



CITY OF GREENACRES

2019 Comprehensive Annual Financial Report

FISCAL YEAR ENDING SEPTEMBER 30, 2019



Comprehensive Annual Financial Report
of the
City of Greenacres, Florida
For The Fiscal Year Ended
September 30, 2019

Prepared by Department of Finance
Teri Beiriger, Acting Director of Finance

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INTRODUCTORY SECTION



City of Greenacres

Department of Finance
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Joel Flores
Mayor

Andrea McCue
City Manager

April 16, 2020

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, 2019 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, 2019 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 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 four-year staggered terms. The Mayor is also elected to serve a four-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 2019, 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 (as of 2018) are the two largest local employers, with over 21,466 and 5,952 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 139,000 employees; 2) Professional, scientific, management, administrative, and waste management services at over 99,000; and 3) Retail trade at approximately 89,000.

FY2019 final property values increased by .9.4% from the FY2018 final values. Ad valorem tax revenue increased by \$1.4 million 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.

There are many unknowns as it relates to the City's future outlook of revenues from intergovernmental sources as the COVID-19 pandemic is expected to potentially impact various aspects of municipal operations for an undetermined amount of time. The City's primary intergovernmental revenue sources in FY2019 including the half-cent sales tax and State Revenue Sharing showed an increase of \$191,800 and permits and fees which include franchise fees and new construction related building permit fees remained steady. The City also received \$2.7 million in FY2019 from the one-penny sales surtax. Surtax funds have been used to provide for projects that will improve the quality of life for the City's residents and businesses. The surtax is projected to provide this City with \$2.3 million per year for a total of \$23 million of a ten-year period that began in FY2017. 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 2019, 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 ten (10) year old rescue truck using surtax dollars; Development of concept and architectural design for the construction of a full-scale Emergency Operations Center at Fire Rescue Station 94 Headquarters; Replacement of sixty (60) NXG2 Air Bottles that reached their life expectancy; and the purchase of two (2) license plate readers and a speed laser device 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.

The Original Section Drainage Improvement project continued with capacity improvements to outfall connections on either side of the L-11 Canal. Roadway resurfacing and refurbishing of asphalt markings and stripes was completed at Biscayne Drive from Fleming Avenue to Haverhill Road, Cambridge, Carver, Clinton, First, Second and Fourth Streets.

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 2019, the City replaced the play structure/shade structure to include the installation of a rubberized play surface at Freedom Park and Burrowing Owl 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 two (2) basketball courts at Bowman Park and replacement of the flooring and installation of bleachers at the Community Center gymnasium.

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 FY2020, \$18.7 million is allocated for public safety programs and activities to provide for physical safety and property protection in the City. This includes the replacement of a medic rescue truck and installation or upgrading security cameras at various City facilities
- **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, 2018. 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-seven consecutive years (fiscal years 1991-2018).

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, 2018. 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, 2017. The City has received the Distinguished Budget Presentation award for the last twenty-six years (fiscal years 1994-2018). 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.



Teri Lea Beiriger
Acting Finance Director



Andrea McCue
City Manager



PRINCIPAL OFFICIALS
As of September 30, 2019

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

Quintella Moorer
City Clerk

James McInnis
Director of Finance

Suzanne Skidmore
Director of Human Resources

Carlos Cedeño
Director of Public Works

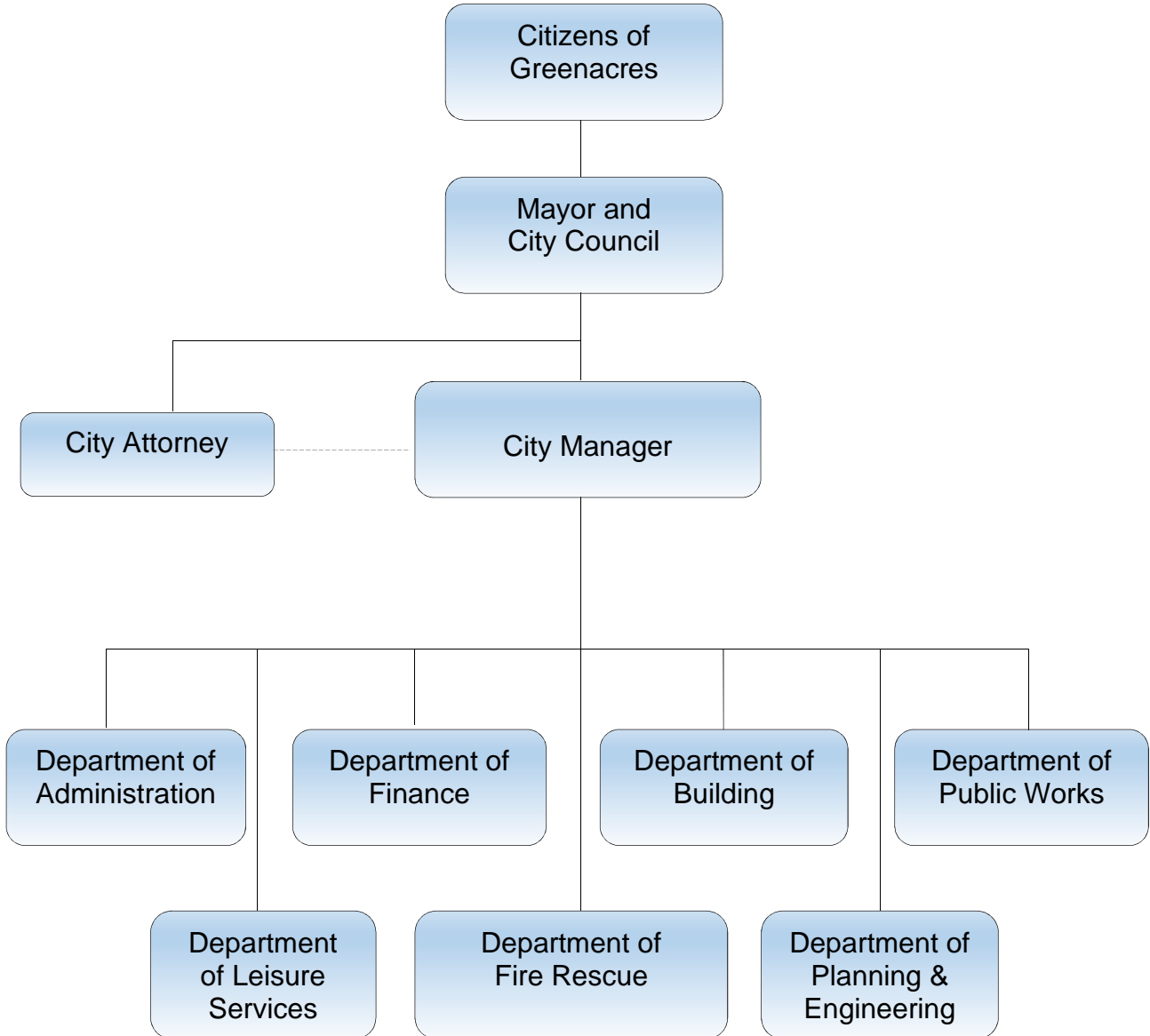
Mark Pure
Fire Chief

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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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NORTHBRIDGE CENTRE
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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
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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, 2019, 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, 2019, 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.

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 13, the budgetary comparison information on pages 68 through 72, the pension schedules on pages 73 through 81, and the other postemployment benefits schedule on page 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2020 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 & Miner, P.A.

West Palm Beach, Florida
April 16, 2020

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, 2019. 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 14), and notes to the financial statements (pages 22-67).

FINANCIAL HIGHLIGHTS

- At the end of fiscal year 2019, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$49.8 million (*net position*). Of this amount, \$17.8 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 \$3.1 million in 2019, primarily because increases in property taxes (\$1.4 million) and the infrastructure surtax (\$98 thousand) outpaced across-the-board increases in expenses.
- Combined governmental fund balances increased \$1.2 million in 2019, from \$19.9 million to \$21.2 million. Approximately 44.3% of this amount, or \$9.3 million, is available for spending at the City's discretion (unassigned fund balance).
- At the close of the 2019 fiscal year, the General Fund balance (the total of *non-spendable, committed, assigned, and unassigned* components of *fund balance*) was \$11.9 million, with \$2.5 million, or 27% 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 and budgetary comparison schedules on pages 87-94 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 22-67 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 schedule 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 68-82 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 2018 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 \$49.8 million at the close of the most recent fiscal year.

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

	<u>2019</u>	<u>2018</u>	<u>Increase / (Decrease)</u>
Current and other assets	\$ 27,424	\$ 26,698	2.7%
Capital assets, net	<u>25,473</u>	<u>24,145</u>	5.5%
Total assets	<u>52,897</u>	<u>50,843</u>	4.0%
Deferred Outflows of Resources	8,919	7,559	18.0%
Current liabilities	3,937	2,891	36.2%
Long-term liabilities	<u>5,109</u>	<u>5,121</u>	0.2%
Total liabilities	<u>9,046</u>	<u>8,012</u>	12.9%
Deferred Inflows of Resources	<u>2,955</u>	<u>3,738</u>	(20.9%)
Net position:			
Net investment in capital assets	23,455	22,015	6.5%
Restricted	8,559	7,970	7.4%
Unrestricted	<u>17,801</u>	<u>16,667</u>	(6.8%)
Total net position	<u>\$ 49,815</u>	<u>\$ 46,652</u>	6.8%

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 47.1% 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, \$8.5 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 \$17.8 million, or 35.7% 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:

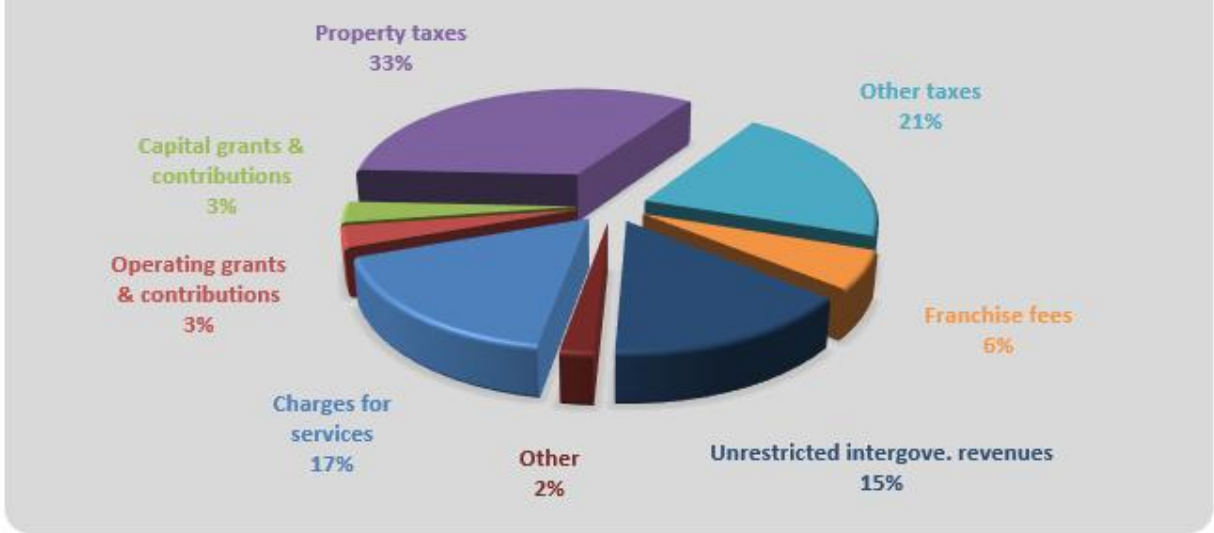
**City of Greenacres, Florida
Summary of Changes in Net Position (in thousands)**

	<u>2019</u>	<u>2018</u>	<u>Increase / (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,668	\$ 5,408	(4.8%)
Operating grants and contributions	1,059	946	11.9%
Capital grants and contributions	1,044	563	(85.4%)
General revenues:			
Property taxes	11,310	9,866	14.6%
Other taxes	7,079	7,005	1.1%
Other	7,627	7,153	6.6%
Total revenues	<u>33,787</u>	<u>30,941</u>	9.2%
Expenses:			
General government	4,429	3,992	10.9%
Public safety	19,009	17,129	11.0%
Transportation	1,894	1,689	12.1%
Culture and recreation	2,974	2,831	5.1%
Physical environment	2,235	2,521	11.3%
Interest and other fiscal charges	83	95	(12.6%)
Total expenses	<u>30,624</u>	<u>28,257</u>	8.4%
Change in net position before special item	3,163	2,684	17.8%
Special item*	-	-	n/a
Change in net position	3,163	2,684	
Net position beginning of year, as restated	46,652	43,968	6.1%
Ending net position	<u>\$ 49,815</u>	<u>\$ 46,652</u>	6.8%

In 2019, net position increased by \$3.1 million. Key elements include:

