construction in Progress	<u>1,726</u>	<u>1,393</u>	23.9%
Total	<u>\$ 24,145</u>	<u>\$ 23,266</u>	3.8%

Please refer to the prior discussion of major funds above for more details on capital spending, and also Note 6 Capital Assets on page 40.

Debt administration. The City's has very little outstanding debt, consisting only of a public improvement bank note with a remaining balance of \$2.1 million at year end September 30, 2018. Debt service payments reduced the overall debt by \$308 thousand, or 12.6%, during the year.

The debt position of the City is summarized in the following table and is more fully explained in Note 7 Long-Term Liabilities on page 41.

**City of Greenacres Outstanding Debt
(in thousands)**

	<u>2018</u>	<u>2017</u>	<u>Increase / (Decrease)</u>
Public Improvement Note Payable	<u>\$ 2,130</u>	<u>\$ 2,438</u>	(12.6%)
Total	<u>\$ 2,130</u>	<u>\$ 2,438</u>	(12.6%)

Economic Factors and Next Year's Budgets and Rates

As a residentially oriented suburb with supporting commercial establishments, the City's economic environment is dependent on Palm Beach County's economic activities as well as that of the State of Florida. According to the

latest projection from University of Central Florida Economist Sean Snaith, Florida's economy is expected to outperform the national forecast, empowered by a strong, post-recession job market recovery, continued salary growth and increased retail spending. Snaith maintains that changes in economic policy driven by the federal government should continue to benefit Florida's economy over the next four years, which should have a positive economic impact on the City. Other major economic factors affecting the City of Greenacres in the new fiscal year include:

- Increasing property values. Property values increased by 9.4%* in 2018 following a 10.5%* increase in 2017. This is the sixth consecutive increase since the great recession in 2008.
- In addition to the increase in property values, a 5 percent millage rate increase from 6.0854 mills to 6.400 mills was necessary for the 2019 budget year to continue the City's current level of services to its residents. The new rate and increased property values could result in up to \$1.9 million of additional property tax revenues in fiscal 2019.
*Based on the Property Appraiser's final certified values, *prior* to changes by the Value Adjustment Board.
- Increasing tax revenues. Sales, Gas and Utility tax revenues are anticipated to continue increasing moderately as consumer and business confidence level edge higher with improving economy.
- Steady stream of infrastructure surtax revenue. This new revenue source from the voters' approved additional one cent sales surtax will enable the City to fund various needed improvements and accelerate local economic development.
- Limitation on revenue growth. Due to the City being nearly built out, revenues will remain steady while expenditures will most likely outpace the revenue increases.

The City's financial position remains strong, with very low debt and unassigned general fund balance having a healthy ratio of 29.4% of total general fund expenditures in 2018. The decision to increase the millage rate reflected the City's commitment to maintain the ratio of unassigned fund balance at 25% of total general fund expenditures, as required by the City's fund balance policy.

Budgeted 2019 general fund expenditures, including transfers to other funds, are \$28.9 million, an increase of \$2.2 million, or 8.1%, from the same amounts in 2018. The increased expenditures include an increase of \$890 thousand in interfund transfers from \$20 thousand in 2018 to \$910 thousand in 2019. The increased transfers include \$410 thousand for principal and interest on the City's bank note. In 2018, debt service was paid from fund balance reserves in the debt service fund. Fiscal year 2019 fund transfers also include \$500 thousand to supplement planned capital projects.

The budget for law enforcement services from the Palm Beach Sheriff's Office also increased by \$356 thousand in 2019, in increase of 3.7 percent. With 2019 revenues projected at \$29 million, it's expected that a budget surplus of \$130 thousand will increase general fund reserves in 2019, keeping the fund balance at \$11.4 million, a slight increase from the results of operations in 2018. Projected revenue increases mainly will come from property, utility and other taxes while decreases will be anticipated from other revenues such as permits and charges for services when comparing to fiscal 2018.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, please contact the Director of Finance at 5800 Melaleuca Lane, Greenacres, Florida 33463.

BASIC FINANCIAL STATEMENTS

City of Greenacres, Florida
Statement of Net Position
September 30, 2018

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 614,857
Investments	17,598,700
Receivables (net)	
Accounts	1,340,122
Intergovernmental	740,261
Taxes	704,336
Interest	15,272
Grants	55,981
Assessments	5,539
Net pension asset	4,122,495
Inventories	26,141
Prepaid items	1,473,953
Capital assets:	
Non-depreciable	8,997,463
Depreciable (net of accumulated depreciation)	15,147,977
Total Assets	50,843,097
Deferred Outflows of Resources	
Pension related items	7,559,233
Total Deferred Outflows of Resources	7,559,233
Liabilities	
Accounts payable	295,837
Contracts and retainage payable	151,623
Accrued payroll and related liabilities	514,222
Unearned revenue	835,013
Deposits and other liabilities	89,818
Accrued interest payable	237
Due within one year:	
Compensated absences	683,693
Notes payable	320,560
Due in more than one year:	
Compensated absences	806,236
Notes payable	1,809,620
Net OPEB obligation	909,873
Net pension liability	1,594,969
Total Liabilities	8,011,701
Deferred Inflows of Resources	
Deferred revenue	278,220
Pension related items	3,434,856
OPEB related items	25,094
Total Deferred Inflows of Resources	3,738,170
Net Position	
Net investment in capital assets	22,015,260
Restricted for:	
Pensions	4,122,495
Public safety	311,943
Arboreous activities	30,228
Capital projects	3,505,964
Unrestricted	16,666,569
Total Net Position	\$ 46,652,459

City of Greenacres, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 3,991,739	\$ 638,179	\$ 6,805	\$ --	\$ (3,346,755)
Public safety	17,128,664	2,900,144	570,176	6,416	(13,651,928)
Transportation	1,689,389	--	--	441,967	(1,247,422)
Culture/recreation	2,831,276	350,977	335,903	35	(2,144,361)
Physical environment	2,521,088	1,518,667	32,956	114,188	(855,277)
Interest on long-term debt	95,144	--	--	--	(95,144)
Total Governmental Activities	\$ 28,257,300	\$ 5,407,967	\$ 945,840	\$ 562,606	(21,340,887)
General Revenues:					
Taxes:					
Property taxes					9,866,149
Utility service taxes					4,182,645
Infrastructure surtax					2,823,027
Franchise fees based on gross receipts					1,862,309
Intergovernmental shared revenues - unrestricted					4,944,327
Investment earnings - unrestricted					218,212
Miscellaneous revenues					116,003
Gain on disposal of capital assets					11,771
Total General Revenues					24,024,443
Change in Net Position					2,683,556
Net Position - Beginning, As Restated					43,968,903
Net Position - Ending					\$ 46,652,459

**City of Greenacres, Florida
Balance Sheet
Governmental Funds
September 30, 2018**

	Capital Projects						Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax			
Assets								
Cash and cash equivalents	\$ 613,577	\$ --	\$ --	\$ --	\$ --	\$ 1,280	\$ 614,857	
Investments	8,911,236	1,581,598	1,940,271	2,892,532	1,757,013	516,050	17,598,700	
Receivables (net)								
Accounts	1,340,122	--	--	--	--	--	1,340,122	
Intergovernmental	718,121	--	--	22,140	--	--	740,261	
Taxes	250,726	--	--	--	453,610	--	704,336	
Interest	15,272	--	--	--	--	--	15,272	
Grants	8,930	--	--	--	20,086	26,965	55,981	
Assessments	5,539	--	--	--	--	--	5,539	
Inventories	26,141	--	--	--	--	--	26,141	
Prepaid items	1,029,728	--	--	--	442,037	2,188	1,473,953	
Total Assets	\$ 12,919,392	\$ 1,581,598	\$ 1,940,271	\$ 2,914,672	\$ 2,672,746	\$ 546,483	\$ 22,575,162	
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 282,583	\$ --	\$ --	\$ --	\$ --	\$ 13,254	\$ 295,837	
Contracts and retainage payable	--	--	23,615	28,026	99,982	--	151,623	
Accrued payroll and related liabilities	497,627	--	--	--	--	16,595	514,222	
Unearned revenue	40,175	--	129,669	663,989	--	1,180	835,013	
Deposits and other liabilities	59,944	29,874	--	--	--	--	89,818	
Total Liabilities	880,329	29,874	153,284	692,015	99,982	31,029	1,886,513	
Deferred Inflows of Resources								
Deferred revenue	278,220	--	--	--	--	--	278,220	
Unavailable revenue	448,633	--	--	--	20,086	--	468,719	
Total Deferred Inflows of Resources	726,853	--	--	--	20,086	--	746,939	
Fund Balances								
Nonspendable:								
Inventory	26,141	--	--	--	--	--	26,141	
Prepaid items	1,029,728	--	--	--	442,037	2,188	1,473,953	
Restricted for:								
Public Safety Forfeitures	--	--	--	--	--	309,905	309,905	
Arborous Activities	--	--	--	--	--	30,228	30,228	
Public Safety Donations	--	--	--	--	--	2,038	2,038	
New Growth	--	1,078,965	--	--	--	--	1,078,965	
Transportation	--	--	--	316,358	--	--	316,358	
Infrastructure	--	--	--	--	2,110,641	--	2,110,641	
Committed to:								
Emergency and disaster reserve	2,000,000	--	--	--	--	--	2,000,000	
Assigned for:								
Subsequent year's expenditures	13,978	--	--	--	--	--	13,978	
Compensated absences reserve	403,118	--	--	--	--	--	403,118	
Youth Programs	--	--	--	--	--	471	471	
Debt service	--	--	--	--	--	170,624	170,624	
Capital Projects	--	472,759	1,786,987	1,906,299	--	--	4,166,045	
Unassigned:	7,839,245	--	--	--	--	--	7,839,245	
Total Fund Balances	11,312,210	1,551,724	1,786,987	2,222,657	2,552,678	515,454	19,941,710	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,919,392	\$ 1,581,598	\$ 1,940,271	\$ 2,914,672	\$ 2,672,746	\$ 546,483	\$ 22,575,162	

City of Greenacres, Florida
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
September 30, 2018

Fund Balances - Total Governmental Funds \$ 19,941,710

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

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

Governmental capital assets	\$ 43,133,251	
Less accumulated depreciation	<u>(18,987,811)</u>	24,145,440

The net pension asset related to defined benefit pension plans does not represent available spendable resources and is not reported in the governmental funds.

4,122,495

Revenues earned but not collected within 60 days of the fiscal year end are not current financial resources and are not reported in the governmental funds.

468,719

Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:

Compensated absences	\$ (1,489,929)	
Notes payable	(2,130,180)	
Accrued interest payable	(237)	
Net OPEB obligation	(909,873)	
Net pension liability	<u>(1,594,969)</u>	(6,125,188)

Deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans and defined benefit OPEB plans are applicable to future periods and are not reported in the governmental funds.

Pension related deferred outflows	\$ 7,559,233	
Pension related deferred inflows	(3,434,856)	
OPEB related deferred inflows	<u>(25,094)</u>	<u>4,099,283</u>

Net Position of Governmental Activities \$ 46,652,459

City of Greenacres, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2018

	Capital Projects					Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax		
Revenues:							
Taxes	\$15,156,479	\$ --	\$ --	\$ 138,407	\$ 2,823,027	\$ --	\$ 18,117,913
Permits and franchise fees	2,627,886	--	--	--	--	--	2,627,886
Intergovernmental revenues	5,049,679	15,564	--	126,664	--	325,845	5,517,752
Charges for services	3,428,302	--	--	--	--	132,846	3,561,148
Fines and forfeitures	111,778	--	--	--	--	--	111,778
Impact fees	--	99,417	--	--	--	8,750	108,167
Investment income	188,401	9,615	9,623	20,081	15,745	12,833	256,298
Contributions	10,058	--	--	--	--	325	10,383
Rental income	343,500	--	--	222,525	--	--	566,025
Miscellaneous revenues	134,969	--	--	--	--	74	135,043
Total revenues	27,051,052	124,596	9,623	507,677	2,838,772	480,673	31,012,393
Expenditures:							
Current:							
General government	3,584,908	--	--	--	--	--	3,584,908
Public safety	17,864,359	--	--	--	--	--	17,864,359
Transportation	1,582,775	--	--	--	--	--	1,582,775
Culture/recreation	1,471,836	--	--	--	--	581,980	2,053,816
Physical environment	1,927,759	--	--	--	--	--	1,927,759
Capital outlay	107,448	85,022	341,493	892,967	1,792,177	16,746	3,235,853
Debt service:							
Principal	--	--	--	--	--	308,014	308,014
Interest	--	--	--	--	--	95,179	95,179
Total Expenditures	26,539,085	85,022	341,493	892,967	1,792,177	1,001,919	30,652,663
Excess (Deficiency) of Revenues over Expenditures	511,967	39,574	(331,870)	(385,290)	1,046,595	(521,246)	359,730
Other Financing Sources (Uses):							
Transfers in	--	--	--	500,000	--	110,000	610,000
Transfers out	(110,000)	(500,000)	--	--	--	--	(610,000)
Total Other Financing Sources (Uses)	(110,000)	(500,000)	--	500,000	--	110,000	--
Net Change in Fund Balances	401,967	(460,426)	(331,870)	114,710	1,046,595	(411,246)	359,730
Fund Balances - Beginning	10,910,243	2,012,150	2,118,857	2,107,947	1,506,083	926,700	19,581,980
Fund Balances - Ending	\$11,312,210	\$1,551,724	\$1,786,987	\$ 2,222,657	\$ 2,552,678	\$ 515,454	\$ 19,941,710

City of Greenacres, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2018

Net change in fund balances - total governmental funds \$ 359,730

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful life.

Expenditures for capital assets	\$ 2,237,844	
Less current year depreciation	<u>(1,337,935)</u>	899,909
Net book value of capital asset disposals		(20,834)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds:

Solid waste collection fees		(50,703)
-----------------------------	--	----------

Some expenses 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	\$ 35	
Change in accrued compensated absences	(112,823)	
Change in total OPEB liability and related deferred amounts	(95,284)	
Change in net pension liability and related deferred amounts	<u>1,395,512</u>	1,187,440

The repayment of the principal on long-term debt consumes current financial resources of the governmental funds. This transaction, however, has no effect on net position.

		<u>308,014</u>
Change in Net Position of Governmental Activities		<u><u>\$ 2,683,556</u></u>

City of Greenacres, Florida
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2018

	Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 144,016
Investments	
External investment pool - broad market high quality bond portfolio	3,600,436
External investment pool - core plus fixed income portfolio	4,320,523
External investment pool - diversified large cap portfolio	13,681,656
External investment pool - diversified small to mid cap portfolio	4,752,575
External investment pool - international equity	6,228,754
External investment pool - core real estate	3,276,397
Contributions receivable	552,745
Total assets	36,557,102
Liabilities	
Accounts payable	2,988
Net Position Restricted for Pensions	\$ 36,554,114

City of Greenacres, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended September 30, 2018

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 1,479,432
Plan members	235,160
State on-behalf payments	502,912
Total Contributions	<u>2,217,504</u>
Investment income:	
Net increase in fair value of investments	<u>2,893,342</u>
Total additions	<u>5,110,846</u>
Deductions:	
Benefits paid and refunds of member contributions	217,973
Administrative expense	102,031
Total Deductions	<u>320,004</u>
Net Increase	4,790,842
Net Position Restricted for Pensions	
Net Position - Beginning	<u>31,763,272</u>
Net Position - Ending	<u><u>\$ 36,554,114</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Greenacres, Florida (the “City”) is a municipal corporation organized under Florida Statutes. The City was originally incorporated in 1926 and was reincorporated in 1947 pursuant to Special Act 24537, Laws of Florida 1947. The City operates under the Council-Manager form of government and provides a wide range of community services including general government, public safety, building inspection, zoning and land use planning, transportation, culture and recreation, and physical environment. The City Council (the “Council”) is responsible for legislative and fiscal control of the City.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City’s more significant accounting policies.

Financial Reporting Entity

Under governmental accounting and financial reporting standards, the City’s reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City is considered financially accountable if it appoints a voting majority of an organization’s governing body and is either able to impose its will on that organization, or has a financial benefit/burden relationship with the organization. The City may also be financially accountable if an organization is fiscally dependent on the primary government and the two also have a financial benefit or burden relationship. Based on the application of these criteria, there were no organizations that met the criteria described above.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activity has been removed from these statements.

