

THE CITY OF

Coconut
Creek

FLORIDA



1967
2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

Fiscal Year Ended
September 30, 2017



Prepared by the
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

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CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2017

City Commission

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

Administrative Staff

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

Leslie Wallace May City Clerk

Karen M. Brooks, CPFO Deputy City Manager/
Chief Financial Officer
Sheila N. Rose Assistant City Manager/
Director of Sustainable
Development



CITY OF COCONUT CREEK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Letter of Transmittal	i-xii
Certificate of Achievement for Excellence in Financial Reporting	xiii
Organization Chart.....	xiv
List of Principal Officials.....	xv

FINANCIAL SECTION:

Independent Auditors' Report	1-3
Management's Discussion and Analysis (Required Supplementary Information)	4-21

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	22
Statement of Activities	23

Fund Financial Statements

Balance Sheet – Governmental Funds	24-25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	27-28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Position – Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	31
Statement of Cash Flows – Proprietary Funds	32-33

Notes to Basic Financial Statements	34-64
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CITY OF COCONUT CREEK, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2017

TABLE OF CONTENTS
 (continued)

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	65-66
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Street Construction and Maintenance Fund	67
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Grants Fund	68
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Improvement Fund	69
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	70
Schedule of City's Proportionate Share of the Net Pension Plan Pension Liability – Florida Retirement System Pension	71
Schedule of the City's Proportionate Share of the Net Pension Liability – Retiree Health Insurance Subsidiary Program	72
Schedule of the City's Contributions – Florida Retirement System Pension Plan.....	73
Schedule of the City's Contributions – Retiree Health Insurance Subsidy Program	74
Schedule of Investment Returns – Florida Retirement System Pension Plan	75
Schedule of Investment Returns – Retiree Health Insurance Subsidy Program.....	76
Schedule of Funding Progress - Other Post Employment Benefits	77

Supplementary Information:

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds	78-79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	80-81
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Special Revenue Fund – Law Enforcement Trust Fund	82
Special Revenue Fund – Affordable Housing Fund.....	83

CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2017

TABLE OF CONTENTS
(continued)

Special Revenue Fund – SHIP Fund.....	84
Special Revenue Fund – General Trust Fund	85
Special Revenue Fund – Seminole Mitigation Fund.....	86
Debt Service Fund – Capital Improvements Revenue Bonds Fund	87
Capital Projects Fund – Parks Improvement Fund	88
Capital Projects Fund – Utility Underground Fund.....	89
Major Fund – 2009 Capital Projects Fund	90
Major Fund – 2017 Capital Projects Fund	91
Major Fund – Capital Improvement Program Fund.....	92
Major Fund – Public Safety Improvement Fund	93

STATISTICAL SECTION:

Financial Trends:

Table 1 - Net Position by Component – Last Ten Fiscal Years	94-95
Table 2 - Changes in Net Position – Last Ten Fiscal Years.....	96-99
Table 3 - Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	100-101
Table 4 - Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	102-103
Table 5 – General Governmental Tax Revenues by Source – Last Ten Fiscal Years.....	104

Revenue Capacity:

Table 6 – Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years.....	105-106
Table 7 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	107-108
Table 8 – Principle Property Taxpayers – Current and Nine Years Ago.....	109
Table 9 – Property Tax Levies and Collections – Last Ten Fiscal Years.....	110

CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2017

TABLE OF CONTENTS
(continued)

Debt Capacity:

Table 10 - Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	111
Table 11 - Direct and Overlapping Governmental Activities Debt	112
Table 12 – Legal Debt Margin Information – Last Ten Fiscal Years	113
Table 13 – Pledged Revenue Coverage – Last Ten Fiscal Years	114

Demographic and Economic Information:

Table 14 – Demographic and Economic Statistics – Last Ten Fiscal Years	115
Table 15 – Principal Employers – Current and Nine Years Ago	116

Operating Information:

Table 16 – Full-time Equivalent City Government Employees by Function – Last Ten Fiscal Years	117
Table 17 – Operating Indicators by Function – Last Ten Fiscal Years	118
Table 18 – Capital Asset Statistics by Function – Last Ten Fiscal Years	119

Insurance Information:

Table 19 – Insurance Coverage Via PGIT	120-122
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REPORTING SECTION:

Independent Auditors’ Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	123-124
Management Letter In Accordance With The Rules Of The Auditor General Of The State Of Florida	125-126
Independent Accountants’ Report On Compliance Pursuant To Section 218.415 Florida Statutes	127





March 29, 2018

The Honorable Mayor and Members of the City Commission
4800 West Copans Road
Coconut Creek, FL 33063

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

It is with pleasure that we submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Coconut Creek for the fiscal year ended September 30, 2017. Through proper planning, effective allocation of resources and dedication, the City has been successful in remaining financially stable while continuing to expand services and programs, invest in infrastructure and capital projects, and promote economic development.

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

The CAFR's most significant role is to provide valuable insight into how the City is managing public finances. This accountability to the residents of the City of Coconut Creek is achieved by:

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

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

Marcum LLP, a firm of licensed certified public accountants, has audited the City of Coconut Creek's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2017 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that the City's financial statements for the fiscal year ended September 30, 2017 are fairly presented in conformity with GAAP, and issued an unmodified opinion. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Coconut Creek is a full-service municipality located within the northern central portion of Broward County, the second most populated county in the State. The City was created in 1967 by the Legislature of the State of Florida and is approximately 12 square miles. Coconut Creek is located just north of Fort Lauderdale, and abuts unincorporated Palm Beach County to the north. Location is key, and with easy access to major highways and airports and its close proximity to the Atlantic Ocean, Coconut Creek is the ideal location for both residents and businesses. The City is only 15 miles west of the beach, and the sub-tropical climate provides comfortable living year round.

With an estimated population of 57,395, the City of Coconut Creek ranks 16th amongst the 31 municipalities in the County. The City has been developed primarily for residential purposes, with a proportionate mix of singles, families, and retirees. Because the tax burden rests mostly on residential properties, the City continues to invest in economic development efforts to encourage new businesses to locate within the City.

The City of Coconut Creek operates under a Commission-Manager form of government. Five Commissioners are elected at-large from the City's five districts to serve staggered four-year terms. From the five elected Commissioners, each year a Mayor and Vice Mayor are elected by the Commission at the first commission meeting subsequent to the second Tuesday in March. Together, the Mayor and Commission are responsible for the legislative functions of the City, including setting City policy, passing local ordinances, approving the City's annual budget, and appointing a City Manager and City Attorney. The City Manager oversees the administrative functions of the City. This includes overseeing the day-to-day operations of the City; hiring staff; submitting an annual operating and capital improvement budget to the Commission; and providing recommendations to, and carrying out the policies and ordinances of the City Commission.

The City of Coconut Creek provides a full range of services including police, fire rescue, parks and recreation, construction and maintenance of streets and infrastructure, and water, wastewater, and stormwater services. The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City's Finance and Administrative Services Department during the budget process. The Finance and Administrative Services Department uses these requests as a starting point to assist the City Manager in developing a proposed budget. The proposed budget must be submitted to the City Commission no later than August 1st of each year. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City's fiscal year.

For additional information concerning the City, please visit our website at www.coconutcreek.net.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Coconut Creek operates.

Local Economy

The growth and development of the City is dependent upon the economic environment of South Florida and particularly that of Broward County. The major economic influences in this area are predominantly the housing market (including housing values, insurance, property taxes and mortgage interest rates), the regional job market, new construction, and weather events. The 2017 Consumer Price Index increase for the Miami-Fort Lauderdale area (Local CPI) was 2.8%, the largest annual increase since 2011 when food and gas prices increased significantly. The Local CPI exceeded the national average of 2.1%, despite the active 2017 hurricane season, and is forecasted to continue to show increases in 2018. The national real gross domestic product (GDP) increased 2.3% in 2017, a huge improvement over 1.5% in 2016. The improvement in real GDP was mainly attributed to an increase in personal spending and business fixed investments, including equipment and structures. Experts anticipate the real GDP to increase by 2.6% in 2018 as a result of increases in consumer spending due to low unemployment and stronger wage gains; business fixed investments in equipment and intellectual property products; and residential construction. The City's unemployment rate continues to stabilize and is currently 3.2%, as compared to 4.0% in 2016. The City's unemployment rate is 0.2%, 0.5%, and 0.9% lower than that of Broward County, the State of Florida, and the national average, respectively. It is important to note that a low and stable unemployment rate has a direct positive effect on consumer spending. There is currently a shortage of homes for sale, and builders remain optimistic. New construction is anticipated to show moderate increases, although rising mortgage interest rates may limit the extent of any gains. In March 2018, the Federal Reserve raised its benchmark rate for the second time in three months, but warned investors that despite several positive indicators, the economy is expanding at a "moderate pace." Although the economy shows positive improvements overall, the City must also factor the uncertainty of any future tax reform or legislative changes that will di

rectly affect the City's ability to maintain or enhance current service levels, as well as other external factors, including another active hurricane season. In addition, the City must focus on ensuring it continues to invest in its infrastructure in order to continue to meet the needs of its constituents. Consideration of the impact of these economic factors plays an important role in determining the use of City resources in the upcoming years.

New Construction

New construction and development is a key indication of a healthy economy. With the addition of several new developments, fiscal year 2017 proved to be another fruitful year for the City. Several residential and commercial projects were either approved, in process, or completed in 2017, including:

Commercial

- Texas Roadhouse
- Dunkin Donuts
- Gupta Medical Center
- Residence Inn by Marriott Hotel
- Clarity Pointe Memory Care Facility
- FORTS (Fold Out Rigid Temporary Shelters)

Residential

- In the Pines Townhomes
- Simonton Court (Ashton Court) Townhomes
- Monarch Station Luxury Apartments

Building Permits

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

Table 1

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Residential Units	325	83	53	33	720	81	60	68	26	85
Commercial Permits	4	3	3	9	3	3	4	2	4	24
Value (in millions)	\$42.9	\$22.6	\$16.5	\$30.7	\$67.1	\$46.2	\$55.7	\$15.7	\$9.4	\$75.6

During the past ten years, the level of residential building permits showed steady but modest increases, with the exception of 2013 and 2017, where several large multi-family units were permitted, including the addition of Casa Palma, Broadstone Cypress Hammocks, and Solaire at Coconut Creek in 2013; and Simonton Court, In the Pines Townhomes, and Monarch Station Luxury Apartments in 2017.

The number of commercial permits has remained consistent over the past ten years, with the exception of 2008, which was a result of the completion of the first phase of MainStreet, the City's "downtown" area. While the number of new construction permits issued remains relatively stable, the value of new construction continues to remain strong as new developments come on board. During fiscal year 2017, the City issued four commercial permits for Texas Roadhouse, Dunkin Donuts, Elite Aluminum (FORTS), and Gupta Medical Center. The City also currently has several exciting projects on the horizon, including Residence Inn by Marriott, and Clarity Pointe Memory Care Facility, all of which will generate additional permit revenues, impact fees, and fire assessments, as well as add to the City's tax base in future years.

As the City's commercial and residential development continues to thrive, the City experienced solid increases in residential property values and remains optimistic about the level of new construction. In fact, for fiscal year 2017, taxable values within the City of Coconut Creek increased by 9.8% due mainly to the overall economic improvements and desire to live in the City, coupled with fairly steady population growth of over 2% annually for the past several years; and that trend is expected to continue. New construction added \$36,343,920 of taxable value to the property tax roll in fiscal year 2017, with another \$46,979,920 added for fiscal year 2018. The City has been able to leverage these revenue sources to offset additional costs associated with providing service to these areas, including the addition of a Police Service Aide, a part-time Permit Technician, and a Senior Staff Assistant for Code Compliance during fiscal year 2017, as well as the maintenance of and improvements to City infrastructure.

The City's focus continues to be on tax base diversification and job creation through the expansion of the commercial base. In addition, the City is committed to expanding, maintaining, and upgrading its existing public areas. The number of residential

and commercial permits are expected to increase in the upcoming 2 to 5 years due several planned major initiatives, including the long-anticipated development of the City's MainStreet area.

Economic Development

MainStreet

The City of Coconut Creek continues to enhance its economic development efforts by continuing to grow the "downtown" area on some of the last consolidated open spaces in the City and in the County. The MainStreet area is a vision for a green and sustainable mixed-use urban downtown located on nearly 500 acres in the center of the City. As the development of the MainStreet area gains momentum, the City continues to identify and define the optimal development opportunities to create a vibrant downtown.

The Promenade at Coconut Creek was the first project completed under the City's MainStreet Design Standards and boasts LEED® Silver Certification by the U.S. Green Building Council. Major businesses at the Promenade continue to thrive not simply from the economic benefits of green building design, but also from continuous promotional and special events. The latest addition to the Promenade is the Cooper's Hawk Winery and Restaurant, which opened in 2016 and is a great success.

The first residential project in the MainStreet area was also completed in early 2018. The project, known as Monarch Station, is a 296-unit mid-rise luxury apartment project, ranging from studios to three bedrooms. The community includes a clubhouse, pool, garages with electric vehicle charging stations, and solar panel lighting.

Also located in the MainStreet area is the Seminole Coconut Creek Casino. Since its opening in 2000, the Seminole Tribe of Florida (the "Seminole Tribe") have added a 2,800 vehicle parking structure, a small retail village, and eight restaurants along with a casino expansion on the adjacent Federally-owned land. The Seminole Tribe has received zoning approval from the City for a future major expansion that includes another parking structure, lodging, additional retail and restaurant space, and a special events venue. With such a major expansion planned, the City has undertaken discussions directly with the Seminole Tribe to evaluate and solve development impacts related to the City. In the coming years, the City must continue to assess the impacts of the expansion and ensure that any plans to expand complement the City's MainStreet area plans, particularly in the areas of retail, entertainment and hospitality. The Seminole Coconut Creek Casino expansion continues to create numerous full-time jobs and have a positive impact on individual lives within the tri-county area. Furthermore, through concerts and other promotional events, the casino continues to draw visitors from throughout the South Florida region.

Economic Development Incentive Program

The City currently manages an Economic Development Incentive Program, which provides for two on-going incentive strategies: a commercial rehabilitation program and a commercial rent subsidy program. The Program was established to stabilize the existing business community, facilitate the establishment of new businesses, aid in job retention and creation, promote business expansion, and improve overall community appearance and sustainability. \$250,000 is budgeted annually for this program. Any unused funds are accumulated for future use. The City awarded \$6,308 in commercial rehabilitation and \$64,042 in commercial rent subsidies in FY2017.

Long-term Financial Planning

Revenue Sources

The economic environment continues to show strong and steady improvement, as evidenced by the increase in assessed values and new construction. Assessed property values (including new construction and additions) increased 10.4% for fiscal year 2018 and represents the first year the City of Coconut Creek's assessed taxable values exceeded the pre-recession levels in 2007.

As the housing market continues to improve, the City also anticipates receiving building permit revenue, impact fees, fire assessments, and ad valorem taxes from new construction and additions for fiscal year 2018. In order to ensure fiscal sustainability and inter-generation equity, the City has adopted an optimistic approach towards the economy overall and future growth and development within the City and continues to provide a high standard of service to the community, while continuing to invest in infrastructure maintenance and expansion. In addition, the increase in spending and consumer confidence has a direct, positive effect on demand driven revenues such as Half-Cent Sales Taxes and Shared Revenues.

The City of Coconut Creek is unique in that the Seminole Tribe has sovereign land within the City limits. In 1999, the City and the Seminole Tribe negotiated a Municipal Services Provider Agreement, which provides for annual payments for City services and compensates for impacts the casino has on the community. Funding received from the Seminole Tribe is primarily used for community capital improvement projects and debt service payments related to capital improvement projects. As part of this agreement, the City received \$3.0 million during fiscal year 2017.

In 2010, the Florida Legislature approved a Compact with the Seminole Tribe, authorizing blackjack and other card games at five Seminole casinos, including the Seminole Coconut Creek Casino. On an annual basis, the City receives from the State a small portion of the net wins attributed to the Seminole Coconut Creek Casino. Even though the Compact effectively expired in July 2015, the City received \$0.7 million during fiscal year 2017. The Compact was not renewed during the State of Florida's most recent legislative session. However, the City anticipates that the State will consider a new Compact at the next legislative session in 2018.

The Bureau of Indian Affairs recently approved the Seminole Tribe's fee-to-trust application, thereby designating 42 acres of land owned by the Seminole Tribe as sovereign land. In anticipation, the City proactively entered into a Mitigation Agreement with the Seminole Tribe, which outlined the responsibilities of both parties if and when the land went into trust. In fiscal year 2014, the City received \$3 million as part of this agreement. In addition, the City will receive a payment of \$2.75 million, adjusted annually based on the consumer price index, to help mitigate the impact on the City and to establish an educational foundation or trust. Proceeds from the Seminole Tribe will be accumulated in the Seminole Mitigation Special Revenue Fund and will be used for improvements within the MainStreet area, as well as other expenses or improvements to mitigate the impact of the lands becoming sovereign land.

Capital Improvement Program

The City of Coconut Creek has been working diligently on several capital improvement program projects as follows:

Project	Location	Project Description	Estimated Cost	Estimated Completion Date
Windmill Park Improvements	Windmill Park	Windmill Park Improvements include the addition of new facilities such as parking, restrooms, pavilions, green play areas, lighted concrete pathways, exercise stations, Americans with Disabilities Act (ADA) improvements, and landscape improvements. The project entails improvements and expansion of existing facilities, including dog park enhancements and the re-surfacing of both basketball and tennis courts.	\$5.4 million (including land purchase)	05/2018
Lakeside Park Expansion	Lakeside Park	In fiscal year 2016, the City purchased a five-acre parcel of vacant land adjacent to Lakeside Park with the intent to expand the park by adding additional soccer and football athletic fields. Conceptual plans include creating two multi-purpose fields with sports lighting, parking, restrooms, facilities, band shell, and amenities.	\$5.7 million (including land purchase)	Early-2020
Comprehensive Street Improvement Program	Varies	The City is currently investing in a Comprehensive Street Improvement Program to address the City's aging roadway infrastructure. The program involves general rehabilitation, including curbing, resurfacing, and striping, sidewalk and ADA improvements, as well as milling and/or asphalt resurfacing at various City locations. The Comprehensive Street Improvement Program will also incorporate landscape median improvements and water and sewer drainage system improvements. Revenue Note, Series 2017A in the amount of \$10 million was issued in 2017 to finance Phase I of the Comprehensive Street Improvement Program, as well as the Lakeside Park expansion. The City anticipates issuing another \$10 million in fiscal year 2018 to finance Phase II of the Program.	\$21.5 million	Late-2022
Complete Streets Program	Lyons Road from Atlantic Boulevard to Hillsboro Canal	This project provides for the addition of buffered bicycle lanes, missing sidewalk connections, and resurfacing of Lyons Road. More information on the Complete Streets Program is provided in the Major Initiatives section.	\$17.1 million (\$15.4 million Grant Funded)	09/2020

The City has established a robust grants application and acquisition process and pursues all opportunities to secure grant funding whenever possible to help offset the cost of the City's capital improvement projects. The City continues to balance the need for community services with the equally important need to maintain financial stability and accountability.

Relevant Financial Policies

The City of Coconut Creek budgetary and financial policies provide the basic framework for the overall fiscal management of the City. The main policies that had a significant effect on fiscal year 2017's financial statements are discussed below:

Accounting and Administrative Controls

Management of the City of Coconut Creek has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City on a government-wide and fund basis. All internal control evaluations occur within the above framework, and to the best of our knowledge the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls

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

As demonstrated by the budgetary comparison schedules included in this report, the City continues to meet its responsibility for sound financial management practices. For the General Fund and major Special Revenue Funds, this comparison is presented beginning on page 65 as part of the required supplementary information. For the remaining governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section that starts on page 82.

Capital Financing

In conjunction with the operating budget, the City Manager annually presents a program to provide for improvements to City of Coconut Creek's public facilities for the upcoming fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for City's vehicles, roads, sidewalks, parks, buildings, infrastructure, and information technology needs. The City's Capital Improvement Program for fiscal years 2018 through 2022 calls for funding of approximately \$47.2 million in governmental funds and \$18.2 million in enterprise funds.

During fiscal year 2017, the City spent \$7.1 million on governmental funds capital improvement projects and \$2.3 million on enterprise funds capital improvement projects and include the following:

Governmental Funds	Enterprise Funds
<ul style="list-style-type: none"> • Fire Station #50 (complete) • Recreation Complex locker room improvements (complete) • Hillsboro Boulevard Median Improvements (complete) • Windmill Park Improvements (in progress) • Sabal Pines Park playground equipment and shade structures • Fiber Optic Infrastructure (phase I and II) • Comprehensive Streets Improvement Program (phase I in progress) • Government Center Rehabilitation (in progress) • Vehicle/computer replacements 	<ul style="list-style-type: none"> • Utilities and Engineering Building Expansion (in progress) • Wastewater Pump Station Rehabilitation (recurring) • Wastewater Pipe Station Rehabilitation (recurring) • Water Valve Replacement Program (recurring) • Wastewater Force Main Isolation Valves Rehabilitation (recurring) • Electrical Control Panel Rehabilitation (recurring)

Revenue Policy

The City of Coconut Creek strives to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and minimize dependence on property taxes. Charges for services are used to recover partial or full cost of providing services that benefit individual users. Additionally, it is the City's policy that new, ongoing operating costs are funded with regular, ongoing revenue sources.

Debt Policy

The City of Coconut Creek seeks to minimize borrowing costs. Debt is issued when necessary to finance capital projects, but is never used for current operations level. Annual debt service payments are planned to avoid any negative effect on Fund Balance. The City reviews and evaluates its existing obligations and future borrowing needs regularly. Outstanding debt as of September 30, 2017 totaled \$17.5 million, an increase of \$8.3 million from the previous year due to the issuance of two Revenue Notes: Revenue Note, Series 2017A for \$10.0 and Revenue Note, Series 2017B for \$6.8. Revenue Note, Series 2017A was issued to finance certain constructions projects, including the Comprehensive Street Improvement and Lakeside Park Expansion projects. Revenue Note Series 2017B was issued to retire outstanding Revenue Note, Series 2009 in the amount of \$6.8.