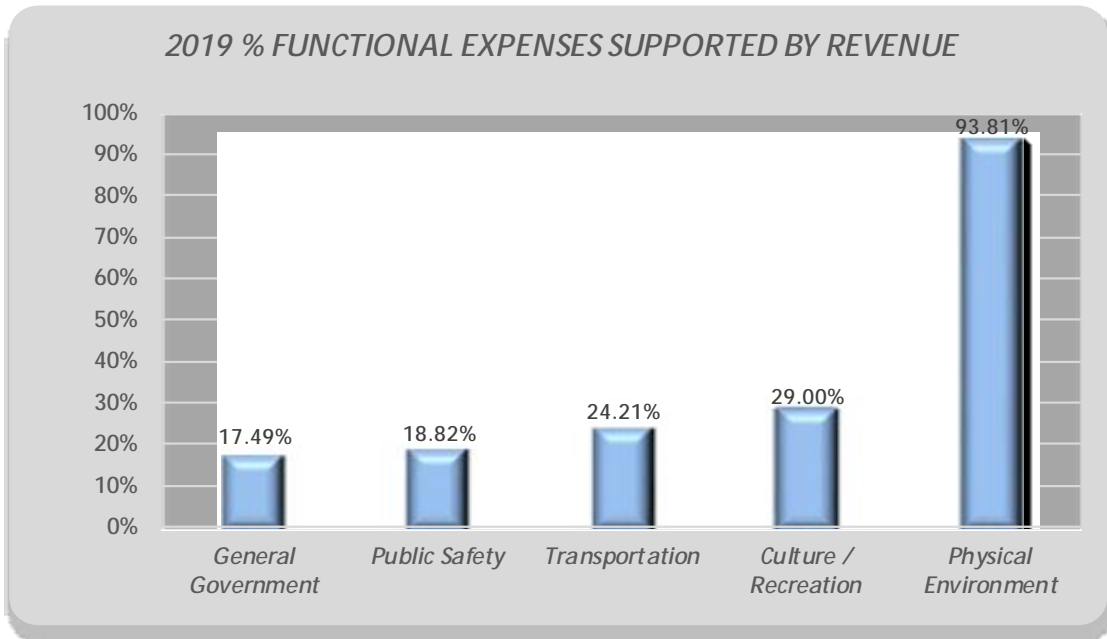
- Revenues increased by \$2.8 million, or 9.2% compared to the prior year. The most significant increases were \$1.4 million from property taxes and \$98 thousand from the infrastructure surtax. The increased property taxes revenue resulted from increased property values in the City in 2019 and the infrastructure surtax was in effect for all of 2019. The infrastructure surtax was voted by referendum in 2017. Increases in other taxes, intergovernmental shared revenues, disposal of capital assets and investment earnings (\$488 thousand combined) offset a decrease in utility taxes (\$25 thousand).
- Total expenses increased by \$2.3 million, or 8.4% in 2019. The largest changes were attributable to:
 - General government expenses increased by \$437 thousand, or 11.0%, in salaries due primarily to new hires, reclassifications or promotions.
 - Public safety expenses increased by \$1.8 million, or 11.0% compared to a year ago. Law enforcement services increased by \$405 thousand. Law Enforcement services are contracted with the Palm Beach County Sheriff's Office. Fire rescue services increased by \$416 thousand mostly due to added personnel positions and increased retirement contributions.

2019 REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



The cost of all governmental activities increased by \$2.3 million, or 8.4%, to \$30.6 million in 2019. As shown on the Statement of Activities on page 15, the amount financed by general revenues (primarily taxpayers) was about \$26 million, while \$5.6 million was paid by those who benefitted directly from the programs (charges for services), and another \$2.1 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.

2019 % FUNCTIONAL EXPENSES SUPPORTED BY REVENUE



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, the 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, 2019, the City of Greenacres governmental funds reported combined fund balances of \$21.1 million. Approximately 44% of total fund balances (\$9.3 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, \$85 thousand),
- 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, \$5.7 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, \$3.9 million).

The general fund is the chief operating fund of the City. At the end of the 2019 fiscal year, the unassigned fund balance of the general fund was \$9.3 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 2019 fiscal year, unassigned fund balance represented approximately 32.7% of total general fund expenditures including transfers to other funds, while total fund balance was approximately 41.6% of that same amount.

The following table shows the results of operations in 2019 and 2018, 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 2019</u>	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax
Revenues	\$ 29,334	\$ 112	\$ 155	\$ 539	\$ 3,314
Expenditures	(27,749)	(28)	(496)	(1,717)	(1,582)
Other financing sources (uses)	(965)	-	-	500	-
Increase (decrease) in fund balance	<u>\$ 620</u>	<u>\$ 84</u>	<u>\$ (341)</u>	<u>\$ (678)</u>	<u>\$ 1,732</u>
<u>Fiscal Year 2018</u>	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax
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>

The general fund balance increased by \$620 thousand in fiscal 2019 after an increase of \$402 thousand in 2018. Overall revenues increased by \$2.3 million in 2019, attributable primarily to an increase of \$1.5 million in tax revenues, most notably property tax revenues as discussed in the analysis of net position on page 7. Overall expenditures also increased in 2019 by approximately \$1.2 million, offsetting the increase in revenues. The real difference maker in 2019 was interfund transfers (Other Financing Uses) of \$965 thousand in 2019 which were \$855 thousand more than in 2018. 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 \$500 thousand in transfers the previous year.

Overall, total governmental fund balances increased by \$1.2 million to \$21 million in 2019, up from \$19.9 million in 2018. Please refer to the Net Change in Fund Balance line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance on page 18 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 87-94 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 capital projects funds are major funds. In 2019, an interfund transfer of \$965 thousand was made. \$500 thousand of the transfer of the interfund went 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. \$410 thousand was transferred to debt service and \$55 thousand was transferred to Youth Programs and non-major governmental funds.

The New Growth capital projects had a total expense budget of \$440 thousand. With a carryover expense, the budget was adjusted to \$617,850. A total \$27 thousand in expenses were booked in 2019. A \$250,000 grant to purchase a generator was budgeted but is still pending approval.

In the Parks and Recreation fund, \$496 thousand was expended on projects with budgets totaling \$570 thousand leaving a variance to budget of \$74 thousand. \$124 thousand of the \$496 was for paving Freedom Park. \$129 thousand was expensed for the Community Center renovations. The renovations included painting walls, replacing the gym floor, and replacing the scoreboard and bleachers. Other spending in 2019 included, sod for Freedom Park and City Hall, and basketball and futsal court resurfacing.

A total of \$1.7 million was expended of the budgeted \$1.9 million in the Reconstruction and Maintenance fund. The major project spending in 2019, included roof replacement, vehicle purchases for various departments and roadway resurfacing. The roof was replaced at Public Safety Station 94 along with the roof to the gazebo and a pavilion at Community Park. Cars and trucks were purchased during the year including several F-150 XL. Roadway resurfacing was completed on several roadways in the Original Section of the City.

The Infrastructure Surtax fund was budgeted at \$2.5 million for various projects in 2019 with an additional \$2.4 million re-appropriated from 2018 projects that were continued in 2019. In 2019, \$1.5 million was expensed. The expense includes two major vehicles: a rescue vehicle and a Pierce Saber Pumper. Also purchased in 2019 was a playground for the Community Park.

General Fund Budgetary Highlights

Original budget compared to final budget. In 2019, the net budget amendments totaled (\$41) thousand and included encumbered amounts from fiscal 2018 that were re-appropriated in 2019. Budget amendments were initiated to eliminate a budget deficit in Non-Departmental.

Functional Expenditures	Original Adopted Budget	Amendments	Amended Budget	Actual Results	Budget Variance Positive / (Negative)
Administration	\$ 1,305,419	\$ 94,585	\$ 1,400,004	\$ 1,390,999	\$ 9,005
Finance	1,584,240	(134,598)	1,449,642	1,441,278	8,364
Planning and Engineering	604,716	(28,064)	576,652	522,440	54,212
Public Works	3,085,512	(112,000)	2,973,512	2,903,171	70,341
Public Safety	7,171,841	576	7,172,417	7,165,913	6,504
Leisure Service	934,726	(15,225)	919,501	874,682	44,819
Building	1,079,597	(16,411)	1,063,186	1,058,346	4,840
Non Departmental	12,226,675	170,000	12,396,675	12,392,527	4,148
	\$ 27,992,726	\$ (41,137)	\$ 27,951,589	\$ 27,749,356	\$ 202,233

Revenue Source	Adopted Budget*	Actual Results	Budget Variance Positive / (Negative)
Taxes	\$ 16,860,399	\$ 16,673,461	\$ (186,938)
Permits and Franchise Fees	2,524,879	2,470,583	(54,296)
Intergovernmental	5,278,320	5,150,931	(127,389)
Charges for Services	3,529,532	3,942,240	412,708
Fines and Forfeitures	101,300	96,233	(5,067)
Investment Income	242,994	322,364	79,370
Contributions	11,401	16,802	5,401
Rents and Royalties	366,010	374,913	8,903
Miscellaneous Revenues	118,250	286,875	168,625
	\$ 29,033,085	\$ 29,334,402	\$ 301,317

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

Final budget compared to actual results. In 2019, general fund revenues exceeded budgeted by \$301 thousand. The negative budget variances of \$186 thousand in the above chart is mainly from electric utility tax and telecommunication utility tax. Charge for services has a positive variance of \$412 thousand, mainly due to solid waste fee and ambulance transports.

General fund expenditures in 2019 were \$202 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 2019 to eliminate deficits in areas. Non-departmental was over budget by \$170,000. This was due to solid waste collections and property, liability and fleet insurance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets on September 30, 2019, net of accumulated depreciation, was \$25.5 million, an increase of \$1.3 million or 5.2% from 2018. Notable additions were several trucks including a lift truck for \$106 thousands.

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

	<u>2019</u>	<u>2018</u>	<u>Increase / (Decrease)</u>
Land	\$ 7,271	\$ 7,271	0.0%
Buildings	9,323	8,761	(6.4%)
Improvements other than buildings	3,460	3,417	1.3%
Furniture, fixtures and equipment	1,022	1,197	(14.6%)
Vehicles	2,525	1,773	42.4%
Construction in Progress	<u>1,871</u>	<u>1,726</u>	8.4%
Total	<u>\$ 25,472</u>	<u>\$ 24,145</u>	5.5%

Refer to the prior discussion of major funds above for more details on capital spending and Note 6 Capital Assets on page 39.

Debt administration. The City has very little outstanding debt, consisting only of a public improvement bank note with a remaining balance of \$1.8 million at year end September 30, 2019. Debt service payments reduced the overall debt by \$320 thousand, or 15%, 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 40.

City of Greenacres Outstanding Debt (in thousands)

	<u>2019</u>	<u>2018</u>	<u>Increase / (Decrease)</u>
Public Improvement Note Payable	<u>\$ 1,809</u>	<u>\$ 2,130</u>	(15.1%)
Total	<u>\$ 1,809</u>	<u>\$ 2,130</u>	(15.1%)

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. The beginning of fiscal budget year 2020, brought strong consumer confidence with low unemployment.

Major economic factors affecting the City of Greenacres in the new fiscal year include:

- Increasing property values. Property values increased by 7.8%* in 2019 following a 9.4%* increase in 2018. This is the seventh consecutive increase since the great recession in 2008.
*Based on the Property Appraiser's final certified values, *prior to* changes by the Value Adjustment Board.
- The millage rate will be maintained at 6.40 mills in fiscal year 2020.
- 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 decision to maintain 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 2020 general fund expenditures, including transfers to other funds, are \$30.9 million, an increase of \$2.0 million, or 7.1%, from the same amounts in 2019. The increased expenditures include an increase of \$1.0 million in budgeted Personnel Services from \$13.4 million in 2019 to \$14.4 million in 2020. Solid waste is another area that shows a large increase going into 2020. Solid waste increased from \$1.2 million in budget year 2019 to \$1.9 million in 2020.

The budget for law enforcement services from the Palm Beach Sheriff's Office also increased by \$205 thousand in 2020, in increase of 2.1 percent. With 2020 revenues projected at \$31 million, it's expected that a budget surplus of \$76 thousand will increase general fund reserves in 2020, increasing the fund balance slightly from the results of operations in 2019. Projected revenue increases mainly will come from property tax, intergovernmental and charge for services, while decreases will be anticipated from other revenues such as utility service taxes and other taxes when comparing to fiscal 2019.

Based on projected revenues and the City's conservative approach managing expenditures, the City's financial position was projected to remain strong, with very low debt and an unassigned general fund balance having a healthy ratio of 32.7% of total general fund expenditures in 2019. However, due to the many uncertainties related to the COVID-19 pandemic, projections have changed to reflect anticipated reductions in revenues.

It will be a challenge to project the City's future financial position with the unknown effects of the virus and considering the pace at which the economy will recover. The City will manage expenses accordingly to ensure the continued strength of the City's financial stability.