The 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. *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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and pension trust funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. 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 revenues in the year for which they are levied. 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, except for solid waste collection fees and ambulance transport fees which are considered available if collected within six months 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, are recorded only when payment is due.

Property taxes, franchise fees, business taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City and is used to account for all financial resources applicable to the general operations of the City except those required to be accounted for in another fund.

The *New Growth Fund*, a capital projects fund, is used to account for financial resources used for the acquisition or construction of new and expanded public infrastructure for all purposes, except for parks, resulting from the growth of the City.

The *Parks and Recreation Fund*, a capital projects fund, is used to account for financial resources used for the acquisition or construction of City parks and recreation facilities.

The *Reconstruction and Maintenance Fund*, a capital projects fund, is used to account for financial resources used for the acquisition or construction of major capital facilities not accounted for in other funds.

The *Infrastructure Surtax Fund*, a capital projects fund, is used to account for financial resources used for infrastructure improvements, parks, public safety initiatives, and economic development funded by infrastructure surtax revenues.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund type:

The *Pension Trust Fund*, which is a fiduciary fund used to account for the activities of the Public Safety Officers' and Firefighters' Retirement Plan and the Public Safety Officers' and Firefighters' Share Plan.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents include cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Money market depository accounts that the City intends to rollover into investments are considered part of the investment portfolio and are reported as investments. Resources of all funds, except the pension trust fund, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Income earned on pooled cash and investments is allocated monthly based upon the equity balances of the individual funds.

Investments are stated at fair value, except as discussed below. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of fair value measurement in both cases is the same, that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The City categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

Investments include amounts held in the Florida PRIME investment pool administered by the State Board of Administration. The City reports its investment in Florida PRIME at amortized cost. Investments in Florida PRIME are exempt from the GASB 72 fair value hierarchy disclosures.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Investments also include amounts held in the Florida Municipal Investment Trust (FMIT) administered by the Florida League of Cities. The City reports its investments in the FMIT at fair value in accordance with the GASB 72 fair value hierarchy.

Certificates of deposit are stated at cost. If the original maturities are greater than three months at the date of acquisition they are reported as investments. They are exempt from reporting under the GASB 72 fair value hierarchy.

Receivables

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

Inventories

Inventories consist of expendable supplies held for consumption which are carried at average cost. The City accounts for inventories using the consumption method, under which expenditures are recognized only when inventory items are used. In the governmental funds, the reported inventories are offset by the nonspendable fund balance component which indicates that they do not constitute “available spendable resources,” even though it is a component of current assets.

Prepaid Items

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. In the governmental funds, prepaid items are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates that they do not constitute “available spendable resources,” even though they are a component of current assets.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated life in excess of one year and an initial individual cost of \$25,000 or more for land improvements and intangible assets, \$50,000 or more for buildings, \$50,000 or more for building improvements, \$5,000 or more for machinery and equipment, \$5,000 or more for vehicles, and \$250,000 or more for infrastructure assets. Major general infrastructure assets acquired in fiscal years ending after June 30, 1980, or significantly reconstructed or improved during that multi-year period, have not been capitalized since total infrastructure is less than five percent of total general capital assets, and accordingly, do not meet the capitalization requirements of GASB Statement No. 34.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Capital Assets (Continued)

When purchased, capital assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable fixed assets are as follows:

Buildings and improvements	20 years
Improvements other than buildings	10 years
Furniture, fixtures and equipment	3-10 years
Vehicles	5 years

Unearned Revenue

Unearned revenue represents the increase in assets prior to eligibility criteria being met.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has only pension related items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. There are three types of items that qualify for reporting in this category:

- 1) Business tax receipts that are received by the City prior to the period for which the taxes are levied are reported as deferred inflows on both the government-wide statement of net position, and on the governmental funds balance sheet.
- 2) Solid waste fees that are not received within six months of the end of the fiscal year don't meet the availability criterion of the modified accrual basis of accounting, and therefore are reported as deferred inflows only on the governmental funds balance sheet.
- 3) Pension related items

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Compensated Absences

The City's employees are granted a specific amount of vacation and sick leave, which is payable upon separation of service in varying amounts based on length of service. Accrued vacation leave is paid in full upon separation of employment up to a maximum of 240 hours for employees and 320 hours for the City Manager. For bargaining unit employees hired before June 28, 2000 and general employees hired before October 16, 2006 accrued sick leave is paid in full upon separation of employment after ten years of service up to a maximum of 960 hours. Bargaining unit employees hired after June 28, 2000 and general employees hired after October 16, 2006, are paid a percentage of the total accrued sick leave based on the number of completed years of service. When an employee is vested and applies for retirement under the City's retirement plan, accrued sick leave is paid in full up to 960 hours. Vacation is accrued as a liability in the government-wide statements when the employee earns the benefit. This means that the employee has rendered services that give rise to a vacation liability and it is probable that the City will compensate the employee in some manner, for example, in cash or paid time off, now or upon termination or retirement. The City uses the vesting method in accruing the sick leave liability. Under the vesting method, a liability for sick leave is accrued for employees who are eligible to receive termination benefits upon separation.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the general fund.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which does not significantly differ from the effective interest method. Bonds are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. 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.

Net Position

Equity in the government-wide statement of net position is displayed in three categories:

Net investment in capital assets Consists of capital assets reduced by accumulated depreciation and by any outstanding debt and deferred inflows/outflows of resources incurred to acquire, construct, or improve those assets, excluding unexpended proceeds.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Net Position (Continued)

Restricted net position Consists of net position with constraints placed on the use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation

Unrestricted net position Consists of net position that does not meet the definition of either of the other two components.

Fund Equity

Nature and purpose of classifications. In the financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent.

The City reports the following classifications:

Non-spendable fund balances. Amounts that cannot be spent because they are either a) not in spendable form (like inventories, or prepaid items), or b) legally or contractually required to remain intact.

Restricted fund balances. Amounts that are restricted to specific purposes by either a) externally enforceable legal restrictions imposed by parties outside the government, such as creditors (through debt covenants), grantors, contributors, or other governments (through laws and regulations), or b) by law through the City's own constitution, or enabling legislation, (legislation that authorizes the City to assess, levy, charge, or otherwise mandate payments from external service providers, and with a legally enforceable requirement that those resources may be used only for the specific purposes stipulated in the legislation).

Committed fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution, ordinance or council policy) of the City's highest level of decision making authority (the City Council). Resolutions, ordinances, and council policies are all considered the highest level action within the City and are all equally binding. The City's fund balance policy, adopted by the City Council, establishes reserves to be reported under this classification, the purposes for which the reserved funds may be utilized, and the procedures for replenishing the reserve funds if used.

Assigned fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City Manager by the authority of the fund balance policy, adopted by City Council resolution.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Fund Equity (Continued)

Unassigned fund balances. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Minimum Level of Unassigned Fund Balance Policy

The City's fund balance policy establishes a minimum unassigned fund balance level of 25% of the operating expenditures of the current fiscal year. If unassigned fund balance falls below the established level, a plan to replenish that amount back to the required level over a three year period will be developed.

The fund balance policy also establishes a spending order when a qualifying expenditure is incurred for which those funds are available, of restricted fund balances first, followed by committed, then assigned, and finally unassigned fund balances.

Encumbrances

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Appropriations expire at year end, even if encumbered, but it is the City's policy to re-appropriate such amounts at the beginning of the next fiscal year.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectibility of accounts receivable, the use and recoverability of inventory, and useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

Implementation of Governmental Accounting Standards Board Statements with Impact on the Financial Statements

The City implemented the following GASB Statements during the fiscal year ended September 30, 2018:

In June 2015 the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of Governmental Accounting Standards Board Statements with Impact on the Financial Statements (Continued)

In March 2016 the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreement*. This Statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Implementation of this Statement did not impact the City's financial statements.

In March 2017 the GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

In May 2017 the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. Implementation of this Statement did not impact the City's financial statements.

Recently Issued Accounting Pronouncements

A brief description of new accounting pronouncements that might have a significant impact on the City's financial statements is presented below. Management is currently evaluating the impact of adoption of these statements in the City's financial statements.

In November 2016 the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for an asset retirement obligation. This Statement is effective for the fiscal year ending September 30, 2019.

In January 2017 the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2020.

In May 2017 the GASB issued Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2021.

In March 2018 the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement will improve the information that is disclosed in notes to the government financial statements related to debt, including direct borrowings and direct placements. It will also clarify which liabilities governments should include when disclosing information related to debt. This Statement is effective for the fiscal year ending September 30, 2019.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In August 2018 the GASB issued Statement No. 90, *Major Equity Interests*. This Statement will improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for the fiscal year ending September 30, 2020.

2 – PROPERTY TAXES

Property taxes (ad valorem taxes) are levied on October 1st (lien date) and become due and payable on November 1st, with discounts of one to four percent if paid prior to March 1st of the following calendar year. All unpaid taxes become delinquent on April 1st and accrue interest charges from April 1st until a tax sale certificate is sold at auction.

Assessed values are established by the Palm Beach County Property Appraiser as of July 1st at approximately fair value. Taxes are collected by the County and remitted to the City. Revenue is recognized at the time monies are received from the County.

The City is permitted by the Florida Constitution to levy taxes up to \$10 per \$1,000 (10 mills) of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on taxpayer approved general obligation long-term debt. The millage rate levied by the City for the fiscal year ended September 30, 2018 was 6.0854.

3 – DEPOSITS AND INVESTMENTS

Deposits

The City's deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depositories by the State Treasurer. State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act* requires that every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% 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 potential losses to public depositories 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 default. At year end, the City's deposits included \$3,218,000 of certificates of deposit with terms to maturity of more than three months when purchased. These certificates of deposits are reported as investments. The City's deposits also included \$1,299,483 of money market accounts that are reported as investments.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

3 – DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The certificates of deposit were acquired through the Certificate of Deposit Account Registry Service® (CDARS®). The funds were initially deposited in a qualified public depository. The selected depository arranged for depositing the funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation in one or more federally insured banks or saving and loan associations, wherever located, for the account of the City. The full amount of the principal and accrued interest of each financial deposit instrument is insured by the FDIC. The selected depository acts as custodian for the City with respect to each financial deposit instrument issued for its account.

Investments – City

The investment of surplus public funds is governed by an ordinance of the City Council. The ordinance limits investment of surplus funds to the following:

1. The Florida Local Government Surplus Funds Trust Fund (State Board of Administration – SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act (Florida Statute Section 163.01). For example, the Florida League of Cities’ “Florida Municipal Investment Trust”, and the Florida Association of Court Clerks’ “Florida Local Government Investment Trust” would qualify.
2. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government at the then prevailing market price for such securities (U.S. “Treasuries” and “Agencies”).
3. U.S. Government Agency Securities and Instrumentalities of Government Sponsored Enterprises carrying the implied faith and credit of the U.S. Government, including participation certificates and mortgage pass-throughs.
4. Interest bearing time deposits or savings accounts in qualified public depositories as prescribed by the Florida Security for Public Deposits Act, Chapter 280.02, Florida Statutes.
5. Certificates of deposit and other evidences of deposit at, qualified depositories, bankers’ acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1 or D-1 or higher) by a nationally recognized rating agency.
6. Shares of any money market mutual fund that is registered with the Securities and Exchange Commission, has the highest credit quality rating from a Nationally Recognized Statistical Rating Organization and has a portfolio which is limited to direct obligations of the United States Government or any agency or instrumentality thereof.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – City (Continued)

The State Board of Administration (SBA) administers the Florida PRIME investment pool, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The investment in Florida PRIME is reported at amortized cost in accordance with GASB Statement No. 79, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 79). The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

GASB 79 requires that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2017, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value in the Florida PRIME.

The Florida Municipal Investment Trust (FMIvT) 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 serves as the administrator, investment manager and secretary-treasurer of the Trust.

The FMIvT is a Local Government Investment Pool and is considered an external investment pool for GASB reporting purposes. The City reports its investment in the FMIvT at fair value in accordance with the GASB 72 fair value hierarchy.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – City (Continued)

GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

- Level 1: Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3: Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

As of September 30, 2018, the City reported the following investments:

Investments by Fair Value Level	Balance	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
FMLVT 0-2 Year High Quality Bond Fund	\$ 2,116,651	\$ --	\$ 2,089,569	\$ --
FMLVT 1-3 Year High Quality Bond Fund	2,085,488	--	2,073,693	--
FMLVT Intermediate High Quality Bond Fund	2,401,382	--	2,416,164	--
	<u>6,603,521</u>	<u>\$ --</u>	<u>\$ 6,579,426</u>	<u>\$ --</u>
Investments Measured at Cost				
Certificates of Deposit	3,218,000			
Investments Measured at Amortized Cost				
Florida PRIME Investment Pool	<u>6,477,696</u>			
Total Investments	<u>\$ 16,299,217</u>			

The City's investments also include \$1,299,483 of deposits in money market checking accounts that are reported as investments for total investments of \$17,598,700.

Debt securities classified in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – City (Continued)

As of September 30, 2018, the weighted average maturity and the credit ratings for the City's investments were as follows:

Investment	Balance	Weighted Average Maturity	Credit Rating
FMIvT 0-2 Year High Quality Bond Fund	\$ 2,116,651	0.70 years	AAAf/S1 Fitch
FMIvT 1-3 Year High Quality Bond Fund	2,085,488	1.50 years	AAAf/S2 Fitch
FMIvT Intermediate High Quality Bond Fund	2,401,382	4.30 years	AAAf/S3 Fitch
Florida PRIME Investment Pool	6,477,696	72 days	AAA _m Standard & Poor's
Certificates of Deposit	3,218,000	402 days	Not rated
	<u>\$ 16,299,217</u>		

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has an investment policy of structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its own obligations. The City's investment policy minimizes risk by limiting investments to the safest types of securities; prequalifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Concentration of Credit Risk

The City's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank through which these securities are bought and sold. As of September 30, 2018, the value of each position held in the City's portfolio is less than 5% in any one issuer.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – Public Safety Officers’ and Firefighters’ Retirement Plan and Share Plan

Funds are held for the City’s Public Safety Officers’ and Firefighters’ Retirement Plan (the “Plan”) in the Florida Municipal Pension Trust Fund (FMPTF), administered by the Florida League of Cities. The assets of the City’s Public Safety Firefighters’ and Officers’ Share Plan (the “Share Plan”) are invested together with the assets of the Retirement Plan. The program was established for the purpose of collectively managing individually designed pension plans of participating investment and administrative services for eligible governmental agencies in Florida. Any agency or political subdivision in the State of Florida is eligible to participate. Each participating entity must agree to abide by the terms, duties, rights, and obligations as set forth in the Trust Joinder Agreement and the Master Trust Agreement of the Florida Municipal Pension Trust Fund. Pension plan assets are invested by the FMPTF through the Florida Municipal Investment Trust. The City reports its investment in the FMPTF at fair value in accordance with the GASB 72 fair value hierarchy. Cash and cash equivalents reported in the Pension Trust Fund consist of cash and money market funds held in the Florida Municipal Investment Trust.

As of September 30, 2018, the Pension Plans reported the following investments in the FMPTF:

Investments by Fair Value Level	Balance	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
FMLVT Broad Market High Quality Bond Fund	\$ 3,600,436	\$ --	\$ 3,600,436	\$ --
FMLVT Core Plus Fixed Income	4,320,523	--	--	4,320,523
FMLVT Diversified Large Cap Portfolio	13,681,656	--	13,681,656	--
FMLVT Diversified Small to Mid Cap Portfolio	4,752,575	--	4,752,575	--
FMLVT International Equity	6,228,754	--	6,228,754	--
FMLVT Core Real Estate	3,276,397	--	-	3,276,397
Total Investments	<u>\$ 35,860,341</u>	<u>\$ --</u>	<u>\$ 28,263,421</u>	<u>\$ 7,596,920</u>

Debt securities classified in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices.

As of September 30, 2018, the weighted average maturity and the credit ratings for the Pension Plan’s investments in the FMPTF were as follows:

Investment	Balance	Weighted Average Maturity	Credit Rating
FMLVT Broad Market High Quality Bond Fund	\$ 3,600,436	6.40 years	AAf/S4 Fitch
FMLVT Core Plus Fixed Income	4,320,523	7.00 years	Not Rated
FMLVT Diversified Large Cap Portfolio	13,681,656	N/A	N/A
FMLVT Diversified Small to Mid Cap Portfolio	4,752,575	N/A	N/A
FMLVT International Equity	6,228,754	N/A	N/A
FMLVT Core Real Estate	3,276,397	N/A	N/A
Total Investments	<u>\$ 35,860,341</u>		

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – Public Safety Officers’ and Firefighters’ Retirement Plan and Share Plan (Continued)

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The Plan and Share Plan have a maximum maturity at purchase of 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days. Banker’s acceptances maximum maturity shall not exceed 270 days from the time of purchase. Nonnegotiable certificates of deposit shall not exceed 2 years. No investments held in the portfolio exceed these limits.