Fund Balance Policy

The City of Coconut Creek's Fund Balance Policy was developed to ensure adequate fund balance for the City's governmental funds. The intent of this policy is to (1) provide sufficient cash flow for daily financial needs; (2) secure and maintain investment grade bond ratings; (3) offset any significant economic downturns or revenue shortfalls; and (4) provide funds for unforeseen emergency expenditures. At the end of the current fiscal year, governmental fund balance totaled \$66.3 million, of which \$19.7 million is unassigned fund balance of the General Fund. Unassigned fund balance represents 34.7%, or approximately four months, of total General Fund's budgeted operating expenditures. An additional \$3.0 million has been reserved for Hurricane Emergencies. For more information on the City's Fund Balance Policy, please refer to pages 39 and 40, Note 1 to the Financial Statements.

Major Initiatives

Strategic Planning

The City of Coconut Creek’s long-term vision is to remain “the City of the Future with a Personal Touch.” To ensure we uphold that vision, staff’s mission every day is to provide “continuous quality improvement to enhance a sense of community, quality of life, and personal security.”

One of the ways the City achieves this is by proactively reviewing our short and long-term strategic plans. Tools utilized by the City include the Comprehensive Plan and the Strategic Plan.

Comprehensive Plan

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

Strategic Plan

The City’s Vision 2020 Policy Statement is the foundation for the City’s Strategic Plan and was developed based on citizen-generated strategic priorities. The following table lists these strategic priorities and identifies some of the 2017 initiatives and/or programs that support these priorities:

Maintain a high quality of life and maintain the current level of City services	Foster economic development and promote environmental preservation	Provide educational, recreational, and cultural opportunities
<ul style="list-style-type: none"> • Addition of a Senior Staff Assistant to increase efficiency in Code Compliance administration • Addition of a Part-Time Permit Technician to implement the e-permitting process • Addition of a Police Service Aide to enforce parking violations • Addition of the Lyons Road Express Bus Service • Completion of Fire Station #50 	<ul style="list-style-type: none"> • MainStreet Development, including the Promenade and Seminole Coconut Creek Casino • Economic Development Incentive Program • Hillsboro Boulevard Revitalization • City Green Plan • Complete Streets Program • City Mobility Initiatives • Reclaimed Water Projects 	<ul style="list-style-type: none"> • Culture Educational Series and Multi-Cultural Art Festival • Autism Awareness Event • Annual Butterfly Festival • Partnership with Junior Achievement • Farmers Market • Windmill Park Expansion and Improvements • Lakeside Park Expansion

Coconut Creek Police Department Accreditation Program

An accreditation program has long been recognized as a means of maintaining the highest standards of professionalism. The City’s Police Department initiated the two-year Florida Accreditation process on August 15, 2016. Currently, the self-assessment phase of the accreditation process is underway. A mock assessment will take place in June 2018 to prepare for the final on-site assessment in August 2018. Through a continuum of reviewed standards that define authority, performance, and responsibilities, this accreditation facilitates the Police Department’s pursuit of professional excellence while enhancing accountability within the department and community, and limiting liability and risk of exposure.

Complete Streets

Complete Streets is a city, county, state, and nation-wide initiative that aims to create a safe and efficient transportation network that promotes the health and mobility of all residents and visitors by providing high quality multi-modal (pedestrian, bicycle, transit and automobile) access. To support this initiative, the City has focused on applying this policy to all roadway projects. This includes projects involving new construction, reconstruction, retrofits, repaving, rehabilitation, or changes in the allocation of pavement space on an existing roadway, as well as those that involve new privately built roads and easements intended for public use. During fiscal year 2014, the City was granted approximately \$15.4 million in construction benefits from the Broward Metropolitan Planning Organization towards a Complete Streets project on Lyons Road between Atlantic Boulevard and the Hillsboro canal. This funding is earmarked for the design and construction of all the hardscape elements to include the paving, pavement markings, sidewalks, signalization, transit amenities, drainage and signage for the project. It will be completed by the Florida Department of Transportation (“FDOT”) and is anticipated to begin in July 2019. Survey work for the Lyons Roads project has already commenced. The City also boasts the “2015 Complete Streets Community Award” provided by the Broward Metropolitan Planning Organization for outstanding efforts in engaging the community in planning for Complete Streets.

City Mobility

Over the last 10 years, the City has been planning and implementing a network of trails that aim to provide pedestrians, cyclists and even equestrians with recreational opportunities within a safe alternative mode of mobility throughout the City, thus reducing the need for automobile use. This can be described as creating a more 'walkable' and 'livable' community. While residents may be aware of a trail near their neighborhood, they may not be aware of the larger network. To support this initiative, the City is working to create visible trail heads, consistent icons, and maps which will identify various trailways and their connections with public transportation, parks, public facilities, and major attractions in Coconut Creek. This is an important sustainable element as the community continues to grow.

Hillsboro Boulevard

The City will continue to invest in the community as a means of attracting businesses and residents. The area along Hillsboro Boulevard is currently a primary area of focus. Several properties along the corridor suffer from high vacancy rates, underdevelopment, or remain undeveloped for special purposes. A Hillsboro Corridor Visioning Plan was created to focus on economic development while showcasing the existing environmental preserve areas along and around Hillsboro Boulevard. The City was awarded a \$1 million Broward County Redevelopment Grant to assist in this process, with an emphasis on enhanced pedestrian improvements along the corridor and strategic property acquisition.

Sustainability and Environmental Preservation

City Green Plan

In 2009, a City Green Plan was developed and adopted that establishes a framework for achieving environmental leadership. The plan addresses both community-wide programs and government operations. By implementing the action steps contained in the Plan, the City of Coconut Creek will provide long-term benefits to the health and well-being of the community which will result in cost savings based on a diminished demand for resources. The major components of the City's Green Plan are described below:

- **Greenhouse Gas**

The City is currently an active participant in the South Florida Regional Climate Compact (SFRCC): a collaboration of experts, academia, government employees, and elected officials within the counties of Palm Beach, Broward, Miami-Dade, and Monroe. The focus of SFRCC is to identify and address climate change and the effects in our region and has received national and international recognition for being the first of its kind and for the achievements made. The City is an active participant in this group and will begin a renewed focus on greenhouse (GHG) tracking for government operations and the community.

- **Florida Green Building Certification**

The City earned gold level designation under the Florida Green Building Coalition (FGBC) Green Local Government Certification Program and achieved the highest score of all FGBC certified local governments within Broward County and the fifth highest scoring local government in the state. Award of this certification resulted from the City's numerous cost savings and environmental initiatives which include: establishing a City Green Plan; accommodating bicycles in traffic lanes; and implementing recycling stations for plastic, glass, and aluminum containers in all public areas.

- **Dark Sky Lighting Ordinance**

The City implemented a Dark Sky Lighting Ordinance. The Ordinance requires new developments to install dark sky friendly lighting fixtures with limited project lighting. This is a pivotal move in reclaiming the night skies and the City continues to be on the forefront of sustainability with this initiative. As a result, the City is now seeing the first projects approved using the principles of Dark Sky Lighting.

- **Audubon International (AI) Sustainable Community**

AI requires a reporting element to maintain the certification. Staff worked with AI to create a reporting document that used elements of the Green Plan with a few specific items from AI added. By combining these two documents for this biennial reporting requirement, staff time has been reduced. This also provides added esteem for the City's Green plan in that Audubon International accepts the annual report as part of the AI reporting requirement.

- **Virtual Garden Tours**

The City's Environmental Advisory Board (EAB) has begun a program to highlight gardens in the City for native species, wildlife and pollinator contributions, and uniqueness. These videos will be published in collaboration with the Community Relations Department and will be published on YouTube and highlighted on the City's social media websites.

The City continues to be a leader in Green Initiatives in Broward County. In addition to the above, the City is a Certified Wildlife Community by the National Wildlife Federation, a Tree City USA by the Arbor Day Foundation (29 years), and implemented an award-winning street tree replacement program necessitated by the hurricanes of 2004 and 2005.

Reclaimed Water

Another way in which the City seeks to promote sustainability is by incorporating a Reclaimed Water Program, where Broward County will provide up to two million gallons of reclaimed water per day to the City for irrigation purposes. Using reclaimed water provides various benefits throughout the community such as reduction in fertilizer usage, reduction in use of groundwater for irrigation and a decrease of treated wastewater disposed into the ocean. The project is estimated to cost approximately \$2.0 million and comprises of the following phases:

- Sabal Pines Park irrigation (complete)
- Wiles Road, from NW 39th Avenue to the MainStreet area (in progress)
- Lyons Road, from Wiles Road to north of Hilton Road (in progress)
- Copans Road, from the Florida Turnpike overpass to Lyons Road (planning phase in progress)

Health and Wellness

The City is committed to providing a safe and healthy environment for its residents to live, work and play. Many of the recreational and capital improvement programs were developed to promote health and wellness within the community. The City was awarded a total of 5 gold medals from the former First Lady Obama's Let's Move! Program, earning the #1 rank in the country. The City also received gold designation as a "Fit Friendly Worksite" from the American Heart Association; was named "Healthiest Weight Community Champion" by the Florida Department of Health; was recognized as one of the "Healthiest Employers" by South Florida Business Journal; received a Florida worksite wellness award from the Consortium for a Healthier Miami-Dade; was recognized as a "Champion of Health" by Cigna; reached the Healthy Champion Level for the FRPA Health & Wellness Pledge in March 2017; and received the "Worksite Wellness Award" from Florida Tobacco Cessation Alliance.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coconut Creek for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2016. This was the 34th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

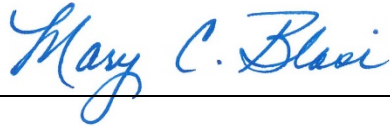
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2017 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This was the 17th consecutive year that the City has received this award.

The City also received an award for Outstanding Achievement in Popular Annual Financial Reporting for the September 30, 2016 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. This was the 10th consecutive year that the City has received this award.

Preparation of this report would not have been possible without the efficient and dedicated services of the Finance and Administrative Services Department. We would like to express our appreciation to all members of this department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Commission for their

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

Respectfully submitted,



Mary C. Blasi
City Manager



Karen M. Brooks
Deputy City Manager/CFO



Government Finance Officers Association

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

Presented to

**City of Coconut Creek
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

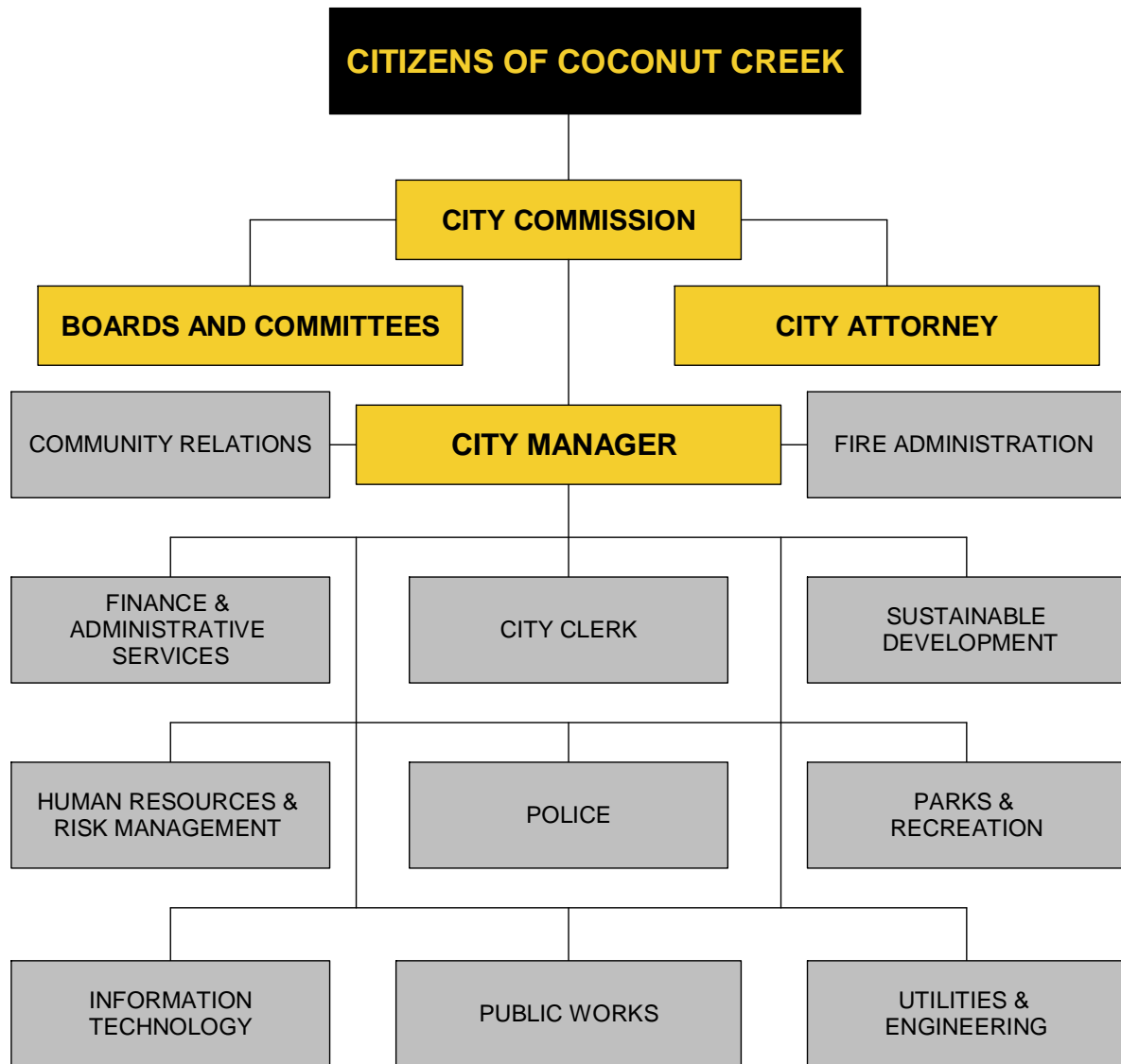
September 30, 2016

Christopher P. Morill

Executive Director/CEO



COCONUT CREEK GOVERNMENTAL STRUCTURE ORGANIZATIONAL CHART FISCAL YEAR 2017



**CITY OF COCONUT CREEK, FLORIDA
LIST OF PRINCIPAL OFFICIALS**

Elected Officials

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

Appointed Officials

City Manager Mary C. Blasi
City Attorney..... Terrill C. Pyburn
City Clerk..... Leslie Wallace May
Assistant City Manager/Director of Sustainable Development..... Sheila N. Rose
Director of Human Resources Pamela J. Kershaw
Director of Utilities and Engineering..... Osama Elshami
Director of Public Works James L. Berkman
Director of Parks and Recreation..... Wayne K. Tobey
CIO Information Technology..... Francisco Porras
Chief of Police Albert "Butch" Arenal
Fire Marshal..... Jeffery Gary

Finance Officials

Deputy City Manager/Chief Financial Officer..... Karen M. Brooks
Deputy Director of Finance Peta-Gay Lake





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida (the City) as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, City's proportionate share of the net pension liability schedules, schedules of City contributions, schedules of investment returns and schedule of funding progress for other post-employment benefits on pages 4 - 21 and 65 - 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The 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 March 29, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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 the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, Florida
March 29, 2018



Management's Discussion and Analysis

As management of the City of Coconut Creek, we offer readers this narrative overview and analysis of the financial activities of the City of Coconut Creek for the fiscal year ended September 30, 2017. The City of Coconut Creek's Management Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify any individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xv of this report. All amounts in this section, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- Assets plus deferred outflows of resources of the City of Coconut Creek exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$237.6 (net position). Of this amount, the unrestricted net position of \$52.4 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$10.3 during the current fiscal year. Net position of our governmental and business-type activities increased by \$5.2 and \$5.1, respectively. The majority of the increase in governmental activities net position is due to savings in operating expenses and the timing of capital expenses. The majority of increase in business-type activities net position is due to an increase in charges for services related to a rate increase effective April 1, 2017 and an increase in the number of utility accounts and water consumption, as well as the timing of capital expenses.
- Governmental Activities generated \$22.9 in program revenues, with \$61.1 in direct expenses.
- Business-type Activities generated \$23.6 in program revenues, with \$19.8 in direct expenses.
- As of the close of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$66.2 an increase of \$12.7, or 23.7%, over the prior year. Of this amount, approximately \$0.2 is nonspendable, \$13.7 is restricted, \$16.4 is committed, \$17.2 is assigned, and \$18.7 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19.7, or 34.7% of total General Fund budgeted operating expenditures.
- The City of Coconut Creek's total outstanding debt increased \$8.3, or 90.2% during the current fiscal year due to the issuance of debt of \$16.8 offset by the refunding of the Capital Improvement Revenue Note, Series 2009 of \$6.8 and scheduled annual debt service payments.
- Capital grants and contributions decreased by \$1.8, or -69.2% due to a reduction in capital contributions from developers.
- Overall, the City's financial position has improved from the prior year.

Overview of the Financial Statement

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

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

Management's Discussion and Analysis

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, a section is included with combining statements that provide details about the nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

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

The *statement of net position* presents information on all of the City of Coconut Creek's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Coconut Creek is improving or deteriorating. However, other factors should be considered when assessing the City's overall health, such as the condition of capital assets (roads, buildings, etc.) and debt structure.

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

Both of the government-wide financial statements distinguish functions of the City of Coconut Creek that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Coconut Creek include general government, public safety, physical environment, and culture and recreation. The business-type activities of the City of Coconut Creek include the water and wastewater operation and the stormwater management operation.

The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund financial statements. A *fund* consists of a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Coconut Creek, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. All of the funds of the City of Coconut Creek can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Coconut Creek maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the eight funds considered major funds.

Management's Discussion and Analysis

Data from the other seven governmental funds are combined into a single, aggregated presentation. For financial reporting purposes, the General Fund and the General Trust Fund have been combined and are reported as one fund (the General Fund). Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in this report beginning on page 78.

Major Governmental Funds:

General
Street Construction and Maintenance
Grants
2009 Capital Projects
Capital Improvement Program
Public Safety Improvement
Community Improvement
2017 Capital Projects

Nonmajor Governmental Funds:

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

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

The basic governmental fund financial statements can be found on pages 24 through 29 of this report.

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

Major Enterprise Fund:

Water and Wastewater

Nonmajor Enterprise Fund:

Stormwater Management

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

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Coconut Creek's General Fund, Street Construction and Maintenance Fund, Grants Fund, and Community Improvement Fund budgetary comparison schedules to demonstrate compliance with the budget; the City's progress in funding its obligation of providing other post-employment benefits to its employees; and information regarding the City's responsibility towards Florida State Retirement System pension plan. Required supplementary information can be found starting on page 65 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 78 of this report.

Management's Discussion and Analysis

Government-wide Financial Analysis

Summary of net position. The overall position of the City improved in 2017. As noted earlier, over time net position may serve as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net position summary presentation as reflected below:

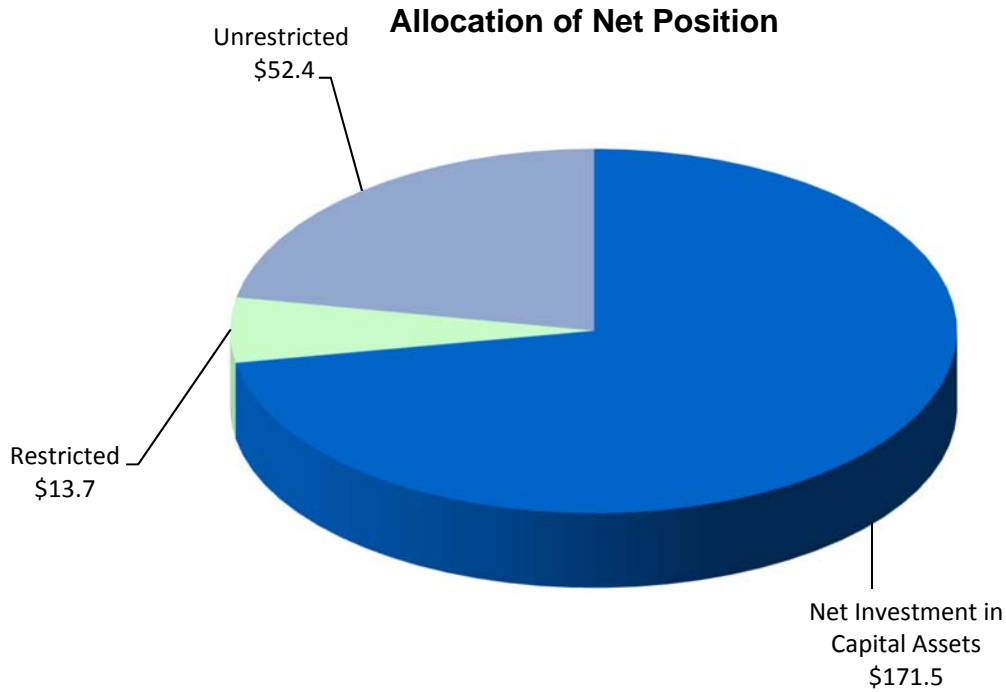
- 1) *Net results of activities* will impact (increase/decrease) current assets and unrestricted net position.
- 2) *Borrowing for capital* will increase current assets and long-term debt.
- 3) *Spending borrowed proceeds on new capital* will reduce current assets and increase capital assets. Additionally,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

In the case of the City of Coconut Creek, combined assets and deferred outflows exceeded liabilities and deferred inflows by \$237.6 at the close of fiscal year 2017 (see Table 1 below).