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, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,020,143
Investments	20,282,291
Receivables (net)	
Accounts	1,124,850
Intergovernmental	745,723
Taxes	1,309,938
Interest	16,678
Grants	60,264
Assessments	5,539
Net pension asset - Police Officers and Firefighters	2,773,837
Inventories	30,829
Prepaid items	54,194
Capital assets:	
Non-depreciable	9,142,591
Depreciable (net of accumulated depreciation)	16,330,822
Total Assets	52,897,699
Deferred Outflows of Resources	
OPEB related items	89,410
Pension related items	8,829,264
Total Deferred Outflows of Resources	8,918,674
Liabilities	
Accounts payable	869,681
Contracts and retainage payable	208,415
Accrued payroll and related liabilities	618,075
Unearned revenue	1,087,368
Deposits and other liabilities	110,216
Accrued interest payable	202
Due within one year:	
Compensated absences	709,602
Notes payable	333,617
Due in more than one year:	
Compensated absences	870,803
Notes payable	1,476,003
Total OPEB Liability	853,921
Net pension liability - Florida Retirement System	1,908,075
Total Liabilities	9,045,978
Deferred Inflows of Resources	
Deferred revenue	297,072
Pension related items	2,444,157
OPEB related items	214,225
Total Deferred Inflows of Resources	2,955,454
Net Position	
Net investment in capital assets	23,455,378
Restricted for:	
Pensions	2,773,837
Public safety	90,851
Arboreous activities	31,153
Capital projects	5,662,831
Unrestricted	17,800,891
Total Net Position	\$ 49,814,941

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

City of Greenacres, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2019

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	\$ 4,429,090	\$ 774,708	\$ --	\$ --	\$ (3,654,382)
Public safety	19,009,577	2,923,820	635,668	18,332	(15,431,757)
Transportation	1,893,826	--	--	458,513	(1,435,313)
Culture/recreation	2,973,648	393,105	389,203	80,139	(2,111,201)
Physical environment	2,235,420	1,576,128	33,944	487,060	(138,288)
Interest on long-term debt	82,611	--	--	--	(82,611)
Total Governmental Activities	\$ 30,624,172	\$ 5,667,761	\$ 1,058,815	\$ 1,044,044	(22,853,552)
General Revenues:					
Taxes:					
Property taxes					11,310,316
Utility service taxes					4,157,398
Infrastructure surtax					2,921,121
Franchise fees based on gross receipts					1,915,036
Intergovernmental shared revenues - unrestricted					5,040,095
Investment earnings - unrestricted					391,250
Miscellaneous revenues					101,971
Gain on disposal of capital assets					178,847
Total General Revenues					26,016,034
Change in Net Position					3,162,482
Net Position - Beginning					46,652,459
Net Position - Ending					\$ 49,814,941

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

City of Greenacres, Florida
Balance Sheet
Governmental Funds
September 30, 2019

	Capital Projects						Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax	Nonmajor Governmental Funds	
Assets							
Cash and cash equivalents	\$ 1,019,400	\$ --	\$ --	\$ --	\$ --	\$ 743	\$ 1,020,143
Investments	10,287,396	1,666,379	1,593,441	2,448,857	3,977,374	308,844	20,282,291
Receivables (net)							
Accounts	1,124,850	--	--	--	--	--	1,124,850
Intergovernmental	723,367	--	--	22,356	--	--	745,723
Taxes	848,182	--	--	--	461,756	--	1,309,938
Interest	16,678	--	--	--	--	--	16,678
Grants	3,651	--	--	--	27,082	29,531	60,264
Assessments	5,539	--	--	--	--	--	5,539
Inventories	30,829	--	--	--	--	--	30,829
Prepaid items	54,194	--	--	--	--	--	54,194
Total Assets	\$ 14,114,086	\$ 1,666,379	\$ 1,593,441	\$ 2,471,213	\$ 4,466,212	\$ 339,118	\$ 24,650,449
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 866,306	\$ --	\$ --	\$ --	\$ --	\$ 3,375	\$ 869,681
Contracts and retainage payable	--	--	17,956	9,342	181,117	--	208,415
Accrued payroll and related liabilities	595,900	--	--	--	--	22,175	618,075
Unearned revenue	36,200	--	129,669	916,749	--	4,750	1,087,368
Deposits and other liabilities	80,342	29,874	--	--	--	--	110,216
Total Liabilities	1,578,748	29,874	147,625	926,091	181,117	30,300	2,893,755
Deferred Inflows of Resources							
Deferred revenue	297,072	--	--	--	--	--	297,072
Unavailable revenue	306,010	--	--	--	--	--	306,010
Total Deferred Inflows of Resources	603,082	--	--	--	--	--	603,082
Fund Balances							
Nonspendable:							
Inventory	30,829	--	--	--	--	--	30,829
Prepaid items	54,194	--	--	--	--	--	54,194
Restricted for:							
Public Safety Forfeitures	--	--	--	--	--	88,635	88,635
Arborous Activities	--	--	--	--	--	31,153	31,153
Public Safety Donations	--	--	--	--	--	2,216	2,216
New Growth	--	1,145,091	--	--	--	--	1,145,091
Transportation	--	--	--	232,645	--	--	232,645
Infrastructure	--	--	--	--	4,285,095	--	4,285,095
Committed to:							
Emergency and disaster reserve	2,000,000	--	--	--	--	--	2,000,000
Assigned for:							
Subsequent year's expenditures	24,992	--	--	--	--	--	24,992
Compensated absences reserve	435,402	--	--	--	--	--	435,402
Youth Programs	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	186,840	186,840
Capital Projects	--	491,414	1,445,816	1,312,477	--	--	3,249,707
Unassigned:	9,386,839	--	--	--	--	(26)	9,386,813
Total Fund Balances	11,932,256	1,636,505	1,445,816	1,545,122	4,285,095	308,818	21,153,612
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,114,086	\$ 1,666,379	\$ 1,593,441	\$ 2,471,213	\$ 4,466,212	\$ 339,118	\$ 24,650,449

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

City of Greenacres, Florida
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
September 30, 2019

Fund Balances - Total Governmental Funds \$ 21,153,612

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	\$ 43,925,457	
Less accumulated depreciation	<u>(18,452,044)</u>	25,473,413

The net pension asset related to the Public Safety Officers' and Firefighters' defined benefit pension plan does not represent available spendable resources and is not reported in the governmental funds.		2,773,837
---	--	-----------

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.		306,010
---	--	---------

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	\$ (1,580,405)	
Notes payable	(1,809,620)	
Accrued interest payable	(202)	
Total OPEB liability	(853,921)	
Net pension liability - Florida Retirement System	<u>(1,908,075)</u>	(6,152,223)

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

Pension related deferred outflows	\$ 8,829,264	
Pension related deferred inflows	(2,444,157)	
OPEB related deferred outflows	89,410	
OPEB related deferred inflows	<u>(214,225)</u>	6,260,292

Net Position of Governmental Activities		<u><u>\$ 49,814,941</u></u>
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The accompanying notes are an integral part of these basic financial statements

City of Greenacres, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2019

	Capital Projects					Nonmajor Governmental Funds	Total Governmental Funds
	General	New Growth	Parks and Recreation	Reconstruction and Maintenance	Infrastructure Surtax		
Revenues:							
Taxes	\$16,673,461	\$ --	\$ --	\$ 140,151	\$ 2,921,121	\$ --	\$ 19,734,733
Permits and franchise fees	2,470,583	--	--	--	--	--	2,470,583
Intergovernmental revenues	5,150,931	19,274	--	12,273	308,036	372,401	5,862,915
Charges for services	3,942,240	--	--	--	--	135,284	4,077,524
Fines and forfeitures	96,233	--	--	--	--	--	96,233
Impact fees	--	32,055	80,138	--	--	1,575	113,768
Investment income	322,364	61,164	74,848	113,686	85,252	16,102	673,416
Contributions	16,802	--	--	--	--	125	16,927
Rental income	374,913	--	--	273,113	--	--	648,026
Miscellaneous revenues	286,875	--	--	--	--	1,662	288,537
Total revenues	29,334,402	112,493	154,986	539,223	3,314,409	527,149	33,982,662
Expenditures:							
Current:							
General government	3,828,807	--	--	--	--	--	3,828,807
Public safety	18,777,411	--	--	--	--	--	18,777,411
Transportation	1,730,683	--	--	--	--	--	1,730,683
Culture/recreation	1,483,244	--	--	--	--	567,032	2,050,276
Physical environment	1,920,540	--	--	--	--	--	1,920,540
Capital outlay	8,671	27,712	496,157	1,716,758	1,581,992	228,547	4,059,837
Debt service:							
Principal	--	--	--	--	--	320,560	320,560
Interest	--	--	--	--	--	82,646	82,646
Total Expenditures	27,749,356	27,712	496,157	1,716,758	1,581,992	1,198,785	32,770,760
Excess (Deficiency) of Revenues over Expenditures	1,585,046	84,781	(341,171)	(1,177,535)	1,732,417	(671,636)	1,211,902
Other Financing Sources (Uses):							
Transfers in	--	--	--	500,000	--	465,000	965,000
Transfers out	(965,000)	--	--	--	--	--	(965,000)
Total Other Financing Sources (Uses)	(965,000)	--	--	500,000	--	465,000	--
Net Change in Fund Balances	620,046	84,781	(341,171)	(677,535)	1,732,417	(206,636)	1,211,902
Fund Balances - Beginning	11,312,210	1,551,724	1,786,987	2,222,657	2,552,678	515,454	19,941,710
Fund Balances - Ending	\$11,932,256	\$1,636,505	\$1,445,816	\$ 1,545,122	\$ 4,285,095	\$ 308,818	\$ 21,153,612

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

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, 2019

Net change in fund balances - total governmental funds \$ 1,211,902

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	\$ 2,742,700	
Less current year depreciation	<u>(1,381,428)</u>	1,361,272
Net book value of capital asset disposals		(33,299)

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

Grants and solid waste collection fees	(162,709)
--	-----------

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	(90,476)	
Change in total OPEB liability and related deferred amounts	(43,769)	
Change in net pension liability and related deferred amounts	<u>598,966</u>	464,756

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>320,560</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 3,162,482</u></u>
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City of Greenacres, Florida
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2019

	Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 199,854
Investments	
External investment pool - broad market high quality bond portfolio	3,837,193
External investment pool - core plus fixed income portfolio	3,757,251
External investment pool - diversified large cap portfolio	15,948,332
External investment pool - diversified small to mid cap portfolio	5,515,964
External investment pool - international equity	7,074,824
External investment pool - core real estate	3,637,339
Contributions receivable	619,079
Total assets	40,589,836
 Net Position Restricted for Pensions	 \$ 40,589,836

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

City of Greenacres, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended September 30, 2019

	Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 1,399,338
Plan members	252,211
State on-behalf payments	565,933
Total Contributions	2,217,482
Investment income:	
Net increase in fair value of investments	2,083,293
Total additions	4,300,775
Deductions:	
Benefits paid and refunds of member contributions	182,595
Administrative expense	82,458
Total Deductions	265,053
Net Increase	4,035,722
Net Position Restricted for Pensions	
Net Position - Beginning	36,554,114
Net Position - Ending	\$ 40,589,836

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

NOTES TO BASIC FINANCIAL STATEMENTS

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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 capital 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, 2019

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, 2019

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, 2019

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

The City implemented the following GASB Statements during the fiscal year ended September 30, 2019:

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. Implementation of the Statement did not impact the Town's financial statements.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of Governmental Accounting Standards Board Statements (Continued)

In March 2018 the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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 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 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.

In May 2019 the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement is effective for the fiscal year ending September 30, 2022.

In January 2020 the GASB issued Statement No. 92, *Omnibus 2020*. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining requirements are effective for the fiscal year ending September 30, 2021.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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, 2019 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 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 depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. At year end, the City's deposits included \$3,462,000 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 \$1,266,482 of money market accounts that are reported as investments.

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.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

3 – DEPOSITS AND INVESTMENTS (Continued)

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.

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.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – City (Continued)

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, 2019, 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, 2019

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, 2019, 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	\$ 2,175,989	\$ --	\$ 2,175,989	\$ --
FMLVT 1-3 Year High Quality Bond Fund	2,169,599	--	2,169,599	--
FMLVT Intermediate High Quality Bond Fund	2,575,070	--	2,575,070	--
	6,920,658	\$ --	\$ 6,920,658	\$ --
Investments Measured at Cost				
Certificates of Deposit	3,462,000			
Investments Measured at Amortized Cost				
Florida PRIME Investment Pool	8,633,152			
Total Investments	\$ 19,015,810			

The City's investments also include \$1,266,481 of deposits in money market checking accounts that are reported as investments for total investments of \$20,282,291.