Credit Risk

The Plan and Share Plan allows investments in rated investments in Commercial paper with A1/P1 or a comparable rating as provided by two of the top nationally recognized statistical rating organizations; and that the corporation’s long-term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least AA (or comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. Banker’s acceptances issued with the U.S. by institutions with a long-term debt rating of at least AA or short term debt rating of P1 (or comparable rating) as provided by one nationally recognized statistical rating organization. Nonnegotiable certificates of deposit must be rated at least A1/P1 (or comparable rating) and a long-term rating of a least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. Guaranteed investment contracts must be rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization. All investments held in the portfolio meet these requirements.

Investing in Foreign Markets

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

Concentration of Credit Risk

The Plan and Share Plan allows no more than \$5 million in certificates of deposit with any one depository at one time. Corporate fixed income securities are limited to no more than 5% of any one corporation at the time of purchase. No more than \$10 million in investment agreements with other financial institutions may be entered into with any one financial institution. No investments exceeded these limits.

Risks and Uncertainties

The Plan and Share Plan have investments in a variety of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities, it is a least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

4 – RECEIVABLES

Receivables for the City’s individual major funds and non-major funds in the aggregate, including applicable allowances as of September 30, 2018 are as follows:

	General Fund	Reconstruction and Maintenance Fund	Infrastructure Surtax Fund	Nonmajor Governmental Funds	Total
Receivables:					
Accounts	\$ 2,050,571	\$ --	\$ --	\$ --	\$2,050,571
Intergovernmental	718,121	22,140	-	-	740,261
Taxes	250,726	-	453,610	-	704,336
Interest	15,272	--	--	--	15,272
Grants	8,930	--	20,086	29,965	58,981
Assessments	5,539	--	--	--	5,539
Total Receivables	3,049,159	22,140	473,696	29,965	3,574,960
Less Allowance for Uncollectible Amounts	(710,449)	--	--	--	(710,449)
Net Total Receivables	\$ 2,338,710	\$ 22,140	\$ 473,696	\$ 29,965	\$2,864,511

5 – INTERFUND TRANSACTIONS

The following is a summary of interfund transfers for the year ended September 30, 2018:

Fund	Transfers In	Transfers Out
Major Fund		
General Fund	\$ --	\$ 110,000
New Growth Fund	-	500,000
Reconstruction and Maintenance Fund	500,000	-
Nonmajor Governmental Funds	110,000	-
Total Interfund Transfers	\$ 610,000	\$ 610,000

Transfers to the nonmajor funds consists of \$110,000 to the Youth Programs special revenue fund to pay operating costs.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 7,270,974	\$ --	\$ --	\$ 7,270,974
Construction in Progress	1,393,211	520,032	(186,754)	1,726,489
Total assets not being depreciated	<u>8,664,185</u>	<u>520,032</u>	<u>(186,754)</u>	<u>8,997,463</u>
Capital assets being depreciated:				
Buildings	16,298,535	--	(70,000)	16,228,535
Improvements other than buildings	9,861,476	717,311	(373,280)	10,205,507
Furniture, fixtures, and equipment	3,284,126	61,039	(358,535)	2,986,630
Vehicles	3,726,241	1,126,216	(137,341)	4,715,116
Total assets being depreciated	<u>33,170,378</u>	<u>1,904,566</u>	<u>(939,156)</u>	<u>34,135,788</u>
Less accumulated depreciation for:				
Buildings	(7,109,631)	(427,452)	70,000	(7,467,083)
Improvements other than buildings	(6,739,443)	(412,633)	363,420	(6,788,656)
Furniture, fixtures, and equipment	(1,838,532)	(298,914)	347,561	(1,789,885)
Vehicles	(2,880,592)	(198,936)	137,341	(2,942,187)
Accumulated depreciation	<u>(18,568,198)</u>	<u>(1,337,935)</u>	<u>918,322</u>	<u>(18,987,811)</u>
Total Capital Assets Being Depreciated, Net	<u>14,602,180</u>	<u>566,631</u>	<u>(20,834)</u>	<u>15,147,977</u>
Capital assets, net	<u>\$ 23,266,365</u>	<u>\$ 1,086,663</u>	<u>\$ (207,588)</u>	<u>\$ 24,145,440</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Culture/recreation	\$ 550,410
Public safety	305,573
General government	270,967
Transportation	115,012
Physical environment	95,973
Total Depreciation Expense	<u>\$ 1,337,935</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

7 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities during the year ended September 30, 2018:

	Beginning			Ending Balance	Due Within One Year
	Balance As Restated	Additions	Deletions		
Public Improvement Note, 2004A	\$ 2,438,194	\$ --	\$ 308,014	\$ 2,130,180	\$ 320,560
Net pension liability - FRS (1)	1,712,828	--	117,859	1,594,969	--
Other postemployment benefits (1)	839,683	70,190	--	909,873	--
Compensated absences	1,377,106	749,775	636,952	1,489,929	683,693
Total	\$ 6,367,811	\$ 819,965	\$ 1,062,825	\$ 6,124,951	\$ 1,004,253

(1) Restated due to implementation of GASB Statement No. 75

The general fund has typically been used to liquidate the liabilities for pensions, other postemployment benefits, compensated absences, and the net pension liability.

Public Improvement Note, Series 2004A

The Public Improvement Note, Series 2004A was issued in September 2004 in the amount of \$5,500,000 for the purpose of financing the construction of a new public works facility and municipal complex. Principal and interest payments are due semi-annually on March 29th and September 29th, with interest at 4.03%. The note is payable from the City's legally available non-ad valorem revenues and at September 30, 2018, principal and interest to maturity in 2024 to be paid from pledged future revenues totaled \$2,419,560. In the event that the City makes any optional prepayment of principal and/or interest, the City must make a prepayment premium based on various elements such as discount rate, prepayment date, etc. The City shall also pay any customary administrative fees in connection with any prepayment.

The annual debt service requirements to amortize the Series 2004A note are as follows:

Year Ending September 30	Principal	Interest	Total
2019	\$ 320,560	\$ 82,700	\$ 403,260
2020	333,617	69,643	403,260
2021	347,205	56,055	403,260
2022	361,348	41,912	403,260
2023	376,066	27,194	403,260
2024	391,384	11,876	403,260
Total	\$ 2,130,180	\$ 289,380	\$ 2,419,560

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM

General Information

All full-time employees hired before January 1, 1996 are eligible to participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site www.dms.myflorida.com.

Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan

Plan Description

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Elected Officials Class
- Senior Management Service Class

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Elected Officials Class	3.00%
Senior Management Service Class	2.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year ended September 30, 2018 were as follows:

Class	10/01/17 through 06/30/18	07/01/18 through 09/30/18
Regular Class	7.92%	8.26%
Senior Management Service Class	22.71%	24.06%
Special Risk Class	23.27%	24.50%
Elected Officials Class	45.50%	48.70%
DROP	13.26%	14.03%

The employer contribution rates include a 1.66% HIS Plan subsidy. Except for the DROP, the rates also include 0.06% for administrative costs of the Public Employee Optional Retirement Program.

For the fiscal year ended September 30, 2018, the City made contributions of \$129,205 to the Pension Plan and the City's employees made contributions of \$19,317 for total contributions of \$148,522.

At September 30, 2018, the City reported a liability of \$1,303,362 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's 2017-2018 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was 0.004327158% percent, which was a decrease of 0.000359830% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2018, the City recognized pension revenue of \$70,724 related to the Plan. The City also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 110,414	\$ 4,008
Change of assumptions	425,875	-
Net difference between projected and actual earnings on Pension Plan investments	-	100,701
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	-	948,927
City Pension Plan contributions subsequent to the measurement date	32,465	-
Total	<u>\$ 568,754</u>	<u>\$ 1,053,636</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to the Pension Plan, totaling \$32,465 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2019	\$ (127,037)
2020	(113,912)
2021	(180,484)
2022	(87,354)
2023	(12,099)
Thereafter	3,539
	<u>\$ (517,347)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date	July 1, 2018
Measurement date	June 30, 2018
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.40%, net of pension plan investment expense, including inflation
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash	1.0%	2.9%	2.9%	1.8%
Fixed Income	18.0%	4.4%	4.3%	4.0%
Global Equity	54.0%	7.6%	6.3%	17.0%
Real Estate (Property)	11.0%	6.6%	6.0%	11.3%
Private Equity	10.0%	10.7%	7.8%	26.5%
Strategic Investments	6.0%	6.0%	5.7%	8.6%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.9%

(1) As outlined in the Pension Plan's investment policy

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
City's proportionate share of the net pension liability	\$ 2,378,691	\$ 1,303,362	\$ 410,238

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2018, the City reported a payable in the amount of \$14,312 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (HIS Plan)

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$15,275 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2018, the City reported a liability of \$291,607 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's 2017-2018 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was 0.002755141 percent, which was a decrease of 0.000293481 percent from its proportionate share measured as of June 30, 2017.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (HIS Plan) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended September 30, 2018, the City recognized pension revenue of \$50,126. The City also reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,464	\$ 495
Change of assumptions	32,430	30,831
Net difference between projected and actual earnings on Pension Plan investments	176	-
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	-	326,800
City Pension Plan contributions subsequent to the measurement date	3,639	-
Total	<u>\$ 40,709</u>	<u>\$ 358,126</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (HIS Plan) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to the HIS Plan, totaling \$3,639 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2019	\$ (67,810)
2020	(67,825)
2021	(61,686)
2022	(60,998)
2023	(48,684)
Thereafter	(14,053)
	<u>\$ (321,056)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2016
Measurement date	June 30, 2017
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%
Investment rate of return	N/A
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy Program (HIS Plan) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
City's proportionate share of the net pension liability	\$ 332,124	\$ 291,607	\$ 257,835

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2018, the City reported a payable in the amount of \$1,247 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Investment Plan

Plan Description

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature. The Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

Funding Policy

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), such as the defined benefit Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the City's employees for the fiscal year ended September 30, 2018, are as follows:

Class	10/01/17 through 06/30/18	07/01/18 through 09/30/18
Regular Class	7.92%	8.26%
Senior Management Service Class	22.71%	24.06%
Special Risk Class	23.27%	24.50%
Elected Officials Class	45.50%	48.70%
DROP	13.26%	14.03%

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Investment Plan (Continued)

Funding Policy (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City did not have any employees enrolled in the Investment Plan during the fiscal year ended September 30, 2018, and consequently did not have any pension expense.

9 – PUBLIC SAFETY OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan documents for more complete information

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from the City, as calculated by the Plan's actuary, are recognized as revenue when due and when the City has made a formal commitment to provide the contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN (Continued)

Plan Description

Plan administration. The City of Greenacres Public Safety Officers’ and Firefighters’ Retirement Plan and Trust (the “Plan”) is a single employer defined benefit pension plan that provides pensions for all permanent, full-time public safety employees of the City (police officers and firefighters). The Plan was established by City Ordinance 96-35 effective January 1, 1996, and is also governed by Chapters 112, 175 and 185 of the Florida Statutes.

The Plan was amended on March 7, 2005 to shorten the vesting period, reduce the required employee contributions, reduce the City’s required contributions, and increase the on-behalf payments from the State of Florida. The amendments were enacted by Ordinances 2005-01 and 2005-02 adopted by the City Council and unanimously recommended by the Board of Trustees for the Plan. The Plan was also amended on May 5, 2008 to give firefighters and public safety officers participating in the City of Greenacres General Employees Retirement Plan a one-time option to become members of the Plan and buy back credited years of service. The amendment was enacted by Ordinance 2008-13 adopted by the City Council.

Management of the Plan is vested in Board of Trustees, which consists of five members – two full-time firefighters or police officers elected by a majority of plan members, two City residents appointed by the City Council, and a fifth member chosen by the previous four members.

Plan membership: At October 1, 2017, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	39
Active plan members	<u>71</u>
	<u><u>114</u></u>

Benefits provided: Plan members who complete 6 or more years of credited service and attain age 55 or complete 25 years of credited service, regardless of age, are eligible for normal retirement benefits. Early retirement may be taken any time after vesting. Benefits vest after six years of credited service.

The monthly retirement benefit is equal to the number of years of credited service multiplied by 3% of average final compensation. Average final compensation means 1/12 of the average annual compensation of the five best years of the last ten years of credited service prior to retirement. In the event of early retirement, benefits are reduced a maximum of 3% for each year before the normal retirement date.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN (Continued)

Plan Description (Continued)

Contributions: Funding for the Plan consists of contributions from members, the State of Florida, and the City. Plan members are required to contribute 4.0% of their annual covered compensation. The City is required to contribute the remaining amount to fund the Plan based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by Plan members during the year. For the fiscal year ended September 30, 2017, the contribution rate was 29.24% percent of annual payroll for firefighters and 23.59% of annual payroll for public safety officers, reduced by funds received from the State of Florida pursuant to Chapters 175 and 185 of Florida Statutes. Plan provisions and contribution rates may be amended by the City Council based upon the recommendations of the Board of Trustees, subject to minimum requirements of Florida Statutes.

The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being appropriated for use for funding purposes

On-Behalf Payments: Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the Plan. This amount totaled \$502,912 for the fiscal year ended September 30, 2018. These consisted of \$222,236 for property insurance contracts for firefighters under Chapter 175 and \$280,676 for casualty insurance contracts for police officers under Chapter 185. For the fiscal year ended September 30, 2018, on-behalf payments in the amount of \$502,912 received from the state were recognized as an expenditure and revenue in the General Fund.

Contribution Reserve Account: The City and police officers have mutually agreed to utilize the Chapter 185 revenue as follows. The first \$170,000 of Chapter 185 revenue received each year shall be used to reduce the City's annual contribution to the Plan. The next \$57,400 of Chapter 185 revenue received above the first \$170,000 received each year shall be placed in a Contribution Reserve Account that may be used to cover shortfalls occasioned by lower than expected returns on investments, other actuarial losses, or to make up any shortfall resulting from Palm Beach County Sheriff's Office employer contributions to the Plan that are less than the required employer contribution amount, as determined by the City. The Contribution Reserve Account Shall be capped at a maximum amount of \$2,000,000. The next \$4,200 of Chapter 185 revenue above the first \$227,400 received each year shall be allocated to policer officers' share accounts. All annual Chapter 185 revenue in excess of \$231,600 shall be used to reduce the City's annual contribution to the Plan or be placed in the Contribution Reserve Account, as determined by the City. As of September 30, 2018, the \$261,962 had been contributed to the Contribution Reserve Account.

Share Plan: Included in the Plan is the amount of insurance premium taxes the City may use to supplement its actuarially determined contributions to the Plan, which is capped at \$330,796 (\$160,796 for firefighters and \$170,000 for police officers). Insurance premium taxes in excess of that amount may be used only to purchase additional benefits. To comply with this requirement, a separate defined contribution Share Plan was established on February 6, 2012. For the fiscal year ended September 30, 2018, excess premium taxes of \$58,239 were deposited into the Share Plan. See Note 10.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN (Continued)

Investments

Investments of the Plan are reported at fair value. Net appreciation in fair value of investments includes realized and unrealized gains and losses.