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016-2017
Current and other assets	\$ 73.5	\$ 59.0	\$ 47.5	\$ 41.3	\$ 121.0	\$ 100.3	20.6%
Capital assets	101.6	98.3	78.4	78.0	180.0	176.3	2.1%
Total assets	175.1	157.3	125.9	119.3	301.0	276.6	8.8%
Total deferred outflows of resources	16.4	13.1	1.6	1.3	18.0	14.4	25.0%
Long-term liabilities outstanding	62.1	47.6	4.6	4.1	66.7	51.7	29.0%
Other liabilities	8.1	7.8	4.3	3.0	12.4	10.8	14.8%
Total liabilities	70.2	55.4	8.9	7.1	79.1	62.5	26.6%
Total deferred inflows of resources	2.2	1.1	0.1	0.1	2.3	1.2	91.7%
Net position:							
Net investment in capital assets	93.5	88.8	78.0	77.8	171.5	166.6	2.9%
Restricted	13.7	4.4	-	-	13.7	4.4	211.4%
Unrestricted	11.9	20.7	40.5	35.6	52.4	56.3	(6.9%)
Total net position	\$ 119.1	\$ 113.9	\$ 118.5	\$ 113.4	\$ 237.6	\$ 227.3	4.5%

CHART 1



As depicted in Chart 1, the largest portion of the City of Coconut Creek's net position is investment in capital assets (e.g. land, buildings, infrastructure and equipment) less any related outstanding debt used to acquire those assets, at \$171.5 or 72.2% of the total net position. The City of Coconut Creek uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Coconut Creek's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's net investment in capital assets increased by \$4.9 primarily due to the acquisition and construction of capital assets.

The restricted portion of the City of Coconut Creek's net position, at \$13.7 or 5.8% represents resources that are subject to external restrictions on how they may be used. The fiscal year 2017 balance in restricted net position increased by \$9.3 mainly due to loan proceeds of \$10.0 in the 2017 Capital Projects Fund, which will be used for the Comprehensive Street Improvement and Lakeside Park Expansion programs.

The remaining balance of \$52.4 or 22.0% reflects unrestricted net position, which decreased by \$3.9, and may be used to meet the government's on-going obligations to citizens and creditors. This decrease in unrestricted net position was primarily the result of an increase in net investment in capital assets in the governmental funds and an increase in pension liability.

At the end of the 2017 fiscal year, the City of Coconut Creek is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

Management's Discussion and Analysis

The City's long-term liabilities increased \$15.0. This increase was mainly due to the issuance of debt of \$10.0, an increase in net pension liability of \$5.4, an increase in compensated absences of \$0.5, partially offset by a decrease of \$0.3 in net other post-employment benefits (OPEB) liability, and annual debt service payments. The City contributes towards other post-employment benefits (OPEB) on a pay-as-you go basis. Other post-employment benefits (OPEB) and Pensions are discussed in more detail in Note 11 and Note 16, respectively, pages 53 through 60 and pages 62 through 64, respectively.

Current and other assets increased \$20.7 mainly due to the issuance of debt, an increase in accounts receivable and the timing of payments, receipts and capital expenses.

Capital assets increased \$3.7 mainly due to the construction of numerous ongoing capital projects, including the completion of Fire Station #50, Windmill Park Expansion, Comprehensive Street Improvement program, various other park improvements, and utility improvement projects, as well as the annual replacement of vehicles and computers.

Changes in capital assets are discussed in the Capital Assets and Debt Administration section on page 18.

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

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

Basic impacts that can affect expenses:

- 1) **Introduction or elimination of programs** can have an impact on staffing levels, operating costs, and capital outlay costs.
- 2) **Changes in service levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent approximately 47.2% of the City's operating costs.
- 3) **Salary increases** such as cost of living, performance increases, and pension contributions can impact personal service costs.
- 4) **While inflation** appears to be relatively low, the City is a major consumer of certain commodities such as fuel, chemicals, supplies, and parts. Some functional expenses may experience unusual commodity specific increases. In addition, the City has various contracts with built-in annual increases.

The City's net position increased by \$10.3 or 4.5%, during the fiscal year 2017. The increase in net position was primarily a result of strong operating results for governmental and business-type activities.

More detailed information is provided in the governmental and business-type activities change in net position section on the following page:

Management's Discussion and Analysis

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2016-2017
	2017	2016	2017	2016	2017	2016	
Revenues							
Program revenues							
Charges for services	\$ 21.4	\$ 20.3	\$ 23.6	\$ 22.6	\$ 45.0	\$ 42.9	4.9%
Operating grants and contributions	0.7	0.6	-	-	0.7	0.6	16.7%
Capital grants and contributions	0.8	0.6	-	2.0	0.8	2.6	(69.2%)
General revenues							
Property taxes	21.4	19.7	-	-	21.4	19.7	8.6%
Utility taxes	6.8	6.7	-	-	6.8	6.7	1.5%
Local option gas tax	1.0	1.0	-	-	1.0	1.0	0.0%
Franchise fees	4.5	4.4	-	-	4.5	4.4	2.3%
Impact fees	1.1	0.3	1.0	1.0	2.1	1.3	61.5%
Intergovernmental	6.1	5.9	-	-	6.1	5.9	3.4%
Investment income	0.4	0.4	0.3	0.3	0.7	0.7	0.0%
Miscellaneous	2.1	2.0	-	0.2	2.1	2.2	(4.5%)
Total revenues	66.3	61.9	24.9	26.1	91.2	88.0	3.6%
Expenses							
General government	13.2	12.0	-	-	13.2	12.0	10.0%
Public safety	32.3	29.8	-	-	32.3	29.8	8.4%
Physical environment	8.2	7.8	-	-	8.2	7.8	5.1%
Culture/recreation	7.0	6.8	-	-	7.0	6.8	2.9%
Interest on long-term debt	0.4	0.4	-	-	0.4	0.4	0.0%
Water and wastewater	-	-	18.4	17.8	18.4	17.8	3.4%
Stormwater management	-	-	1.4	1.4	1.4	1.4	0.0%
Total expenses	61.1	56.8	19.8	19.2	80.9	76.0	6.4%
Increase in net position	5.2	5.1	5.1	6.9	10.3	12.0	(14.2%)
Net position-beginning	113.9	108.8	113.4	106.5	227.3	215.3	
Net position-ending	\$119.1	\$113.9	\$118.5	\$113.4	\$237.6	\$227.3	4.5%

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City of Coconut Creek's net position by \$5.2, thereby accounting for 50.5% of the total growth in the net position of the City of Coconut Creek.

In summary, governmental revenues increased 7.1% to \$66.3. Overall, revenues remained stable from fiscal year 2016 to fiscal year 2017, with the exception of a 5.4% increase in charges for services and an 8.6% increase in property taxes, which are explained in more detail below.

Key elements of this increase are as follows:

- Charges for services increased by \$1.1 or 5.4% during the year. The increase is primarily attributed to an increase of \$0.8 for licenses and permits, due to the timing of new construction within the City, an increase in public safety revenues of \$0.1 as a result of the timing of collections for EMS transport fees, and \$0.1 in Culture and Recreation fees. The remaining net increase of \$0.1 is due to relatively minor fluctuations in other accounts.
- Operating grants/contributions increased by \$0.1 or 16.7%, mainly due to the timing of grant revenues.
- Capital grants/contributions increased by \$0.2 or 33.3%, mainly due to the timing of grant revenues.
- Property tax collections increased \$1.7 or 8.6%, due to new construction, and an increase in property tax values.
- Utility taxes increased by \$0.1 or 1.5% mainly due to a rate increase by Florida Power & Light (FPL), effective January 2017 and new construction.
- Local option gas tax remained unchanged from fiscal year 2016 to 2017.
- Franchise fees increased by \$0.1 or 2.3% primarily due to a rate increase by Florida Power & Light (FPL), effective January 2017 and new construction.
- Impact fees increased by \$0.8 or 266.7%, mainly due to the timing of new development within the City.
- Intergovernmental revenues increased by \$0.2 or 3.4%, mainly due to a \$0.1 increase from half-cent sales tax, and a \$0.1 increase from state shared revenue, an indication that consumer confidence continues to be positive.
- Investment income remained unchanged from fiscal year 2016 to 2017, mainly due to the ongoing volatility in financial market conditions.
- Miscellaneous revenues increased by \$0.1 or 5.0% mainly due to minor fluctuations in accounts comprising the miscellaneous category.
- Expenses increased by \$4.3 or 7.6%. This can be attributed to a \$1.8 increase in personnel costs, which included the addition of 5 full-time equivalent (FTE) employees, salary and employee benefit increases, including pension and other post-employment benefit related expenses; an increase of \$0.7 from Hurricane Irma for response and recovery efforts, an increase of \$0.4 in the contract for fire and EMS services with the City of Margate; an increase of \$0.4 in depreciation expense; an increase of \$0.2 in maintenance and repair contracts; an increase of \$0.1 in property and liability insurance; an increase of \$0.1 for City elections, and the remaining \$0.6 from other minor fluctuations, less than \$0.1 individually, in other operating expenses.

Management's Discussion and Analysis

The chart below (Chart 2) depicts the changes in governmental revenues from fiscal year 2016 to fiscal year 2017.

CHART 2

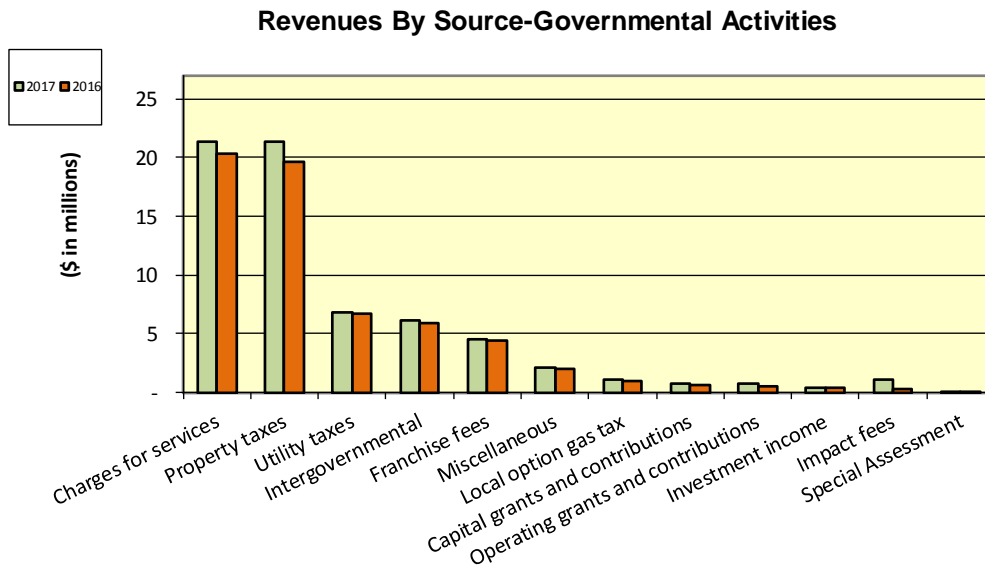
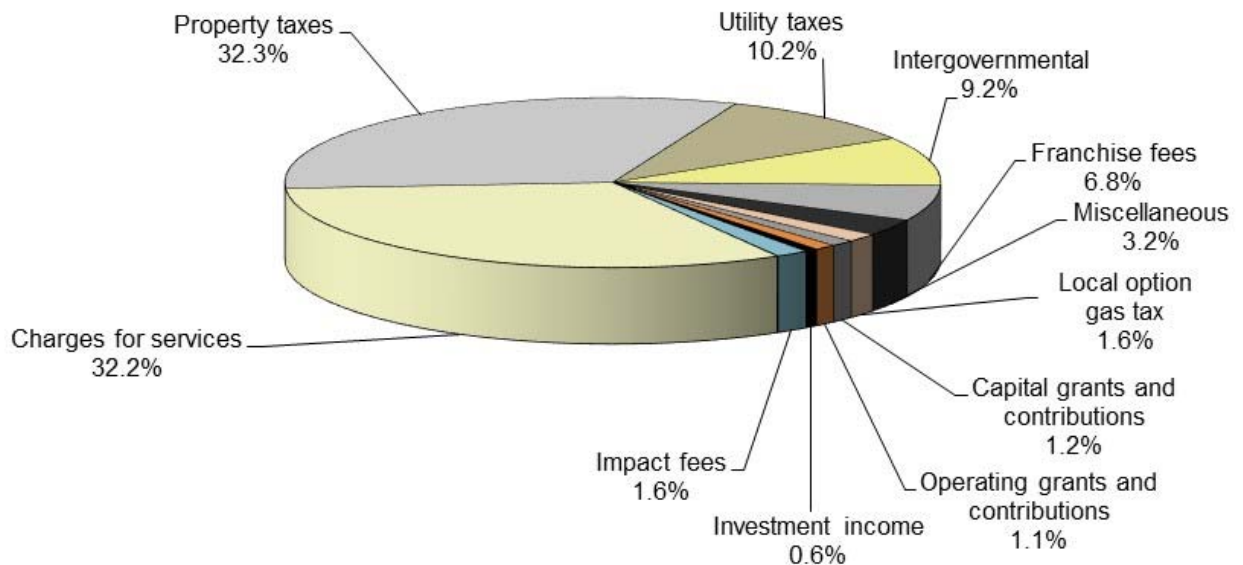


Chart 3 provides an overall view of the various governmental revenue sources. 32.3% of the revenues received come from property taxes, 32.2% from charges for services, 10.2% from utility taxes, 9.2% from intergovernmental activities, and 6.8% from franchise fees.

CHART 3

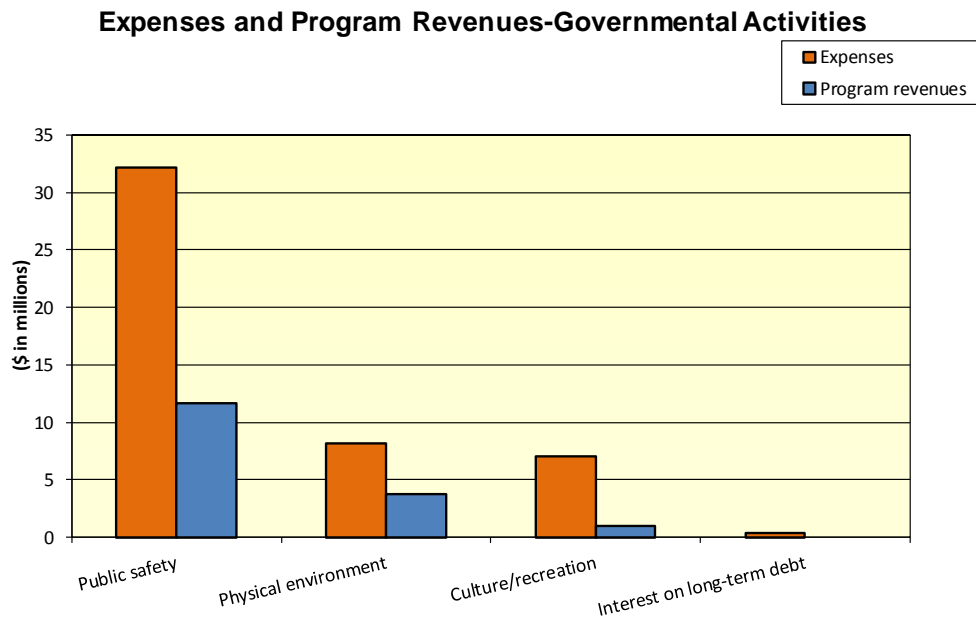


Management’s Discussion and Analysis

Chart 4 compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$61.1. This cost was financed by:

- Those who directly benefited from the programs through charges for services of \$21.4, and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions of \$1.5.,
- The remaining \$38.2 “public benefit” portion of governmental activities was financed with \$33.7 in taxes and franchise fees, and with other revenues such as unrestricted state aid, impact fees and miscellaneous revenues.

CHART 4



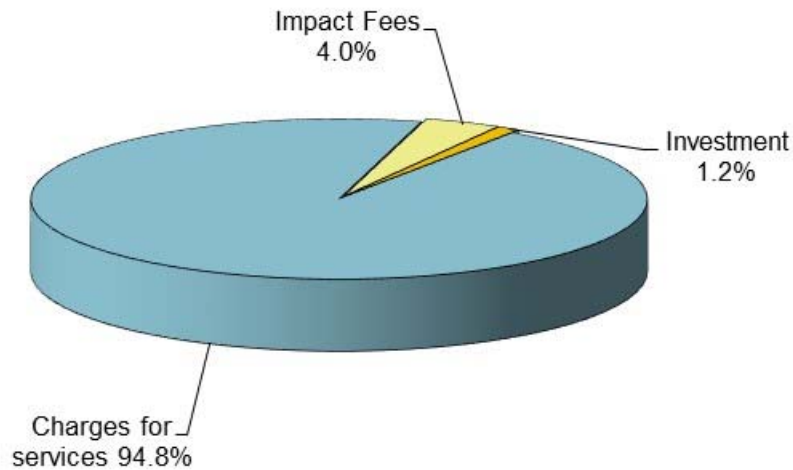
Business-type activities. Business-type activities increased the City of Coconut Creek’s net position by \$5.1, accounting for 49.5% of the total increase in the government’s net position. Revenues of the City’s business-type activities decreased 4.6% to \$24.9 while expenses increased 3.1% to \$19.8. Factors contributing to these results included:

- Charges for services increased by \$1.0 or 4.4% primarily due to an increase in the number of utility customers, water consumption, and a scheduled rate increase that took effect April 1, 2017.
- Capital Grants and Contributions decreased \$2.0 or (100%) due to fewer capital contributions of utility easements and infrastructure. Capital Grants and Contributions do not represent spendable revenue collected during the year.
- Impact fees remained unchanged from fiscal year 2016 to fiscal year 2017 due to the timing of new construction projects. Impact fees were received for the construction of the North Broward Preparatory School Residential Village, a three story dormitory building for up to 436 international students; Allegro Senior Living Community, a 175 independent living, assisted living and memory care apartments; and multiple smaller projects.
- Investment income remained unchanged from fiscal year 2016 to 2017, mainly due to the ongoing volatility in financial market conditions.
- Expenses increased by \$0.6 or 3.1%, during the year. This increase is partially attributable to a \$0.3 increase in personnel costs due to salary and employee benefit increases, including pension and other post-employment benefit related expenses; and increases in operating costs of \$0.3, due to a contractual increase paid to Broward County for the purchase of water and the treatment and transmission of wastewater.

Management’s Discussion and Analysis

Chart 5 provides an overall view of the various business-type revenue sources. 94.8% of these revenues received come from charges for services, 4.0% from impact fees paid by developers, and 1.2% from investments.

CHART 5
Revenues by Source-Business-Type Activities



Financial Analysis of the City's Funds

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

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

Management’s Discussion and Analysis

As of the end of the current fiscal year, the City of Coconut Creek’s governmental funds reported combined ending fund balances of \$66.2, an increase of \$12.7 in comparison with the prior year.

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

	Governmental Activities	
	2017	2016
Nonspendable:		
Inventory	\$ 0.1	\$ 0.1
Prepays	0.1	0.1
Restricted for:		
Capital projects	10.1	0.7
Grants	0.5	0.3
Street construction/maintenance	1.5	1.9
Public safety	1.6	1.5
Committed to:		
Affordable housing program	0.9	0.8
Capital projects	9.4	10.1
Community Improvement	0.1	0.4
Debt service	0.1	0.1
Culture and Recreation	2.9	-
Hurricane emergency reserve	3.0	2.8
Assigned to:		
Capital projects	3.2	2.0
General government	3.1	2.9
Physical environment	0.3	-
General trust accounts	2.0	2.1
Assets held for resale	8.6	8.6
Unassigned	18.7	19.1
Total fund balances	\$ 66.2	\$ 53.5

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

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

- **Nonspendable Fund Balance:** \$0.2 of fund balance is classified as *nonspendable*, which indicate amounts that are not available for new spending because it is not in spendable form. Nonspendable fund balance includes \$0.1 for inventory and \$0.1 for prepaid costs.
- **Restricted Fund Balance:** \$13.7 is classified as *restricted*, which indicate amounts constrained to specific purposes by external entities. Restricted fund balance includes \$0.5 associated with grant restrictions; \$10.1 for a debt covenant related to the various capital projects; \$1.6 for federal, state, and local requirements for the use of law enforcement forfeitures and seizures; and \$1.5 related to street construction and maintenance.
- **Committed Fund Balance:** \$16.4 is classified as *committed*, to indicate amounts constrained to specific purposes by the City Commission through Ordinance or Resolution. Committed fund balance consists mainly of \$9.4 constrained to ongoing and future capital projects; \$0.1 related to debt service; \$0.9 related to affordable housing; \$0.1 related to community improvement; \$2.9 related to culture and recreation; and \$3.0 related to hurricane emergencies.
- **Assigned Fund Balance:** \$17.2 is classified as *assigned*, to indicate amounts constrained by the City's *intent* to use for a specific purpose. Assigned fund balance mainly includes \$3.2 set aside for ongoing and future capital projects; \$2.9

Management's Discussion and Analysis

for future budgetary requirements; \$8.6 for assets held for resale; \$2.0 for general trust accounts; and the remaining \$0.5 will be used for purchase commitments and fiscal year 2018 reappropriations.

- Unassigned Fund Balance: \$18.7 is classified as *unassigned* which identifies net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Coconut Creek. At the end of the current fiscal year, fund balance totaled \$31.3, of which \$19.7 is unassigned fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total budgeted expenditures. Unassigned fund balance represents 34.7%, or approximately four months of the General Fund's total budgeted operating expenditures.

The fund balance of the City of Coconut Creek's General Fund increased \$3.8 to \$31.3. This increase in fund balance was a result of a higher than anticipated tax revenue, licenses and permits, fines and forfeitures, and miscellaneous income, as well as, unused departmental expenditures, offset by unanticipated budget shortages for franchise fees, utility taxes, charges for services and investment revenue. Unused departmental expenditures include personnel cost savings of \$2.8 (approximately 7.7% of total budgeted personnel costs) resulting from vacancies throughout the year, and various operating cost savings of \$2.4 (approximately 12.1% of total budgeted operating costs). More detailed information is included in the General Fund Budgetary Highlights section on page 17.

The Streets Construction and Maintenance Fund has a fund balance of \$1.5, which is mainly held in cash and investments for future street related expenditures. Fund balance decreased by \$0.4 primarily due to expenditures from the purchase of a new trolley, the Hillsboro Boulevard Median project and Comprehensive Street Improvement project.

The Grants Fund has a fund balance of (\$1.0). Fund balance decreased \$0.9 due to the timing of grant reimbursements.

The Community Improvement Fund has a fund balance of \$4.2, which is mainly held in cash and investments for future capital projects and debt service payments. Fund balance increased primarily due to the timing of capital projects and the refinancing of the Series 2009 Capital Improvement Note.