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, 2019

3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – City (Continued)

As of September 30, 2019, the weighted average maturity and the credit ratings for the City’s investments were as follows:

Investment	Balance	Weighted Average Maturity	Credit Rating
FMlVT 0-2 Year High Quality Bond Fund	\$ 2,175,989	0.86 years	AAAf/S1 Fitch
FMlVT 1-3 Year High Quality Bond Fund	2,169,599	1.69 years	AAAf/S2 Fitch
FMlVT Intermediate High Quality Bond Fund	2,575,070	3.59 years	AAAf/S3 Fitch
Florida PRIME Investment Pool	8,633,152	37 days	AAAf Standard & Poor's
Certificates of Deposit	3,462,000	316 days	Not rated
	<u>\$ 19,015,810</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, 2019, the value of each position held in the City’s portfolio is less than 5% in any one issuer.

Risks and Uncertainties

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 at least reasonably possible that changes in risks in the near term would materially affect the valuation of investments and related earnings on investments.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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, 2019, 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
FMIvT Broad Market High Quality Bond Fund	\$ 3,837,193	\$ --	\$ 3,837,193	\$ --
FMIvT Core Plus Fixed Income	3,757,251	--	--	3,757,251
FMIvT Diversified Large Cap Portfolio	15,948,332	--	15,948,332	--
FMIvT Diversified Small to Mid Cap Portfolio	5,515,964	--	5,515,964	--
FMIvT International Equity	7,074,824	--	7,074,824	--
FMIvT Core Real Estate	3,637,339	--	-	3,637,339
Total Investments	<u>\$ 39,770,903</u>	<u>\$ --</u>	<u>\$ 32,376,313</u>	<u>\$ 7,394,590</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, 2019, 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
FMIvT Broad Market High Quality Bond Fund	\$ 3,837,193	6.43 years	AAf/S4 Fitch
FMIvT Core Plus Fixed Income	3,757,251	5.16 years	Not Rated
FMIvT Diversified Large Cap Portfolio	15,948,332	N/A	N/A
FMIvT Diversified Small to Mid Cap Portfolio	5,515,964	N/A	N/A
FMIvT International Equity	7,074,824	N/A	N/A
FMIvT Core Real Estate	3,637,339	N/A	N/A
Total Investments	<u>\$ 39,770,903</u>		

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

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, 2019

4 – RECEIVABLES

Receivables for the City’s individual major funds and non-major funds in the aggregate, including applicable allowances as of September 30, 2019 are as follows:

	General Fund	Reconstruction and Maintenance Fund	Infrastructure Surtax Fund	Nonmajor Governmental Funds	Total
Receivables:					
Accounts	\$ 1,728,850	\$ --	\$ --	\$ --	\$1,728,850
Intergovernmental	723,367	22,356	--	--	745,723
Taxes	848,182	--	461,756	--	1,309,938
Interest	16,678	--	--	--	16,678
Grants	3,651	--	27,082	29,531	60,264
Assessments	5,539	--	--	--	5,539
Total Receivables	3,326,267	22,356	488,838	29,531	3,866,992
Less Allowance for Uncollectible Amounts	(604,000)	--	--	--	(604,000)
Net Total Receivables	<u>\$ 2,722,267</u>	<u>\$ 22,356</u>	<u>\$ 488,838</u>	<u>\$ 29,531</u>	<u>\$3,262,992</u>

5 – INTERFUND TRANSACTIONS

The following is a summary of interfund transfers for the year ended September 30, 2019:

Fund	Transfers In	Transfers Out
Major Fund		
General Fund	\$ --	\$ 965,000
Reconstruction and Maintenance Fund	500,000	--
Nonmajor Governmental Funds	465,000	--
Total Interfund Transfers	<u>\$ 965,000</u>	<u>\$ 965,000</u>

The transfer from the General Fund to the Reconstruction and Maintenance capital projects fund were used to pay the costs of various capital improvement projects. Transfers to the nonmajor funds consists of \$410,000 to the Municipal Complex debt service fund to pay debt service costs and \$55,000 to the Youth Programs special revenue fund to pay operating costs.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 7,270,974	\$ --	\$ --	\$ 7,270,974
Construction in Progress	1,726,489	430,028	(284,900)	1,871,617
Total assets not being depreciated	<u>8,997,463</u>	<u>430,028</u>	<u>(284,900)</u>	<u>9,142,591</u>
Capital assets being depreciated:				
Buildings	16,228,535	999,044	--	17,227,579
Improvements other than buildings	10,205,507	454,313	(969,410)	9,690,410
Furniture, fixtures, and equipment	2,986,630	95,573	(10,995)	3,071,208
Vehicles	4,715,116	1,048,642	(970,089)	4,793,669
Total assets being depreciated	<u>34,135,788</u>	<u>2,597,572</u>	<u>(1,950,494)</u>	<u>34,782,866</u>
Less accumulated depreciation for:				
Buildings	(7,467,083)	(437,308)	--	(7,904,391)
Improvements other than buildings	(6,788,656)	(391,787)	950,391	(6,230,052)
Furniture, fixtures, and equipment	(1,789,885)	(270,484)	10,995	(2,049,374)
Vehicles	(2,942,187)	(281,849)	955,809	(2,268,227)
Accumulated depreciation	<u>(18,987,811)</u>	<u>(1,381,428)</u>	<u>1,917,195</u>	<u>(18,452,044)</u>
Total Capital Assets Being Depreciated, Net	<u>15,147,977</u>	<u>1,216,144</u>	<u>(33,299)</u>	<u>16,330,822</u>
Capital assets, net	<u>\$ 24,145,440</u>	<u>\$ 1,646,172</u>	<u>\$ (318,199)</u>	<u>\$ 25,473,413</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Culture/recreation	\$ 521,721
Public safety	358,860
General government	253,412
Transportation	153,090
Physical environment	94,345
Total Depreciation Expense	<u>\$ 1,381,428</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

7 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities during the year ended September 30, 2019:

	Beginning Balance As Restated	Additions	Deletions	Ending Balance	Due Within One Year
Direct Borrowings and Placements:					
Public Improvement Note, 2004A	\$ 2,130,180	\$ --	\$ 320,560	\$ 1,809,620	\$ 333,617
Total Direct Borrowings and Placements	2,130,180	--	320,560	1,809,620	333,617
Net pension liability - FRS	1,594,969	313,106	--	1,908,075	--
Other postemployment benefits	909,873	199,453	255,405	853,921	--
Compensated absences	1,489,929	845,805	755,329	1,580,405	709,602
	3,994,771	1,358,364	1,010,734	4,342,401	709,602
Total	\$ 6,124,951	\$ 1,358,364	\$ 1,331,294	\$ 6,152,021	\$ 1,043,219

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, 2019, 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
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	\$ 1,809,620	\$ 206,680	\$ 2,016,300

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

7 – LONG-TERM LIABILITIES (Continued)

Public Improvement Note, Series 2004A (Continued)

The loan agreement includes a provision that upon the failure to make any payment of principal or interest within ten days of when due, the registered owner may declare the entire outstanding balance to be immediately due and payable, but only from legally available non ad valorem revenues, and in any such acceleration the City shall also be obligated to pay all costs of collection and enforcement.

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, 2019

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, 2019

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, 2019

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, 2019 were as follows:

Class	10/01/18 through 06/30/19	07/01/19 through 09/30/19
Regular Class	8.26%	8.47%
Senior Management Service Class	24.06%	25.41%
Special Risk Class	24.50%	25.48%
Elected Officials Class	48.70%	48.82%
DROP	14.03%	14.60%

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, 2019, the City made contributions of \$143,550 to the Pension Plan and the City's employees made contributions of \$19,351 for total contributions of \$162,901

At September 30, 2019, the City reported a liability of \$1,587,561 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2018-2019 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was 0.004609829%, which was an increase of 0.000282671% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$103,318 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, 2019

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	\$ 94,163	\$ 985
Change of assumptions	407,755	-
Net difference between projected and actual earnings on Pension Plan investments	-	87,832
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	48,051	654,680
City Pension Plan contributions subsequent to the measurement date	32,710	-
Total	<u>\$ 582,679</u>	<u>\$ 743,497</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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 \$32,710 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, 2020. 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	Net Amortization
2020	\$ (69,316)
2021	(142,302)
2022	(45,249)
2023	28,364
2024	26,130
Thereafter	8,845
	\$ (193,528)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date	July 1, 2019
Measurement date	June 30, 2019
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Mortality	PUB2010 base table varies by member category and Sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age

For the July 1, 2019 valuation date, the mortality assumptions changed from Generational RP-2000 with Projection Scale BB to PUB2010 base table.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions that determined the total pension liability as of June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.7%

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

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

8 – FLORIDA RETIREMENT SYSTEM (Continued)

Florida Retirement System Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.90%	6.90%	7.90%
City's proportionate share of the net pension liability	\$ 2,744,364	\$ 1,587,561	\$ 621,435

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, 2019, the City reported a payable in the amount of \$19,681 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2019.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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, 2019, 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, 2019, 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 \$15,606 for the fiscal year ended September 30, 2019.

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

At September 30, 2019, the City reported a liability of \$320,514 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, 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 2018-2019 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was 0.002864547%, which was an increase of 0.000109406% from its proportionate share measured as of June 30, 2018.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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, 2019, the City recognized pension revenue of \$45,665. 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	\$ 3,893	\$ 392
Change of assumptions	37,112	26,196
Net difference between projected and actual earnings on Pension Plan investments	207	-
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	9,775	254,976
City Pension Plan contributions subsequent to the measurement date	3,342	-
Total	<u>\$ 54,329</u>	<u>\$ 281,564</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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 \$3,342 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, 2020. 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	Net Amortization
2020	\$ (64,013)
2021	(57,921)
2022	(57,321)
2023	(45,186)
2024	(9,495)
Thereafter	3,359
	\$ (230,577)

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, 2018
Measurement date	June 30, 2019
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.50%
Investment rate of return	N/A
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions that determined the total pension liability as of June 30, 2019 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, 2019

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 3.50%. 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 3.50%, 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 (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
City's proportionate share of the net pension liability	\$ 365,883	\$ 320,514	\$ 282,727

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, 2019, the City reported a payable in the amount of \$1,791 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2019.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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.

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, 2018, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	38
Active plan members	<u>70</u>
	<u>113</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.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

Plan Description (Continued)

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.

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, 2019, the contribution rate was 28.24% percent of annual payroll for firefighters and 17.63% 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 \$565,933 for the fiscal year ended September 30, 2019. These consisted of \$242,661 for property insurance contracts for firefighters under Chapter 175 and \$323,272 for casualty insurance contracts for police officers under Chapter 185. For the fiscal year ended September 30, 2019, on-behalf payments in the amount of \$565,933 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. For the year ended September 30, 2019, excess Chapter 185 revenue in the amount of \$149,072 was placed in the Contribution Reserve Account, and as of September 30, 2019, the balance in the account was \$411,034.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

Plan Description (Continued)

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, 2019, excess premium taxes of \$81,865 were deposited into the Share Plan for firefighters and \$4,200 were deposited into the Share Plan for public safety officers. See Note 10.

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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.61 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Expected Long-Term Real Return	Weighted Average Return
U.S. large cap equity	39%	4.60%	1.79%
Core plus	10%	2.10%	0.21%
U.S. small cap equity	13%	5.50%	0.71%
Core bonds	10%	1.60%	0.16%
Non-U.S. equity	18%	6.70%	1.21%
Core real estate	10%	5.00%	0.50%
Total	<u>100%</u>		<u>4.58%</u>
Add estimated long-term rate of inflation			<u>2.92%</u>
Estimated long-term rate of return			<u>7.50%</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

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.

Net Pension Liability

The components of the net pension liability of the City at September 30, 2019 were as follows:

Description	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance September 30, 2018	\$ 30,709,750	\$ (34,832,245)	\$ (4,122,495)
Changes due to:			
Service cost	569,003	--	569,003
Expected interest growth	2,334,015	(2,681,137)	(347,122)
Unexpected investment income	--	695,025	695,025
Demographic experience	2,480,236	--	2,480,236
Employer contributions	--	(1,875,647)	(1,875,647)
Employee contributions	--	(256,357)	(256,357)
Benefit payments and refunds	(182,258)	182,258	--
Administrative expenses	--	83,520	83,520
Change in benefit terms	--	--	--
Assumption changes	--	--	--
Total changes	<u>5,200,996</u>	<u>(3,852,338)</u>	<u>1,348,658</u>
Balance September 30, 2019	<u>\$ 35,910,746</u>	<u>\$ (38,684,583)</u>	<u>\$ (2,773,837)</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

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	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
City's net pension liability (asset)	\$ 4,503,496	\$ (2,773,837)	\$ (8,417,620)

At September 30, 2019, the City reported a net pension asset of \$2,773,837 for the Police Officers’ and Firefighters’ Retirement Plan. The liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2018.