Rate of Return: For the year ended September 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.84 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the money-weighted rate of return calculation are determined on a monthly basis

Long-term Expected Rate of Return: The long-term expected rates of return on classes of pension plan investments were developed by the investment consultant Asset Consulting Group (ACG) using Monte Carlo Simulations to analyze a range of possible outcomes and assist in making educated investment decisions. The output of the Monte Carlo Simulation is based on ACG’s capital market assumptions that are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions. The long-term expected rate of return was calculated by weighting the expected future real rates of return of each asset class by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Return	Weighted Average Return
U.S. large cap equity	47%	6.00%	2.82%
Core plus	18%	1.00%	0.18%
U.S. small cap equity	13%	6.75%	0.88%
Core bonds	12%	0.50%	0.06%
Non-U.S. equity	10%	6.75%	0.67%
Total	<u>100%</u>		<u>4.61%</u>
Add estimated long-term rate of inflation			<u>2.89%</u>
Estimated long-term rate of return			<u>7.50%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN (Continued)

Net Pension Liability

The components of the net pension liability of the City at September 30, 2018 were as follows:

Description	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance September 30, 2017	\$ 26,867,109	\$ (30,129,005)	\$ (3,261,896)
Changes due to:			
Service cost	505,694	--	505,694
Expected interest growth	2,043,869	(2,331,508)	(287,639)
Unexpected investment income	--	(420,927)	(420,927)
Demographic experience	1,480,272	--	1,480,272
Employer contributions	--	(1,993,050)	(1,993,050)
Employee contributions	--	(242,075)	(242,075)
Benefit payments and refunds	(187,194)	187,194	-
Administrative expenses	--	97,126	97,126
Change in benefit terms	--	--	-
Assumption changes	--	--	-
Total changes	<u>3,842,641</u>	<u>(4,703,240)</u>	<u>(860,599)</u>
Balance September 30, 2018	<u>\$ 30,709,750</u>	<u>\$ (34,832,245)</u>	<u>\$ (4,122,495)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	\$ 2,284,291	\$ (4,122,495)	\$ (9,068,496)

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN (Continued)

At September 30, 2018, the City reported a net pension asset of \$4,122,495 for the Police Officers’ and Firefighters’ Retirement Plan. The liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2016. The City’ net pension asset was based on a projection of the pension plan relative to the projected contributions during the fiscal year ended September 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$862,505. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance September 30, 2017	\$ 6,886,903	\$ 2,230,173
Changes due to:		
Amortization of payments	(1,417,405)	(628,006)
Investment gain/loss	--	420,927
Demographic gain/loss	1,480,272	--
Change of assumptions	--	--
Total changes	<u>62,867</u>	<u>(207,079)</u>
Balance September 30, 2018	<u>\$ 6,949,770</u>	<u>\$ 2,023,094</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Amortization
2019	\$ 1,417,406	\$ 603,998	\$ 813,408
2020	1,073,879	603,996	469,883
2021	1,073,879	555,995	517,884
2022	1,073,879	181,362	892,517
2023	1,008,878	77,743	931,135
Thereafter	1,301,849	-	1,301,849
	<u>\$ 6,949,770</u>	<u>\$ 2,023,094</u>	<u>\$ 4,926,676</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

9 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ RETIREMENT PLAN (Continued)

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2017 using the following significant actuarial assumptions and other inputs:

Measurement date	September 30, 2018
Valuation date	October 1, 2017, Updated to 09/30/18
Asset valuation method	Market value
Expected long-term real rate of return on investments	4.61%
Inflation	2.89%
Discount rate	7.50% (2.89% is attributable to inflation) This rate was used to discount all future benefit payments
Salary increases:	8.00% for employees with less than one year of service, 7.00% for employees with one to two years of service, 6.00% for employees with two to three years of service, 5.50% for employees with three to four years of service, 5.00% per annum for employees with at least four years of service
Cost-of-living increase	3.00%
Mortality:	Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using scale BB.
Retirement:	15% are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during the two years after normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 45.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

10 – PUBLIC SAFETY OFFICERS’ AND FIREFIGHTERS’ SHARE PLAN

The Public Safety Officers’ and Firefighters’ Share Plan is single employer defined contribution pension plan. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant’s account, earnings on investments of these contributions, and forfeitures of other participants’ benefits that may be allocated to the participant’s account. As discussed in Note 9, premium taxes on certain insurance contracts written on properties located within the City are collected by the State and remitted to the Public Safety Officers’ and Firefighters’ Retirement Plan. Annual premium taxes in excess of \$330,796 are used to fund the Share Plan. The City and Plan members do not make contributions to the Share Plan. For the fiscal year ended September 30, 2018, premium taxes of \$58,239 were deposited into the Share Plan. The Share Plan does not issue a standalone financial report.

Plan benefits are allocated to participants based upon their service during the year and the level of funding received during the year. Participants are fully vested with at least six years of credited service in the Plan. All benefits are paid in a lump sum format where participants may also elect not to withdraw or to partially withdraw, his or her retirement funds.

For the fiscal year ended September 30, 2018, the City did not recognize any pension expense for the Share Plan and had no liability to the plan as of the fiscal year end.

11 – GENERAL EMPLOYEES’ RETIREMENT PLAN

The City of Greenacres General Employees’ Retirement Plan is a single employer defined contribution pension plan. Defined contribution plans have terms that specify how contributions to an individual’s account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant’s account, earnings on investments of these contributions, and forfeitures of other participants’ benefits that may be allocated to the participant’s account. Under the terms of the Plan agreement, all forfeitures are credited to the City. Because the City does not hold or administer funds for the Plan, the Plan does not meet the criteria for inclusion in the City’s financial statements as a fiduciary fund. The Plan does not issue a standalone financial report.

The City’s plan establishes two accounts, or plans; a 401(a) plan into which the City makes pension contributions on behalf of the employees, and a 457(b) (a deferred compensation plan) plan for the employees to make voluntary contributions to supplement their pensions. Vesting applies only to the 401(a) plan, as described below. Employee contributions to the 457(b) plan are completely owned by the employees.

The City is required to contribute 5% of annual covered payroll to the 401(a) plan. Plan members may make voluntary contributions to the 457(b) plan of amounts up to 100% of compensation, including bonuses and overtime, up to the maximum annual contribution allowed by law. If the City makes matching contributions, the amount of matching contributions in a plan year will be 100% of each member’s contributions up to 2.5% of the member’s compensation.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

11 – GENERAL EMPLOYEES’ RETIREMENT PLAN (Continued)

Vesting of the City’s contributions in the 401(a) plan commences after two years of certified service, with 20% vesting in year two and 20% each year thereafter until fully vested after six years. If an employee terminates before becoming fully vested, forfeited amounts will be used to reduce future City contributions. Certified service begins upon an eligible employee successfully completing six (6) months of service. Plan provisions and contribution requirements are established and may be amended by the City Council. The plan administrator is the Florida League of Cities.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$260,638 for the General Employees’ Retirement Plan and had no liability to the plan as of the fiscal year end. Forfeitures totaled \$12,153 for the fiscal year.

12 – DEFINED BENEFIT PENSION PLAN SUMMARY DATA

The following table provides a summary of significant information related to the City’s defined benefit pension plans for the year ended September 30, 2018. The information for the Florida Retirement System Pension Plan and the Florida Retirement System Health Insurance Subsidy Program are the City’s proportionate share of the items

Description	Florida Retirement System Pension Plan	Florida Retirement System HIS Program	Public Safety Officers' and Firefighters' Pension Plan	Total
Total pension liability	\$ 8,278,606	\$ 298,012	\$ 30,709,750	\$ 39,286,368
Plan fiduciary net position	6,975,244	6,405	34,832,245	41,813,894
Net pension liability (asset)	1,303,362	291,607	(4,122,495)	(2,527,526)
Deferred outflows of resources	568,754	40,709	6,949,770	7,559,233
Deferred inflows of resources	1,053,636	358,126	2,023,094	3,434,856
Pension expense (revenue)	(70,724)	(50,126)	862,505	741,655

13 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The plan allows its employees and their beneficiaries, at their own cost and until the age of 65, to continue to obtain health, dental and other insurance benefits upon retirement. After the age of 65, retirees and their beneficiaries may continue to health benefits only as supplemental insurance to Medicare. The benefits of the plan conform with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Contributions

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City’s actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree’s own payments for the year.

Plan Membership

The following table provides a summary of the participants in the plan as of October 1, 2016, the latest valuation date:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	
Active plan members	<u>102</u>
	<u>105</u>

Discount Rate

The City does not have a dedicated trust to pay retiree healthcare benefits. For plans that do not have assets held in a dedicated trust, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. As of the measurement date of September 30, 2017, the municipal bond rate was 3.50% based on the daily rate of Fidelity’s 20-Year Municipal General Obligation AA Index closest to but not later than the measurement date. The discount rate as of the beginning of the measurement year was 3.10%.

Total OPEB Liability

Description	Total OPEB Liability
Balance September 30, 2017	\$ 839,683
Changes due to:	
Service cost	105,045
Interest on the total OPEB liability	28,733
Change of assumptions and other inputs	(27,882)
Benefit payments	<u>(35,706)</u>
Total changes	<u>70,190</u>
Balance September 30, 2018	<u>\$ 909,873</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Valuation date	October 1, 2016
Measurement date	September 30, 2017
Actuarial cost method	Entry Age Normal
Inflation	2.50%
Discount rate	3.50% per annum
Salary increases	3.7% - 7.8% General Employees in FRS 5.0% General Employees in 401(a) Plan 5.0% - 8.0% Firefighters
Retirement age	General Employees in FRS: retirement rates used for Regular Class members in the July 1, 2016 actuarial valuation of the FRS for General Employees in the FRS. General Employees in 401(a) Plan: 100% at first eligibility. Firefighters: retirement rates based on the applicable pension valuation.
Mortality Tables	RP2000 Generational, Scale BB
Healthcare cost trend rates	7.00% for 2018, 6.75% in 2019 trending to ultimate rate of 4.73%
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Administrative expenses included in per capita health costs

Changes in Assumptions

The discount rate was changed from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2017. This change is reflected in the schedule of changes in total OPEB liability. There were no benefit changes during the year.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City calculated using the single discount rate of 3.50% as well as what the City's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate.

Discount Rate Sensitivity	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 981,195	\$ 909,873	\$ 843,892

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following table presents the total OPEB liability of the City calculated using the assumed trend rates (7.00% decreasing to 4.73%) as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the assumed trend rates.

Healthcare Trend Rate Sensitivity	1% Decrease	Current Healthcare Trend Rate Assumption	1% Increase
Total OPEB liability	\$ 793,649	\$ 909,873	\$ 1,049,148

Deferred Outflows of Resources, Deferred Inflows of Resources, and OPEB Expense

For the year ended September 03, 2018, the City recognized OPEB expense of \$130,990. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Change of assumptions	--	25,094
	<u>\$ --</u>	<u>\$ 25,094</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Deferred Outflows of Resources, Deferred Inflows of Resources, and OPEB Expense (Continued)

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Amortization
2019	\$ -	\$ 2,788	\$ (2,788)
2020	-	2,788	(2,788)
2021	-	2,788	(2,788)
2022	-	2,788	(2,788)
2023	-	2,788	(2,788)
Thereafter	-	11,154	(11,154)
	<u>\$ -</u>	<u>\$ 25,094</u>	<u>\$ (25,094)</u>

14 – 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. The City continues to purchase insurance through the Florida Municipal Insurance Trust, a non-assessable pool, and commercial sources to cover the various risks. Retention of risks is limited to excess of those that are insured, those risks that are uninsurable, and deductibles ranging from \$100 to \$500 per occurrence. As a member of the Florida Municipal Insurance Trust with the Florida League of Cities, the responsibility of the City is to pay those premiums charged by the non-assessable pool for property, liability and workers compensation coverages. The pool is responsible for paying all claims incurred by the City, less deductibles ranging from \$100 to \$500. The City may terminate the membership based on a 60 days notice to the pool. All pool policies are on an occurrence basis.

Major uninsurable risks include damage to infrastructure assets. Since the amount of loss cannot be reasonably estimated and the likelihood of occurrence is not determinable, no provision for losses is reflected in the financial statements. There have been no reductions in insurance coverage from the coverage in the prior year. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

Florida Statutes limit the City's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in federal courts.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

15 – OPERATING LEASES

Old City Hall

In December 2008, the City entered into a lease agreement with the Palm Beach County Health Department administered by the Florida Department of Management Services) to lease the old City Hall facility located at 5985 10th Avenue North. The term of the lease was for a 5-year period commencing on December 1, 2008, with an option to renew for an additional 5-year term. On December 1, 2013, the Health Department exercised its option to renew the lease. The Health Department has the right to terminate the lease without penalty in the event a State-owned building becomes available for occupancy, upon giving six months written notice to the City. Total lease payments received under the lease during the fiscal year ended September 30, 2018 were \$220,596. As of September 30, 2018, the cost of the land and building under the operating lease was \$1,240,164 and accumulated depreciation on the property was \$911,695.

Cellular Telephone Towers

The City has entered into lease agreements with four cellular telephone companies to lease land for cellular telephone towers. The terms of the leases were for 5-year periods. The rent was prepaid for all the leases and the unearned amounts are reported as deferred inflows of resources in the Reconstruction and Maintenance Capital Projects Fund and the Statement of Activities. For the year ended September 30, 2018, the City recognized revenue of \$222,525 pursuant to the leases. As of September 30, 2018, the City reported deferred inflows of resources in the amount of \$663,989 related to the leases. As of September 30, 2018, the cost of the land under the operating leases was \$5,378.

As of September 30, 2018, the future minimum rentals under the noncancelable leases are as follows:

Fiscal Year Ending September 30	Future Minimum Rentals
2019	\$ 220,526
2020	134,080
2021	134,080
2022	134,080
2023	41,223
	<u>\$ 663,989</u>

16 – CONTINGENT LIABILITIES

Grants

Grant monies received and disbursed by the City are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. The City does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material adverse effect on the financial position of the City

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

17 – INTERLOCAL AGREEMENT – PALM BEACH COUNTY SHERIFFS OFFICE

In August 2015, the City entered into an agreement with the Palm Beach County Sheriff's Office (PBSO) for the provision of law enforcement services to the City. The agreement is for a ten year term beginning February 1, 2016 and ending January 31, 2026. The City or the PBSO may terminate the agreement with or without cause upon written notice to the other party. Written notice shall be delivered by June 30, of any given year for termination to be effective on October 1, of that year.

Under the terms of the agreement, the City was required to pay the PBSO \$8,982,729 for services during the year beginning February 1, 2016 and ending January 31, 2017 plus the cost of any third-party agreements requested by the City related to the performance of the agreement, including additional crime scene analysis and audit functions as determined to be necessary and approved by the City. For future contract years, the PBSO shall provide to the City a proposed costing for renewal of law enforcement services no later than May 31st prior to each fiscal year through the term of the agreement. However, for contract years beginning in 2017, 2018, 2019, 2020, and 2021, the annual increase shall not exceed 7%. The parties shall meet on or about February 1, 2021, to negotiate a cap to any increase in contract price for contract years beginning 2022 and thereafter. For the fiscal year ended September 30, 2018, the City paid \$9,608,248 pursuant to the agreement. The contract amount for the fiscal year ending September 30, 2019 is \$9,964,364.

18 – INTERLOCAL AGREEMENT – CITY OF ATLANTIS FIRE PROTECTION AND EMS

In May 2012, the City of Greenacres (Greenacres) entered into an interlocal agreement with the City of Atlantis (Atlantis) for the provision of fire protection and emergency medical services to Atlantis. The agreement became effective on October 1, 2012 and is for a period of five years ending on September 30, 2017. Thereafter, the agreement shall automatically renew for an additional five year period, without further action by the parties, unless either party shall notify the other in writing on or before March 1st of any year prior to the final year of its intent not to renew. The agreement shall not be terminated by either party, at any time during its term or any renewal thereof, unless either party shall default on any of its material obligations and fail to cure the default in accordance with the agreement. The agreement may be terminated for good cause only in the event of breach of its terms or in the event of breach of its terms or in the event of the inability of Greenacres to provide the specified services.