The 2009 Capital Projects Fund has a total fund balance of \$0.6, which is mainly held in cash and investments received from the \$10.0 Capital Improvement Revenue Note, Series 2009. The new Public Works/EOC Administration Building, completed in fiscal year 2013, and the undergrounding of aerial utility lines, phases II and III were constructed from the proceeds of this note. Fund balance decreased by \$0.1, representing the use of note proceeds to fund the rehabilitation of the Government Center, phases I and II. The balance of this note will be used finance the final phases of the Government Center rehabilitation and other capital projects.

The 2017 Capital Projects Fund has a total fund balance of \$9.6, which consists mainly of cash and investments received from the \$10.0 Capital Improvement Revenue Note, Series 2017A. The proceeds of this note are to fund the Comprehensive Street Improvement and Lakeside Park Expansion projects.

The Capital Improvement Program Fund has a total fund balance of \$11.9, which consists mainly of \$8.6 for land reserved as assets held for resale and \$3.4 in cash and investments for ongoing projects. Fund balance decreased \$0.3 during this fiscal year due to the timing of capital projects.

The Public Safety Improvement Fund has a total fund balance of \$0.8, which is mainly held in cash and investments for future capital projects. Fund balance increased \$0.4 due to the timing of impact fee receipts and capital expenditures.

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

Management's Discussion and Analysis

The unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to \$36.0. The total increase in net position was \$4.8. This increase was mainly due to higher than anticipated charges for services revenue of \$0.4; lower than anticipated utility charges paid to Broward County of \$0.7; lower than anticipated service contracts of \$0.1; contingency and fund transfer savings of \$2.3; and various other operational savings, as well as, the timing of capital related expense. The unrestricted net position of the Stormwater Management Fund at the end of the year amounted to \$4.5. The total increase in net position was \$0.3 mainly due to various operational savings. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Coconut Creek's business-type activities.

General Fund Budgetary Highlights

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

Revenues

As of fiscal year-end, actual revenue amounts exceeded the final budget by \$0.7 or 1.3%. The revenue difference is primarily attributed to the following factors:

- Ad Valorem taxes exceeded budget by \$0.2 primarily due to the timing of collections.
- Franchise Fees fell short of budget by \$0.1 mainly due to a smaller than anticipated rate increase by Florida Power & Light (FPL), effective January 2017.
- Utility Taxes fell short of budget by \$0.1 mainly due to a smaller than anticipated rate increase by Florida Power & Light (FPL), effective January 2017.
- Charges for services fell short of budget by \$0.2 in recreational services, which was caused by the elimination of the afterschool care program at the Community Center and fewer participants than anticipated in the summer camp program and by a budget shortfall of \$0.1 in EMS transport services due to the timing of payments received that was offset by contracted police services exceeding budget by \$0.1.
- Investment income fell short of budget by \$0.05 due to the ongoing volatility in financial market conditions.
- Licenses and Permits exceeded budget by \$0.8 due to the timing of new development within the City.
- Miscellaneous revenues exceeded budget by \$0.1 due to the distribution of forfeited contributions for various retirement plans.

Expenditures

As of fiscal year-end, actual expenditures were under budget by \$10.0 or 16.4%. The main operational expenditure differences are as follows:

- Personnel costs were less than budgeted amounts by \$2.8 due to staff turnover and vacancies throughout the year.
- Operating costs were \$7.2 less than budgeted mainly due to insurance (\$0.2); fuel (\$0.2); utilities (\$0.1); maintenance and repair contracts (\$0.2); other service contracts (\$0.7); timing of economic incentives and neighborhood enhancement grants (\$0.5); timing of capital outlay, including the purchase of two land parcels that are scheduled to close in 2018 totaling \$2.9, (\$3.4); and contingency (\$0.5) all being under budget, as well as a concerted effort by all departments to continually seek ways to reduce spending each year in other operating expenditures.

Additional information on budgetary comparisons can be found on pages 65 – 66.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets (see Table 4). The City of Coconut Creek's investment in capital assets for its governmental and business type activities as of September 30, 2017 amounts to \$180.1 (net of depreciation). This investment in capital assets includes land, buildings, water/sewer system improvements, machinery and equipment, park facilities, utility easements, and streets. The total increase in the City of Coconut Creek's investment in capital assets for the current fiscal year was \$3.8 represented by a 3.5% increase in governmental activities and a 0.5% increase for business-type activities.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016-2017
Land	\$ 27.4	\$ 27.4	\$ 0.4	\$ 0.4	\$ 27.8	\$ 27.8	0.0%
Buildings	28.3	23.2	2.3	2.3	30.6	25.5	20.0%
Improvements	7.5	7.5	0.7	0.7	8.2	8.2	0.0%
Equipment	9.0	7.7	2.9	3.0	11.9	10.7	11.2%
Infrastructure	27.2	27.2	60.4	60.2	87.6	87.4	0.2%
Intangibles	0.1	0.1	10.3	10.3	10.4	10.4	0.0%
Construction in progress	2.2	5.2	1.4	1.1	3.6	6.3	-42.9%
Total	\$101.7	\$ 98.3	\$ 78.4	\$ 78.0	\$180.1	\$176.3	2.2%

For governmental activities, this year's major capital asset additions before depreciation totaled \$7.1 and include the following:

- \$1.2 in building improvements, which represents \$0.7 for Fire Station #50 and \$0.3 for Recreation Complex Locker Room; \$0.1 for Government Center Phase II Renovation projects and \$0.1 for various other projects.
- \$1.9 in construction in progress, which relates to projects started in the City, but not yet completed, including \$1.7 for the Windmill Park Expansion; \$0.1 for Fire Station #94 Roof project; and \$0.1 for various other projects.
- \$0.6 in land improvements, which represents \$0.2 for Hillsboro Boulevard Median Enhancements; \$0.2 for Sabal Pines Playground Improvements; and \$0.2 for various other projects.
- \$0.8 in infrastructure, which represents \$0.5 for Comprehensive Street Improvements; \$0.1 for the Coconut Creek Parkway Pedestrian Signal; \$0.1 for City Sidewalks and \$0.1 for various other projects.
- \$2.6 in equipment, which represents \$0.7 for the purchase of communications equipment; \$0.2 for computer software and computer hardware purchases and replacements; \$1.2 for vehicle replacement; \$0.1 for athletic equipment; \$0.1 for grounds maintenance equipment; and \$0.3 for various other equipment purchases.

This year's major capital asset disposal for governmental activities consisted of \$0.3 in vehicles and \$0.1 in various other equipment. In addition, \$4.8 was transferred from construction in progress to improvements. The transfer represented the completion of various projects, including \$4.6 for the construction of Fire Station #50; \$0.1 for the Fiber Optic Backbone – Phases I and II; and \$0.1 for various other projects.

Management’s Discussion and Analysis

Capital additions for business-type activities before depreciation totaled \$2.3 and include the following:

- \$1.6 in infrastructure, which represents \$0.2 for the Wastewater Pump Station Rehabilitation Program; \$0.4 for the Wastewater Pipe Rehabilitation Program; \$0.2 for the Water Valve Replacement Program; \$0.3 for the Wastewater Force Main Isolation Valves Rehabilitation Program; \$0.2 for the Electrical Control Panel Rehabilitation Program; and several minor additions totaling \$0.3.
- \$0.4 in construction in progress, which relates to projects started in the City, but not yet completed, including \$0.1 for the Reclaimed Water Project.
- \$0.3 in equipment, which represents \$0.1 in communications equipment; and \$0.2 in various other equipment purchases.

The City did not dispose of any business-type capital assets during fiscal year 2017.

Additional information on the City of Coconut Creek’s capital assets can be found in Note 7 on pages 47 through 49 of this report.

Long-term debt (see Table 5). At the end of the current fiscal year, the City of Coconut Creek had total debt outstanding of \$17.5. Debt is comprised of revenue notes used to finance various capital expenditures, including improvements to parks, public buildings and infrastructure, and the purchase of land.

The City of Coconut Creek’s total debt increased by \$8.3 or 90.2% during the current fiscal year due to the issuance of two Revenue Notes: Revenue Note, Series 2017A for \$10.0 and Revenue Note, Series 2017B for \$6.8, offset by the refunding of Revenue Note, Series 2009 for \$6.8, and required annual debt service payments of \$1.7.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2016-2017
	2017	2016	2017	2016	2017	2016	
Revenue notes (backed by electric franchise fees and non-ad valorem revenues)	17.5	9.2	-	-	17.5	9.2	90.2%
Total	\$ 17.5	\$ 9.2	\$ -	\$ -	\$ 17.5	\$ 9.2	90.2%

The City’s revenue notes were obtained as bank qualified loans, and therefore do not have a bond rating. Additional information on the City of Coconut Creek’s long-term debt can be found in Note 8 on pages 49 through 52 of this report.

Management's Discussion and Analysis

Economic Factors and Next year's Budgets and Rates

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

Unrestricted fund balance (which is comprised of committed, assigned, and unassigned fund balance) in the General Fund totals \$31.1. Of that amount, the City of Coconut Creek appropriated \$2.9 for spending in the 2018 fiscal year budget. The City continues to show improvement from prior years, which is representative of economic stabilization and steady, positive growth occurring in the local and state economy. Moreover, the City continues to emphasize a disciplined and strategic allocation of resources and fiscal prudence to ensure long-term financial sustainability.

The Florida legislature continues to consider various proposals relating to property tax relief, impact fees, and communications services that could have a significant impact on a local government's ability to maintain and/or improve services to residents. The City continues to monitor these initiatives and the future impact on the City's ability to function at its present service levels. In addition, the City is committed to maintaining a diversified and stable revenue system to minimize the dependence on property taxes. City staff continuously monitors its resources to determine the need for program adjustments or fee increases.

For fiscal year 2018 budget, property tax values increased 10.4% in the City, one of the highest percentage increases in Broward County. The net increase is comprised of a 9.1% increase from reassessments of existing properties and a 1.3% increase from new construction. The City Commission approved an increase of .4008 or 6.5% in the operating property tax rate from 6.1370 to 6.5378. This rate increase will generate approximately \$1.5 in net ad valorem revenue that is intended to be used to offset the cost of transferring the E-911 system back to the City from Broward County.

The City did not increase fire assessment rates in fiscal year 2018. The single family, multi-family, and mobile home rates remained at \$177.79, \$160.03, and \$88.90, respectively. The City contracts with the City of Margate to provide Emergency Medical and Fire Protection. The contracted amount for this service for fiscal year 2018 is \$8.9 million.

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

An update was completed in 2017 to the existing Comprehensive Utility Rate Study, resulting in adjustments to the tiered rate structure to enhance affordability for low and average volume users to the greatest extent possible while continuing to promote water conservation, support current and future demands for continuing operations, and maintain current infrastructure. Additionally, previously approved annual increases of 5% were reduced to the greater of 2.5% or inflation based on the Consumer Price Index (CPI). Based on a review of the financial stability of the City's Water and Wastewater fund, the effective date of the rate increase scheduled for April 1, 2018 was postponed until April 1, 2019. A stormwater rate increase of 2% or \$0.07 per month went into effect on October 1, 2017.

Management's Discussion and Analysis

The initiatives and programs within the 2018 budget are intended to guide the City in continuing its mission of providing a sense of community, ensuring a high quality of life, and providing for the safety and security of our residents, businesses, and visitors.

Requests for Information

This financial report is designed to familiarize our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy City Manager/Chief Financial Officer, 4800 West Copans Road, Coconut Creek, FL 33063. The reader may also visit the City's website at www.coconutcreek.net for an electronic version of this report.



CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET POSITION
September 30, 2017

	Governmental Activities	Business- type Activities	Total
ASSETS:			
Cash	\$ 8,856,735	\$ 6,621,266	\$ 15,478,001
Accounts receivable	3,164,858	2,699,581	5,864,439
Due from other governments	1,633,977	25,002	1,658,979
Investments	51,023,459	38,170,022	89,193,481
Inventory and prepaid items	156,133	-	156,133
Other assets	20,000	-	20,000
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	29,690,186	12,181,500	41,871,686
Capital assets being depreciated	71,983,878	66,220,106	138,203,984
Total assets	175,149,310	125,917,477	301,066,787
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows for pension	16,371,362	1,576,544	17,947,906
Total deferred outflows of resources	16,371,362	1,576,544	17,947,906
LIABILITIES:			
Accounts payable and accrued liabilities	5,053,952	753,875	5,807,827
Retainage payable	525,652	-	525,652
Unearned revenue	254,417	65,797	320,214
Due to other governments	27,895	1,686,979	1,714,874
Customer and other deposits payable	1,600	1,714,597	1,716,197
Due within one year:			
Compensated absences payable	368,392	31,200	399,592
Net pension liability	197,055	19,489	216,544
Revenue notes payable	1,724,270	-	1,724,270
Due in more than one year:			
Compensated absences payable	4,785,065	581,151	5,366,216
Revenue notes payable	15,840,000	-	15,840,000
Net pension liability	36,572,100	3,406,012	39,978,112
Net OPEB obligation	4,877,000	609,000	5,486,000
Total liabilities	70,227,398	8,868,100	79,095,498
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows for pension	2,137,847	162,350	2,300,197
Total deferred inflows of resources	2,137,847	162,350	2,300,197
NET POSITION:			
Net investment in capital assets	93,543,864	77,973,144	171,517,008
Restricted:			
Capital projects	10,141,609	-	10,141,609
Street construction and maintenance	1,519,031	-	1,519,031
Public safety	1,565,063	-	1,565,063
Grants	488,297	-	488,297
Unrestricted	11,897,563	40,490,427	52,387,990
Total net position	\$ 119,155,427	\$ 118,463,571	\$ 237,618,998

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



CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 13,178,060	\$ 6,457,999	\$ -	\$ -	\$ (6,720,061)	\$ -	\$ (6,720,061)
Public safety	32,206,686	11,164,895	28,199	450,761	(20,562,831)	-	(20,562,831)
Physical environment	8,259,463	2,968,213	682,215	100,000	(4,509,035)	-	(4,509,035)
Culture and recreation	7,036,076	779,939	-	250,000	(6,006,137)	-	(6,006,137)
Interest on long-term debt	402,135	-	-	-	(402,135)	-	(402,135)
Total governmental activities	61,082,420	21,371,046	710,414	800,761	(38,200,199)	-	(38,200,199)
Business-type activities							
Water and wastewater	18,479,115	21,956,410	-	-	-	3,477,295	3,477,295
Stormwater management	1,444,433	1,669,854	-	-	-	225,421	225,421
Total business-type activities	19,923,548	23,626,264	-	-	-	3,702,716	3,702,716
Total primary government	\$ 81,005,968	\$ 44,997,310	\$ 710,414	\$ 800,761	(38,200,199)	3,702,716	(34,497,483)
General Revenues:							
Taxes:							
Property taxes					21,405,134	-	21,405,134
Utility taxes					6,767,817	-	6,767,817
Local option gas tax					1,048,100	-	1,048,100
Franchise fees					4,495,153	-	4,495,153
Impact fees					1,081,919	1,027,194	2,109,113
Intergovernmental not restricted to specific programs					6,128,519	-	6,128,519
Special assessment					31,492	-	31,492
Investment income					420,902	295,996	716,898
Miscellaneous					2,109,695	1,859	2,111,554
Total general revenues					43,488,731	1,325,049	44,813,780
Change in net position					5,288,532	5,027,765	10,316,297
Net position, beginning					113,866,895	113,435,806	227,302,701
Net position, ending					\$ 119,155,427	\$ 118,463,571	\$ 237,618,998

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

CITY OF COCONUT CREEK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017

	General Fund	Street Construction and Maintenance Fund	Grants Fund	Community Improvement Fund
ASSETS:				
Cash	\$ 4,650,631	\$ 228,154	\$ -	\$ 583,781
Accounts receivable	2,025,742	4,454	-	249,598
Due from other funds	424,782	-	-	-
Due from other governments	948,009	211,762	303,299	-
Investments	26,776,274	1,315,253	-	3,365,358
Inventory and prepaid items	156,133	-	-	-
Other assets	20,000	-	-	-
Assets held for resale	-	-	-	-
Total assets	<u>35,001,571</u>	<u>1,759,623</u>	<u>303,299</u>	<u>4,198,737</u>
LIABILITIES:				
Accounts payable and accrued liabilities	3,173,075	240,592	286,750	-
Retainage payable	19,307	-	283,401	-
Unearned revenue	220,071	-	34,346	-
Due to other funds	-	-	424,782	-
Due to other governments	26,395	-	-	-
Deposits	1,600	-	-	-
Total liabilities	<u>3,440,448</u>	<u>240,592</u>	<u>1,029,279</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	-	-	250,000	-
Unavailable revenue - EMS/public safety	296,195	-	-	-
Unavailable revenue - Physical environment	77	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>296,272</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
FUND BALANCES:				
Nonspendable:				
Inventory	66,703	-	-	-
Prepaid items	89,430	-	-	-
Restricted:				
Capital projects	-	-	-	-
Grants	-	-	-	-
Street construction/maintenance	-	1,519,031	-	-
Public safety	-	-	-	-
Committed:				
Affordable housing program	-	-	-	-
Capital projects	-	-	-	4,198,737
Community improvement	124,584	-	-	-
Culture and recreation	2,840,305	-	-	-
Debt service	-	-	-	-
Hurricane emergency reserve	3,007,553	-	-	-
Assigned:				
Assets held for resale	-	-	-	-
Capital projects	-	-	-	-
General government	3,085,463	-	-	-
Physical environment	284,830	-	-	-
Public safety	34,860	-	-	-
Culture and recreation	33,587	-	-	-
General trust accounts	2,028,220	-	-	-
Unassigned	<u>19,669,316</u>	<u>-</u>	<u>(975,980)</u>	<u>-</u>
Total fund balances	<u>31,264,851</u>	<u>1,519,031</u>	<u>(975,980)</u>	<u>4,198,737</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,001,571</u>	<u>\$ 1,759,623</u>	<u>\$ 303,299</u>	<u>\$ 4,198,737</u>

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

2009 Capital Projects Fund	2017 Capital Projects Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 86,761	\$ 1,459,755	\$ 502,622	\$ 121,854	\$ 1,223,177	\$ 8,856,735
820,492	28,539	9,553	2,381	24,099	3,164,858
-	-	-	-	-	424,782
-	-	170,907	-	-	1,633,977
500,158	8,415,140	2,897,494	702,460	7,051,322	51,023,459
-	-	-	-	-	156,133
-	-	-	-	-	20,000
-	-	8,620,084	-	-	8,620,084
<u>1,407,411</u>	<u>9,903,434</u>	<u>12,200,660</u>	<u>826,695</u>	<u>8,298,598</u>	<u>73,900,028</u>
5,653	293,776	282,482	-	771,624	5,053,952
-	51,009	7,563	-	164,372	525,652
-	-	-	-	-	254,417
-	-	-	-	-	424,782
-	-	-	-	1,500	27,895
-	-	-	-	-	1,600
<u>5,653</u>	<u>344,785</u>	<u>290,045</u>	<u>-</u>	<u>937,496</u>	<u>6,288,298</u>
-	-	-	-	-	250,000
-	-	-	-	-	296,195
-	-	-	-	-	77
818,798	-	-	-	-	818,798
<u>818,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,365,070</u>
-	-	-	-	-	66,703
-	-	-	-	-	89,430
582,960	9,558,649	-	-	-	10,141,609
-	-	-	-	488,297	488,297
-	-	-	-	-	1,519,031
-	-	-	-	1,565,063	1,565,063
-	-	-	-	866,192	866,192
-	-	101,561	826,695	4,297,225	9,424,218
-	-	-	-	-	124,584
-	-	-	-	-	2,840,305
-	-	-	-	144,325	144,325
-	-	-	-	-	3,007,553
-	-	8,620,084	-	-	8,620,084
-	-	3,188,970	-	-	3,188,970
-	-	-	-	-	3,085,463
-	-	-	-	-	284,830
-	-	-	-	-	34,860
-	-	-	-	-	33,587
-	-	-	-	-	2,028,220
-	-	-	-	-	18,693,336
<u>582,960</u>	<u>9,558,649</u>	<u>11,910,615</u>	<u>826,695</u>	<u>7,361,102</u>	<u>66,246,660</u>
\$ <u>1,407,411</u>	\$ <u>9,903,434</u>	\$ <u>12,200,660</u>	\$ <u>826,695</u>	\$ <u>8,298,598</u>	\$ <u>73,900,028</u>

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



CITY OF COCONUT CREEK, FLORIDA
 RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 September 30, 2017

TOTAL FUND BALANCES, GOVERNMENTAL FUNDS, PAGE 25 \$ 66,246,660

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

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

Governmental capital assets	\$	142,140,084	
Less accumulated depreciation		<u>(40,466,020)</u>	
Net Adjustment			101,674,064

Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of the funds, and under full accrual accounting they are considered revenues. 1,365,070

Certain deferred inflows and outflows are not required to be reported in the funds but are required to be reported at the government-wide level.