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

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$1,377,821. 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, 2018	\$ 6,949,770	\$ 2,023,094
Changes due to:		
Amortization of payments	(1,932,775)	(603,998)
Investment gain/loss	695,025	--
Demographic gain/loss	2,480,236	--
Change of assumptions	--	--
Total changes	1,242,486	(603,998)
Balance September 30, 2019	\$ 8,192,256	\$ 1,419,096

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:

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

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

Fiscal Year Ending September 30	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Net Amortization
2020	\$ 1,589,248	\$ (603,996)	\$ 985,252
2021	1,589,248	(555,995)	1,033,253
2022	1,589,248	(181,362)	1,407,886
2023	1,524,247	(77,743)	1,446,504
2024	950,805	-	950,805
Thereafter	949,460	-	949,460
	<u>\$ 8,192,256</u>	<u>\$ (1,419,096)</u>	<u>\$ 6,773,160</u>

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, 2019
Valuation date	October 1, 2018
Asset valuation method	Market value
Expected long-term real rate of return on investments	4.58%
Inflation	2.92%
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, 2019

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, 2019, premium taxes of \$81,865 were deposited into the Share Plan for firefighters and \$4,200 were deposited into the Share Plan for public safety officers. 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, 2019, 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, 2019

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, 2019, the City recognized pension expense of \$279,483 for the General Employees’ Retirement Plan and had no liability to the plan as of the fiscal year end. Forfeitures totaled \$40,118 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, 2019. 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	\$ 9,128,030	\$ 329,166	\$ 35,910,746	\$ 45,367,942
Plan fiduciary net position	7,540,469	8,652	38,684,583	46,233,704
Net pension liability (asset)	1,587,561	320,514	(2,773,837)	(865,762)
Deferred outflows of resources	582,679	54,329	8,192,256	8,829,264
Deferred inflows of resources	743,497	281,564	1,419,096	2,444,157
Pension expense (revenue)	103,318	(45,665)	1,377,821	1,435,474

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, 2019

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 September 30, 2018, the latest valuation date:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	
Active plan members	<u>128</u>
	<u>132</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, 2018, the municipal bond rate was 3.83% 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 3.50%.

Total OPEB Liability

Description	Total OPEB Liability
Balance September 30, 2018	\$ 909,873
Changes due to:	
Service cost	93,508
Interest on the total OPEB liability	34,354
Difference between expected and actual experience	71,591
Change of assumptions and other inputs	(211,705)
Benefit payments	<u>(43,700)</u>
Total changes	<u>(55,952)</u>
Balance September 30, 2019	<u>\$ 853,921</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Valuation date	September 30, 2018
Measurement date	September 30, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.50%
Discount rate	3.83% 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, 2018 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	Generational RP-2000 with Projection Scale BB
Healthcare cost trend rates	10.00% for 2019, 6.50% for 2020 trending to ultimate rate of 4.71%
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 3.50% as of the beginning of the measurement period to 3.83% as of September 30, 2018. The medical claims costs and premiums were updated based on actual premium information. The healthcare costs trend assumption was revised to reflect a change in the assumed load to model the expected costs of the excise tax, from 0.49% beginning in 2022 to 0.47% beginning in 2024. These changes are 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, 2019

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 3.83% 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 2.83%	Current Discount Rate 3.83%	1% Increase 4.83%
Total OPEB liability	\$ 925,923	\$ 853,921	\$ 774,764

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 (10.00% decreasing to 4.71%) 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	\$ 739,920	\$ 853,921	\$ 973,900

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$111,979. At September 30, 2019, 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
Difference between expected and actual experience	\$ 64,900	\$ --
Change of assumptions	--	214,225
Benefits paid after the measurement date	24,510	--
	<u>\$ 89,410</u>	<u>\$ 214,225</u>

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

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

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

The deferred outflows of resources related to benefits paid after the measurement date will be recognized in OPEB expense in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and 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	Net Amortization
2020	\$ 6,691	\$ (22,574)	\$ (15,883)
2021	6,691	(22,574)	(15,883)
2022	6,691	(22,574)	(15,883)
2023	6,691	(22,574)	(15,883)
2024	6,691	(22,574)	(15,883)
Thereafter	31,445	(101,355)	(69,910)
	<u>\$ 64,900</u>	<u>\$ (214,225)</u>	<u>\$ (149,325)</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, 2019

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, 2019 were \$234,276. As of September 30, 2019, the cost of the land and building under the operating lease was \$1,240,164 and accumulated depreciation on the property was \$915,497.

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, 2019, the City recognized revenue of \$273,113 pursuant to the leases. As of September 30, 2019, the City reported deferred inflows of resources in the amount of \$916,749 related to the leases. As of September 30, 2019, the cost of the land under the operating leases was \$5,378.

As of September 30, 2019, the future minimum rentals under the noncancelable leases are as follows:

Fiscal Year Ending September 30	Future Minimum Rentals
2020	\$ 239,255
2021	239,255
2022	239,255
2023	146,397
2024	52,587
	<u>\$ 916,749</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, 2019

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, 2019, the City paid \$9,967,197 pursuant to the agreement. The contract amount for the fiscal year ending September 30, 2020 is \$10,169,449.

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, 2019, Greenacres received payments in the amount of \$904,704 pursuant to the agreement. The contract amount for the year ending September 30, 2020 is \$940,892.

City of Greenacres, Florida
Notes to the Financial Statements
September 30, 2019

19 – COMMITMENTS

As of September 30, 2019, the City had the following significant contractual commitments:

Project	Contract Amount	Amount Completed	Amount to Complete
Park Improvements	\$ 370,717	\$ 43,121	\$ 327,596
Drainage Improvements	163,933	99,244	64,689
Median Improvements	94,784	83,050	11,734
Sidewalk Improvements	112,800	50,117	62,683
	<u>\$ 742,234</u>	<u>\$ 275,532</u>	<u>\$ 466,702</u>

Significant encumbrances as of September 30, 2019 are as follows:

Major funds:

General Fund	\$ 24,992
New Growth Capital Projects Fund	44,562
Parks and Recreation Capital Projects Fund	82,656
Reconstruction and Maintenance Capital Projects Fund	74,239
Infrastructure Surtax Capital Projects Fund	626,835

20 – DEFICIT FUND BALANCE OF INDIVIDUAL FUND

As of September 30, 2019, the Youth Programs Special Revenue Fund reported a fund balance deficit in the amount of \$26.

21 – SUBSEQUENT EVENT

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could be significantly adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

**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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem taxes:				
Current	\$ 11,144,282	\$ 11,144,282	\$ 11,098,114	\$ (46,168)
Delinquent	150,000	150,000	212,202	62,202
Total ad valorem taxes	<u>11,294,282</u>	<u>11,294,282</u>	<u>11,310,316</u>	<u>16,034</u>
Utility service taxes:				
Electric	2,671,203	2,671,203	2,422,317	(248,886)
Telecommunications	1,200,000	1,200,000	1,088,607	(111,393)
Water	520,945	520,945	556,612	35,667
Gas	58,500	58,500	55,461	(3,039)
Propane gas	33,500	33,500	34,401	901
Total public service taxes	<u>4,484,148</u>	<u>4,484,148</u>	<u>4,157,398</u>	<u>(326,750)</u>
Local option gas tax	308,000	308,000	302,105	(5,895)
Local business tax	295,465	295,465	337,709	42,244
Insurance premium tax	478,504	478,504	565,933	87,429
Total other taxes	<u>1,081,969</u>	<u>1,081,969</u>	<u>1,205,747</u>	<u>123,778</u>
Total taxes	<u>16,860,399</u>	<u>16,860,399</u>	<u>16,673,461</u>	<u>(186,938)</u>
Permits and franchise fees:				
Building permits	509,000	509,000	500,280	(8,720)
Electrical permits	2,500	2,500	2,000	(500)
Electric franchise fees	1,806,229	1,806,229	1,780,608	(25,621)
Gas franchise fees	36,000	36,000	39,880	3,880
Solid waste franchise fees	99,280	99,280	94,548	(4,732)
Planning and zoning fees	47,120	47,120	24,087	(23,033)
Other	24,750	24,750	29,180	4,430
Total permits and franchise fees	<u>2,524,879</u>	<u>2,524,879</u>	<u>2,470,583</u>	<u>(54,296)</u>
Intergovernmental revenues:				
State revenue sharing	1,654,000	1,654,000	1,703,382	49,382
Half-cent sales tax	3,200,000	3,200,000	3,222,723	22,723
County occupational license	111,800	111,800	98,762	(13,038)
Mobile home license	10,000	10,000	11,381	1,381
Alcoholic beverage license	5,000	5,000	3,847	(1,153)
Motor fuel tax rebate	10,000	10,000	7,157	(2,843)
Grants	241,000	241,000	54,844	(186,156)
Other	46,520	46,520	48,835	2,315
Total intergovernmental revenues	<u>5,278,320</u>	<u>5,278,320</u>	<u>5,150,931</u>	<u>(127,389)</u>

(Continued)

See accompanying notes to the budgetary comparison schedule

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, 2019

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)				
Charges for services:				
Solid waste fees	\$ 1,321,515	\$ 1,321,515	\$ 1,460,543	\$ 139,028
Administrative fees	137,652	137,652	159,695	22,043
Sales of documents	1,350	1,350	2,654	1,304
Culture/recreation	108,092	108,092	114,132	6,040
Protective inspections	42,585	42,585	66,178	23,593
Ambulance transport	1,719,204	1,719,204	1,854,852	135,648
Other	199,134	199,134	284,186	85,052
Total charges for services	<u>3,529,532</u>	<u>3,529,532</u>	<u>3,942,240</u>	<u>412,708</u>
Fines and forfeitures:				
Judgments and fines	67,200	67,200	70,958	3,758
Violations of local ordinances	34,000	34,000	25,135	(8,865)
Other	100	100	140	40
Total fines and forfeitures	<u>101,300</u>	<u>101,300</u>	<u>96,233</u>	<u>(5,067)</u>
Investment:				
Bank	98,164	98,164	97,992	(172)
State Board of Administration	119,930	119,930	147,855	27,925
FMIvT	24,600	24,600	73,688	49,088
Tax collector interest	250	250	2,691	2,441
Other interest	50	50	138	88
Total investment	<u>242,994</u>	<u>242,994</u>	<u>322,364</u>	<u>79,370</u>
Contributions	11,401	11,401	16,802	5,401
Rental fees	366,010	366,010	374,913	8,903
Miscellaneous:				
Refunds - prior year	25,150	25,150	24,065	(1,085)
Sales of surplus materials	85,000	85,000	200,296	115,296
Other	3,100	3,100	53,612	50,512
Insurance proceeds	5,000	5,000	8,902	3,902
Total miscellaneous	<u>118,250</u>	<u>118,250</u>	<u>286,875</u>	<u>168,625</u>
Total Revenues	<u>\$ 29,033,085</u>	<u>\$ 29,033,085</u>	<u>\$ 29,334,402</u>	<u>\$ 301,317</u>

(Continued)

See accompanying notes to the budgetary comparison schedule

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, 2019

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Administration				
City Manager	347,424	449,509	472,096	(22,587)
Mayor & Council	232,325	232,325	222,649	9,676
Legal Counsel	125,000	125,000	137,645	(12,645)
Human Resources	334,742	334,742	316,532	18,210
City Clerk	265,928	258,428	242,077	16,351
Total Administration	<u>1,305,419</u>	<u>1,400,004</u>	<u>1,390,999</u>	<u>9,005</u>
Finance				
Office of the Director	368,498	266,413	305,790	(39,377)
Financial Operations	493,613	462,100	433,479	28,621
Purchasing	171,453	171,453	173,970	(2,517)
Information Technology	550,676	549,676	528,039	21,637
Total Finance	<u>1,584,240</u>	<u>1,449,642</u>	<u>1,441,278</u>	<u>8,364</u>
Planning and Engineering				
Office of the Director	604,716	576,652	522,440	54,212
Total Planning and Engineering	<u>604,716</u>	<u>576,652</u>	<u>522,440</u>	<u>54,212</u>
Public Works				
Office of the Director	293,173	293,173	294,202	(1,029)
Roads & Drainage	985,541	970,541	953,228	17,313
Vehicle Maintenance	475,271	462,271	483,253	(20,982)
Building Services	566,189	566,189	558,746	7,443
Parks & Grounds	765,338	681,338	613,742	67,596
Total Public Works	<u>3,085,512</u>	<u>2,973,512</u>	<u>2,903,171</u>	<u>70,341</u>
Public Safety				
Fire Rescue	7,171,841	7,172,417	7,165,913	6,504
Total Public Safety	<u>7,171,841</u>	<u>7,172,417</u>	<u>7,165,913</u>	<u>6,504</u>
Leisure Service				
Office of the Director	282,407	282,407	269,106	13,301
Community Programs	652,319	637,094	605,576	31,518
Total Leisure Service	<u>934,726</u>	<u>919,501</u>	<u>874,682</u>	<u>44,819</u>
Building				
Office of the Director	1,079,597	1,063,186	1,058,346	4,840
Total Building	<u>1,079,597</u>	<u>1,063,186</u>	<u>1,058,346</u>	<u>4,840</u>

(Continued)

See accompanying notes to the budgetary comparison schedule

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, 2019

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued)				
Non Departmental				
Property Liability and Fleet	366,611	406,611	390,777	15,834
Solid Waste Collection	1,288,564	1,373,564	1,350,955	22,609
PBSO Law Enforcement	10,471,500	10,511,500	10,543,007	(31,507)
Other	-	5,000	10,979	(5,979)
Contingency	100,000	100,000	96,809	3,191
Total Non Departmental	<u>12,226,675</u>	<u>12,396,675</u>	<u>12,392,527</u>	<u>4,148</u>
Total expenditures	<u>27,992,726</u>	<u>27,951,589</u>	<u>27,749,356</u>	<u>202,233</u>
Excess of revenues over expenditures	1,040,359	1,081,496	1,585,046	503,550
Other financing sources (uses)				
Transfers out	(910,000)	(965,000)	(965,000)	-
Total other financing sources (uses)	<u>(910,000)</u>	<u>(965,000)</u>	<u>(965,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 130,359</u>	<u>\$ 116,496</u>	620,046	<u>\$ 503,550</u>
Fund balance - beginning			<u>11,312,210</u>	
Fund balances - ending			<u>\$ 11,932,256</u>	

See accompanying notes to the budgetary comparison schedule

City of Greenacres, Florida
Notes to the Budgetary Comparison Schedule
September 30, 2019

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.