In consideration of the services provided, Atlantis shall pay Greenacres an annual service fee in twelve equal monthly payments due on or before the first business day of each month. The annual service fee shall be adjusted annually effective October 1st of each succeeding year. The adjustment will be based on the percent change as reflected in the United States Department of Labor, Consumer Price Index (CPI) for All Urban Consumers, All Items, for the Miami-Fort Lauderdale area, from February of the prior year to February of the current year, or four percent, whichever is greater. For the year ended September 30, 2018, Greenacres received payments in the amount of \$869,904 pursuant to the agreement. The contract amount for the year ending September 30, 2019 is \$904,703.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2018

19 – COMMITMENTS

As of September 30, 2018, the City had the following significant contractual commitments:

Project	Contract Amount	Amount Completed	Balance to Complete
Building Improvements	\$ 214,384	\$ -	\$ 214,384
Drainage Improvements	393,703	179,646	214,057
Median Improvements	94,784	56,646	38,138
Sidewalk Improvements	180,700	144,711	35,989
	<u>\$ 883,571</u>	<u>\$ 381,003</u>	<u>\$ 502,568</u>

Significant encumbrances as of September 30, 2018 are as follows:

Major funds:

General Fund	\$ 13,978
Parks and Recreation Capital Projects Fund	19,507
Reconstruction and Maintenance Capital Projects Fund	342,076
Infrastructure Surtax Capital Projects Fund	753,448

Nonmajor Funds 135,000

20 – CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 1, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, during the current fiscal year. This Statement requires employers participating in a single employer defined other postemployment benefit plan (OPEB) to report the total OPEB liability and related OPEB amounts of the plan. The cumulative effect of applying this Statement has been reported as a restatement of the beginning net position of the Governmental Activities on the entity-wide financial statements. A reconciliation of the prior period ending net position to the current period beginning net position is as follows:

	<u>Governmental Activities</u>
Balance at September 30, 2017, as reported	\$ 44,571,804
Adjustment for adoption of GASB 75	<u>(602,901)</u>
Balance at September 30, 2017, as restated	<u>\$ 43,968,903</u>

REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MANAGEMENT'S
DISCUSSION AND ANALYSIS)

City of Greenacres, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 9,685,208	\$ 9,685,208	\$ 9,861,772	\$ 176,564
Delinquent	150,000	150,000	4,377	(145,623)
Total ad valorem taxes	<u>9,835,208</u>	<u>9,835,208</u>	<u>9,866,149</u>	<u>30,941</u>
Utility service taxes:				
Electric	2,400,000	2,400,000	2,369,353	(30,647)
Telecommunications	1,140,000	1,140,000	1,178,590	38,590
Water	517,000	517,000	539,918	22,918
Gas	58,500	58,500	60,953	2,453
Propane gas	33,500	33,500	33,831	331
Total public service taxes	<u>4,149,000</u>	<u>4,149,000</u>	<u>4,182,645</u>	<u>33,645</u>
Local option gas tax	308,000	308,000	299,042	(8,958)
Local business tax	286,465	286,465	305,731	19,266
Insurance premium tax	478,504	478,504	502,912	24,408
Total other taxes	<u>1,072,969</u>	<u>1,072,969</u>	<u>1,107,685</u>	<u>34,716</u>
Total taxes	<u>15,057,177</u>	<u>15,057,177</u>	<u>15,156,479</u>	<u>99,302</u>
Permits and franchise fees:				
Building permits	515,000	515,000	681,952	166,952
Electrical permits	2,500	2,500	2,320	(180)
Electric franchise fees	1,700,000	1,700,000	1,729,992	29,992
Gas franchise fees	36,000	36,000	34,512	(1,488)
Solid waste franchise fees	95,600	95,600	97,805	2,205
Planning and zoning fees	55,970	55,970	46,059	(9,911)
Other	31,750	31,750	35,246	3,496
Total permits and franchise fees	<u>2,436,820</u>	<u>2,436,820</u>	<u>2,627,886</u>	<u>191,066</u>
Intergovernmental revenues:				
State revenue sharing	1,610,000	1,610,000	1,643,699	33,699
Half-cent sales tax	3,100,000	3,100,000	3,179,290	79,290
County occupational license	111,800	111,800	107,808	(3,992)
Mobile home license	10,000	10,000	9,418	(582)
Alcoholic beverage license	5,000	5,000	4,112	(888)
Motor fuel tax rebate	10,000	10,000	5,132	(4,868)
Grants	-	-	52,894	52,894
Other	40,440	40,440	47,326	6,886
Total intergovernmental revenues	<u>4,887,240</u>	<u>4,887,240</u>	<u>5,049,679</u>	<u>162,439</u>

(Continued)

City of Greenacres, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2018

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,318,263	\$ 1,318,263	\$ 1,269,332	\$ (48,931)
Administrative fees	138,800	138,800	156,111	17,311
Sales of documents	400	400	2,027	1,627
Culture/recreation	92,155	92,155	86,477	(5,678)
Protective inspections	38,100	38,100	56,203	18,103
Ambulance transport	1,854,400	1,854,400	1,668,719	(185,681)
Other	141,034	141,034	189,433	48,399
Total charges for services	<u>3,583,152</u>	<u>3,583,152</u>	<u>3,428,302</u>	<u>(154,850)</u>
Fines and forfeitures:				
Judgments and fines	67,200	67,200	79,964	12,764
Violations of local ordinances	23,500	23,500	31,574	8,074
Other	100	100	240	140
Total fines and forfeitures	<u>90,800</u>	<u>90,800</u>	<u>111,778</u>	<u>20,978</u>
Investment:				
Bank	36,151	36,151	103,558	67,407
State Board of Administration	36,900	36,900	75,207	38,307
FMIvT	24,600	24,600	8,741	(15,859)
Tax collector interest	250	250	793	543
Other interest	50	50	102	52
Total investment	<u>97,951</u>	<u>97,951</u>	<u>188,401</u>	<u>90,450</u>
Contributions	9,900	9,900	10,058	158
Rental fees	376,596	376,596	343,500	(33,096)
Miscellaneous:				
Refunds - prior year	25,150	25,150	20,934	(4,216)
Sales of surplus materials	85,000	85,000	35,885	(49,115)
Other	3,100	3,100	9,723	6,623
Insurance proceeds	5,000	5,000	68,427	63,427
Total miscellaneous	<u>118,250</u>	<u>118,250</u>	<u>134,969</u>	<u>16,719</u>
Total Revenues	<u>\$ 26,657,886</u>	<u>\$ 26,657,886</u>	<u>\$ 27,051,052</u>	<u>\$ 393,166</u>

(Continued)

City of Greenacres, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2018

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
General government:				
Administrative:				
City Manager	\$ 338,205	\$ 338,205	\$ 330,983	\$ 7,222
Mayor and City Council	201,680	201,680	178,441	23,239
Legal counsel	143,294	143,294	132,092	11,202
Human resources	346,964	348,464	295,248	53,216
City Clerk	250,590	250,590	278,686	(28,096)
Total administration	<u>1,280,733</u>	<u>1,282,233</u>	<u>1,215,450</u>	<u>66,783</u>
Finance:				
Administration	349,696	357,496	342,000	15,496
Financial operations	527,494	527,494	520,471	7,023
Purchasing	165,909	165,909	164,404	1,505
Information technology	497,104	497,104	499,942	(2,838)
Total finance	<u>1,540,203</u>	<u>1,548,003</u>	<u>1,526,817</u>	<u>21,186</u>
Planning and development	580,751	525,848	490,237	35,611
Risk management	322,924	322,924	352,404	(29,480)
Contingency	100,000	100,000	-	100,000
Other	-	-	-	--
Total general government	<u>3,824,611</u>	<u>3,779,008</u>	<u>3,584,908</u>	<u>194,100</u>
Public safety:				
EMS	6,621,653	6,751,653	6,749,103	2,550
Protective inspections	1,031,610	1,031,610	977,446	54,164
Other Public Safety	10,115,388	10,115,388	10,137,810	(22,422)
Total public safety	<u>17,768,651</u>	<u>17,898,651</u>	<u>17,864,359</u>	<u>34,292</u>
Transportation:				
Public works administration	283,753	283,753	281,933	1,820
Streets and grounds maintenance	913,621	886,711	899,352	(12,641)
Vehicle maintenance	441,874	401,874	401,490	384
Total transportation	<u>1,639,248</u>	<u>1,572,338</u>	<u>1,582,775</u>	<u>(10,437)</u>
Culture/recreation:				
Administration	724,622	711,062	689,323	21,739
Parks and grounds maintenance	258,747	258,812	244,675	14,137
Community center	627,060	582,456	537,838	44,618
Total culture/recreation	<u>1,610,429</u>	<u>1,552,330</u>	<u>1,471,836</u>	<u>80,494</u>

(Continued)

City of Greenacres, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2018

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued)				
Physical environment:				
Building services	\$ 584,208	\$ 593,007	\$ 597,000	\$ (3,993)
Solid waste collection and disposal	1,236,000	1,236,000	1,305,709	(69,709)
Insured Claims and Judgments	11,000	12,340	25,050	(12,710)
Total physical environment	<u>1,831,208</u>	<u>1,841,347</u>	<u>1,927,759</u>	<u>(86,412)</u>
Capital outlay (all departments and functions)	<u>35,450</u>	<u>53,085</u>	<u>107,448</u>	<u>(54,363)</u>
Total expenditures	<u>26,709,597</u>	<u>26,696,759</u>	<u>26,539,085</u>	<u>157,674</u>
Excess of revenues over expenditures	(51,711)	(38,873)	511,967	550,840
Other financing sources (uses)				
Transfers out	<u>(20,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>--</u>
Total financing sources (uses)	<u>(20,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (71,711)</u>	<u>\$ (148,873)</u>	401,967	<u>\$ 550,840</u>
Fund balance - beginning			<u>10,910,243</u>	
Fund balances - ending			<u>\$ 11,312,210</u>	

City of Greenacres, Florida
Notes to the Budgetary Comparison Schedule
September 30, 2018

1 – BUDGETARY ACCOUNTING

The City annually adopts an operating budget for all funds. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are as follows:

- ✓ Approximately July 1st, the City Manager submits to the City Council a proposed operating budget prepared for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
- ✓ Public hearings are conducted to obtain taxpayer comments.
- ✓ The City advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.
- ✓ Prior to October 1st, the budget is legally enacted through passage of an ordinance.
- ✓ Appropriations are legally controlled at the departmental level and expenditures may not legally exceed budgeted appropriations at that level. Management is authorized to transfer budgeted line items within departments. Changes or amendments to the budget that alter departmental totals must be approved by the City Council. Accordingly, the legal level of budgetary control is at the departmental level.
- ✓ Formal budgetary integration is employed within the accounting system as a management control device.
- ✓ Budgets are adopted on a basis consistent with generally accepted accounting principles.
- ✓ The preceding schedule is presented at the functional level and not the departmental level.

2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

- ✓ There were no departments that had an excess of expenditures over appropriations.

City of Greenacres, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years

Fiscal Year Ended September 30	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability As a Percent of Covered Payroll	Plan Fiduciary Net Position As a Percent of the Total Pension Liability
2014	0.012731933%	\$ 776,835	\$ 2,201,732	35.28%	96.09%
2015	0.012544334%	\$ 1,620,269	\$ 2,217,133	73.08%	92.00%
2016	0.010146742%	\$ 2,562,060	\$ 1,765,147	145.15%	84.88%
2017	0.004686988%	\$ 1,386,380	\$ 971,737	142.67%	83.89%
2018	0.004327158%	\$ 1,303,362	\$ 899,872	144.84%	84.26%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report. The discount rate used to determine the total pension liability decreased from 7.65% in 2015 to 7.60% in 2016 to 7.10% in 2017 to 7.00% in 2018.

City of Greenacres, Florida
Required Supplementary Information
Schedule of Employer Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years

<u>Fiscal Year Ended September 30</u>	<u>Contractually Required Contribution</u>	<u>Contributions In Relation to the Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>City's Covered Payroll</u>	<u>City's Contributions As a Percent of Covered Payroll</u>
2014	\$ 355,344	\$ 355,344	\$ -	\$ 2,202,887	16.13%
2015	\$ 307,534	\$ 307,534	\$ -	\$ 2,196,018	14.00%
2016	\$ 195,653	\$ 195,653	\$ -	\$ 1,443,936	13.55%
2017	\$ 119,408	\$ 119,408	\$ -	\$ 920,060	12.98%
2018	\$ 129,205	\$ 129,205	\$ -	\$ 920,060	14.04%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available.

City of Greenacres, Florida
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System Health Insurance Subsidy Program
Last Ten Fiscal Years

Fiscal Year Ended September 30	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability As a Percent of Covered Payroll	Plan Fiduciary Net Position As a Percent of the Total Pension Liability
2014	0.007410398%	\$ 692,890	\$ 2,201,732	31.47%	0.99%
2015	0.007308038%	\$ 745,305	\$ 2,217,133	33.62%	0.50%
2016	0.005717888%	\$ 666,396	\$ 1,765,147	37.75%	0.97%
2017	0.003048622%	\$ 325,973	\$ 971,737	33.55%	1.64%
2018	0.002755141%	\$ 291,607	\$ 899,872	32.41%	2.15%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year are as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report. The discount rate used to determine the total pension liability decreased from 4.29% in 2014 to 3.80% in 2015 to 2.85% in 2016 increased to 3.58% in 2017 and increased to 3.87% in 2018.

City of Greenacres, Florida
Required Supplementary Information
Schedule of Employer Contributions
Florida Retirement System Health Insurance Subsidy Program
Last Ten Fiscal Years

<u>Fiscal Year Ended September 30</u>	<u>Contractually Required Contribution</u>	<u>Contributions In Relation to the Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>City's Covered Payroll</u>	<u>City's Contributions As a Percent of Covered Payroll</u>
2014	\$ 26,751	\$ 26,751	\$ -	\$ 2,202,887	1.21%
2015	\$ 29,957	\$ 29,957	\$ -	\$ 2,196,018	1.36%
2016	\$ 23,970	\$ 23,970	\$ -	\$ 1,443,936	1.66%
2017	\$ 15,273	\$ 15,273	\$ -	\$ 920,060	1.66%
2018	\$ 15,275	\$ 15,275	\$ -	\$ 920,154	1.66%

This schedule is intended to present data for 10 years. For years prior to 2014 data are unavailable. Additional years will be presented as they become available.

City of Greenacres, Florida
Required Supplementary Information
Police Officers' and Firefighters' Retirement Plan
Schedule of Changes in the City's Net Pension Liability and Related Ratios
For the Fiscal Year Ended September 30, 2018

	2014	2015	2016	2017	2018
Total Pension Liability					
Service cost	\$ 271,224	\$ 273,495	\$ 453,480	\$ 439,369	\$ 505,694
Interest	1,146,049	1,252,652	1,272,511	1,802,712	2,043,869
Differences between expected and actual experience	--	428,660	2,115,830	(660,793)	1,480,272
Changes of assumptions	--	--	3,393,480	1,701,589	--
Benefit payments, including refunds of member contributions	<u>(128,259)</u>	<u>(85,892)</u>	<u>(145,394)</u>	<u>(114,916)</u>	<u>(187,194)</u>
Net Change in Total Pension Liability	1,289,014	1,868,915	7,089,907	3,167,961	3,842,641
Total Pension Liability - Beginning	<u>13,451,312</u>	<u>14,740,326</u>	<u>16,609,241</u>	<u>23,699,148</u>	<u>26,867,109</u>
Total Pension Liability - Ending (a)	<u>\$ 14,740,326</u>	<u>\$16,609,241</u>	<u>\$23,699,148</u>	<u>\$26,867,109</u>	<u>\$30,709,750</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,228,034	\$ 1,255,163	\$ 1,176,173	\$ 1,739,887	\$ 1,993,050
Contributions - member	201,235	241,030	222,551	211,101	242,075
Net Investment income	1,518,010	27,888	1,897,153	3,782,115	2,752,435
Benefit payments, including refunds of member contributions	(47,292)	(85,892)	(145,394)	(114,916)	(187,194)
Administrative expense	<u>(62,873)</u>	<u>(65,029)</u>	<u>(79,380)</u>	<u>(79,114)</u>	<u>(97,126)</u>
Net Change in Plan Fiduciary Net Position	2,837,114	1,373,160	3,071,103	5,539,073	4,703,240
Plan Fiduciary Net Position - Beginning	<u>17,308,555</u>	<u>20,145,669</u>	<u>21,518,829</u>	<u>24,589,932</u>	<u>30,129,005</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,145,669</u>	<u>\$21,518,829</u>	<u>\$24,589,932</u>	<u>\$30,129,005</u>	<u>\$34,832,245</u>
City's Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (5,405,343)</u>	<u>\$ (4,909,588)</u>	<u>\$ (890,784)</u>	<u>\$ (3,261,896)</u>	<u>\$ (4,122,495)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	136.67%	129.56%	103.76%	112.14%	113.42%
Covered Payroll	\$ 4,941,623	\$ 5,151,899	\$ 5,861,721	\$ 4,974,567	\$ 5,445,421
City's Net Pension Liability as a Percentage of Covered Payroll	-109.38%	-95.30%	-15.20%	-65.57%	-75.71%

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available. The discount rate used to determine the total pension liability decreased from 8.39% in 2015 to 7.50% in 2016. In 2017, the mortality basis changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Blue Collar Mortality Table as required by State law.