Deferred outflows relating to pension activity		16,371,362	
Deferred inflows relating to pension activity		<u>(2,137,847)</u>	
			14,233,515

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

Compensated absences			(5,153,457)
Revenue notes payable			(17,564,270)
Net pension liability			(36,769,155)
Other post employment benefit obligation (OPEB)			<u>(4,877,000)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 22 \$ 119,155,427

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2017

	General Fund	Street Construction and Maintenance Fund	Grants Fund	Community Improvement Fund
REVENUES:				
Ad valorem taxes	\$ 21,405,134	\$ -	\$ -	\$ -
Franchise fees	4,495,153	-	-	-
Utility taxes	6,767,817	-	-	-
Licenses and permits	3,078,578	-	-	-
Intergovernmental revenues	5,479,260	1,718,401	401,690	-
Charges for services	14,801,643	-	-	2,968,213
Fines and forfeitures	375,674	-	-	-
Impact fees	-	-	-	-
Investment income	251,752	10,494	-	20,695
Miscellaneous revenues	1,285,193	82,122	-	-
Total revenues	57,940,204	1,811,017	401,690	2,988,908
EXPENDITURES:				
Current:				
General government	10,951,600	-	697,812	-
Public safety	29,217,037	-	28,199	-
Physical environment	4,326,574	1,381,979	267,947	8,419
Culture and recreation	5,997,960	-	-	-
Nondepartmental	438,698	232,660	-	-
Capital outlay	322,490	641,515	350,000	654,620
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	51,254,359	2,256,154	1,343,958	663,039
Excess (deficiency) of revenues over (under) expenditures	6,685,845	(445,137)	(942,268)	2,325,869
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Refund to refunded bond escrow	-	-	-	-
Loan proceeds	-	-	-	-
Transfers in	93,724	-	-	-
Transfers out	(2,935,530)	-	-	(1,133,429)
Total other financing sources (uses)	(2,841,806)	-	-	(1,133,429)
Net change in fund balances	3,844,039	(445,137)	(942,268)	1,192,440
FUND BALANCES- Beginning	27,420,812	1,964,168	(33,712)	3,006,297
FUND BALANCES - Ending	\$ 31,264,851	\$ 1,519,031	\$ (975,980)	\$ 4,198,737

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

2009 Capital Projects Fund	2017 Capital Projects Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,405,134
-	-	-	-	-	4,495,153
-	-	-	-	-	6,767,817
-	-	-	-	-	3,078,578
-	-	-	-	414,327	8,013,678
-	-	-	-	-	17,769,856
-	-	-	-	450,761	826,435
-	-	-	447,120	634,799	1,081,919
4,109	36,709	23,285	5,348	68,511	420,903
-	-	742,042	-	338	2,109,695
<u>4,109</u>	<u>36,709</u>	<u>765,327</u>	<u>452,468</u>	<u>1,568,736</u>	<u>65,969,168</u>
-	-	-	-	-	11,649,412
-	-	-	-	24,913	29,270,149
-	-	-	-	206,565	6,191,484
-	-	-	-	-	5,997,960
-	-	-	-	-	671,358
128,822	438,060	3,059,931	81,252	1,709,299	7,385,989
-	-	-	-	1,685,938	1,685,938
-	40,000	-	-	362,135	402,135
<u>128,822</u>	<u>478,060</u>	<u>3,059,931</u>	<u>81,252</u>	<u>3,988,850</u>	<u>63,254,425</u>
<u>(124,713)</u>	<u>(441,351)</u>	<u>(2,294,604)</u>	<u>371,216</u>	<u>(2,420,114)</u>	<u>2,714,743</u>
-	-	-	-	6,765,000	6,765,000
-	-	-	-	(6,765,000)	(6,765,000)
-	10,000,000	-	-	-	10,000,000
-	-	2,000,000	-	2,048,073	4,141,797
-	-	-	-	(72,838)	(4,141,797)
-	10,000,000	2,000,000	-	1,975,235	10,000,000
(124,713)	9,558,649	(294,604)	371,216	(444,879)	12,714,743
707,673	-	12,205,219	455,479	7,805,981	53,531,917
<u>\$ 582,960</u>	<u>\$ 9,558,649</u>	<u>\$ 11,910,615</u>	<u>\$ 826,695</u>	<u>\$ 7,361,102</u>	<u>\$ 66,246,660</u>

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

CITY OF COCONUT CREEK, FLORIDA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended September 30, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 28 \$ 12,714,743

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

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

Recorded as capital assets	\$ 7,081,264	
Depreciation expense	<u>(3,735,624)</u>	
Net Adjustment		3,345,640

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		401,786
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Bond proceeds exceeded repayments.		
Revenue Bond Proceeds	(16,765,000)	
Principal payments	<u>8,450,938</u>	
		(8,314,062)

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

Change in compensated absences	(417,197)	
Change in other post employment benefit obligation (OPEB)	<u>276,000</u>	
		(141,197)

The net effect of pension and retirement contribution expenses		(2,701,617)
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The net effect of various miscellaneous transactions involving capital assets.		<u>(16,761)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 23 \$ 5,288,532

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2017

	Business-type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
ASSETS:			
Current assets:			
Cash	\$ 5,865,861	\$ 755,405	\$ 6,621,266
Accounts receivable	2,544,905	154,676	2,699,581
Due from other governments	11,678	13,324	25,002
Total current assets	8,422,444	923,405	9,345,849
Non-current assets:			
Investments	33,815,294	4,354,728	38,170,022
Capital assets:			
Land	406,071	-	406,071
Easements	10,333,562	-	10,333,562
Buildings	2,747,901	-	2,747,901
Improvements	1,096,268	18,866	1,115,134
Equipment	4,343,352	653,503	4,996,855
Infrastructure	86,238,682	2,474,494	88,713,176
Construction in progress	1,430,737	11,130	1,441,867
Total capital assets	106,596,573	3,157,993	109,754,566
Less accumulated depreciation	30,743,622	609,338	31,352,960
Total capital assets, net	75,852,951	2,548,655	78,401,606
Total assets	118,090,689	7,826,788	125,917,477
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows for pension	1,217,587	358,957	1,576,544
Total deferred outflows of resources	1,217,587	358,957	1,576,544
LIABILITIES AND NET POSITION:			
Current Liabilities:			
Accounts payable and accrued liabilities	711,188	42,687	753,875
Unearned revenues	65,797	-	65,797
Due to other governments	1,686,979	-	1,686,979
Compensated absences	31,200	-	31,200
Net pension liability	15,158	4,331	19,489
Customer deposits payable	1,714,597	-	1,714,597
Total Current Liabilities	4,224,919	47,018	4,271,937
Noncurrent liabilities:			
Other postemployment benefit obligations	457,000	152,000	609,000
Compensated absences	482,432	98,719	581,151
Net pension liability	2,606,451	799,561	3,406,012
Total noncurrent liabilities	3,545,883	1,050,280	4,596,163
Total liabilities	7,770,802	1,097,298	8,868,100
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows for pension	116,346	46,004	162,350
Total deferred inflows of resources	116,346	46,004	162,350
NET POSITION:			
Net investment in capital assets	75,424,489	2,548,655	77,973,144
Unrestricted	35,996,639	4,493,788	40,490,427
Total net position	\$ 111,421,128	\$ 7,042,443	\$ 118,463,571

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2017

	Business-type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 21,956,410	\$ 1,669,854	\$ 23,626,264
Miscellaneous	1,859	-	1,859
Total operating revenues	<u>21,958,269</u>	<u>1,669,854</u>	<u>23,628,123</u>
Operating expenses:			
Administrative costs	5,636,379	432,850	6,069,229
Operations and maintenance	11,041,873	890,497	11,932,370
Depreciation	1,721,208	107,017	1,828,225
Other services and charges	59,225	14,071	73,296
Total operating expenses	<u>18,458,685</u>	<u>1,444,435</u>	<u>19,903,120</u>
Operating income	<u>3,499,584</u>	<u>225,419</u>	<u>3,725,003</u>
Non-operating revenues (expenses)			
Interest expense and fees	(20,428)	-	(20,428)
Impact fees	1,027,194	-	1,027,194
Investment income	261,410	34,586	295,996
Total non-operating revenues (expenses)	<u>1,268,176</u>	<u>34,586</u>	<u>1,302,762</u>
Net income	<u>4,767,760</u>	<u>260,005</u>	<u>5,027,765</u>
Change in net position	<u>4,767,760</u>	<u>260,005</u>	<u>5,027,765</u>
Net position - beginning	<u>106,653,368</u>	<u>6,782,438</u>	<u>113,435,806</u>
Net position - ending	<u>\$ 111,421,128</u>	<u>\$ 7,042,443</u>	<u>\$ 118,463,571</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2017

	Business-type Activities		
	Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 21,912,445	\$ 1,665,971	\$ 23,578,416
Payments to suppliers	(12,197,460)	(666,037)	(12,863,497)
Payments to employees for services	(3,032,646)	(609,501)	(3,642,147)
Net Cash Provided By Operating Activities	<u>6,682,339</u>	<u>390,433</u>	<u>7,072,772</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(20,428)	-	(20,428)
Net Cash Used in Noncapital Financing Activities	<u>(20,428)</u>	<u>-</u>	<u>(20,428)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(2,090,983)	(171,802)	(2,262,785)
Impact fees	1,027,194	-	1,027,194
Net Cash Used In Capital and Related Financing Activities	<u>(1,063,789)</u>	<u>(171,802)</u>	<u>(1,235,591)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	261,410	34,586	295,996
Proceeds from sales and maturities of investments	9,340,000	1,203,000	10,543,000
Purchases of investments	(15,255,564)	(1,551,218)	(16,806,782)
Net Cash Used In Investing Activities	<u>(5,654,154)</u>	<u>(313,632)</u>	<u>(5,967,786)</u>
Net Decrease in Cash	(56,032)	(95,001)	(151,033)
CASH - BEGINNING	<u>5,921,893</u>	<u>850,406</u>	<u>6,772,299</u>
CASH - ENDING	<u>\$ 5,865,861</u>	<u>\$ 755,405</u>	<u>\$ 6,621,266</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2017

	Business-type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 3,499,584	\$ 225,419	\$ 3,725,003
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for depreciation	1,721,208	107,017	1,828,225
(Increase) decrease in assets and deferred outflows:			
Accounts receivable	(99,368)	(5,932)	(105,300)
Due from other governments	45,264	2,049	47,313
Prepaid items	8,280	-	8,280
Deferred outflows	(251,615)	(71,889)	(323,504)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued liabilities and retainage payable	330,023	(8,170)	321,853
Unearned revenues	8,836	-	8,836
Due to other governments	911,332	-	911,332
Compensated absences	28,838	5,675	34,513
Customer deposits payable	40,525	-	40,525
Net pension liability	380,699	108,768	489,467
Deferred inflows	78,733	22,496	101,229
Other postemployment benefit obligations	(20,000)	5,000	(15,000)
Total adjustments	<u>3,182,755</u>	<u>165,014</u>	<u>3,347,769</u>
Net Cash Provided By Operating Activities	<u>\$ 6,682,339</u>	<u>\$ 390,433</u>	<u>\$ 7,072,772</u>
Decrease in fair value of investments	\$ 7,273	\$ 937	\$ 8,210

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The *Grants Fund* is a special revenue fund that is used to account for revenues received for various grant programs.

The *Community Improvement Fund* is a special revenue fund that is used to account for proceeds received from The Seminole Tribe of Florida in accordance with a municipal services agreement. The funds have been committed by City Ordinance to be used primarily for capital projects, debt service payments, and professional services related to the MainStreet project.

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *2017 Capital Projects Fund* is a capital projects fund that accounts for financial resources to be used for the City's capital improvement projects as funded by the Series 2017A - \$10 Million Capital Improvement Note.

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

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

The City reports the following major proprietary fund:

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

D. Proprietary Fund Accounting

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

E. Accounting Estimates

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

F. Cash and Investments

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

Cash balances from all funds are combined and invested to the extent available in authorized investments for the purpose of preserving principal while maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based on pooled cash and investment balances of the respective funds. Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable

Accounts receivable balances consists of amounts due for charges for services, fees, taxes, grants, unbilled utility services, etc. The unbilled portion of water and sewer earned revenues is accrued at year-end and is based on the October billing. The City of Coconut Creek has an Interlocal Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The City of Margate collects charges for emergency medical services provided and remits the amounts collected to Coconut Creek, less a 7.3% collection fee. Management determines an allowance for uncollectible amounts based on a review of the accounts and their knowledge of the creditors and their ability to pay.

H. Inventory and Prepaid Items

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

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

I. Capital Assets

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

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

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

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

Buildings	50 years
Improvements	20 years
Infrastructure (including easements)	15-65 years
Equipment	5-30 years
Software	5 years

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Compensated Absences

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

K. Long-Term Obligations

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

In the governmental fund financial statements, bond issue costs, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Debt principal payments are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

L. Pensions

The City's net pension liability, deferred inflows and outflows related to pensions, and pension expense have been determined on the basis reported by the Florida Retirement System (FRS) and are reflected in the City's Statement of Net Position and Statement of Activities for the fiscal year ended September 30, 2017.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

M. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred and deferred inflows/outflows to acquire construct or improve those assets. Net position is reported as restricted when there are legal limitations imposed on its use by enabling legislation or external restrictions by other governments, creditors or grantors. Unrestricted net position consists of the net position not meeting the definition of either of the other two components. The government-wide statement of net position reports \$13,714,000 of restricted net position, of which \$3,572,391 is restricted by enabling legislation.

N. Fund Equity

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-Spendable: Non-spendable fund balances include amounts that cannot be spent because they are either (a) in a non-spendable form or (b) are legally or contractually required to remain intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans and notes receivable. In fiscal year 2017, non-spendable fund balance is \$156,133.

Restricted: Restricted fund balances include amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or through enabling legislation. In fiscal year 2017, restricted fund balance is \$13,714,000.

Committed: Committed fund balances include amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance or resolution (equally binding) prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until City Commission takes the same action to remove or change the constraint. In fiscal year 2017, committed fund balance is \$16,407,177.

Assigned: Assigned fund balances include amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assignments of fund balances are made through a resolution by City Commission are generally temporary and normally the same formal action need not be taken to remove the assignment. In fiscal year 2017, assigned fund balance is \$17,276,014.

Unassigned: Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. In fiscal year 2017, unassigned fund balance is \$18,693,336.

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

O. Minimum Fund Balance Policy and Hurricane Emergency Reserve Account

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

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

The City Commission adopted a financial standard to maintain a General Fund minimum unrestricted fund balance of 20%, which represents approximately 2 1/2 months of working capital, of the total subsequent fiscal year expenditures, less capital outlay, contingency and transfers out budgeted for the fund. This reserve shall be in addition to all other required nonspendable, restricted, committed and assigned fund balances. A majority vote of the City Commission is required to approve the use of the unrestricted fund balance.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Encumbrances

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

Q. Statement of Cash Flows

For purposes of the statement of cash flows, the enterprise funds consider all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

R. 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, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

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

In the government-wide financial statements, there are deferred inflows and outflows related to pensions.

S. Assets Held for Resale

The assets held for resale represent land purchased by the City to promote redevelopment objectives of the City. This land is reported at the lower of cost or net realizable value.

T. Deficit Fund Equity

At September 30, 2017, the City had a deficit balance in the Grants Fund of \$975,980. This deficit occurred due to the timing of grant reimbursements, and is expected to be eliminated by future grant revenues.

NOTE 2 – PROPERTY TAXES

The City's property tax is levied each October on the assessed value established by the Broward County Property Appraiser as of January 1st for all real property located in the City.

The City is permitted by Florida Statute to levy ad valorem taxes for real and tangible personal property up to \$10 per \$1,000 of assessed taxable value, except for special benefits and debt service obligations issued with the approval of those taxpayers subject to ad valorem taxes. The assessed taxable value as of January 1, 2016, upon which the 2016-2017 tax levy calculation was based, was \$3,617,771,742. The tax rate to finance all governmental services for the fiscal year ended September 30, 2017 was 6.1370 per \$1,000 of assessed taxable value.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 2 – PROPERTY TAXES (continued)

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

NOTE 3 - CASH AND INVESTMENTS

The City's investment practices are governed by Chapter 280 and 218.415, Florida Statutes and the City Codes of Ordinances, 2017-040, the adopted investment policy. For all investments authorized by statute and policy, the City applies the "Prudent Person Rule" when developing investment strategies.

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

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

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Directly observable, quoted prices for identical investments in active markets;
- Level 2: Observable inputs, other than quoted market prices; and,
- Level 3: Unobservable inputs, used only when relevant Level 1 and Level 2 inputs are unavailable.

Florida PRIME is an open-pool investment fund operated by the State Board of Administration (SBA) of Florida. The fund operates in the same manner as institutional money-market funds and is available to all Florida governmental entities. Structured as a Rule 2a-7 like fund; it has two objectives: first, to provide liquidity while preserving capital;

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 3 - CASH AND INVESTMENTS (continued)

second, to provide competitive yields net of fees. The fund maintains a net asset value (NAV) of \$1.00. Florida PRIME invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. The investments in the Florida PRIME are not insured by the FDIC or any other governmental agency. GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, established criteria for an external investment pool for making the selection to qualify to measure its investments at amortized cost. Florida PRIME is exempt from the GASB 72 fair value hierarchy disclosures and reports at amortized cost.

Deposit and withdrawal transactions are executed within 24 hours of initiation. However, in the event of a material impact on liquidity or operations of the Trust Fund, the Executive Director may limit contributions and withdrawals from the Trust Fund for a 48-hour period.

The Florida Trust Day-to-Day Fund, sponsored by the Florida Association of Court Clerks and Comptrollers (FACC) and the Florida Association of Counties (FAC), was created under the laws of the State of Florida to provide an investment diversification option for Florida local governments to specifically meet their cash management needs. Payden & Rygel serves as Portfolio Manager and is registered with the SEC and the State of Florida. CiviTek serves as Administrator and UMB Bank as Custodian for the fund. The Day-to-Day Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the fund is managed within the requirements of a "2a-7 like" pool. The objective of this fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The fund maintains a NAV of \$1.00, and does not impose any fees or restrictions that could limit participant contributions and withdrawals. GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, established criteria for an external investment pool for making the selection to qualify to measure its investments at amortized cost. The Florida Day-to-Day Fund is exempt from the GASB 72 fair value hierarchy disclosures and reports at amortized cost.

The Florida Municipal Investment Trust was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The City holds investments in the 0-2 Year High Quality Bond Fund, 1-3 year High Quality Bond Fund, and Intermediate High Quality Bond Fund. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted, and are Level 2 investments – Observable Inputs, other than quoted market prices. Contribution and redemption transaction requests are submitted in writing to the Portfolio's Custodian five days in advance of a Portfolio Valuation. A redemption may be limited to \$2 million or 10 percent of the Portfolio's net asset value, whichever is greater, if the redemption significantly adversely affects the net asset value of the Portfolio. Additionally, the Trust may suspend or postpone redemptions due to: (i) closure of the New York Stock Exchange, other than a customary weekend or holiday closure, (ii) trading restrictions on the New York Stock Exchange, or (iii) an emergency that would make it reasonably impractical for the Trust to fairly determine the value of its net assets. All income earned and capital gains realized by the Portfolio are retained by the Portfolio and reinvested.

U.S. Government Sponsored Enterprise security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 3 - CASH AND INVESTMENTS (continued)

As of September 30, 2017, the City of Coconut Creek had the following investment balances:

	Fair Value 09/30/2017	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Florida Municipal Investment Trust:				
0-2 Year High Quality Bond Fund	\$ 12,263,760	\$ -	\$ 12,263,760	\$ -
1-3 Year High Quality Bond Fund	10,965,628	-	10,965,628	-
Intermediate High Quality Bond Fund	10,280,107	-	10,280,107	-
U.S. Government Sponsored Enterprises:				
Federal National Mortgage Association	3,913,016	-	3,913,016	-
Small Business Assoc. Pool	2,573,934	-	2,573,934	-
Federal Home Loan Mortgage Corporation	2,048,526	-	2,048,526	-
Federal Home Loan Bank	1,001,820	-	1,001,820	-
Total Investments by Fair Value Level	\$ 43,046,791	\$ -	\$ 43,046,791	\$ -
Investments Exempt from Fair Value Reporting				
Florida Trust Day to Day Fund-money market fund	15,149,863			
State Board of Administration-Florida Prime	9,996,827			
Certificates of Deposit	21,000,000			
Total Exempt Investments	46,146,690			
Total Investments	\$ 89,193,481			

As of September 30, 2017, the City of Coconut Creek had the following cash and investments:

Portfolio/Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percentage Distribution
Cash Deposits	\$ 15,478,001			14.8%
Total cash and cash equivalents	15,478,001			
Florida Trust Day to Day Fund - money market fund	15,149,863	45.0 days	AAAm S&P	14.5%
State Board of Administration-Florida PRIME	9,996,827	51.9 days	AAAm S&P	9.6%
Florida Municipal Investment Trust				
0-2 Year High Quality Bond Fund	12,263,760	0.80 years	AAAf/S1 Fitch	11.7%
1-3 Year High Quality Bond Fund	10,965,628	1.50 years	AAAf/S2 Fitch	10.5%
Intermediate High Quality Bond Fund	10,280,107	3.80 years	AAAf/S3 Fitch	9.8%
U.S. Government Sponsored Enterprises:				
Federal National Mortgage Association	3,913,016	2.49 years	Aaa Moody's	3.7%
Small Business Assoc. Pool	2,573,934	1.76 years	Aaa Moody's	2.5%
Federal Home Loan Mortgage Corporation	2,048,526	1.00 years	Aaa Moody's	2.0%
Federal Home Loan Bank	1,001,820	0.52 years	Aaa Moody's	0.8%
Certificates of Deposit	21,000,000		Not rated	20.1%
Total Investments	89,193,481			
Total cash and investments	\$ 104,671,482			100.00%

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 3 - CASH AND INVESTMENTS (continued)

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City investment policy, the City endeavors to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities or by cash flow projections.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization. In accordance with the City's investment policy, the City minimizes credit risk by limiting investments to the safest types of securities and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business. The ratings of investments held at September 30, 2017 are presented in the preceding table. All are rated within the City's investment policy guidelines.