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%
2019	0.004609829%	\$ 1,587,561	\$ 958,026	165.71%	82.61%

Changes in Assumptions

The discount rate changes as follows:

2014	7.65%
2015	7.65%
2016	7.60%
2017	7.10%
2018	7.00%
2019	6.90%

For 2019, the mortality assumption changed from Generational RP-2000 with Projection Scale BB to PUB2010 base table projected generationally with Scale MP-2018.

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.

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

Fiscal Year Ended September 30	Contractually Required Contribution	Contributions In Relation to the Contractually Required Contribution	Contribution Excess (Deficiency)	City's Covered Payroll	City's Contributions As a Percent of Covered Payroll
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%
2019	\$ 143,550	\$ 143,550	\$ -	\$ 940,127	15.27%

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%
2019	0.002864547%	\$ 320,514	\$ 958,026	33.46%	2.63%

Changes in Assumptions

The discount rate changes as follows:

2014	4.29%
2015	3.80%
2016	2.85%
2017	3.58%
2018	3.87%
2019	3.50%

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.

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%
2019	\$ 15,606	\$ 15,606	\$ -	\$ 940,127	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, 2019

	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 271,224	\$ 273,495	\$ 453,480	\$ 439,369
Interest	1,146,049	1,252,652	1,272,511	1,802,712
Differences between expected and actual experience	--	428,660	2,115,830	(660,793)
Changes of assumptions	--	--	3,393,480	1,701,589
Benefit payments and refunds	(128,259)	(85,892)	(145,394)	(114,916)
Net Change in Total Pension Liability	<u>1,289,014</u>	<u>1,868,915</u>	<u>7,089,907</u>	<u>3,167,961</u>
Total Pension Liability - Beginning	<u>13,451,312</u>	<u>14,740,326</u>	<u>16,609,241</u>	<u>23,699,148</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>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,228,034	\$ 1,255,163	\$ 1,176,173	\$ 1,739,887
Contributions - member	201,235	241,030	222,551	211,101
Net Investment income	1,518,010	27,888	1,897,153	3,782,115
Benefit payments and refunds	(47,292)	(85,892)	(145,394)	(114,916)
Administrative expense	(62,873)	(65,029)	(79,380)	(79,114)
Net Change in Plan Fiduciary Net Position	<u>2,837,114</u>	<u>1,373,160</u>	<u>3,071,103</u>	<u>5,539,073</u>
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>
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>
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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	136.67%	129.56%	103.76%	112.14%
Covered Payroll	\$ 4,941,623	\$ 5,151,899	\$ 5,861,721	\$ 4,974,567
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	-109.38%	-95.30%	-15.20%	-65.57%

Changes in Assumptions

The discount rate changes as follows:

2014	8.39%
2015	8.39%
2016	7.50%
2017	7.50%
2018	7.50%
2019	7.50%

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.

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.

	2018		2019
\$	505,694	\$	569,003
	2,043,869		2,334,015
	1,480,272		2,480,236
	--		
	<u>(187,194)</u>		<u>(182,258)</u>
	3,842,641		5,200,996
	<u>26,867,109</u>		<u>30,709,750</u>
\$	<u>30,709,750</u>	\$	<u>35,910,746</u>

\$	1,993,050	\$	1,875,647
	242,075		256,357
	2,752,435		1,986,112
	(187,194)		(182,258)
	<u>(97,126)</u>		<u>(83,520)</u>
	4,703,240		3,852,338

	<u>30,129,005</u>		<u>34,832,245</u>
\$	<u>34,832,245</u>	\$	<u>38,684,583</u>

\$	<u>(4,122,495)</u>	\$	<u>(2,773,837)</u>
----	--------------------	----	--------------------

	113.42%		107.72%
--	---------	--	---------

\$	5,445,421	\$	5,908,190
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	-75.71%		-46.95%
--	---------	--	---------

City of Greenacres, Florida
 Required Supplementary Information
 Police Officers' and Firefighters' Retirement Plan
 Schedule of Employer Contributions
 For the Fiscal Year Ended September 30, 2019

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
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%
2019	\$ 1,555,664	\$ 1,875,647	\$ 319,983	\$ 5,908,190	31.75%

See accompanying notes to the schedule of employer contributions

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, 2019

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%
2019	5.61%

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, 2019

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, 2019, were determined by the actuarial valuation as of October 1, 2017.

Actuarial valuation date:	October 1, 2017
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.
Termination:	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.
Disability:	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. 75% of disabilities are assumed to be service related.
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.

City of Greenacres, Florida
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability
For the Fiscal Year Ended September 30, 2019

	2018	2019
Total OPEB Liability	\$ 105,045	\$ 93,508
Interest on total OPEB liability	28,733	34,354
Changes of benefit terms	--	--
Differences between expected and actual experience	--	71,591
Changes of assumptions and other inputs	(27,882)	(211,705)
Benefit payments	(35,706)	(43,700)
Net Change in Total OPEB Liability	70,190	(55,952)
Total OPEB Liability - Beginning	839,683	909,873
Total OPEB Liability - Ending	\$ 909,873	\$ 853,921
 Covered-Employee Payroll	 \$ 7,128,102	 \$ 7,815,273
 City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	 12.76%	 10.93%

Changes in Assumptions

The discount rate changed as follows:

September 30, 2017 measurement date	3.50%
September 30, 2018 measurement date	3.83%

For the September 30, 2018 measurement date medical claims and costs were updated based on actual premium information.

For the September 30, 2018 measurement date the healthcare cost trend assumption was revised to reflect a change in the assumed load to model the expected cost of the excise tax from 0.49% beginning in 2022 to 0.47% beginning in 2024.

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact fees	\$ 25,115	\$ 25,115	\$ 32,055	\$ 6,940
Intergovernmental	230,000	230,000	19,274	(210,726)
Investment	38,021	38,021	61,164	23,143
	<hr/>			
Total Revenues	293,136	293,136	112,493	(180,643)
Expenditures:				
Capital outlay	440,000	617,850	27,712	590,138
	<hr/>			
Excess (Deficiency) of Revenues over Expenditures	<u>(146,864)</u>	<u>(324,714)</u>	84,781	<u>409,495</u>
Net Change in Fund Balance	<u>\$ (146,864)</u>	<u>\$ (324,714)</u>	84,781	<u>\$ 409,495</u>
Fund Balance - Beginning			<u>1,551,724</u>	
Fund Balance - Ending			<u><u>\$ 1,636,505</u></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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Impact Fees	\$ --	\$ --	\$ 80,138	\$ 80,138
Investment	5,425	5,425	74,848	69,423
Total Revenues:	5,425	5,425	154,986	149,561
Expenditures:				
Capital outlay	501,000	570,505	496,157	74,348
Excess (Deficiency) of Revenues over Expenditures	(495,575)	(565,080)	(341,171)	223,909
Net Change in Fund Balance	<u>\$ (495,575)</u>	<u>\$ (565,080)</u>	(341,171)	<u>\$ 223,909</u>
Fund Balance - Beginning			<u>1,786,987</u>	
Fund Balance - Ending			<u>\$ 1,445,816</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local option gas tax	\$ 142,000	\$ 142,000	\$ 140,151	\$ (1,849)
Intergovernmental	94,364	94,364	12,273	(82,091)
Investment	19,437	19,437	113,686	94,249
Rent	240,000	240,000	273,113	33,113
	<hr/>			
Total Revenues	495,801	495,801	539,223	43,422
Expenditures:				
Capital outlay	1,597,498	1,980,124	1,716,758	263,366
	<hr/>			
Excess (Deficiency) of Revenues over Expenditures	(1,101,697)	(1,484,323)	(1,177,535)	306,788
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	500,000	--
	<hr/>			
Total Other Financing Sources (Uses)	500,000	500,000	500,000	-
	<hr/>			
Net Change in Fund Balance	<u>\$ (601,697)</u>	<u>\$ (984,323)</u>	<u>(677,535)</u>	<u>\$ 306,788</u>
Fund Balance - Beginning			<u>2,222,657</u>	
Fund Balance - Ending			<u>\$ 1,545,122</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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Infrastructure surtax	\$ 3,000,000	\$ 3,000,000	\$ 2,921,121	\$ (78,879)
Intergovernmental	126,019	126,019	308,036	182,017
Investment	10,800	10,800	85,252	74,452
Total Revenues	3,136,819	3,136,819	3,314,409	177,590
Expenditures:				
Capital outlay	2,539,904	5,024,725	1,581,992	3,442,733
Excess (Deficiency) of Revenues over Expenditures	596,915	(1,887,906)	1,732,417	3,620,323
Net Change in Fund Balance	<u>\$ 596,915</u>	<u>\$ (1,887,906)</u>	1,732,417	<u>\$ 3,620,323</u>
Fund Balance - Beginning			<u>2,552,678</u>	
Fund Balance - Ending			<u>\$ 4,285,095</u>	

City of Greenacres, Florida
Combining Balance Sheet - Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2019

	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Assets				
Cash	\$ --	\$ --	\$ --	\$ 743
Investments	88,635	31,153	2,216	--
Grants receivable	--	--	--	29,531
Total Assets	<u>\$ 88,635</u>	<u>\$ 31,153</u>	<u>\$ 2,216</u>	<u>\$ 30,274</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ 3,375
Accrued payroll and related taxes	--	--	--	22,175
Unearned revenue	--	--	--	4,750
Total Liabilities	--	--	--	30,300
Fund Balances:				
Restricted for:				
Public Safety Forfeitures	88,635	--	--	--
Arborous Activities	--	31,153	--	--
Public Safety Donations	--	--	2,216	--
Assigned to:				
Debt Service	--	--	--	--
Unassigned	--	--	--	(26)
Total Fund Balances	88,635	31,153	2,216	(26)
Total Liabilities and Fund Balances	<u>\$ 88,635</u>	<u>\$ 31,153</u>	<u>\$ 2,216</u>	<u>\$ 30,274</u>

Debt	
Service Fund	
	Total
Municipal	Nonmajor
Complex	Governmental
	Funds
\$ --	\$ 743
186,840	308,844
--	29,531
<u>\$ 186,840</u>	<u>\$ 339,118</u>

\$ --	\$ 3,375
--	22,175
--	4,750
<u>--</u>	<u>30,300</u>

--	88,635
--	31,153
--	2,216
186,840	186,840
--	(26)
<u>186,840</u>	<u>308,818</u>
<u>\$ 186,840</u>	<u>\$ 339,118</u>

City of Greenacres
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2019

	Special Revenue Funds			
	Forfeitures Fund	Arboreous Fund	Public Safety Donation Fund	Youth Programs Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 372,401
Charges for services	--	--	--	135,284
Impact fees	--	1,575	--	--
Investment	5,881	746	53	--
Contributions	--	--	125	--
Miscellaneous	--	--	--	1,662
Total Revenues	5,881	2,321	178	509,347
Expenditures:				
Current:				
Culture/recreation	--	--	--	567,032
Capital outlay	227,151	1,396	--	--
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total Expenditures	227,151	1,396	--	567,032
Excess (Deficiency) of Revenues Over Expenditures	(221,270)	925	178	(57,685)
Other Financing Sources				
Transfers in	--	--	--	55,000
Net Change in Fund Balances	(221,270)	925	178	(2,685)
Fund Balances - Beginning of Year	309,905	30,228	2,038	2,659
Fund Balances - End of Year	\$ 88,635	\$ 31,153	\$ 2,216	\$ (26)