City of Greenacres, Florida
 Required Supplementary Information
 Police Officers' and Firefighters' Retirement Plan
 Schedule of Employer Contributions
 For the Fiscal Year Ended September 30, 2018

Fiscal Year Ended September 30	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Contributions Recognized By the Plan As a Percent of Covered Payroll
2007	\$ 472,239	\$ 472,239	\$ -	\$ 2,693,049	17.54%
2008	\$ 340,654	\$ 340,654	\$ -	\$ 3,419,643	9.96%
2009	\$ 341,569	\$ 341,569	\$ -	\$ 4,304,995	7.93%
2010	\$ 1,241,500	\$ 1,241,500	\$ -	\$ 4,892,163	25.38%
2011	\$ 1,495,197	\$ 1,495,197	\$ -	\$ 4,753,155	31.46%
2012	\$ 1,387,859	\$ 1,387,859	\$ -	\$ 4,865,229	28.53%
2013	\$ 1,417,815	\$ 1,417,815	\$ -	\$ 5,018,761	28.25%
2014	\$ 1,228,034	\$ 1,228,034	\$ -	\$ 4,941,623	24.85%
2015	\$ 1,255,163	\$ 1,255,163	\$ -	\$ 5,151,899	24.36%
2016	\$ 1,097,735	\$ 1,176,173	\$ 78,438	\$ 5,861,721	20.07%
2017	\$ 1,429,865	\$ 1,739,887	\$ 310,022	\$ 4,974,567	34.98%
2018	\$ 1,716,848	\$ 1,993,050	\$ 276,202	\$ 5,445,421	36.60%

City of Greenacres, Florida
Required Supplementary Information
Police Officers' and Firefighter's Retirement Plan
Schedule of Investment Returns
For the Fiscal Year Ended September 30, 2018

Fiscal Year Ended September 30	Money Weighted Rate of Investment Return
2014	8.54%
2015	2.63%
2016	8.71%
2017	14.90%
2018	8.84%

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

City of Greenacres, Florida
Notes to the Schedule of Contributions
Police Officers' and Firefighters' Retirement Plan
For the Fiscal Year Ended September 30, 2018

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The contributions for the fiscal year ended September 30, 2018, were determined by the actuarial valuation as of October 1, 2016.

Actuarial valuation date:	October 1, 2016
Actuarial cost method:	Aggregate cost method
Amortization method	Level percentage, open
Asset valuation method:	Market value
Discount rate:	7.25%
Salary increases:	8.00% for employees with less than one year of service, 7.00% for employees with one to two years of service, 6.00% for employees with two to three years of service, 5.50% for employees with three to four years of service, 5.00% per annum for employees with at least four years of service.
Cost-of-living increases:	3.00%
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB.
Retirement:	15% are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during the two years after normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 45.
Other decrements:	Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and ten years of service, termination rates range from 4.28% for males and 5.41 % for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55.
Non-investment expenses:	Liabilities have been loaded by 1.00% to account for non-investment expenses.
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	Since the completion of the previous valuation, the mortality basis has been changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Blue Collar Mortality Table as required by State law.

City of Greenacres, Florida
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability
For the Fiscal Year Ended September 30, 2018

	2018
Total OPEB Liability	
Interest on total OPEB liability	\$ 105,045
Changes of assumptions and other inputs	28,733
Benefit payments	(27,882)
	(35,706)
Net Change in Total OPEB Liability	70,190
Total OPEB Liability - Beginning	839,683
Total OPEB Liability - Ending	\$ 909,873

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

**City of Greenacres, Florida
New Growth Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Rental income	\$ --	\$ --	\$ --	\$ --
Impact fees	72,179	72,179	99,417	27,238
Intergovernmental	50,000	50,000	15,564	(34,436)
Investment	15,630	15,630	9,615	(6,015)
Total Revenues	137,809	137,809	124,596	(13,213)
Expenditures:				
Capital outlay	250,000	492,657	85,022	407,635
Excess (Deficiency) of Revenues over Expenditures	(112,191)	(354,848)	39,574	394,422
Other Financing Sources (Uses)				
Transfers out	(500,000)	(500,000)	(500,000)	--
Total Other Financing Sources (Uses)	(500,000)	(500,000)	(500,000)	--
Net Change in Fund Balance	<u>\$ (612,191)</u>	<u>\$ (854,848)</u>	(460,426)	<u>\$ 394,422</u>
Fund Balance - Beginning			<u>2,012,150</u>	
Fund Balance - Ending			<u>\$ 1,551,724</u>	

**City of Greenacres, Florida
Parks and Recreation Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Rental income	\$ --	\$ --	\$ --	\$ --
Impact Fees	-	-	-	-
Intergovernmental Investment	18,785	18,785	9,623	(9,162)
Total Revenues:	18,785	18,785	9,623	(9,162)
Expenditures:				
Capital outlay	312,000	425,247	341,493	83,754
Excess (Deficiency) of Revenues over Expenditures	(293,215)	(406,462)	(331,870)	74,592
Net Change in Fund Balance	\$ (293,215)	\$ (406,462)	(331,870)	\$ 74,592
Fund Balance - Beginning			<u>2,118,857</u>	
Fund Balance - Ending			<u>\$ 1,786,987</u>	

City of Greenacres, Florida
Reconstruction and Maintenance Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option gas tax	\$ 142,000	\$ 142,000	\$ 138,407	\$ (3,593)
Intergovernmental	95,143	95,143	126,664	31,521
Investment	17,400	17,400	20,081	2,681
Rent	205,991	205,991	222,525	16,534
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	460,534	460,534	507,677	47,143
Expenditures:				
Capital outlay	943,096	1,619,959	892,967	726,992
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues over Expenditures	(482,562)	(1,159,425)	(385,290)	774,135
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	500,000	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	500,000	500,000	500,000	-
Net Change in Fund Balance	<u>\$ 17,438</u>	<u>\$ (659,425)</u>	114,710	<u>\$ 774,135</u>
Fund Balance - Beginning			<u>2,107,947</u>	
Fund Balance - Ending			<u>\$ 2,222,657</u>	

**City of Greenacres, Florida
Infrastructure Surtax Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Infrastructure surtax	\$ 2,511,504	\$ 2,511,504	\$ 2,823,027	\$ 311,523
Intergovernmental	126,019	126,019	-	(126,019)
Investment	10,800	10,800	15,745	4,945
Total Revenues	2,648,323	2,648,323	2,838,772	190,449
Expenditures:				
Capital outlay	2,804,119	4,047,177	1,792,177	2,255,000
Excess (Deficiency) of Revenues over Expenditures	(155,796)	(1,398,854)	1,046,595	2,445,449
Net Change in Fund Balance	<u>\$ (155,796)</u>	<u>\$ (1,398,854)</u>	1,046,595	<u>\$ 2,445,449</u>
Fund Balance - Beginning			<u>1,506,083</u>	
Fund Balance - Ending			<u>\$ 2,552,678</u>	

City of Greenacres, Florida
Combining Balance Sheet - Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Cash	\$ --	\$ --	\$ --	\$ 1,280
Investments	313,160	30,228	2,038	--
Grants receivable	--	--	--	26,965
Prepaid items	--	--	--	2,188
Total Assets	\$ 313,160	\$ 30,228	\$ 2,038	\$ 30,433
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,255	\$ --	\$ --	\$ 9,999
Accrued payroll and related taxes	--	--	--	16,595
Unearned revenue	--	--	--	1,180
Total Liabilities	3,255	--	--	27,774
Fund Balances:				
Nonspendable:				
Prepaid items	--	--	--	2,188
Restricted for:				
Public Safety Forfeitures	309,905	--	--	--
Arborous Activities	--	30,228	--	--
Public Safety Donations	--	--	2,038	--
Assigned to:				
Youth Programs	--	--	--	471
Debt Service	--	--	--	--
Total Fund Balances	309,905	30,228	2,038	2,659
Total Liabilities and Fund Balances	\$ 313,160	\$ 30,228	\$ 2,038	\$ 30,433

Debt	
Service Fund	
Municipal Complex	Total Nonmajor Governmental Funds
\$ --	\$ 1,280
170,624	516,050
--	26,965
--	2,188
<u>\$ 170,624</u>	<u>\$ 546,483</u>

\$ --	\$ 13,254
--	16,595
--	1,180
<u>--</u>	<u>31,029</u>

--	2,188
--	309,905
--	30,228
--	2,038
--	471
<u>170,624</u>	<u>170,624</u>
<u>170,624</u>	<u>515,454</u>
<u>\$ 170,624</u>	<u>\$ 546,483</u>

City of Greenacres
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2018

	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 325,845
Charges for services	--	--	--	132,846
Fines and forfeitures	--	--	--	--
Impact fees	--	8,750	--	--
Investment	5,412	547	34	35
Contributions	--	--	325	--
Miscellaneous	--	--	--	74
Total Revenues	5,412	9,297	359	458,800
Expenditures:				
Current:				
Culture/recreation	--	--	--	581,980
Capital outlay	7,968	6,300	520	1,958
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	7,968	6,300	520	583,938
Excess (Deficiency) of Revenues Over Expenditures	(2,556)	2,997	(161)	(125,138)
Other Financing Sources				
Transfers in	--	--	--	110,000
Net Change in Fund Balances	(2,556)	2,997	(161)	(15,138)
Fund Balances - Beginning of Year	312,461	27,231	2,199	17,797
Fund Balances - End of Year	\$ 309,905	\$ 30,228	\$ 2,038	\$ 2,659

<u>Debt</u>	
<u>Service Fund</u>	
Municipal	Total
Complex	Nonmajor
	Governmental
	Funds
\$ -	\$ 325,845
--	132,846
--	--
--	8,750
6,805	12,833
--	325
--	74
<u>6,805</u>	<u>480,673</u>
--	581,980
--	16,746
308,014	308,014
95,179	95,179
<u>403,193</u>	<u>1,001,919</u>
(396,388)	(521,246)
--	110,000
(396,388)	(411,246)
567,012	926,700
<u>\$ 170,624</u>	<u>\$ 515,454</u>

**City of Greenacres, Florida
Arboreous Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 239	\$ 239	\$ 547	\$ 308
Impact Fees	8,250	8,250	8,750	500
Total Revenues	8,489	8,489	9,297	808
Expenditures:				
Capital outlay	7,000	7,000	6,300	700
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,489</u>	<u>\$ 1,489</u>	2,997	<u>\$ 1,508</u>
Fund Balance - Beginning			<u>27,231</u>	
Fund Balance - Ending			<u>\$ 30,228</u>	

City of Greenacres, Florida
Public Safety Donation Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 20	\$ 20	\$ 34	\$ 14
Contributions	500	500	325	(175)
Total Revenues	520	520	359	(161)
Expenditures:				
Capital outlay	2,000	2,000	520	1,480
Total Expenditures	2,000	2,000	520	1,480
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,480)	\$ (1,480)	(161)	\$ 1,319
Fund Balance - Beginning			2,199	
Fund Balance - Ending			\$ 2,038	

**City of Greenacres, Florida
Youth Programs Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 325,931	\$ 402,931	\$ 325,845	\$ (77,086)
Charges for services	166,645	167,476	132,846	(34,630)
Investment	450	450	35	(415)
Contributions	88,210	11,210	-	(11,210)
Miscellaneous	1,306	475	74	(401)
	<u>582,542</u>	<u>582,542</u>	<u>458,800</u>	<u>(123,742)</u>
Total Revenues				
Expenditures:				
Current:				
Culture/recreation	622,725	622,725	581,980	40,745
Capital outlay	-	-	1,958	(1,958)
	<u>622,725</u>	<u>622,725</u>	<u>583,938</u>	<u>38,787</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,183)</u>	<u>(40,183)</u>	<u>(125,138)</u>	<u>(84,955)</u>
Other Financing Sources				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>110,000</u>	<u>(90,000)</u>
Net Change in Fund Balance	<u>\$ (20,183)</u>	<u>\$ (20,183)</u>	<u>(15,138)</u>	<u>\$ (84,955)</u>
Fund Balance - Beginning			<u>17,797</u>	
Fund Balance - Ending			<u>\$ 2,659</u>	

**City of Greenacres, Florida
Municipal Complex Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended September 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment	\$ 6,876	\$ 6,876	\$ 6,805	\$ (71)
Expenditures:				
Debt service:				
Principal	308,014	308,014	308,014	--
Interest	95,246	95,246	95,179	67
Total Expenditures	<u>403,260</u>	<u>403,260</u>	<u>403,193</u>	<u>67</u>
Excess (Deficiency) of Revenues Over Expenditures	(396,384)	(396,384)	(396,388)	(4)
Other Financing Sources				
Transfers in	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ (396,384)</u>	<u>\$ (396,384)</u>	(396,388)	<u>\$ (4)</u>
Fund Balance - Beginning			<u>567,012</u>	
Fund Balance - Ending			<u>\$ 170,624</u>	

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Schedule</u>	<u>Contents</u>	<u>Page</u>
Financial Trends		
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:</i>		
1	Net Position by Component.....	97
2	Changes in Net Position.....	98-99
3	Fund Balances, Governmental Funds.....	100-10
4	Changes in Fund Balances, Governmental Funds.....	102-10
Revenue Capacity		
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>		
5	Assessed Value and Actual Value of Taxable Property.....	104
6	Direct and Overlapping Property Tax Rates.....	105
7	Principal Property Tax Payers.....	106
8	Property Tax Levies and Collections.....	107
Debt Capacity		
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i>		
9	Ratios of Outstanding Debt by Type.....	108
10	Ratios of General Bonded Debt Outstanding.....	109
11	Direct and Overlapping Governmental Activities Debt.....	110
12	Legal Debt Margin Information.....	111
13	Pledged-Revenue Coverage.....	112
Demographic and Economic Information		
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>		
14	Demographic and Economic Information.....	113
15	Principal Employers.....	114
Operating Information		
<i>These schedules contain service and infrastructure data to help understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>		
16	Full-Time Equivalent City Government Employees by Function/Program.....	115
17	Operating Indicators by Function/Program.....	116
18	Capital Asset Statistics by Function/Program.....	117

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Greenacres, Florida
Schedule 1
Net Position by Component
(Accrual basis of accounting)
(unaudited)

Primary Government - Governmental Activities

Fiscal Year Ended 9/30	Net investment in Capital Assets	Restricted	Unrestricted	Total primary government net position
2009	17,233,772	14,723,706	8,694,111	\$ 40,651,589
2010	16,929,001	15,096,565	8,228,901	\$ 40,254,467
2011	17,498,471	9,587,502	12,237,270	\$ 39,323,243
2012	18,037,019	9,289,721	11,575,778	\$ 38,902,518
2013	18,198,964	8,352,052	12,018,766	\$ 38,569,782
2014	18,887,900	7,462,758	12,917,115	\$ 39,267,773
2015	17,926,183	6,617,924	18,095,306	\$ 42,639,413
2016	19,860,042	5,012,992	17,430,112	\$ 42,303,146
2017	20,828,171	3,603,787	20,139,846	\$ 44,571,804
2018	22,015,260	7,970,630	16,666,569	\$ 46,652,459

Note: The City has no business-type activities.

City of Greenacres, Florida
Schedule 2
Changes in Net Position
(Accrual basis of accounting)
(unaudited)

Fiscal Year Ended 9/30	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 3,840,349	\$ 3,218,734	\$ 3,511,862	\$ 3,402,829
Public Safety	12,114,776	12,904,781	13,066,982	13,214,396
Transportation	1,493,901	1,394,629	1,551,714	1,621,765
Culture/recreation	2,265,944	2,015,847	1,907,445	1,949,248
Physical environment	1,828,938	2,515,438	1,903,296	1,920,583
Interest on long term investments	205,276	190,778	175,683	160,789
Total primary government expenses	21,749,184	22,240,207	22,116,982	22,269,610
Program Revenues				
Governmental activities:				
Charges for Services:				
Public Safety	1,967,450	2,131,909	2,045,308	2,313,376
Physical Environment	1,072,221	1,174,844	1,392,609	1,312,514
Other	760,751	755,299	752,348	766,877
Total Charges for Services	3,800,422	4,062,052	4,190,265	4,392,767
Operating Grants and Contributions	869,294	779,381	807,869	868,438
Capital Grants and Contributions	757,843	872,896	596,307	604,487
Total primary government program revenues	5,427,559	5,714,329	5,594,441	5,865,692
Net (Expense)/Revenue				
Governmental activities	(16,321,625)	(16,525,878)	(16,522,541)	(16,403,918)
Total primary government net expense	(16,321,625)	(16,525,878)	(16,522,541)	(16,403,918)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	8,579,942	7,353,777	6,677,646	6,457,109
Utility service taxes	3,833,724	3,891,792	3,724,801	3,820,784
Infrastructure surtax*	-	-	-	-
Franchise fees based on gross receipts	1,919,486	1,765,242	1,726,134	1,672,266
Intergovernmental shared revenues - unrestricted	2,950,325	2,955,630	3,101,479	3,622,263
Investment earnings	576,386	637,828	311,684	279,305
Miscellaneous revenues	123,406	73,383	49,573	131,466
Gain on disposal of capital assets	-	-	-	-
Total general revenues	17,983,269	16,677,652	15,591,317	15,983,193
Special Items				
Donation of infrastructure	-	-	-	-
Total special items	-	-	-	-
Change in Net Position				
Governmental activities	1,661,644	151,774	(931,224)	(420,725)
Total primary government	\$ 1,661,644	\$ 151,774	\$ (931,224)	\$ (420,725)

Note: Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

The City has no business type activities.