Concentration of credit risk: In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The percentage allocation of each cash and investment type in the portfolio is shown in the preceding table. The City's investment policy allows investment concentrations in various percentages for different types of investments. GASB 40 requires disclosure when the percent is 5% or more of total investments in any one issuer. As of September 30, 2017, all investments are within the allowable percentages.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires securities be held by a third party custodian and be properly designated as an asset of the City and held in the City's name. As of September 30, 2017, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE

Receivables and amounts due from other governments as of September 30, 2017 for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>Accounts</u>	<u>Taxes and Franchise Fees</u>	<u>Other</u>	<u>Total</u>	<u>Due from Other Governments</u>
Governmental activities:					
General Fund	\$ 9,939,641	\$ 1,239,128	\$ 105,927	\$ 11,284,696	\$ 948,010
Streets Construction Fund	-	-	4,454	4,454	211,762
2017 Capital Projects Fund	-	-	28,539	28,539	-
Grants Fund	-	-	-	-	303,298
Community Improvement Fund	238,163	-	11,435	249,598	-
2009 Capital Projects Fund	-	-	820,492	820,492	-
Capital Improvement Program Fund	-	-	9,552	9,552	170,907
Public Safety Improvement Fund	-	-	2,381	2,381	-
Revenue Bonds Debt Service	-	-	617	617	-
Nonmajor Funds	-	-	23,483	23,483	-
Allowance for uncollectible accounts	<u>(9,258,954)</u>	<u>-</u>	<u>-</u>	<u>(9,258,954)</u>	<u>-</u>
Total governmental activities	<u>\$ 918,850</u>	<u>\$ 1,239,128</u>	<u>\$ 1,006,880</u>	<u>\$ 3,164,858</u>	<u>\$ 1,633,977</u>
Business-type activities:					
Water and Sewer	\$ 2,430,075	\$ -	\$ 114,830	\$ 2,544,905	\$ 11,678
Stormwater	<u>139,923</u>	<u>-</u>	<u>14,753</u>	<u>154,676</u>	<u>13,324</u>
Total business-type activities	<u>\$ 2,569,998</u>	<u>\$ -</u>	<u>\$ 129,583</u>	<u>\$ 2,699,581</u>	<u>\$ 25,002</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)

Payables and amounts due to other governments as of September 30, 2017 for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	Vendors	Payroll and Related Taxes	Construction Bonds	Other	Total	Due to Other Governments
Governmental activities:						
General Fund	\$ 1,427,748	\$ 1,196,923	\$ 93,298	\$ 474,413	\$ 3,192,382	\$ 26,395
Street Construction Fund	193,530	47,062	-	-	240,592	-
2017 Capital Projects Fund	344,785	-	-	-	344,785	-
Grants Fund	570,151	-	-	-	570,151	-
2009 Capital Projects Fund	5,653	-	-	-	5,653	-
Capital Improvement Program Fund	290,045	-	-	-	290,045	-
Nonmajor Funds	<u>761,739</u>	<u>-</u>	<u>-</u>	<u>174,257</u>	<u>935,996</u>	<u>1,500</u>
Total governmental activities	\$ <u>3,593,651</u>	\$ <u>1,243,985</u>	\$ <u>93,298</u>	\$ <u>648,670</u>	\$ <u>5,579,604</u>	\$ <u>27,895</u>
Business-type activities:						
Water and wastewater	\$ 579,890	\$ 131,298	\$ -	\$ -	\$ 711,188	\$ 1,686,979
Stormwater Fund	<u>19,267</u>	<u>23,420</u>	<u>-</u>	<u>-</u>	<u>42,687</u>	<u>-</u>
Total business-type activities	\$ <u>599,157</u>	\$ <u>154,718</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>753,875</u>	\$ <u>1,686,979</u>

NOTE 5 - ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances lapse at year-end, and may be reappropriated to the next fiscal year. Encumbrances reappropriated at September 30, 2017 are as follows:

Major Funds:	
General Fund	\$ 663,324
Street Construction and Maintenance	68,849
Community Improvement Fund	27,400
Grants Fund	199,355
Public Safety Improvement Fund	69,622
2009 Capital Projects Fund	18,542
Capital Improvement Fund	<u>101,562</u>
Total Major Funds	1,148,654
Nonmajor Governmental Funds	<u>130,922</u>
Total Governmental Encumbrances	\$ <u><u>1,279,576</u></u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 6 - INTERFUND TRANSACTIONS

Interfund transfers between the various funds for the fiscal year ended September 30, 2017 are as follows:

Transfers Out	Transfers In			Total
	General Fund	Capital Improvement Program Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 2,000,000	\$ 935,530	\$ 2,935,530
Community Improvement Fund	20,886	-	1,112,543	1,133,429
Nonmajor Funds	72,838	-	-	72,838
Total transfers In	\$ 93,724	\$ 2,000,000	\$ 2,048,073	\$ 4,141,797

Transfers are used to: (1) move revenues from the fund that Ordinance or budget requires to collect them to the fund that Ordinance or budget requires to expend them, (2) move pledged revenue receipts for the use of debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

NOTE 7 - CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the fiscal year ended September 30, 2017 is presented as follows:

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 27,408,183	\$ -	\$ -	\$ -	\$ 27,408,183
Intangible assets - land	62,160	-	-	-	62,160
Construction-in-progress	5,181,748	1,872,933	(4,834,838)	-	2,219,843
Total capital assets, not being depreciated	32,652,091	1,872,933	(4,834,838)	-	29,690,186
Capital assets being depreciated:					
Buildings	32,574,459	1,234,620	4,595,615	-	38,404,694
Improvements	13,187,409	571,358	17,048	-	13,775,815
Infrastructure	38,478,653	744,948	68,205	-	39,291,806
Intangible asset	12,203	-	-	-	12,203
Equipment	18,544,760	2,657,405	153,970	(390,755)	20,965,380
Total capital assets being depreciated	102,797,484	5,208,331	4,834,838	(390,755)	112,449,898

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 7 - CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Less accumulated depreciation for:					
Buildings	9,325,590	768,035	-	-	10,093,625
Improvements	5,650,124	660,753	-	-	6,310,877
Infrastructure	11,230,637	829,575	-	-	12,060,212
Intangible asset	11,166	785	-	-	11,951
Equipment	10,886,872	1,476,476	-	(373,993)	11,989,355
Total accumulated depreciation	37,104,389	3,735,624	-	(373,993)	40,466,020
Total capital assets being depreciated, net	65,693,095	1,472,707	4,834,838	(16,762)	71,983,878
Governmental activities capital assets, net	\$ 98,345,186	\$ 3,345,640	\$ -	\$ (16,762)	\$ 101,674,064

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

A summary of changes in the business-type activities capital assets for the fiscal year ended September 30, 2017 is presented as follows:

	Beginning Balance	Additions	Transfers*	Retirements	Ending Balance
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 406,071	\$ -	\$ -	\$ -	\$ 406,071
Easement	10,333,561	-	-	-	10,333,561
Construction-in-progress	1,064,987	376,881	-	-	1,441,868
Total capital assets not being depreciated	11,804,619	376,881	-	-	12,181,500
Capital assets being depreciated:					
Buildings	2,747,901	-	-	-	2,747,901
Improvements	1,115,135	-	-	-	1,115,135
Infrastructure	87,079,742	1,633,433	-	-	88,713,175
Equipment	4,744,383	252,471	-	-	4,996,854
Total capital assets being depreciated	95,687,161	1,885,904	-	-	97,573,065
Less accumulated depreciation for:					
Buildings	412,185	54,958	-	-	467,143
Improvements	402,990	55,757	-	-	458,747
Infrastructure	26,915,287	1,366,985	-	-	28,282,272
Equipment	1,794,272	350,525	-	-	2,144,797
Total accumulated depreciation	29,524,734	1,828,225	-	-	31,352,959
Total capital assets being depreciated, net	66,162,427	57,679	-	-	66,220,106
Business-type activities capital assets, net	\$ 77,967,046	\$ 434,560	\$ -	\$ -	\$ 78,401,606

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

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 7 - CAPITAL ASSETS (continued)

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

Governmental Activities:	
General government	\$ 539,539
Public safety	869,460
Physical environment	1,641,509
Culture and recreation	685,116
Total depreciation expense - governmental activities	\$ 3,735,624
Business-type Activities:	
Water and wastewater	\$ 1,721,208
Stormwater management	107,017
Total depreciation expense - business-type activities	\$ 1,828,225

NOTE 8 – LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the fiscal year ended September 30, 2017:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Revenue notes	\$ 9,250,208	\$ 16,765,000	\$ 8,450,938	\$ 17,564,270	\$ 1,724,270
Compensated absences	4,736,261	3,626,398	3,209,202	5,153,457	368,392
Total governmental activities	\$ 13,986,469	\$ 20,391,398	\$ 11,660,140	\$ 22,717,727	\$ 2,092,662
Business-type activities:					
Compensated absences	\$ 577,838	\$ 403,838	\$ 369,325	\$ 612,351	\$ 31,200
Total business-type activities	\$ 577,838	\$ 403,838	\$ 369,325	\$ 612,351	\$ 31,200

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

As of September 30, 2017, long-term debt consisted of the following for governmental activities:

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

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 8 – LONG-TERM DEBT (continued)

Revenue Note, Series 2003B: On December 12, 2003, the City issued a \$9,332,290 Capital Improvement Revenue Refunding Note, Series 2003B, to refund the then outstanding Series 1997 Bonds. Principal and interest on the note is to be paid from a pledge of public electric franchise fees. The note bears interest at 4.04% which is payable semiannually. The note matured in September, 2017.

Revenue Note, Series 2012: On August 15, 2012, the City issued a \$5,269,850 Capital Improvement Revenue Refunding Note, Series 2012 to refund the then outstanding Series 2003D Revenue Note. Principal and interest on the note is to be paid from a pledge of public electric franchise fees. This note bears interest at 1.76% payable semi-annually and matures in October, 2018. The outstanding principal balance as of September 30, 2017 is \$799,270.

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

Fiscal Year Ending September 30	Capital Improvement Note, Series 2012	
	Principal	Interest
2018	\$ 799,270	\$ 14,067
	\$ 799,270	\$ 14,067

Revenue Note, Series 2017A: On August 17, 2017, the City issued a \$10,000,000 Capital Improvement Revenue Note, Series 2017A to finance certain construction projects including the Comprehensive Street Improvements, Lakeside Park Expansion, and Roof Replacement Programs. Principal and interest on the note is to be paid from a pledge of non-ad-valorem revenues. The note bears interest at 2.46%, payable semi-annually. The note matures in October, 2032. The outstanding principal balance as of September 30, 2017 is \$10,000,000.

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

Fiscal Year Ending September 30	Capital Improvement Revenue Note, Series 2017A	
	Principal	Interest
2018	\$ 560,000	\$ 246,000
2019	570,000	232,224
2020	585,000	218,202
2021	600,000	203,810
2022	615,000	189,050
2023-2027	3,315,000	710,572
2028-2032	3,755,000	281,794
	\$ 10,000,000	\$ 2,081,652

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 8 – LONG-TERM DEBT (continued)

Revenue Note, Series 2017B: On August 17, 2017, the City issued a \$6,765,000 Capital Improvement Revenue Refunding Note, Series 2017B to retire the then outstanding Series 2009 Note. As a result of this refunding, the Revenue Note, Series 2009 is considered defeased and the liability for this Note has been removed from the statement of net position. The refunding of the Series 2009 Note will restructure the City's debt service payments, lowering them over the next three years by \$6,008,255, and thereafter increasing debt service payments by \$7,236,797, with an economic loss (present value of the difference of the debt service payments on the old and new debt) of \$16,153. Principal and interest on the note is to be paid from a pledge of non-ad-valorem tax revenues. The note bears interest at 2.91% payable semi-annually. The note matures in October, 2032. The outstanding principal balance as of September 30, 2017 is \$6,765,000.

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

Fiscal Year Ending September 30	Capital Improvement Revenue Note, Series 2017B	
	Principal	Interest
2018	\$ 365,000	\$ 196,862
2019	375,000	186,240
2020	385,000	175,328
2021	400,000	164,124
2022	410,000	152,484
2023-2027	2,235,000	576,616
2028-2032	2,595,000	230,908
	<u>\$ 6,765,000</u>	<u>\$ 1,682,562</u>

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

Fiscal Year Ending September 30	Revenue Notes Payable		
	Principal	Interest	Total
2018	\$ 1,724,270	\$ 456,929	\$ 2,181,199
2019	945,000	418,464	1,363,464
2020	970,000	393,530	1,363,530
2021	1,000,000	367,934	1,367,934
2022	1,025,000	341,534	1,366,534
2023-2027	5,550,000	1,287,188	6,837,188
2028-2032	6,350,000	512,702	6,862,702
	<u>\$ 17,564,270</u>	<u>\$ 3,778,281</u>	<u>\$ 21,342,551</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 8 – LONG-TERM DEBT (continued)

Pledged Revenues: The City has pledged future public franchise fee revenues to repay \$813,337 in Capital Improvement Revenue Notes issued August 15, 2012. Proceeds from the notes provided financing to retire the then outstanding Series 2003D Revenue Note. The notes are payable solely from the public electric franchise fee revenues and are payable through October 1, 2018. Annual principal and interest payments on the notes are expected to require less than 28% of projected future public electric franchise fee revenues with total future payouts of \$813,337. Principal and interest paid for the current year and public electric franchise fee revenues are \$1,748,589 and \$2,985,370, respectively.

The City has pledged future non-ad-valorem tax revenues to repay \$20,529,214 in a Capital Improvement Revenue Notes issued August 17, 2017. Proceeds from these revenue notes provided financing to retire the then outstanding Series 2009 Revenue Note and construction of certain capital improvement projects, including the Comprehensive Street Improvement, Lakeside Park Expansion and Roof Replacement Programs. The notes payable are solely from non-ad-valorem tax revenues and are payable through October 1, 2032. Annual principal and interest payments on the notes are expected to require less than 4% of projected non-ad-valorem tax revenues with total future payouts of \$20,529,514. Principal and interest paid for the current year and non-ad-valorem tax revenues are \$7,064,686 and \$29,550,705, respectively. Principal and interest for the current year includes \$6,765,000 provided by the refunding to retire the Series 2009 Revenue Note.

All the above revenue notes contain debt covenants, all of which the City was in compliance with at September 30, 2017.

NOTE 9 – LEASES

Operating leases, City as Lessee: The City leases vehicles and office equipment under noncancelable operating leases. Total lease expense was approximately \$90,522 for the fiscal year ended September 30, 2017. Future minimum lease payments as of September 30, 2017 are approximately as follows:

Fiscal Year Ending September 30	Amount
2018	\$ 96,742
2019	86,100
2020	12,294
	<u>\$ 195,136</u>

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$408,091 for the fiscal year ended September 30, 2017.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 9 – LEASES (continued)

Future lease payments to be received as of September 30, 2017 are as follows:

Fiscal Year Ending September 30	Amount
2018	\$ 398,169
2019	310,789
2020	271,694
2021	176,552
	<u>\$ 1,157,204</u>

NOTE 10 - DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

As of September 30, 2017, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows	Unearned
Emergency medical service fees	\$ 270,270	\$ -
Business licenses	-	181,660
Fitness memberships	-	38,411
State of Florida gas tax refund	6,992	-
Police services	14,521	-
Other miscellaneous fees	4,489	-
Special assessments	818,798	-
Grant revenue	250,000	34,346
	<u>\$ 1,365,070</u>	<u>\$ 254,417</u>

NOTE 11– PENSION PLANS

General Information about the Pension Plan

Plan Description: All regular full-time employees are provided pensions through: (1) the City of Coconut Creek 401(a) Plan, a defined contribution pension plan, administered by an independent agent, ICMA Retirement Corporation, and authorized by resolution or (2) the Florida Retirement System (FRS), a cost sharing, multiple employer, public employee pension plan, through either a defined benefit or a defined contribution pension plan administered by the Florida Department of Management Services' Division of Retirement. All part-time employees and elected officials are covered by the FRS Pension Plan. The City joined the FRS in December 2001, to provide retirement and survivor benefits to Police Department employees and elected officials. All Employees hired after May 1, 2002 are included in the FRS Plan. In addition to the FRS Pension Plan, the division administers the Retiree Health Insurance Subsidy (HIS) Trust Fund, a cost-sharing multiple employer defined benefit pension plan. The plan provides a supplemental benefit to eligible FRS retirees. The City has no direct fiduciary responsibility for the FRS plans. In accordance with Chapter 121, of the Florida Statutes, the Florida Legislature is responsible for establishing plan structure, benefit levels and contribution rates, and providing statutory authority for the administration of the state-administered retirement funds. The FRS issues a publicly available financial report that includes financial

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11– PENSION PLANS (continued)

General Information about the Pension Plan (continued)

statements and required supplementary information. That report may be obtained on-line at https://www.rol.frs.state.fl.us/forms/2016-17_CAFR.pdf or by contacting the State of Florida Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000 Tallahassee, Florida, 32315-9000 or by calling (850)907-6500.

(1) 401(a) Plan:

Benefits Provided: Under the 401(a) Plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Vesting schedules for each employee group range from immediate vesting (100%) for Administrative Officers to full vesting over various periods of time through 5 years for civil service employees. The total number of employees for each employee group as of September 30, 2017 was Civil Service, 37 and Administrative Officers, 9.

Contributions: Under the City of Coconut Creek 401(a) Plan, City and mandatory employee contributions, as a percentage of employee gross wages, were as follows for each employee group: Civil Service – 14% and 10%; and Administrative – 14% and 12%, respectively. Contributions to the 401(a) Plan by the City of Coconut Creek, and its plan members were \$656,081 and \$516,112 respectively, and are primarily funded by the General Fund.

(2) FRS Pension Plans:

FRS Pension Plan:

The FRS Pension Plan (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 – Members of the FRS who do not qualify for membership in other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this 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 any age after 30 years of service (except members classified as special risk, who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011 once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision. However, for each year a member retires before his or her normal retirement date there is a benefit reduction. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of 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. During the

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11– PENSION PLANS (continued)

FRS Pension Plan (continued):

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.

HIS Plan:

The Retiree Health Insurance Subsidy Program (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 the 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:

FRS Pension Plan:

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. 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. The following chart 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%

Elected County Officers Class: 3.00%

Senior Management Service Class: 2.00%

Special Risk Class: 3.00%

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% 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% determined by dividing the sum of the pre-October 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not receive a cost-of-living adjustment after retirement.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11– PENSION PLANS (continued)

HIS Plan:

For the fiscal year ended September 30, 2017 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, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions:

FRS Pension Plan:

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. Rates are updated as of July 1 of each year. Contribution rates effective October 1, 2016 through June 30, 2017 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior Management	21.77%
Regular Employees	7.52%
Special Risk	22.57%
Elected Officials	42.47%

Contribution rates effective July 1, 2017 through September 30, 2017 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior Management	22.71%
Regular Employees	7.92%
Special Risk	23.27%
Elected Officials	45.50%

The City's contributions for FRS totaled \$3,399,870 and employee contributions totaled \$643,070 for the fiscal year ended September 30, 2017, and are primarily funded by the General Fund.

HIS Plan:

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. The HIS contribution rate for the periods October 1, 2016 through June 30, 2017 and July 1, 2017 through September 30, 2017 was 1.66 percent. Contribution rates remained unchanged for the Plan's new fiscal year beginning July 1. The City contributed 100% of its statutorily required contributions. This HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$378,168 for the fiscal year ended September 30, 2017, and are primarily funded by the General Fund.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11– PENSION PLANS (continued)

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

At September 30, 2017, the City reported liabilities of \$32,494,395 for its proportionate share of the FRS net pension liability and \$7,700,261 for the HIS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's fiscal year 2017 contributions relative to the fiscal year 2016 contributions of all participating members. At June 30, 2017, the City's proportionate share was .109855075%, for the FRS plan and .072015797% for the HIS plan, which was an increase of .003977344% and .003185406% respectively, from the proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$3,749,334. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 2,982,203	\$ -	\$ 2,982,203
Changes in assumptions	10,920,411	1,082,392	12,002,803
Net difference between projected and actual earnings on pension plan investments	-	4,270	4,270
Changes in proportion and differences between City contributions and proportionate share of contributions	1,518,994	659,111	2,178,105
City contributions subsequent to the measurement date	691,199	89,326	780,525
Total	\$ 16,112,807	\$ 1,835,099	\$ 17,947,906

	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 180,002	\$ 16,033	\$ 196,035
Changes in assumptions	-	665,850	665,850
Net difference between projected and actual earnings on pension plan investments	805,292	-	805,292
Changes in proportion and differences between City contributions and proportionate share of contributions	633,020	-	633,020
Total	\$ 1,618,314	\$ 681,883	\$ 2,300,197

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11– PENSION PLANS (continued)

The deferred outflows of resources related to pensions, totaling \$780,525, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	Employer Share of Deferred Outflows/Inflows		
	FRS	HIS	Total
2018	\$ 2,579,866	\$ 259,213	\$ 2,839,079
2019	2,068,669	185,920	2,254,589
2020	2,261,327	185,920	2,447,247
2021	2,317,761	182,786	2,500,547
2022	2,187,144	151,503	2,338,647
Thereafter	3,079,726	187,874	3,267,600
	<u>\$ 14,494,493</u>	<u>\$ 1,153,216</u>	<u>\$ 15,647,709</u>

Actuarial Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuations performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
	Generational RP-2000 with Projection	
Mortality table	Scale BB Tables	
Experience study	7/1/08-6/30/13	N/A
Actuarial cost method	Individual Entry Age	
Investment rate of return	7.10%	3.58%
Projected salary increases	3.25%	3.25%
Inflation	2.60%	2.60%

Long-Term Expected Rate of Return

FRS Pension Plan: The long term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown on the following page. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11- PENSION PLANS (continued)

Long-Term Expected Rate of Return (continued)

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	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.8%
Fixed income	18.0%	4.5%	4.4%	4.2%
Global equity	53.0%	7.8%	6.6%	17.0%
Real estate (property)	10.0%	6.6%	5.9%	12.8%
Private equity	6.0%	11.5%	7.8%	30.0%
Strategic investments	12.0%	6.1%	5.6%	9.7%
	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.9%

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

Discount Rate:

The discount rate used to measure the total pension liability was 7.10% for the FRS plan. The 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 calculating the total pension liability is equal to the long term expected rate of return. The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.58% was used to determine the total pension liability for the program. 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 table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2017.

Pension Plan	1% Decrease	Current Discount Rate	1% Increase
FRS	\$ 58,812,891	\$ 32,494,395	\$ 10,644,012
HIS	8,787,018	7,700,261	6,795,053

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 11- PENSION PLANS (continued)

Pension Plan Fiduciary Net Position:

Detailed information about the fiduciary net position of both benefit plans are available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

NOTE 12 - DEFERRED COMPENSATION PLAN

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

NOTE 13 - RISK MANAGEMENT

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

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Interlocal Agreement

The City has an Interlocal Agreement with the City of Margate, Florida to provide Emergency Medical and Fire Protection Services. The agreement expired September 30, 2017. A new agreement was executed on October 1, 2017, and is effective through September 30, 2019. The service fee for the year ended September 30, 2017 was \$8,500,000.