<u>Debt</u>	
<u>Service Fund</u>	
Municipal	Total
Complex	Nonmajor
	Governmental
	Funds
\$ -	\$ 372,401
--	135,284
--	1,575
9,422	16,102
--	125
--	1,662
<u>9,422</u>	<u>527,149</u>
--	567,032
--	228,547
320,560	320,560
82,646	82,646
<u>403,206</u>	<u>1,198,785</u>
(393,784)	(671,636)
<u>410,000</u>	<u>465,000</u>
16,216	(206,636)
<u>170,624</u>	<u>515,454</u>
<u>\$ 186,840</u>	<u>\$ 308,818</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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 373	\$ 373	\$ 746	\$ 373
Impact Fees	3,300	3,300	1,575	(1,725)
Total Revenues	3,673	3,673	2,321	(1,352)
Expenditures:				
Capital outlay	7,000	7,000	1,396	5,604
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,327)</u>	<u>\$ (3,327)</u>	925	<u>\$ 4,252</u>
Fund Balance - Beginning			30,228	
Fund Balance - Ending			<u>\$ 31,153</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 10	\$ 10	\$ 53	\$ 43
Contributions	200	200	125	(75)
Total Revenues	210	210	178	(32)
Expenditures:				
Capital outlay	1,509	1,509	-	1,509
Total Expenditures	1,509	1,509	--	1,509
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,299)	\$ (1,299)	178	\$ 1,477
Fund Balance - Beginning			2,038	
Fund Balance - Ending			\$ 2,216	

**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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 442,702	\$ 442,702	\$ 372,401	\$ (70,301)
Charges for services	195,627	195,627	135,284	(60,343)
Investment	400	400	-	(400)
Contributions	11,710	11,710	-	(11,710)
Miscellaneous	475	475	1,662	1,187
Total Revenues	650,914	650,914	509,347	(141,567)
Expenditures:				
Current:				
Culture/recreation	640,393	640,393	567,032	73,361
Total Expenditures	640,393	640,393	567,032	73,361
Excess (Deficiency) of Revenues Over Expenditures	10,521	10,521	(57,685)	(68,206)
Other Financing Sources				
Transfers in	-	55,000	55,000	--
Net Change in Fund Balance	\$ 10,521	\$ 65,521	(2,685)	\$ (68,206)
Fund Balance - Beginning			2,659	
Fund Balance - Ending			<u>\$ (26)</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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment	\$ 7,909	\$ 7,909	\$ 9,422	\$ 1,513
Expenditures:				
Debt service:				
Principal	320,560	320,560	320,560	--
Interest	82,700	82,700	82,646	54
Total Expenditures	403,260	403,260	403,206	54
Excess (Deficiency) of Revenues Over Expenditures	(395,351)	(395,351)	(393,784)	1,567
Other Financing Sources				
Transfers in	410,000	410,000	410,000	--
Net Change in Fund Balance	\$ 14,649	\$ 14,649	16,216	\$ 1,567
Fund Balance - Beginning			170,624	
Fund Balance - Ending			\$ 186,840	

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

City of 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
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	17,926,182	6,617,924	18,095,306	\$ 42,639,412
2016	19,860,042	5,012,992	17,430,112	\$ 42,303,146
2017	20,828,171	6,627,745	17,115,888	\$ 44,571,804
2018	22,015,260	7,970,630	16,666,569	\$ 46,652,459
2019	23,455,378	8,558,672	17,800,891	\$ 49,814,941

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	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 3,218,734	\$ 3,511,862	\$ 3,402,829	\$ 3,525,732
Public Safety	12,904,781	13,066,982	13,214,396	13,278,168
Transportation	1,394,629	1,551,714	1,621,765	1,478,368
Culture/recreation	2,015,847	1,907,445	1,949,248	1,843,248
Physical environment	2,515,438	1,903,296	1,920,583	2,713,871
Interest on long term investments	190,778	175,683	160,789	150,900
Total primary government expenses	22,240,207	22,116,982	22,269,610	22,990,287
Program Revenues				
Governmental activities:				
Charges for Services:				
Public Safety	2,131,909	2,045,308	2,313,376	2,389,614
Physical Environment	1,174,844	1,392,609	1,312,514	1,551,473
Other	755,299	752,348	766,877	795,711
Total Charges for Services	4,062,052	4,190,265	4,392,767	4,736,798
Operating Grants and Contributions	779,381	807,869	868,438	834,528
Capital Grants and Contributions	872,896	596,307	604,487	1,208,371
Total primary government program revenues	5,714,329	5,594,441	5,865,692	6,779,697
Net (Expense)/Revenue				
Governmental activities	(16,525,878)	(16,522,541)	(16,403,918)	(16,210,590)
Total primary government net expense	(16,525,878)	(16,522,541)	(16,403,918)	(16,210,590)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	7,353,777	6,677,646	6,457,109	6,210,647
Utility service taxes	3,891,792	3,724,801	3,820,784	3,901,169
Infrastructure surtax*	-	-	-	-
Franchise fees based on gross receipts	1,765,242	1,726,134	1,672,266	1,655,466
Intergovernmental shared revenues - unrestricted	2,955,630	3,101,479	3,622,263	3,918,371
Investment earnings	637,828	311,684	279,305	41,552
Miscellaneous revenues	73,383	49,573	131,466	150,649
Gain on disposal of capital assets	-	-	-	-
Total general revenues	16,677,652	15,591,317	15,983,193	15,877,854
Special Items				
Donation of infrastructure	-	-	-	-
Total special items	-	-	-	-
Change in Net Position				
Governmental activities	151,774	(931,224)	(420,725)	(332,736)
Total primary government	\$ 151,774	\$ (931,224)	\$ (420,725)	\$ (332,736)

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.

2014	2015	2016	2017	2018	2019
\$ 3,553,289	\$ 3,681,586	\$ 4,139,771	\$ 3,696,061	\$ 3,991,739	\$ 4,429,090
12,941,095	12,626,261	15,683,842	16,405,181	17,128,664	19,009,577
1,569,082	1,582,486	1,541,912	1,613,741	1,689,389	1,893,826
1,869,520	2,100,850	2,244,474	2,632,499	2,831,276	2,973,648
2,074,593	2,239,455	2,564,247	2,413,834	2,521,088	2,235,420
140,578	129,895	118,853	107,219	95,144	82,611
<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>	<u>30,624,172</u>
2,437,433	2,531,497	3,002,840	3,058,853	2,900,144	2,923,820
1,387,773	1,777,915	1,604,800	1,765,299	1,518,667	1,576,128
816,235	935,378	910,328	848,788	989,156	1,167,813
<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>	<u>5,667,761</u>
901,749	884,112	865,029	834,409	945,840	1,058,815
835,863	1,171,033	706,263	739,518	562,606	1,044,044
<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>	<u>7,770,620</u>
(15,769,104)	(15,060,598)	(19,203,839)	(19,621,668)	(21,340,887)	(22,853,552)
<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>	<u>(22,853,552)</u>
6,201,214	6,652,247	8,272,819	8,999,275	9,866,149	11,310,316
3,991,265	4,005,809	4,003,013	4,068,823	4,182,645	4,157,398
-	-	-	1,943,133	2,823,027	2,921,121
1,796,500	1,827,188	1,808,816	1,885,113	1,862,309	1,915,036
4,239,490	4,547,615	4,692,065	4,795,980	4,944,327	5,040,095
49,228	133,512	161,863	79,464	218,212	391,250
189,398	178,609	130,516	118,538	116,003	101,971
-	-	47,903	-	11,771	178,847
<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>	<u>26,016,034</u>
-	(1,605,131)	(249,422)	-	-	-
<u>-</u>	<u>(1,605,131)</u>	<u>(249,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>
697,991	679,251	(336,266)	2,268,658	2,683,556	3,162,482
<u>\$ 697,991</u>	<u>\$ 679,251</u>	<u>\$ (336,266)</u>	<u>\$ 2,268,658</u>	<u>\$ 2,683,556</u>	<u>\$ 3,162,482</u>

Fund Balances, Governmental Funds
 (Modified accrual basis of accounting)
 (unaudited)

Fiscal Year Ended 9/30	2010	2011 ⁽¹⁾⁽²⁾	2012 ⁽²⁾	2013
General Fund				
Reserved	\$ 104,783	\$ -	\$ -	\$ -
Unreserved	10,789,322	-	-	-
Non-spendable	-	209,467	215,447	215,682
Committed	-	4,700,999	4,852,526	4,787,220
Assigned	-	896,551	762,216	823,418
Unassigned	-	5,319,033	6,007,644	6,262,209
Total general fund	\$ 10,894,105	\$ 11,126,050	\$ 11,837,833	\$ 12,088,529
All Other Governmental Funds				
Reserved	\$ 745,074	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	85,476	-	-	-
Capital projects funds	14,054,383	-	-	-
Debt service funds	212,609	-	-	-
Non-spendable				269,605
Restricted	-	9,587,502	9,289,721	8,352,052
Assigned	-	3,810,670	2,577,879	2,060,104
Unassigned	-	-	-	-
Total all other governmental funds	\$ 15,097,542	\$ 13,398,172	\$ 11,867,600	\$ 10,681,761
Total fund balances, all funds	\$ 25,991,647	\$ 24,524,222	\$ 23,705,433	\$ 22,770,290

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.*

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
460,507	395,891	1,034,146	217,802	1,055,869	85,023
4,769,993	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
805,505	4,293,148	1,844,962	498,564	417,096	460,394
7,427,155	8,530,048	6,916,469	8,193,877	7,839,245	9,386,839
<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>	<u>\$ 11,932,256</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
695	762	862	1,110	444,225	-
7,462,758	6,074,994	3,567,933	3,365,849	3,848,135	5,784,835
1,907,665	2,709,940	4,016,514	5,304,778	4,337,140	3,436,547
-	-	-	-	-	(26)
<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>\$ 9,221,356</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>	<u>\$ 21,153,612</u>

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

Fiscal Year Ended 9/30	2010	2011	2012	2013
Revenues				
Taxes	\$ 12,226,438	\$ 11,373,974	\$ 11,317,684	\$ 11,188,626
Permits and franchise fees	2,147,878	2,001,829	2,033,887	2,041,415
Intergovernmental	3,915,818	3,796,221	4,322,929	5,127,073
Charges for services	2,908,790	3,003,893	3,084,290	2,926,104
Fines and forfeitures	133,536	187,387	200,257	167,664
Impact fees	3,483	11,068	37,921	244,211
Interest	788,441	311,683	279,301	41,552
Contributions	55,271	14,781	25,785	34,996
Rental income	448,633	447,748	465,007	495,430
Miscellaneous revenues	110,535	87,174	128,621	140,597
Total revenues	22,738,823	21,235,758	21,895,682	22,407,668
Expenditures				
General government	3,000,157	3,063,567	3,138,043	3,145,262
Public Safety	12,321,451	12,466,351	12,441,179	12,702,323
Transportation	1,355,927	1,417,778	1,453,990	1,449,676
Culture/Recreation	1,471,233	1,313,639	1,370,331	1,372,083
Physical environment	2,029,715	1,642,876	1,688,818	1,723,865
Capital outlay	1,277,907	2,182,774	2,218,891	2,546,397
Debt service				
Principal	425,011	439,987	242,403	252,277
Interest	191,256	176,211	160,816	150,928
Total expenditures	22,072,657	22,703,183	22,714,471	23,342,811
Excess of revenues over (under) expenditures	666,166	(1,467,425)	(818,789)	(935,143)
Other Financing Sources (Uses)				
Transfers in	1,240,000	443,897	410,000	410,000
Transfers out	(1,240,000)	(443,897)	(410,000)	(410,000)
Total other financing sources (uses)	-	-	-	-
Special Item - disposal of police department	-	-	-	-
Net Change in fund balances	666,166	(1,467,425)	(818,789)	(935,143)
Fund balances - beginning, as restated	25,325,481	25,991,647	24,524,222	23,705,433
Fund balance - ending	\$ 25,991,647	\$ 24,524,222	\$ 23,705,433	\$ 22,770,290
Debt services (principal & interest) as a percentage of non-capital expenditures	2.85%	2.88%	1.90%	1.83%