* Infrastructure tax was approved by referendum in 2016.

	2013	2014	2015	2016	2017	2018
\$	3,525,732	\$ 3,553,289	\$ 3,681,586	\$ 4,139,771	\$ 3,696,061	\$ 3,991,739
	13,278,168	12,941,095	12,626,261	15,683,842	16,405,181	17,128,664
	1,478,368	1,569,082	1,582,486	1,541,912	1,613,741	1,689,389
	1,843,248	1,869,520	2,100,850	2,244,474	2,632,499	2,831,276
	2,713,871	2,074,593	2,239,455	2,564,247	2,413,834	2,521,088
	150,900	140,578	129,895	118,853	107,219	95,144
	<u>22,990,287</u>	<u>22,148,157</u>	<u>22,360,533</u>	<u>26,293,099</u>	<u>26,868,535</u>	<u>28,257,300</u>
	2,389,614	2,437,433	2,531,497	3,002,840	3,058,853	2,900,144
	1,551,473	1,387,773	1,777,915	1,604,800	1,765,299	1,518,667
	795,711	816,235	935,378	910,328	848,788	989,156
	<u>4,736,798</u>	<u>4,641,441</u>	<u>5,244,790</u>	<u>5,517,968</u>	<u>5,672,940</u>	<u>5,407,967</u>
	834,528	901,749	884,112	865,029	834,409	945,840
	1,208,371	835,863	1,171,033	706,263	739,518	562,606
	<u>6,779,697</u>	<u>6,379,053</u>	<u>7,299,935</u>	<u>7,089,260</u>	<u>7,246,867</u>	<u>6,916,413</u>
	(16,210,590)	(15,769,104)	(15,060,598)	(19,203,839)	(19,621,668)	(21,340,887)
	<u>(16,210,590)</u>	<u>(15,769,104)</u>	<u>(15,060,598)</u>	<u>(19,203,839)</u>	<u>(19,621,668)</u>	<u>(21,340,887)</u>
	6,210,647	6,201,214	6,652,247	8,272,819	8,999,275	9,866,149
	3,901,169	3,991,265	4,005,809	4,003,013	4,068,823	4,182,645
	-	-	-	-	1,943,133	2,823,027
	1,655,466	1,796,500	1,827,188	1,808,816	1,885,113	1,862,309
	3,918,371	4,239,490	4,547,615	4,692,065	4,795,980	4,944,327
	41,552	49,228	133,512	161,863	79,464	218,212
	150,649	189,398	178,609	130,516	118,538	116,003
	-	-	-	47,903	-	11,771
	<u>15,877,854</u>	<u>16,467,095</u>	<u>17,344,980</u>	<u>19,116,995</u>	<u>21,890,326</u>	<u>24,024,443</u>
	-	-	(1,605,131)	(249,422)	-	-
	<u>-</u>	<u>-</u>	<u>(1,605,131)</u>	<u>(249,422)</u>	<u>-</u>	<u>-</u>
	(332,736)	697,991	679,251	(336,266)	2,268,658	2,683,556
\$	<u>(332,736)</u>	<u>\$ 697,991</u>	<u>\$ 679,251</u>	<u>\$ (336,266)</u>	<u>\$ 2,268,658</u>	<u>\$ 2,683,556</u>

City of Greenacres, Florida
Schedule 3
Fund Balances, Governmental Funds
(Modified accrual basis of accounting)
(unaudited)

Fiscal Year Ended 9/30	2009	2010	2011 ⁽¹⁾⁽²⁾	2012 ⁽²⁾
General Fund				
Reserved	\$ 162,384	\$ 104,783	\$ -	\$ -
Unreserved	10,171,263	10,789,322	-	-
Non-spendable	-	-	209,467	215,447
Committed	-	-	4,700,999	4,852,526
Assigned	-	-	896,551	762,216
Unassigned	-	-	5,319,033	6,007,644
Total general fund	\$ 10,333,647	\$ 10,894,105	\$ 11,126,050	\$ 11,837,833
All Other Governmental Funds				
Reserved	\$ 502,157	\$ 745,074	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	55,824	85,476	-	-
Capital projects funds	14,119,363	14,054,383	-	-
Debt service funds	-	212,609	-	-
Non-spendable				
Restricted	-	-	9,587,502	9,289,721
Assigned	-	-	3,810,670	2,577,879
Total all other governmental funds	\$ 14,677,344	\$ 15,097,542	\$ 13,398,172	\$ 11,867,600
Total fund balances, all funds	\$ 25,010,991	\$ 25,991,647	\$ 24,524,222	\$ 23,705,433

Note: (1) The City implemented Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting* for the fiscal year ended September 30, 2011

(2) *General Fund Committed and Assigned fund Balances were restated to reflect the adoption of the City's new Fund Balance Policy creating a new classification of Budget Stabilization Reserve replacing Economic Conditions Mitigation Reserve.*

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
215,682	460,507	395,891	1,034,146	217,802	1,055,869
4,787,220	4,769,993	1,000,000	2,000,000	2,000,000	2,000,000
823,418	805,505	4,293,148	1,844,962	498,564	417,096
6,262,209	7,427,155	8,530,048	6,916,469	8,193,877	7,839,245
<u>\$ 12,088,529</u>	<u>\$ 13,463,160</u>	<u>\$ 14,219,087</u>	<u>\$ 11,795,577</u>	<u>\$ 10,910,243</u>	<u>\$ 11,312,210</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
269,605	695	762	862	1,110	444,225
8,352,052	7,462,758	6,074,994	3,567,933	3,365,849	3,848,135
2,060,104	1,907,665	2,709,940	4,016,514	5,304,778	4,337,140
<u>\$ 10,681,761</u>	<u>\$ 9,371,118</u>	<u>\$ 8,785,696</u>	<u>\$ 7,585,309</u>	<u>\$ 8,671,737</u>	<u>\$ 8,629,500</u>
<u>\$ 22,770,290</u>	<u>\$ 22,834,278</u>	<u>\$ 23,004,783</u>	<u>\$ 19,380,886</u>	<u>\$ 19,581,980</u>	<u>\$ 19,941,710</u>

City of Greenacres, Florida
Schedule 4
Changes in Fund Balances, Governmental Funds
(Modified accrual basis of accounting)
(unaudited)

Fiscal Year Ended 9/30	2009	2010	2011	2012
Revenues				
Taxes	\$ 13,464,277	\$ 12,226,438	\$ 11,373,974	\$ 11,317,684
Permits and franchise fees	2,242,004	2,147,878	2,001,829	2,033,887
Intergovernmental	3,822,336	3,915,818	3,796,221	4,322,929
Charges for services	2,761,054	2,908,790	3,003,893	3,084,290
Fines and forfeitures	176,004	133,536	187,387	200,257
Impact fees	8,010	3,483	11,068	37,921
Interest	425,773	788,441	311,683	279,301
Special assessments	5,036	-	-	-
Contributions	22,256	55,271	14,781	25,785
Rental income	394,906	448,633	447,748	465,007
Miscellaneous revenues	126,132	110,535	87,174	128,621
Total revenues	23,447,788	22,738,823	21,235,758	21,895,682
Expenditures				
General government	3,305,411	3,000,157	3,063,567	3,138,043
Public Safety	11,537,761	12,321,451	12,466,351	12,441,179
Transportation	1,364,193	1,355,927	1,417,778	1,453,990
Culture/Recreation	1,631,503	1,471,233	1,313,639	1,370,331
Physical environment	1,671,044	2,029,715	1,642,876	1,688,818
Capital outlay	1,870,518	1,277,907	2,182,774	2,218,891
Debt service				
Principal	410,557	425,011	439,987	242,403
Interest	205,756	191,256	176,211	160,816
Total expenditures	21,996,743	22,072,657	22,703,183	22,714,471
Excess of revenues over (under) expenditures	1,451,045	666,166	(1,467,425)	(818,789)
Other Financing Sources (Uses)				
Transfers in	3,110,000	1,240,000	443,897	410,000
Transfers out	(3,110,000)	(1,240,000)	(443,897)	(410,000)
Total other financing sources (uses)	-	-	-	-
Special Item - disposal of police department	-	-	-	-
Net Change in fund balances	1,451,045	666,166	(1,467,425)	(818,789)
Fund balances - beginning, as restated	23,729,946	25,325,481	25,991,647	24,524,222
Fund balance - ending	\$ 25,180,991	\$ 25,991,647	\$ 24,524,222	\$ 23,705,433
Debt services (principal & interest) as a percentage of non-capital expenditures	2.98%	2.85%	2.88%	1.90%

	2013	2014	2015	2016	2017	2018
\$	11,188,626	\$ 11,319,062	\$ 11,805,795	\$ 13,421,388	\$ 16,205,819	\$ 18,117,913
	2,041,415	2,280,110	2,316,146	2,710,914	2,720,616	2,627,886
	5,127,073	5,104,497	5,672,011	5,179,941	5,310,832	5,517,752
	2,926,104	3,195,729	3,265,337	3,542,288	3,614,726	3,561,148
	167,664	172,010	216,334	109,790	126,688	111,778
	244,211	55,835	355,642	215,443	291,477	108,167
	41,552	49,228	182,246	258,008	105,563	256,298
	-	-	-	-	-	-
	34,996	93,798	44,785	26,362	25,612	10,383
	495,430	530,553	599,848	539,734	507,844	566,025
	140,597	85,161	119,994	172,672	102,308	135,043
	<u>22,407,668</u>	<u>22,885,983</u>	<u>24,578,138</u>	<u>26,176,540</u>	<u>29,011,485</u>	<u>31,012,393</u>
	3,145,262	3,235,568	3,389,229	3,823,737	3,336,982	3,584,908
	12,702,323	12,277,486	13,254,521	15,506,170	17,007,595	17,864,359
	1,449,676	1,469,380	1,489,646	1,433,172	1,505,029	1,582,775
	1,372,083	1,349,738	1,503,044	1,733,112	1,868,310	2,053,816
	1,723,865	1,743,688	1,824,867	1,895,157	2,001,145	1,927,759
	2,546,397	2,342,976	2,543,156	4,972,137	2,688,119	3,235,853
	252,277	262,552	273,246	284,376	295,959	308,014
	150,928	140,607	129,924	118,884	107,252	95,179
	<u>23,342,811</u>	<u>22,821,995</u>	<u>24,407,633</u>	<u>29,766,745</u>	<u>28,810,391</u>	<u>30,652,663</u>
	(935,143)	63,988	170,505	(3,590,205)	201,094	359,730
	410,000	460,000	630,000	5,293,381	1,430,000	610,000
	(410,000)	(460,000)	(630,000)	(5,293,381)	(1,430,000)	(610,000)
	-	-	-	-	-	-
	-	-	-	(33,692)	-	-
	(935,143)	63,988	170,505	(3,623,897)	201,094	359,730
	<u>23,705,433</u>	<u>22,770,290</u>	<u>22,834,278</u>	<u>23,004,783</u>	<u>19,380,886</u>	<u>19,581,980</u>
\$	<u>22,770,290</u>	<u>22,834,278</u>	<u>23,004,783</u>	<u>19,380,886</u>	<u>19,581,980</u>	<u>19,941,710</u>
	1.83%	1.91%	1.78%	1.56%	1.50%	1.40%

City of Greenacres, Florida
Schedule 5
Assessed Value and Actual Value of Taxable Property
(unaudited)

<u>Fiscal Year</u> <u>Ended 9/30</u>	<u>Residential</u> <u>Property</u>	<u>Non-Residential</u> <u>Real Property⁽¹⁾</u>	<u>Tangible</u> <u>Personal</u> <u>Property⁽¹⁾</u>	<u>Total Taxable</u> <u>Assessed</u> <u>Value</u>	<u>Total</u> <u>Direct</u> <u>Tax Rate</u>	<u>Total Actual</u> <u>Just Value</u>
2009	1,481,706,200	350,975,743	62,260,433	1,894,942,376	4.7022	2,860,897,300
2010	1,082,373,957	323,608,586	66,624,212	1,472,606,755	5.1500	2,179,226,120
2011	876,108,913	278,247,734	67,842,583	1,222,199,230	5.6500	1,800,408,426
2012	852,805,455	271,318,182	68,318,358	1,192,441,995	5.6500	1,753,479,955
2013	803,700,888	268,021,137	64,977,847	1,136,699,872	5.6500	1,656,239,281
2014	838,576,548	276,300,334	66,368,209	1,181,245,091	5.4284	1,723,537,715
2015	915,991,830	287,094,042	71,187,641	1,274,273,513	5.4284	1,942,793,644
2016	1,017,765,761	303,954,292	78,305,014	1,400,025,067	6.0854	2,272,475,532
2017	1,118,743,876	324,714,910	80,468,039	1,523,926,825	6.0854	2,496,673,000
2018	1,245,747,620	364,528,329	70,301,083	1,680,577,032	6.4000	2,770,652,835

Note: (1) Non-Residential Real Property includes Industrial, Institutional, and Agricultural property.

Source: Palm Beach County Property Appraiser's Office Schedules DR-403 V and Usecode-F (DRPC_AUTH)

City of Greenacres, Florida
Schedule 6
Direct and Overlapping Property Tax Rates
(unaudited)

Fiscal Year Ended 9/30	Greenacres			Overlapping Rates ⁽¹⁾				
	General Fund	Debt Service	Total City of Greenacres	Palm Beach County			Special Taxing Districts	Total
				BOCC ⁽²⁾⁽³⁾	Library System ⁽²⁾	School Board		
2009	4.7022	0.0000	4.7022	3.9656	0.5400	7.2510	2.2569	18.7157
2010	5.1500	0.0000	5.1500	4.5614	0.5518	7.9830	2.4934	20.7396
2011	5.6500	0.0000	5.6500	4.9960	0.6069	8.1540	2.5549	21.9618
2012	5.6500	0.0000	5.6500	4.9925	0.6081	8.1800	2.3433	21.7739
2013	5.6500	0.0000	5.6500	4.9902	0.6066	7.7780	2.3154	21.3402
2014	5.4284	0.0000	5.4284	4.9852	0.6065	7.5860	2.2280	20.8341
2015	5.4284	0.0000	5.4284	4.9729	0.6024	7.5940	2.1732	20.7709
2016	6.0854	0.0000	6.0854	4.9277	0.5985	7.5120	2.0974	21.2210
2017	6.0854	0.0000	6.0854	4.9142	0.5933	7.0700	1.9453	20.6082
2018	6.4000	0.0000	6.4000	4.8980	0.5901	6.5720	1.6920	20.1521

Note: (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Greenacres. Not all overlapping rates apply to all Greenacres property owners. For instance, the rates for special districts apply only to Greenacres properties located within the geographic boundaries of the district.

(2) Combined operating plus debt service millage

(3) Board of County Commissioners

Source: Palm Beach County Property Appraiser's office.