Future known service fees are as follows:

Year Ending September 30	Amount
2018	\$ <u><u>8,935,000</u></u>

For subsequent contract years, Coconut Creek and Margate will negotiate financial terms annually, prior to August 1.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Construction Commitment

During fiscal year 2017, the City entered into seven (7) separate agreements with independent contractors totaling \$13,303,417. One (1) project was carried forward from fiscal year 2016 to fiscal year 2017 for a total of eight (8) projects totaling \$17,638,578. Of the eight projects, two (2) received grant funding: \$250,000 from the Florida Recreation Development Assistance Program (FRADAP) and \$100,000 from the Florida Department of Transportation Highway Beautification Program. Five (5) projects totaling \$5,001,052 were completed in fiscal year 2017. As of September 30, 2017, the City completed \$6,939,482 of the fiscal 2017 contract amounts. The remaining three (3) projects are anticipated to be completed in fiscal year 2018. The remaining construction commitment on construction contracts totaled \$10,259,104.

Litigation

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

Grant Revenue

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

Municipal Service Provider Agreement

The City has a Municipal Service Provider Agreement with the Seminole Tribe of Florida. The agreement is in effect as long as the property is open for gaming. During the fiscal year ended September 30, 2017, a total of \$2,968,213 was earned and collected by the City. An annual escalation clause is in effect for subsequent years. Monies will be used to finance community capital improvement projects with any interest earned transferred to the General Fund.

Other Agreements

During fiscal year 2008, the City entered into an agreement with Coconut Creek Development, LLC. The agreement provided for the City to make annual payments to Coconut Creek, LLC equal to forty five percent of ad-valorem taxes on the commercial and office space located at the Promenade at Coconut Creek. In return, the City was granted the right to use fifty percent of the vehicular parking spaces within the two parking garages at the Promenade at Coconut Creek for emergency and special event purposes only for the next 50 years. The total payments over the term of the agreement were estimated to be \$2.5 million. The parking garages were completed during fiscal year 2010. This lease agreement was amended on November 14, 2013, reducing the amount of money owed by the City from \$2.5 million to \$1.8 million for the duration of the lease term. The amount paid by the City during fiscal year 2017 was \$154,713 and the cumulative total through September 30, 2017 was \$898,799.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 15 - CONDUIT DEBT

On December 20, 2007, the City issued Variable Rate Demand Revenue Bonds in the amount of \$7 million to provide financial assistance to a Florida not-for-profit corporation for financing and refinancing the cost of acquisition, construction, and equipping of an educational facility. The outstanding principal balance at September 30, 2017 is \$5.6 million. Neither the City, nor State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS

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

Funding Policy - The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at the blended group premium rates (implicitly subsidized) offered to both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The City also provides an explicit subsidy for retirees depending on their employment group.

Civil Service employees who retire by September 30, 2022 at age 55 or later with at least 10 but less than 15 years of service receive a one-time payment equal to \$150 times the number of months between the employee's retirement age and age 65.

Civil Service employees who retire at age 60 or later with at least 15 years of service receive a one-time payment equal to \$200 multiplied by the number of months between the employee's retirement age and age 65.

Administrative Officers who retire by September 30, 2022 at age 50 or later with at least 10 but less than 15 years of service receive a one-time payment equal to \$250 multiplied by the number of months between the employee's retirement age and age 65.

Administrative Officers who retire at age 55 or later with at least 15 years of service receive a one-time payment equal to \$300 multiplied by the number of months between the employee's retirement age and age 65.

Police Lieutenants and Administrative Officers who are sworn law enforcement officers who retire by September 30, 2022 at any age with at least 20 but less than 25 years of service receive a one-time payment equal to \$250 multiplied by the number of months between the employee's retirement age and age 65.

Police Lieutenants and Administrative Officers who are sworn law enforcement officers who retire with at least 25 years of service regardless of age receive a one-time payment equal to \$300 multiplied by the number of months between the employee's retirement age and age 65.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (continued)

Police Officers, Trainees, Corporals, and Sergeants hired prior to 1/1/02, who retire at age 55, or later, with 10 years of service or at any age with at least 25 years of service receive a \$300 per month payment as long as the employee continues in the City sponsored health insurance plan until reaching age 65.

Police Officers, Trainees, Corporals, and Sergeants who do not continue their coverage under the City's sponsored health insurance plan, who were hired prior to 1/1/2002, and who retire at age 55 or later, with at least 10 years of service or at any age with at least 25 years of service receive a one-time payment equal to \$200 multiplied by the number of months between the employee's retirement age and age 65.

For the 2017 fiscal year, the City provided contributions of \$69,094 from the General Fund on a pay-as-you-go basis toward OPEB costs, net of retiree contributions of \$228,096. As of September 30, 2017, there were 35 retirees receiving benefits.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost, the imputed amount contributed to the Plan, and changes in the City's net OPEB obligation for the fiscal year ending September 30, 2017, was as follows:

Annual required contribution (ARC)	\$	1,024,000
Interest on net OPEB obligation		232,000
Adjustment to annual required contribution		<u>(684,000)</u>
Annual OPEB cost		572,000
Imputed contributions		<u>(863,000)</u>
Increase in net OPEB obligation		(291,000)
Net OPEB obligation - beginning of year		<u>5,777,000</u>
Net OPEB obligation - end of year	\$	<u><u>5,486,000</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of September 30, 2017 and the preceding two years were as follows:

	Annual OPEB Cost	Imputed Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 572,000	\$ 863,000	151.0%	\$ 5,486,000
2016	638,000	274,000	43.0%	5,777,000
2015	626,000	263,000	42.0%	5,413,000

Funded Status and Funding Progress - For the actuarial valuation date of July 1, 2017, the actuarial accrued liability for benefits was \$5,709,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$5,709,000. The covered payroll (annual payroll for active participating employees) was \$24,328,000 for fiscal year 2017, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 23.5%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (continued)

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

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

In the actuarial valuation as of July 1, 2017 the Projected Unit Credit method (PUC) was used to determine all liabilities, with the liability for each active employee assumed to accrue over the working lifetime based on elapsed time from the date of hire until retirement. Since the average age of active employees is 44.7 years, the unfunded actuarial accrued liability is being amortized over a ten-year open period, utilizing the level dollar payment method. Because the other postemployment benefits liability is currently unfunded, the actuarial assumptions included a 4.0 percent rate of return on invested assets, with 2.50 percent of this amount being attributed to inflation. The actuarial assumptions also included an annual healthcare cost trend rate of 8 percent initially for the 2018 fiscal year, with future annual decreases assumed to grade uniformly to 5.5 percent over a 5-year period, to an ultimate rate of 5.00 percent for the fiscal year ending September 30, 2024.

NOTE 17- SUBSEQUENT EVENTS

On June 29, 2017, the City entered into an agreement with James Reynolds for the sale and purchase of 5.01 acres of real property located at 4250 NW 74th Street for a purchase price of \$1,100,000. The property will be used for recreational purposes. The closing occurred on October 31, 2017.

On July 22, 2017, the City entered into an agreement with MG Leigh Acres Holding, LLC, for the sale and purchase of 5 acres of real property located at 4100 NW 74th Street for a purchase price of \$1,695,001. The property will be used for recreational purposes. The closing occurred on January 11, 2018.



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

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 21,167,130	\$ 21,167,130	\$ 21,405,134	\$ 238,004
Franchise fees	4,616,940	4,616,940	4,495,153	(121,787)
Utility taxes	6,850,870	6,850,870	6,767,817	(83,053)
Licenses and permits	2,268,630	2,268,630	3,078,578	809,948
Intergovernmental revenues	5,493,460	5,493,460	5,479,260	(14,200)
Charges for services	14,995,790	14,995,790	14,801,643	(194,147)
Fines and forfeitures	338,000	338,000	375,674	37,674
Investment income	283,600	283,600	234,803	(48,797)
Miscellaneous revenues	993,290	993,290	1,105,576	112,286
Total revenues	57,007,710	57,007,710	57,743,638	735,928
EXPENDITURES:				
Departmental:				
City Commission	551,460	551,460	508,351	43,109
City Manager/City Attorney	2,743,814	2,743,814	1,958,893	784,921
Risk management	2,145,180	2,145,180	1,886,869	258,311
City Clerk	659,770	659,770	610,287	49,483
Finance and administration	1,817,734	1,817,734	1,523,758	293,976
Information technology	2,463,552	2,463,552	2,181,708	281,844
Human resources	1,202,670	1,202,670	1,002,017	200,653
Sustainable development	4,052,577	4,052,577	3,528,049	524,528
Police	19,116,071	19,116,071	17,607,822	1,508,249
Fire	9,557,520	9,657,520	9,144,061	513,459
Public works	6,449,965	6,449,965	5,808,008	641,957
Parks and recreation	5,088,420	5,088,420	4,369,679	718,741
Engineering	763,000	763,000	465,983	297,017
Total departmental	56,611,733	56,711,733	50,595,485	6,116,248
Nondepartmental	443,040	3,808,040	438,697	3,369,343
Contingency	600,000	500,000	-	500,000
Total expenditures	57,654,773	61,019,773	51,034,182	9,985,591
Excess (deficiency) of revenues over (under) expenditures	(647,063)	(4,012,063)	6,709,456	10,721,519
OTHER FINANCING SOURCES (USES):				
Transfers in	94,620	94,620	93,724	(896)
Transfers (out)	(2,935,530)	(2,935,530)	(2,935,530)	-
Total other financing sources (uses)	(2,840,910)	(2,840,910)	(2,841,806)	(896)
Net change in fund balance	\$ (3,487,973)	\$ (6,852,973)	3,867,650	\$ 10,720,623
FUND BALANCE, beginning			25,368,981	
FUND BALANCE, ending			<u>\$ 29,236,631</u>	

See note to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND (CONTINUED)
 For the Fiscal Year Ended September 30, 2017

Explanation of Differences Between Change in Fund Balance - Budget
 to Actual and Statement of Revenues, Expenditures and Changes in
 Fund Balances - Governmental Funds

Total revenues, page 65 \$ 57,743,638

Amounts reported for budget to actual are different because:

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

General Trust Fund Revenues 196,566

Total revenues, per the Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Governmental Funds, Page 27 \$ 57,940,204

Total expenditures, page 65 \$ 51,034,182

Amounts reported for budget to actual are different because:

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

General Trust Fund Expenditures 220,177

Total expenditures, per the Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Governmental Funds, Page 27 \$ 51,254,359

See note to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - STREET CONSTRUCTION AND MAINTENANCE FUND
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 1,018,000	\$ 1,018,000	\$ 1,048,100	\$ 30,100
County contribution	198,000	198,000	198,593	593
State shared revenue	461,000	461,000	471,708	10,708
Total intergovernmental revenues	1,677,000	1,677,000	1,718,401	41,401
Investment income	15,000	15,000	10,494	(4,506)
Miscellaneous revenue	82,120	82,120	82,122	2
Total revenues	1,774,120	1,774,120	1,811,017	36,897
EXPENDITURES:				
Current:				
Physical environment	1,435,330	1,435,330	1,381,979	53,351
Nondepartmental	232,660	232,660	232,660	-
Capital outlay	1,784,997	1,784,997	641,515	1,143,482
Total expenditures	3,452,987	3,452,987	2,256,154	1,196,833
Excess (deficiency) of revenues over expenditures	\$ (1,678,867)	\$ (1,678,867)	(445,137)	\$ 1,233,730
FUND BALANCE, beginning			1,964,168	
FUND BALANCE, ending			\$ 1,519,031	

See note to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - GRANTS FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 463,990	\$ 463,990	\$ 401,690	\$ (62,300)
Total revenues	<u>463,990</u>	<u>463,990</u>	<u>401,690</u>	<u>(62,300)</u>
EXPENDITURES:				
Current:				
General government	700,000	700,000	697,812	2,188
Public safety	28,200	28,200	28,199	1
Physical environment	463,990	463,990	267,947	196,043
Capital outlay	350,000	350,000	350,000	-
Total expenditures	<u>1,542,190</u>	<u>1,542,190</u>	<u>1,343,958</u>	<u>198,232</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,078,200)</u>	<u>\$ (1,078,200)</u>	(942,268)	<u>\$ 135,932</u>
FUND BALANCE, beginning			<u>(33,712)</u>	
FUND BALANCE, ending			<u>\$ (975,980)</u>	

See note to budgetary comparison schedule.

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - COMMUNITY IMPROVEMENT FUND
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,970,540	\$ 2,970,540	\$ 2,968,213	\$ (2,327)
Investment income	23,400	23,400	20,695	(2,705)
Total revenues	<u>2,993,940</u>	<u>2,993,940</u>	<u>2,988,908</u>	<u>(5,032)</u>
EXPENDITURES:				
Current:				
General government	170,000	170,000	-	170,000
Physical environment	10,000	10,000	8,419	1,581
Capital outlay	1,672,996	1,672,996	654,620	1,018,376
Total expenditures	<u>1,852,996</u>	<u>1,852,996</u>	<u>663,039</u>	<u>1,189,957</u>
Excess (deficiency) of revenues over expenditures	1,140,944	1,140,944	2,325,869	1,184,925
OTHER FINANCING USES:				
Transfers in				
Transfers out	<u>(2,379,630)</u>	<u>(2,379,630)</u>	<u>(1,133,429)</u>	<u>1,246,201</u>
Net change in fund balance	<u>\$ (1,238,686)</u>	<u>\$ (1,238,686)</u>	1,192,440	<u>\$ 2,431,126</u>
FUND BALANCE, beginning			<u>3,006,297</u>	
FUND BALANCE, ending			<u>\$ 4,198,737</u>	

See note to budgetary comparison schedule.

**CITY OF COCONUT CREEK, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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

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

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

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

The level of budgetary control is established at the department, office, or agency level, as appropriate. For the General Fund, the City Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals of each department require approval of the Commission. For all other funds, the City Manager or designee is authorized to transfer budgeted amounts within each fund.

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

Both the original and final budget anticipated \$3.5 and \$6.9 million, respectively, to be expended from available unassigned fund balance. The change in original and final budget was primarily due to the anticipated purchase of two land parcels that will be used for recreational purposes. During the year, however, expenditures in most areas were below the budgetary estimates while revenues were greater than budgetary estimates, producing a positive variance of \$10.7 million.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 LAST TEN FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Coconut Creek's proportion of the net pension liability	0.109855075	0.105877731	0.096834936	0.095327282
City of Coconut Creek's proportionate share of the net pension liability	\$ 32,494,395	\$ 26,734,211	\$ 12,507,531	\$ 5,816,366
City of Coconut Creek's covered-employee payroll	19,759,433	18,348,115	17,577,485	16,665,983
City of Coconut Creek's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.45%	145.71%	71.16%	34.90%
Plan fiduciary net position as a percentage of total pension liability	83.89%	84.88%	92.00%	96.09%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 LAST TEN FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Coconut Creek's proportion of the net pension liability	0.072015797	0.068830391	0.065640098	0.062594577
City of Coconut Creek's proportionate share of the net pension liability	\$ 7,700,261	\$ 8,021,897	\$ 6,694,257	\$ 5,852,746
City of Coconut Creek's covered-employee payroll	22,781,202	21,327,581	20,317,273	18,850,390
City of Coconut Creek's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.80%	37.61%	32.95%	31.05%
Plan fiduciary net position as a percentage of total pension liability	1.67%	0.97%	0.50%	0.99%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF CONTRIBUTIONS
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 LAST TEN FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,700,642	\$ 2,456,299	\$ 2,257,282	\$ 2,095,364
Contributions in relation to the contractually required contribution	<u>2,700,642</u>	<u>2,456,299</u>	<u>2,257,282</u>	<u>2,095,364</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Coconut Creek's covered employee payroll	\$ 19,759,433	\$ 18,348,115	\$ 17,577,485	\$ 16,665,983
Contributions as a percentage of covered payroll	13.67%	13.39%	12.84%	12.57%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF CONTRIBUTIONS
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 LAST TEN FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 378,169	\$ 354,038	\$ 277,606	\$ 229,204
Contributions in relation to the contractually required contribution	<u>378,169</u>	<u>354,038</u>	<u>277,606</u>	<u>229,204</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Coconut Creek's covered employee payroll	\$ 22,781,202	\$ 21,327,581	\$ 20,317,273	\$ 18,850,390
Contributions as a percentage of covered payroll	1.66%	1.66%	1.37%	1.22%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF INVESTMENT RETURNS
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 LAST TEN FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted annual rate of return, net of investment expenses	13.59%	0.57%	3.77%	17.57%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF INVESTMENT RETURNS
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 LAST TEN FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted annual rate of return, net of investment expenses	13.59%	0.57%	3.77%	17.57%

* This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF FUNDING PROGRESS -
 OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a) / c)
July 1, 2013	\$ -	\$ 5,954,000	\$ 5,954,000	0.00%	\$ 21,363,000	27.9%
July 1, 2015	-	5,580,000	5,580,000	0.00%	22,779,000	24.5%
July 1, 2017	-	5,709,000	5,709,000	0.00%	24,328,000	23.5%

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



SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Law Enforcement Trust Fund - This fund is used to account for revenues received from federal, state and local law enforcement forfeitures and seizures which are restricted for use for law enforcement purposes.

Affordable Housing Fund - This fund is used to account for fees charged to developers as means to fund the City's affordable housing program for the benefit of current and future residents. The funds have been committed by City Ordinance for use in the affordable housing program.

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

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

CAPITAL PROJECTS FUNDS

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

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

Utility Underground Fund - This fund is used to account for fees charged to developers in lieu of placing electrical lines underground for all new construction or substantial reconstruction.

DEBT SERVICE FUNDS

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

Capital Improvement Revenue Bonds Fund - This fund is used for payment of the Revenue Note, Series 2003B, Revenue Note, Series 2012, and Revenue Note Series, 2017A and 2017B.

CITY OF COCONUT CREEK, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2017

	Special Revenue		
	Law Enforcement Fund	Affordable Housing Fund	SHIP Fund
ASSETS:			
Cash	\$ 260,134	\$ 127,676	\$ 72,273
Accounts receivable	5,080	2,494	1,412
Investments	1,499,609	736,022	416,640
Total assets	\$ 1,764,823	\$ 866,192	\$ 490,325
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 198,260	\$ -	\$ 2,028
Retainage payable	-	-	-
Due to Other Governments	1,500	-	-
Total liabilities	199,760	-	2,028
Fund balances:			
Restricted for:			
Grants	-	-	488,297
Public safety	1,565,063	-	-
Committed to:			
Affordable housing project	-	866,192	-
Capital projects	-	-	-
Debt service	-	-	-
Total fund balances	1,565,063	866,192	488,297
Total liabilities and fund balances	\$ 1,764,823	\$ 866,192	\$ 490,325

Seminole Mitigation Fund	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	
\$ 356,972	\$ 219,911	\$ 164,967	\$ 21,244	\$ 1,223,177
6,969	4,295	3,232	617	24,099
2,057,858	1,267,736	950,993	122,464	7,051,322
<u>\$ 2,421,799</u>	<u>\$ 1,491,942</u>	<u>\$ 1,119,192</u>	<u>\$ 144,325</u>	<u>\$ 8,298,598</u>
\$ 571,336	\$ -	\$ -	\$ -	\$ 771,624
164,372	-	-	-	164,372
-	-	-	-	1,500
<u>735,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>937,496</u>
-	-	-	-	488,297
-	-	-	-	1,565,063
-	-	-	-	866,192
1,686,091	1,491,942	1,119,192	-	4,297,225
-	-	-	144,325	144,325
<u>1,686,091</u>	<u>1,491,942</u>	<u>1,119,192</u>	<u>144,325</u>	<u>7,361,102</u>
<u>\$ 2,421,799</u>	<u>\$ 1,491,942</u>	<u>\$ 1,119,192</u>	<u>\$ 144,325</u>	<u>\$ 8,298,598</u>

CITY OF COCONUT CREEK, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2017

	Special Revenue		
	Law Enforcement Fund	Affordable Housing Fund	SHIP Fund
REVENUES:			
Intergovernmental revenues	\$ -	\$ -	\$ 414,327
Fines and forfeitures	450,761	-	-
Impact fees	-	83,549	-
Investment income	10,999	5,934	2,937
Miscellaneous revenues	338	-	-
Total revenues	<u>462,098</u>	<u>89,483</u>	<u>417,264</u>
EXPENDITURES:			
Current:			
Public safety	24,913	-	-
Physical environment	-	122	206,443
Capital outlay	263,637	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>288,550</u>	<u>122</u>	<u>206,443</u>
Excess (deficiency) of revenues over expenditures	173,548	89,361	210,821
OTHER FINANCING SOURCES (USES):			
Issuance of debt			
Payment to refunded bond escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	(65,220)	-	-
Total other financing sources (uses)	<u>(65,220)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	108,328	89,361	210,821
FUND BALANCES, beginning	<u>1,456,735</u>	<u>776,831</u>	<u>277,476</u>
FUND BALANCES, ending	<u>\$ 1,565,063</u>	<u>\$ 866,192</u>	<u>\$ 488,297</u>

Seminole Mitigation Fund	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	
\$ -	\$ -	\$ -	\$ -	\$ 414,327
-	-	-	-	450,761
-	499,000	52,250	-	634,799
18,018	11,020	7,592	12,011	68,511
-	-	-	-	338
<u>18,018</u>	<u>510,020</u>	<u>59,842</u>	<u>12,011</u>	<u>1,568,736</u>
-	-	-	-	24,913
-	-	-	-	206,565
1,189,400	256,262	-	-	1,709,299
-	-	-	1,685,938	1,685,938
-	-	-	362,135	362,135
<u>1,189,400</u>	<u>256,262</u>	<u>-</u>	<u>2,048,073</u>	<u>3,988,850</u>
(1,171,382)	253,758	59,842	(2,036,062)	(2,420,114)
-	-	-	6,765,000	6,765,000
-	-	-	(6,765,000)	(6,765,000)
-	-	-	2,048,073	2,048,073
-	-	(7,618)	-	(72,838)
-	-	(7,618)	2,048,073	1,975,235
(1,171,382)	253,758	52,224	12,011	(444,879)
<u>2,857,473</u>	<u>1,238,184</u>	<u>1,066,968</u>	<u>132,314</u>	<u>7,805,981</u>
<u>\$ 1,686,091</u>	<u>\$ 1,491,942</u>	<u>\$ 1,119,192</u>	<u>\$ 144,325</u>	<u>\$ 7,361,102</u>