	2014	2015	2016	2017	2018	2019
\$	11,319,062	\$ 11,805,795	\$ 13,421,388	\$ 16,205,819	\$ 18,117,913	\$ 19,734,733
	2,280,110	2,316,146	2,710,914	2,720,616	2,627,886	2,470,583
	5,104,497	5,672,011	5,179,941	5,310,832	5,517,752	5,862,915
	3,195,729	3,265,337	3,542,288	3,614,726	3,561,148	4,077,524
	172,010	216,334	109,790	126,688	111,778	96,233
	55,835	355,642	215,443	291,477	108,167	113,768
	49,228	182,246	258,008	105,563	256,298	673,416
	93,798	44,785	26,362	25,612	10,383	16,927
	530,553	599,848	539,734	507,844	566,025	648,026
	85,161	119,994	172,672	102,308	135,043	288,537
	22,885,983	24,578,138	26,176,540	29,011,485	31,012,393	33,982,662
	3,235,568	3,389,229	3,823,737	3,336,982	3,584,908	3,828,807
	12,277,486	13,254,521	15,506,170	17,007,595	17,864,359	18,777,411
	1,469,380	1,489,646	1,433,172	1,505,029	1,582,775	1,730,683
	1,349,738	1,503,044	1,733,112	1,868,310	2,053,816	2,050,276
	1,743,688	1,824,867	1,895,157	2,001,145	1,927,759	1,920,540
	2,342,976	2,543,156	4,972,137	2,688,119	3,235,853	4,059,837
	262,552	273,246	284,376	295,959	308,014	320,560
	140,607	129,924	118,884	107,252	95,179	82,646
	22,821,995	24,407,633	29,766,745	28,810,391	30,652,663	32,770,760
	63,988	170,505	(3,590,205)	201,094	359,730	1,211,902
	460,000	630,000	5,293,381	1,430,000	610,000	965,000
	(460,000)	(630,000)	(5,293,381)	(1,430,000)	(610,000)	(965,000)
	-	-	-	-	-	-
	-	-	(33,692)	-	-	-
	63,988	170,505	(3,623,897)	201,094	359,730	1,211,902
	22,770,290	22,834,278	23,004,783	19,380,886	19,581,980	19,941,710
\$	22,834,278	\$ 23,004,783	\$ 19,380,886	\$ 19,581,980	\$ 19,941,710	\$ 21,153,612
	1.91%	1.78%	1.56%	1.50%	1.40%	1.30%

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>
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	6.0854	2,770,652,835
2019	1,354,242,158	400,415,340	75,672,124	1,830,329,622	6.4000	2,995,015,246

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		
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
2019	6.4000	0.0000	6.4000	4.8580	0.5870	7.1640	1.6873	20.6963

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	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Okeehhelee Apt. Partners/UDR Okeehhelee LLC	\$ 86,249,860	1	4.71%	\$ 46,147,247	1	3.13%
Florida Power & Light ⁽¹⁾	42,504,028	2	2.32%			
Keystone WPB Holding Corp. (Island Shores Apts.)	41,247,403	3	2.25%	21,074,161	3	1.43%
JHB Florida Properties, LLC (Waterway Village)	30,324,636	4	1.66%			
MSKP River Bridge LLC (River Bridge Plaza)	30,137,253	5	1.65%	30,600,488	2	2.08%
Pickwick Mobile Home Park	17,665,644	6	0.97%	9,971,904	8	0.68%
Gator Green Acres (Greenacres Plaza)	17,182,732	7	0.94%	11,937,250	5	0.81%
Colonial Mobile Home Park Ltd Partnership	16,358,686	8	0.89%	8,713,420	10	0.59%
SPRJ Chelsea Commons LLC	16,125,000	9	0.88%			
LIMOCH 19800 West Dixie LLC	13,175,843	10	0.72%			
Batmasian, James H				14,964,509	4	1.01%
JBH Limited Co., Ltd				10,416,543	7	0.71%
SCM Realty, Inc./Steve Moore Chevrolet				11,006,577	6	0.75%
Dayton Hudson Corp				9,370,035	9	0.64%
PRI II Military Crossing LLC						
TT of Jennings, Inc.						
Trafalgar at Greenacres						
Total	\$ 310,971,085		16.99%	\$ 174,202,134		11.83%

Total Taxable Assessed Value \$ 1,830,329,622 \$ 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 ⁽¹⁾	Percentage of Levy	Collections in Subsequent Years ⁽¹⁾⁽²⁾	Total Collections To Date	Percentage of Levy
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	\$ 9,683,544	94.7%	\$ 182,605	\$ 9,866,149	96.5%
2019	\$ 11,714,110	\$ 11,098,114	94.7%	\$ 212,202	\$ 11,310,316	96.6%
Totals	\$ 80,713,049	\$ 75,770,705	93.9%	\$ 2,230,494	\$ 78,001,198	96.6%

Note (1) 2018 was adjusted to reflect the proper amount collected for the year.

(2) 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
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	0.23%	53.84
2019	1,809,620	1,809,620	N/A	45.45

*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 yet 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
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%	-
2019	39,813	1,830,329,622	-	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, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Overlapping			
Palm Beach School District	\$ 8,542	0.98%	\$ 83
Palm Beach County	61,115,000	0.98%	597,094
Subtotal, overlapping debt	61,123,542		597,177
City direct debt	1,809,620	100.00%	1,809,620
Total direct and overlapping debt	\$ 62,933,162		\$ 2,406,797

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			
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%	
2019	18,063,792	320,560	82,646	403,206	2.23%	

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⁾
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	11,847	21,867	4.3%
2018	39,568	37.6	23,745	170,000	11,907	21,824	3.4%
2019	39,813	N/A	N/A	183,622	11,822	21,121	2.9%

Source: (1) Bureau of Economic & Business Research (BEBR).
(2) U.S. Census Bureau, American Community Survey 5-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 yet available

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

One Year Ago and Nine Years Ago

2019			2010		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
School Board	21,200	2.94%	School Board	21,718	3.74%
Palm Beach County**	11,323	1.57%	Palm Beach County**	11,381	1.96%
Tenet Healthcare Corp.	6,136	0.85%	Tenet Healthcare Corp.	5,127	0.88%
NextEra Energy Inc	4,021	0.49%	HCA (Hospital Corp. of America)	4,150	0.63%
HCA (Hospital Corp. of America)	3,550	0.56%	FP & L (Headquarters)	3,658	0.71%
Boca Raton Regional Hospital	2,800	0.39%	Wackenhut Corp.	3,000	0.52%
Florida Atlantic University	2,761	0.38%	Florida Atlantic University	2,776	0.48%
Veteran's Health Administration	2,468	0.34%	Bethesda Health, Inc.	2,300	0.40%
Bethesda Health, Inc.	2,200	0.31%	Veteran's Health Administration	2,205	0.38%
Office Depot, Inc. (Hdqtrs)	2,034	0.28%	Boca Raton Resort and Club	2,200	0.38%
Total	58,493	8.11%	Total	58,515	10.07%

Source: *Business Development Board of Palm Beach County*

***Palm Beach County Annual Budget Doc/Full Version - Position Summary by Dept;
includes all Board of County Commissioners (BCC), Other Departments and Agencies, and Constitutional Officers.*

City of Greenacres, Florida

Schedule 16

Full-Time Equivalent City Government Employees by Function/Program

(unaudited)

Fiscal Year Ended 9/30	2010	2011	2012	2013	2014	2015	2016	2017 ⁽¹⁾	2018	2019
<u>Function/Program</u>										
Administration	10.5	10.5	10.5	11	11	11	11	11	12	16
Finance	14	14	14	13	13	13	13	13	14	12
Planning & Engineering	6	6	5.5	6	6	6	6	4	6	6
Public Works	20	21	21	21	21	21	22	21	25	24
Public Safety/Fire Rescue ⁽²⁾	109	109.5	109.5	109.5	110.5	115.5	47	51.5	57	56
Leisure Services ⁽³⁾	14.5	13	13	13	13.5	15.5	16.5	21	26.5	31
Building	9.5	9.5	9.5	10	10	10	10	11	13	12
Total	183.5	183.5	183.0	183.5	185.0	192.0	125.5	132.5	153.5	157.0

Note:

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

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

(3) Some personnel associated with Youth Programs are in fund 105.

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
General Government										
Population	32,267	37,873	38,079	38,172	38,590	38,943	39,066	39,770	39,568	39,813
Number of residential units	17,075	17,092	17,104	17,123	17,140	17,175	17,194	17,296	17,340	17,360
Number of solid waste accounts billed ⁽¹⁾	6,670	6,847	6,869	6,889	6,927	6,940	6,958	7,019	7,074	N/A
Public Safety										
Total calls for responded service ^{(2) (3)}	27,014	25,044	18,217	19,214	20,389	19,424	6,386	N/A	N/A	N/A
Number of arrests by police officers ⁽³⁾	1,571	2,042	1,840	1,874	1,501	1,487	484	N/A	N/A	N/A
Number of traffic citations issued ⁽³⁾	6,819	6,952	6,984	5,747	4,415	3,253	913	N/A	N/A	N/A
EMS average response times (minutes)	5	6	6	6	6	6	6	6	6	6
Number of EMS calls (incl. in total calls)	4,911	4,802	5,407	5,262	5,533	5,272	5,561	6,174	6,347	6,535
Number of code enforcement inspections	3,446	2,670	2,517	2,126	1,616	1,429	1,587	1,601	1,043	1,876
Transportation										
Number of paved miles maintained	23	23	23	23	23	23	23	23	23	23
Number of vehicle repair orders completed	1,290	1,258	1,264	1,161	1,285	1,185	909	834	838	1,010
Number of city vehicles maintained	100	100	99	99	100	101	100	49	52	55
Physical Environment										
Total park acreage maintained ⁽⁴⁾	82	82	134	134	134	134	134	134	136	136
Average cost per acre to mow ⁽⁵⁾	1,753	1,852	1,822	1,688	N/A	N/A	N/A	N/A	N/A	N/A
Average cost per acre to maintain	-	-	-	-	3,403	3,909	4,515	4,521	5,154	4,539
Cultural & Recreation										
Number of community events presented	6	8	8	6	5	7	10	15	19	10
Number of registrants in athletic programs	270	767	752	631	890	698	534	616	371	573
Number of participants in after-school programs	150	124	135	144	156	168	295	343	305	299

Notes:

- ⁽¹⁾ Starting in FY19, Solid Waste accounts were billed by the PBC Tax Collector.
- ⁽²⁾ Starting in FY 12, Law enforcement only.
- ⁽³⁾ Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016 (numbers reflect City Public Safety only until that time).
- ⁽⁴⁾ Total adjusted in FY12 to include lakes, landscaped, vegetative and asphalt area.
- ⁽⁵⁾ Average cost per acre to mow is now average cost per acre to maintain, and includes additional costs.

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

Fiscal Year Ended 9/30	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	1
Police Patrol Vehicles ⁽¹⁾	34	34	34	36	36	36	N/A	N/A	N/A	N/A
Fire Trucks	4	4	4	4	4	4	4	4	4	5
EMS Units (Ambulances)	4	4	4	4	4	4	4	4	4	5
Transportation										
Street lane (miles)	49.52	49.52	49.52	45.80	45.80	45.80	45.80	45.80	45.80	45.80
Traffic Signs	1,091	1,084	1,195	1,193	1,184	1,184	1,187	1,225	1,243	1,260
Stormwater Structures ⁽²⁾	633	633	639	639	632	632	632	645	645	646
Physical Environment										
Baseball/Multi-use Fields	7	7	7	7	6	6	6	6	4	6
Soccer Fields/Courts	4	4	4	4	4	4	4	4	6	6
Cultural & Recreation										
Playgrounds	14	14	14	14	14	13	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	14	14

Notes:

⁽¹⁾ Law Enforcement merged with Palm Beach County Sheriffs Office in Feb 2016

⁽²⁾ Inlets, Outfalls, Control Structures and Manholes

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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*

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333 S.E. 2nd STREET
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BELLE GLADE, FLORIDA 33430-0338
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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, 2019, 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 April 16, 2020.

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
April 16, 2020



NOWLEN, HOLT & MINER, P.A.

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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, 2019, and have issued our report thereon dated April 16, 2020.

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 April 16, 2020, 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 are 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 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, 2019 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
April 16, 2020



NOWLEN, HOLT & MINER, P.A.

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

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

We have examined the City of Greenacres, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2019. 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, 2019.

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.

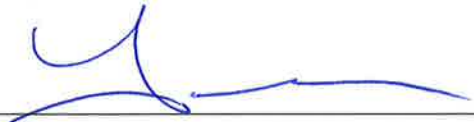
West Palm Beach, Florida
April 16, 2020

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Teri Lea Beiriger, who being duly sworn, deposes and says on oath that:

1. I am the Acting Finance Director of the City of Greenacres, which is a local governmental entity of the State of Florida;
2. The City of Greenacres adopted (Code 1966, Ord. No. 1983-29, Ord. No. 2008-15, Ord No. 2015-27 and Ord. No. 2016-11) implementing an impact fee; and
3. The City of Greenacres has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.




 Teri Lea Beiriger, Acting Finance Director
 City of Greenacres

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization this 11th day of March, 2020 by Teri Lea Beiriger.

Personally known; OR [] produced identification, type of identification _____.





 NOTARY PUBLIC
 Print Name Donna McDaniel

My Commission Expires:
June 28, 2023