City of Greenacres, Florida
Schedule 7
Principal Property Tax Payers
(unaudited)

Current Year and Nine Years Ago

Taxpayers	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Okeeheelee Apt. Partners/UDR Okeeheelee LLC	\$ 83,817,442	1	4.56%	\$ 59,849,349	1	4.06%
Florida Power & Light ¹	42,892,076	2	2.34%			
Keystone WPB Holding Corp. (Island Shores Apts.)	36,458,603	3	1.99%	28,361,578	3	1.93%
MSKP River Bridge LLC (River Bridge Plaza)	34,716,419	4	1.89%	39,538,869	2	2.68%
JHB Florida Properties, LLC (Waterway Village)	26,341,863	5	1.43%			
TT of Jennings, Inc.	20,059,259	6	1.09%			
Gator Green Acres (Greenacres Plaza)	17,006,178	7	0.93%	13,181,218	7	0.90%
Pickwick Mobile Home Park	15,431,604	8	0.84%	10,433,541	10	0.71%
Colonial Mobile Home Park Ltd Partnership	15,017,666	9	0.82%			
LIMOCH 19800 West Dixie LLC	13,043,977	10	0.71%			
Batmasian, James H				20,239,068	4	1.37%
JBH Limited Co., Ltd				20,008,485	5	1.36%
SCM Realty, Inc./Steve Moore Chevrolet				13,273,522	6	0.90%
Dayton Hudson Corp				11,820,469	8	0.80%
PRI II Military Crossing LLC				11,000,000	9	0.75%
Trafalgar at Greenacres						
Total	\$ 304,785,087		16.60%	\$ 227,706,099		15.46%

Total Taxable Assessed Value \$ 1,836,258,149 \$ 1,472,606,755

Note: (1) FPL pays taxes on real property (land parcel for sub-station at 4101 S Military Trail) and tangible personal property (lines, poles, transformers, etc.) in the City.

Source: Top Ten Taxpayers Report provided by Palm Beach County Property Appraiser's Office.

City of Greenacres, Florida
Schedule 8
Property Tax Levies and Collections
(unaudited)

Fiscal Year Ended 9/30	Taxes Levied for the Fiscal Year	Collections in the Year of Levy	Percentage of Levy	Collections in Subsequent Years ⁽¹⁾	Total Collections To Date	Percentage of Levy
2009	\$ 8,910,398	\$ 8,040,008	90.2%	\$ 539,934	\$ 8,579,942	96.3%
2010	\$ 7,583,925	\$ 6,998,795	92.3%	\$ 354,982	\$ 7,353,777	97.0%
2011	\$ 6,905,426	\$ 6,439,683	93.3%	\$ 237,963	\$ 6,677,646	96.7%
2012	\$ 6,737,297	\$ 6,258,439	92.9%	\$ 198,670	\$ 6,457,109	95.8%
2013	\$ 6,422,354	\$ 5,991,612	93.3%	\$ 219,035	\$ 6,210,647	96.7%
2014	\$ 6,412,271	\$ 6,013,462	93.8%	\$ 187,752	\$ 6,201,214	96.7%
2015	\$ 6,917,266	\$ 6,509,862	94.1%	\$ 142,385	\$ 6,652,247	96.2%
2016	\$ 8,519,713	\$ 8,025,341	94.2%	\$ 247,478	\$ 8,272,818	97.1%
2017	\$ 9,273,704	\$ 8,751,853	94.4%	\$ 247,422	\$ 8,999,275	97.0%
2018	\$ 10,226,983	\$ 9,861,772	96.4%	\$ 4,377	\$ 9,866,149	96.5%
Totals	\$ 77,909,337	\$ 72,890,826	93.6%	\$ 2,379,998	\$ 75,270,824	96.6%

Note (1) Collections in subsequent years are not tracked specifically for the year levied; amounts shown are all delinquent taxes received during that fiscal year. Totals are shown on the bottom row to give a better representation of collections, including delinquent taxes, over time.

City of Greenacres, Florida
Schedule 9
Ratios of Outstanding Debt by Type
(unaudited)

Fiscal Year Ended 9/30	Bank Notes	Total Debt	Percentage Personal Income ⁽¹⁾	Per Capita
2009	4,914,006	4,914,006	0.71%	151.81
2010	4,488,995	4,488,995	0.64%	139.12
2011	4,256,079	4,256,079	0.55%	112.38
2012	3,806,605	3,806,605	0.54%	99.97
2013	3,554,328	3,554,328	0.53%	93.11
2014	3,291,777	3,291,777	0.43%	85.30
2015	3,018,529	3,018,529	0.40%	77.51
2016	2,734,153	2,734,153	0.35%	69.99
2017	2,438,194	2,438,194	0.28%	61.31
2018	2,130,180	2,130,180	n/a	53.84

Note: *The City has no business-type activities.*
The City has no General Obligation Bonds or Revenue Bonds

Source: *(1) Calculated as Total Debt / (Population x Per Capita Income); see also Schedule 14 Demographic and Economic Information*

n/a = not available

City of Greenacres, Florida
Schedule 10
Ratios of General Bonded Debt Outstanding
(unaudited)

Fiscal Year Ended 9/30	Population(1)	Taxable Value(2)	General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2009	32,370	1,894,942,376	-	0.00%	-
2010	32,267	1,472,606,755	-	0.00%	-
2011	37,873	1,222,199,230	-	0.00%	-
2012	38,079	1,192,441,995	-	0.00%	-
2013	38,172	1,136,699,872	-	0.00%	-
2014	38,590	1,181,245,091	-	0.00%	-
2015	38,943	1,274,273,513	-	0.00%	-
2016	39,066	1,400,025,067	-	0.00%	-
2017	39,770	1,523,926,825	-	0.00%	-
2018	39,568	1,680,577,032	-	0.00%	-

Source: (1) Bureau of Economic & Business Research (BEBR).
(2) Palm Beach County Property Appraiser's Office.

City of Greenacres, Florida
Schedule 11
Direct and Overlapping Governmental Activities Debt
(unaudited)

As of September 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Overlapping			
Palm Beach School District	\$ 9,853	0.95%	\$ 94
Palm Beach County	82,850,000	0.95%	789,561
<hr/>			
Subtotal, overlapping debt	82,859,853		789,654
<hr/>			
City direct debt	2,130,180	100.00%	2,130,180
<hr/>			
Total direct and overlapping debt	\$ 84,990,033		\$ 2,919,834

Note: (1) Estimated percentage applicable is based on city's proportional total assessed property values as a percentage of the county total. Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Greenacres. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Palm Beach County School District.

City of Greenacres, Florida
Schedule 12
Legal Debt Margin Information
(unaudited)

The City of Greenacres has no legal debt margin.

City of Greenacres, Florida
Schedule 13
Pledged-Revenue Coverage
(unaudited)

Fiscal Year Ended 9/30	Public Improvement Note 2004A ⁽¹⁾					Coverage
	Non Ad Valorem Revenues	Debt Service			Total	
		Principal	Interest	Total		
2009	12,561,840	215,042	188,229	403,271	3.21%	
2010	15,385,046	223,800	179,460	403,260	2.62%	
2011	13,429,121	232,916	170,344	403,260	3.00%	
2012	14,348,379	242,403	160,857	403,260	2.81%	
2013	14,445,614	252,277	150,928	403,205	2.79%	
2014	15,312,947	262,552	140,607	403,159	2.63%	
2015	15,757,432	273,246	129,924	403,170	2.56%	
2016	17,551,336	284,376	118,883	403,259	2.30%	
2017	16,751,390	295,959	107,252	403,211	2.41%	
2018	17,105,972	308,014	95,178	403,192	2.36%	

Note: (1) Issued Public Improvement Note 2004A at the end of 2004, with first debt service payments due in fiscal 2005. Financed the municipal complex, including a new city hall and public works facilities

City of Greenacres, Florida
Schedule 14
Demographic and Economic Information
(unaudited)

Fiscal Year	Population ⁽¹⁾	Median Age ⁽²⁾	Per Capita Income ⁽²⁾	Median Home Sale Price ⁽³⁾	School Enrollment ⁽⁴⁾	Civilian Labor Force ⁽⁵⁾	Unemployment Rate ⁽⁵⁾
2009	32,370	36.4	22,486	103,263	9,726	15,524	8.6%
2010	32,267	36.6	22,591	92,034	10,168	16,617	9.9%
2011	37,873	36.9	21,959	67,756	10,378	17,279	9.5%
2012	38,079	36.3	20,369	72,841	10,601	17,677	8.0%
2013	38,172	36.2	19,170	77,686	11,006	17,982	6.6%
2014	38,590	35.8	19,732	95,965	11,196	18,370	5.4%
2015	38,943	36.1	19,552	107,186	11,614	21,622	4.1%
2016	39,066	35.5	20,025	128,730	11,593	21,095	3.9%
2017	39,770	36.7	22,020	150,300	11,907	21,867	4.3%
2018	39,568	n/a	n/a	170,000	11,907	21,824	3.4%

Source: (1) Bureau of Economic & Business Research (BEBR).
(2) U.S. Census Bureau, American Community Survey 5-Year Estimates
* 3-Year Estimates
(3) Zillow.com
(4) Palm Beach County School District. 11th Day Enrollment Count
(5) U.S. Bureau of Labor Statistics, Bureau of Labor Statistics.

n/a = not available

City of Greenacres, Florida
Schedule 15
Principal Employers County Wide
(unaudited)

One Year Ago and Nine Years Ago

2018			2009		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
School Board	21,200	3.11%	School Board	21,718	3.87%
Palm Beach County**	11,210	1.65%	Palm Beach County**	11,319	2.02%
Tenet Healthcare Corp.	6,136	0.90%	Tenet Healthcare Corp.	4,500	0.80%
NextEra Energy Inc	4,021	0.52%	FP & L (Headquarters)	3,632	0.61%
HCA (Hospital Corp. of America)	3,550	0.59%	HCA (Hospital Corp. of America)	3,395	0.65%
Boca Raton Regional Hospital	2,800	0.41%	Wackenhut Corp.	3,000	0.54%
Florida Atlantic University	2,761	0.41%	Florida Atlantic University	2,838	0.51%
Veteran's Health Administration	2,468	0.36%	Veterans Health Administration	2,207	0.39%
Bethesda Health, Inc.	2,200	0.32%	Office Depot	2,100	0.37%
Office Depot, Inc. (Hdqtrs)	2,034	0.30%	Boca Raton Community Hospital	2,100	0.37%
Total	58,380	8.57%	Total	56,809	10.13%

Source: Business Development Board of Palm Beach County

City of Greenacres, Florida

Schedule 16

Full-Time Equivalent City Government Employees by Function/Program

(unaudited)

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013	2014	2015	2016	2017**	2018
<u>Function/Program</u>										
Administration	11	10.5	10.5	10.5	11	11	11	11	11	12
Finance	14	14	14	14	13	13	13	13	13	14
Planning & Engineering	7	6	6	5.5	6	6	6	6	4	6
Public Works	23	20	21	21	21	21	21	22	21	25
Public Safety/Fire Rescue*	113	109	109.5	109.5	109.5	110.5	115.5	47	51.5	57
Leisure Services ⁽¹⁾	16.5	14.5	13	13	13	13.5	15.5	16.5	21	26.5
Building	10	9.5	9.5	9.5	10	10	10	10	11	13
Total	194.5	183.5	183.5	183.0	183.5	185.0	192.0	125.5	132.5	153.5

Note: (1) Some personnel associated with Youth Programs are in fund 105

** Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016*

***FY17 - FTE derived from average of actual payroll for March and September's pay day registers to reflect any vacancies*

Source: Budget City of Greenacres - Budget Overview-Personnel Summary.

City of Greenacres, Florida
Schedule 17
Operating Indicators by Function/Program
(unaudited)

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
General Government										
Population	32,370	32,267	37,873	38,079	38,172	38,590	38,943	39,066	39,770	39,568
Number of residential units	17,035	17,075	17,092	17,104	17,123	17,140	17,175	17,194	17,296	17,340
Number of solid waste accounts billed	6,796	6,670	6,847	6,869	6,889	6,927	6,940	6,958	7,019	7074
Public Safety										
Total calls for responded service ^{(1) (5)}	28,326	27,014	25,044	18,217	19,214	20,389	19,424	6,386	N/A	N/A
Number of arrests by police officers ⁽⁵⁾	3,252	1,571	2,042	1,840	1,874	1,501	1,487	484	N/A	N/A
Number of traffic citations issued ⁽⁵⁾	10,577	6,819	6,952	6,984	5,747	4,415	3,253	913	N/A	N/A
EMS average response times (minutes)	5.4 ⁽²⁾	5.4	6.2	6.0	5.6	6.2	5.6	5.7	5.76	6.04
Number of EMS calls (incl. in total calls)	4,800	4,911	4,802	5,407	5,262	5,533	5,272	5,561	6,174	6347
Number of code enforcement inspections	2,770	3,446	2,670	2,517	2,126	1,616	1,429	1,587	1,601	1,043
Transportation										
Number of paved miles maintained	22.56	23.00	23.00	23.00	23.24	23.37	23.37	23.37	23.37	22.9
Number of vehicle repair orders completed	1,261	1,290	1,258	1,264	1,161	1,285	1,185	909	834	838
Number of city vehicles maintained	101	100	100	99	99	100	101	100	49	52
Physical Environment										
Total park acreage maintained	82	82	82	134 ⁽³⁾	134	134	134	134	134	135.62
Average cost per acre to mow	2,066	1,753	1,852	1,822	1,688	n/a	n/a	n/a	n/a	n/a
Average cost per acre to maintain ⁽⁴⁾	-	-	-	-	-	3,403	3,909	4,515	4,521	5,514
Cultural & Recreation										
Number of community events presented	7	6	8	8	6	5	7	10	15	15
Number of registrants in athletic programs	771	270	767	752	631	890	698	534	616	371
Number of participants in after-school programs	170	150	124	135	144	156	168	295	343	377

Note: ⁽¹⁾ Starting in 2012, Law enforcement only
⁽²⁾ EMS Response Times reflect fractional times as required by LOS Guidelines.
⁽³⁾ Total adjusted to include lakes, landscaped, vegetative and asphalt area.
⁽⁴⁾ Average cost per acre to mow is now average cost per acre to maintain and includes additional costs.
⁽⁵⁾ Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016 (numbers reflect City Public Safety only until that time)

City of Greenacres, Florida
Schedule 18
Capital Asset Statistics by Function/Program
(unaudited)

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
General Government										
Office Buildings	9	9	9	9	9	9	9	9	9	9
Public Safety										
Public Safety Stations	2	2	2	2	2	2	2	2	2	2
Public Safety Sub-Stations						1	1	1	1	1
Police Patrol Vehicles ⁽⁵⁾	34	34	34	34	36	36	36	0	0	0
Fire Trucks	4	4	4	4	4	4	4	4	4	4
EMS Units (Ambulances)	4	4	4	4	4	4	4	4	4	4
Transportation										
Street lane (miles)	44.54	49.52	49.52	49.52	45.80	45.80	45.80	45.80	45.80	45.80
Traffic Signs	1,091	1,091	1,084	1,195	1,193	1,184	1,184	1,187	1,225	1,243
Stormwater Structures ⁽¹⁾	452	633	633	639	639	632	632	632	645	645
Physical Environment										
Baseball/Softball Fields	7	7	7	7	7	6	6	6	6	4
Soccer Fields	4	4	4	4	4	4	4	4	4	6
Cultural & Recreation										
Playgrounds	14	14	14	14	14	14	13	13	13	13
Community Centers	1	1	1	1	1	1	1	1	1	1
Parks	13	13	13	13	13	13	13	13	13	14

Note: ⁽¹⁾ Inlets, Outfalls, Control Structures and Manholes

⁽⁵⁾ Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPCA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCHIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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

The Honorable Mayor and Members of the City Commission
City of Greenacres, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Greenacres, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Greenacres, Florida's basic financial statements and have issued our report thereon dated March 21, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 21, 2019



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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

To the Honorable Mayor and Member of the City Council
City of Greenacres, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Greenacres, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 21, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 21, 2019, should be considered in conjunction with this Management Letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information was disclosed in Note 1 to the financial statements. There were no component units included in the City of Greenacres, Florida's financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Greenacres, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Greenacres, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Greenacres, Florida. It is management's responsibility to monitor the City of Greenacres, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Single Audits

The City of Greenacres, Florida expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2018, and was not required to have a federal single audit or a state single audit.

Purpose of this Letter

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

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 21, 2019



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

**INDEPENDENT ACCOUNTANT’S REPORT
ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES**

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

The Honorable Mayor and Members of the City Commission
City of Greenacres, Florida

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

We have examined the City of Greenacres, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management of the City of Greenacres, Florida is responsible for the City of Greenacres, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the City of Greenacres, Florida’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Greenacres, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Greenacres, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of Greenacres, Florida’s compliance with the specified requirements.

In our opinion, the City of Greenacres, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, applicable management, and the City Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Miner, P.A.

West Palm Beach, Florida
March 21, 2019