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - LAW ENFORCEMENT TRUST FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 450,000	\$ 450,000	\$ 450,761	\$ 761
Investment income	10,500	10,500	10,999	499
Miscellaneous	300	300	338	38
Total revenues	<u>460,800</u>	<u>460,800</u>	<u>462,098</u>	<u>1,298</u>
EXPENDITURES:				
Current:				
Public safety	25,000	25,000	24,913	87
Capital outlay	264,000	264,000	263,637	363
Total expenditures	<u>289,000</u>	<u>289,000</u>	<u>288,550</u>	<u>450</u>
Excess (deficiency) of revenues over expenditures	171,800	171,800	173,548	1,748
OTHER FINANCING USES:				
Transfers out	<u>(65,220)</u>	<u>(65,220)</u>	<u>(65,220)</u>	<u>-</u>
Net change in fund balance	<u>\$ 106,580</u>	<u>\$ 106,580</u>	<u>108,328</u>	<u>\$ 1,748</u>
FUND BALANCE, beginning			1,456,735	
FUND BALANCE, ending			<u>\$ 1,565,063</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AFFORDABLE HOUSING FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 106,590	\$ 106,590	\$ 83,549	\$ (23,041)
Investment income	5,000	5,000	5,934	934
Total revenues	<u>111,590</u>	<u>111,590</u>	<u>89,483</u>	<u>(22,107)</u>
EXPENDITURES:				
Physical environment	5,000	5,000	122	4,878
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>122</u>	<u>4,878</u>
Excess (deficiency) of revenues over expenditures	\$ <u>106,590</u>	\$ <u>106,590</u>	89,361	\$ <u>(17,229)</u>
FUND BALANCE, beginning			<u>776,831</u>	
FUND BALANCE, ending			\$ <u>866,192</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - SHIP FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 357,960	\$ 357,960	\$ 414,327	\$ 56,367
Investment income	-	-	2,937	2,937
Total revenues	<u>357,960</u>	<u>357,960</u>	<u>417,264</u>	<u>59,304</u>
EXPENDITURES:				
Current:				
Physical environment	<u>566,823</u>	<u>566,823</u>	<u>206,443</u>	<u>360,380</u>
Total expenditures	<u>566,823</u>	<u>566,823</u>	<u>206,443</u>	<u>360,380</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(208,863)</u>	\$ <u>(208,863)</u>	210,821	\$ <u>419,684</u>
FUND BALANCE, beginning			<u>277,476</u>	
FUND BALANCE, ending			\$ <u>488,297</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - GENERAL TRUST FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 16,949	\$ 16,949
Miscellaneous	175,000	175,000	179,617	4,617
Total revenues	175,000	175,000	196,566	21,566
EXPENDITURES:				
Departmental:				
City Manager/City Attorney	350	350	333	17
Human Resources	6,250	6,250	6,245	5
Sustainable Development	59,570	59,570	59,562	8
Police	6,500	6,500	6,497	3
Engineering	69,000	69,000	68,916	84
Public Works	78,630	78,630	78,624	6
Total expenditures	220,300	220,300	220,177	123
Excess (deficiency) of revenues over expenditures	\$ (45,300)	\$ (45,300)	(23,611)	\$ 21,689
FUND BALANCE, beginning			2,051,831	
FUND BALANCE, ending			\$ 2,028,220	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - SEMINOLE MITIGATION FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 18,018	\$ 8,018
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>18,018</u>	<u>8,018</u>
EXPENDITURES:				
Capital outlay	<u>2,853,402</u>	<u>2,853,402</u>	<u>1,189,400</u>	<u>1,664,002</u>
Total expenditures	<u>2,853,402</u>	<u>2,853,402</u>	<u>1,189,400</u>	<u>1,664,002</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(2,843,402)</u></u>	\$ <u><u>(2,843,402)</u></u>	(1,171,382)	\$ <u><u>1,672,020</u></u>
FUND BALANCE, beginning			<u>2,857,473</u>	
FUND BALANCE, ending			\$ <u><u>1,686,091</u></u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DEBT SERVICE FUND - CAPITAL IMPROVEMENT REVENUE BONDS FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 12,011	\$ 12,011
Total revenues	<u>-</u>	<u>-</u>	<u>12,011</u>	<u>12,011</u>
EXPENDITURES:				
Debt service:				
Principal	2,960,940	2,960,940	1,685,938	1,275,002
Interest and fiscal charges	<u>330,820</u>	<u>330,820</u>	<u>362,135</u>	<u>(31,315)</u>
Total expenditures	<u>3,291,760</u>	<u>3,291,760</u>	<u>2,048,073</u>	<u>1,243,687</u>
Excess (deficiency) of revenues over expenditures	(3,291,760)	(3,291,760)	(2,036,062)	1,255,698
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	6,765,000	6,765,000
Refund to refunded bond escrow agent	-	-	(6,765,000)	(6,765,000)
Transfers in	<u>3,291,760</u>	<u>3,291,760</u>	<u>2,048,073</u>	<u>(1,243,687)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>12,011</u>	<u>\$ 12,011</u>
FUND BALANCE, beginning			<u>132,314</u>	
FUND BALANCE, ending			<u>\$ 144,325</u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - PARKS IMPROVEMENT FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 160,000	\$ 160,000	\$ 499,000	\$ 339,000
Investment income	-	-	11,020	11,020
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>510,020</u>	<u>350,020</u>
EXPENDITURES				
Capital outlay	<u>1,363,950</u>	<u>1,363,950</u>	<u>256,262</u>	<u>1,107,688</u>
Total expenditures	<u>1,363,950</u>	<u>1,363,950</u>	<u>256,262</u>	<u>1,107,688</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(1,203,950)</u></u>	\$ <u><u>(1,203,950)</u></u>	253,758	\$ <u><u>1,457,708</u></u>
FUND BALANCE, beginning			<u>1,238,184</u>	
FUND BALANCE, ending			\$ <u><u>1,491,942</u></u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND - UTILITY UNDERGROUND FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ -	\$ -	\$ 52,250	\$ 52,250
Investment income	<u>6,000</u>	<u>6,000</u>	<u>7,592</u>	<u>1,592</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>59,842</u>	<u>53,842</u>
EXPENDITURES:				
Current:				
Capital outlay	<u>664,000</u>	<u>664,000</u>	<u>-</u>	<u>664,000</u>
Total Expenditures	<u>664,000</u>	<u>664,000</u>	<u>-</u>	<u>664,000</u>
Excess (deficiency) of revenues over expenditures	(658,000)	(658,000)	59,842	717,842
OTHER FINANCING USES:				
Transfers out	<u>(6,000)</u>	<u>(6,000)</u>	<u>(7,618)</u>	<u>(1,618)</u>
Net change in fund balance	\$ <u><u>(664,000)</u></u>	\$ <u><u>(664,000)</u></u>	52,224	\$ <u><u>716,224</u></u>
FUND BALANCE, beginning			<u>1,066,968</u>	
FUND BALANCE, ending			\$ <u><u>1,119,192</u></u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - 2009 CAPITAL PROJECTS FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 5,000	\$ 5,000	\$ 4,109	\$ (891)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,109</u>	<u>(891)</u>
EXPENDITURES:				
Capital outlay	1,361,920	1,361,920	128,822	1,233,098
Total expenditures	<u>1,361,920</u>	<u>1,361,920</u>	<u>128,822</u>	<u>1,233,098</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(1,356,920)</u>	\$ <u>(1,356,920)</u>	(124,713)	\$ <u>1,232,207</u>
FUND BALANCE, beginning			<u>707,673</u>	
FUND BALANCE, ending			\$ <u><u>582,960</u></u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - 2017 CAPITAL PROJECTS FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 36,709	\$ 36,709
Total revenues	<u>-</u>	<u>-</u>	<u>36,709</u>	<u>36,709</u>
EXPENDITURES:				
Capital outlay	9,950,000	9,950,000	438,060	9,511,940
Debt service:				
Interest and fiscal charges	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>10,000</u>
Total expenditures	<u>10,000,000</u>	<u>10,000,000</u>	<u>478,060</u>	<u>9,521,940</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(10,000,000)</u></u>	\$ <u><u>(10,000,000)</u></u>	(441,351)	\$ <u><u>9,558,649</u></u>
OTHER FINANCING SOURCES:				
Loan Proceeds	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	9,558,649	\$ <u><u>9,558,649</u></u>
FUND BALANCE, beginning			<u>-</u>	
FUND BALANCE, ending			\$ <u><u>9,558,649</u></u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - CAPITAL IMPROVEMENT PROGRAM FUND
For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 37,500	\$ 37,500	\$ 23,285	\$ (14,215)
Miscellaneous revenues	700,000	700,000	742,042	42,042
Total revenues	<u>737,500</u>	<u>737,500</u>	<u>765,327</u>	<u>27,827</u>
EXPENDITURES:				
Capital outlay	<u>5,793,799</u>	<u>5,793,799</u>	<u>3,059,931</u>	<u>2,733,868</u>
Total expenditures	<u>5,793,799</u>	<u>5,793,799</u>	<u>3,059,931</u>	<u>2,733,868</u>
Excess (deficiency) of revenues over expenditures	(5,056,299)	(5,056,299)	(2,294,604)	2,761,695
OTHER FINANCING SOURCES:				
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	-
Net change in fund balance	\$ <u><u>(3,056,299)</u></u>	\$ <u><u>(3,056,299)</u></u>	(294,604)	\$ <u><u>2,761,695</u></u>
FUND BALANCE, beginning			<u>12,205,219</u>	
FUND BALANCE, ending			\$ <u><u>11,910,615</u></u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR FUND - PUBLIC SAFETY IMPROVEMENT FUND
 For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 283,790	\$ 283,790	\$ 447,120	\$ 163,330
Investment income	<u>3,000</u>	<u>3,000</u>	<u>5,348</u>	<u>2,348</u>
Total revenues	<u>286,790</u>	<u>286,790</u>	<u>452,468</u>	<u>165,678</u>
EXPENDITURES:				
Capital outlay	<u>258,354</u>	<u>258,354</u>	<u>81,252</u>	<u>177,102</u>
Total expenditures	<u>258,354</u>	<u>258,354</u>	<u>81,252</u>	<u>177,102</u>
Excess (deficiency) of revenues over expenditures	\$ <u>28,436</u>	\$ <u>28,436</u>	371,216	\$ <u>342,780</u>
FUND BALANCE, beginning			<u>455,479</u>	
FUND BALANCE, ending			\$ <u>826,695</u>	





STATISTICAL SECTION

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

Contents

Financial Trends

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

Net Position by Component	94-95
Changes in Net Position	96-99
Fund Balances of Governmental Funds	100-101
Changes in Fund Balances of Governmental Funds	102-103
General Governmental Tax Revenues by Source	104

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property	105-106
Property Tax Rates	107-108
Principal Property Taxpayers	109
Property Tax Levies and Collections	110

Debt Capacity

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

Ratios of Outstanding Debt by Type	111
Direct and Overlapping Governmental Activities Debt	112
Legal Debt Margin Information	113
Pledged Revenue Coverage	114

Demographic and Economic Information

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

Demographic and Economic Statistics	115
Principal Employers	116



STATISTICAL SECTION
(continued)

Operating Information

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

Full-Time Equivalent City Government Employees by Function	117
Operating Indicators by Function	118
Capital Asset Statistics by Function	119

Insurance Information

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

Insurance Coverage via PGIT	120-122
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Sources: Unless otherwise notes, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Coconut Creek, Florida

Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

	2008	2009	2010
Governmental activities:			
Net investment in capital assets	\$ 45,140	\$ 49,710	\$ 57,183
Restricted	12,253	10,000	8,125
Unrestricted	28,249	27,636	25,481
Total governmental activities net position	\$ 85,642	\$ 87,346	\$ 90,789
Business-type activities:			
Net investment in capital assets	\$ 55,783	\$ 60,239	\$ 65,348
Restricted	-	-	-
Unrestricted	14,687	11,079	12,406
Total business-type activities net position	\$ 70,470	\$ 71,318	\$ 77,754
Primary government:			
Net investment in capital assets	\$ 100,923	\$ 109,949	\$ 122,531
Restricted	12,253	10,000	8,125
Unrestricted	42,936	38,715	37,887
Total primary government net position	\$ 156,112	\$ 158,664	\$ 168,543

Table 1

2011	2012	2013	2014	2015	2016	2017
\$ 59,771	\$ 67,752	\$ 69,352	\$ 73,361	\$ 78,498	\$ 88,808	\$ 93,544
13,253	10,084	6,608	3,813	5,245	2,408	13,714
23,940	25,602	33,398	42,592	25,048	22,651	11,897
<u>\$ 96,964</u>	<u>\$ 103,438</u>	<u>\$ 109,358</u>	<u>\$ 119,766</u>	<u>\$ 108,791</u>	<u>\$ 113,867</u>	<u>\$ 119,155</u>
\$ 64,542	\$ 65,989	\$ 66,329	\$ 69,944	\$ 76,161	\$ 77,799	\$ 77,973
-	-	-	-	-	-	-
16,897	21,166	25,498	28,199	30,372	35,637	40,491
<u>\$ 81,439</u>	<u>\$ 87,155</u>	<u>\$ 91,827</u>	<u>\$ 98,143</u>	<u>\$ 106,533</u>	<u>\$ 113,436</u>	<u>\$ 118,464</u>
\$ 124,313	\$ 133,741	\$ 135,681	\$ 143,305	\$ 154,659	\$ 166,607	\$ 171,517
13,253	10,084	6,608	3,813	5,245	2,408	13,714
40,837	46,768	58,896	70,791	55,420	58,288	52,388
<u>\$ 178,403</u>	<u>\$ 190,593</u>	<u>\$ 201,185</u>	<u>\$ 217,909</u>	<u>\$ 215,324</u>	<u>\$ 227,303</u>	<u>\$ 237,619</u>

City of Coconut Creek, Florida

Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

	2008	2009	2010
Expenses:			
Governmental activities:			
General government	\$ 10,354	\$ 10,813	\$ 10,777
Public safety	21,423	22,817	23,452
Physical environment	6,751	6,695	6,195
Culture/recreation	5,693	5,781	5,495
Interest on long-term debt	1,082	980	1,160
Total governmental activities expenses	\$ 45,303	\$ 47,086	\$ 47,079
Business-type activities:			
Utilities	\$ 13,427	\$ 14,934	\$ 15,645
Stormwater management	745	808	816
Total business-type activities expenses	14,172	15,742	16,461
Total expenses	\$ 59,475	\$ 62,828	\$ 63,540
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 6,544	\$ 4,493	\$ 5,031
Public safety	5,883	6,290	7,798
Physical environment	1,862	2,068	2,116
Culture/recreation	618	638	701
Operating grants and contributions	1,152	918	979
Capital grants and contributions	4,559	125	475
Total governmental activities program revenues	\$ 20,618	\$ 14,532	\$ 17,100
Business-type activities:			
Charges for services:			
Utilities	\$ 10,960	\$ 12,581	\$ 14,800
Stormwater management	1,336	1,388	1,457
Capital grants and contributions	3,715	2,131	6,105
Total business-type activities program revenues	16,011	16,100	22,362
Total program revenues	\$ 36,629	\$ 30,632	\$ 39,462
Net (expense)/revenue			
Governmental activities	\$ (24,685)	\$ (32,554)	\$ (29,979)
Business-type activities	1,839	358	5,901
Total net expenses	\$ (22,846)	\$ (32,196)	\$ (24,078)

Table 2

	2011	2012	2013	2014	2015	2016	2017
\$	10,743	\$ 11,742	\$ 11,376	\$ 12,004	\$ 11,053	\$ 11,969	\$ 13,178
	23,446	23,959	25,187	26,487	26,315	29,801	32,207
	5,698	5,814	6,518	7,375	7,547	7,808	8,259
	5,255	5,251	5,498	5,984	6,289	6,791	7,036
	991	878	688	606	521	427	402
\$	46,133	\$ 47,644	\$ 49,267	\$ 52,456	\$ 51,725	\$ 56,796	\$ 61,082
\$	14,603	\$ 15,022	\$ 15,969	\$ 16,214	\$ 17,055	\$ 17,824	\$ 18,479
	813	1,014	1,118	1,158	1,222	1,438	1,445
	15,416	16,036	17,087	17,372	18,277	19,262	19,924
\$	61,549	\$ 63,680	\$ 66,354	\$ 69,828	\$ 70,002	\$ 76,058	\$ 81,006
\$	5,404	\$ 5,823	\$ 6,120	\$ 2,813	\$ 4,818	\$ 5,451	\$ 6,458
	7,398	7,325	8,018	8,834	9,979	11,199	11,165
	2,122	2,498	2,637	5,953	2,853	2,996	2,968
	729	752	760	708	757	684	780
	618	423	680	843	846	581	710
	1,562	2,501	1,144	3,321	1,088	620	801
\$	17,833	\$ 19,322	\$ 19,359	\$ 22,472	\$ 20,341	\$ 21,531	\$ 22,882
\$	17,044	\$ 17,717	\$ 18,401	\$ 19,645	\$ 20,629	\$ 20,976	\$ 21,956
	1,453	1,498	1,523	1,576	1,621	1,672	1,670
	2,848	1,464	705	1,899	5,232	2,021	-
	21,345	20,679	20,629	23,120	27,482	24,669	23,626
\$	39,178	\$ 40,001	\$ 39,988	\$ 45,592	\$ 47,823	\$ 46,200	\$ 46,508
\$	(28,300)	\$ (28,322)	\$ (29,908)	\$ (29,984)	\$ (31,384)	\$ (35,265)	\$ (38,200)
	5,929	4,643	3,542	5,748	9,205	5,407	3,702
\$	(22,371)	\$ (23,679)	\$ (26,366)	\$ (24,236)	\$ (22,179)	\$ (29,858)	\$ (34,498)

City of Coconut Creek, Florida

Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

	2008	2009	2010
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes	\$ 16,076	\$ 15,886	\$ 16,213
Utility taxes	5,544	5,936	6,093
Franchise taxes	3,989	4,222	4,095
Intergovernmental	5,551	4,947	4,840
Impact fees	-	-	-
Special assessment	-	-	-
Investment income	1,261	917	561
Miscellaneous	1,225	2,502	1,730
Gain on disposal of capital assets	-	(152)	(110)
Transfers	-	-	-
Total governmental activities	\$ 33,646	\$ 34,258	\$ 33,422
Business-type activities:			
Investment income	621	303	157
Impact fees	-	-	-
Miscellaneous	203	186	378
Transfers	-	-	-
Total business-type activities	824	489	535
Total	\$ 34,470	\$ 34,747	\$ 33,957
Change in Net Position			
Governmental activities	\$ 8,961	\$ 1,704	\$ 3,443
Business-type activities	2,663	847	6,436
Total	\$ 11,624	\$ 2,551	\$ 9,879

Table 2
(continued)

	2011	2012	2013	2014	2015	2016	2017
\$	15,906	\$ 16,129	\$ 16,145	\$ 16,894	\$ 17,700	\$ 19,672	\$ 21,405
	6,050	6,092	6,317	6,563	6,750	6,665	6,768
	4,070	3,971	3,936	4,315	4,409	4,385	4,495
	5,066	5,732	6,023	6,217	7,661	6,859	7,177
	1,187	876	674	460	540	286	1,082
	-	-	-	-	951	31	31
	601	379	(56)	496	413	445	421
	1,095	1,617	2,849	5,444	1,573	1,998	2,110
	-	-	-	-	-	-	-
	500	-	-	-	-	-	-
\$	34,475	\$ 34,796	\$ 35,888	\$ 40,389	\$ 39,997	\$ 40,341	\$ 43,489
	206	140	(69)	193	254	278	296
	1,023	698	1,057	215	453	1,006	1,027
	295	236	141	160	182	212	2
	(500)	-	-	-	-	-	-
	1,024	1,074	1,129	568	889	1,496	1,325
\$	35,499	\$ 35,870	\$ 37,017	\$ 40,957	\$ 40,886	\$ 41,837	\$ 44,814
\$	6,175	\$ 6,474	\$ 5,980	\$ 10,405	\$ 8,613	\$ 5,076	\$ 5,289
	6,953	5,717	4,671	6,316	10,094	6,903	5,027
\$	13,128	\$ 12,191	\$ 10,651	\$ 16,721	\$ 18,707	\$ 11,979	\$ 10,316

City of Coconut Creek, Florida

Fund Balances of Governmental Funds (1)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2008	2009	2010	2011
General Fund				
Reserved	\$ 373	\$ 165	\$ 132	\$ -
Unreserved	18,283	18,554	18,192	-
Non-spendable	-	-	-	124
Restricted	-	-	-	-
Committed	-	-	-	2,228
Assigned	-	-	-	4,075
Unassigned	-	-	-	15,690
Total general fund	\$ 18,656	\$ 18,719	\$ 18,324	\$ 22,117
All other governmental funds				
Reserved	\$ 8,620	\$ 8,620	\$ 8,639	\$ 8,629
Unreserved, reported in:				
Special revenue funds	7,850	12,531	10,827	8,969
Capital projects funds	5,366	4,473	3,148	12,791
Debt service fund	656	666	469	67
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	\$ 22,492	\$ 26,290	\$ 23,083	\$ 30,456

(1) Information for fiscal years 2007 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

Table 3

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
137	191	218	167	153	156
-	-	-	-	-	-
2,302	2,594	2,575	3,095	3,184	5,973
5,159	5,856	6,254	6,811	4,982	5,467
16,207	15,149	15,442	17,384	19,102	19,669
<u>\$ 23,805</u>	<u>\$ 23,790</u>	<u>\$ 24,489</u>	<u>\$ 27,457</u>	<u>\$ 27,421</u>	<u>\$ 31,265</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,624	8,623	8,629	8,630	8,625	-
10,081	6,608	3,813	5,245	2,409	13,714
6,385	7,129	14,309	13,335	11,203	10,435
1,220	2,475	1,441	2,022	3,874	11,809
-	-	-	-	-	(976)
<u>\$ 26,310</u>	<u>\$ 24,835</u>	<u>\$ 28,192</u>	<u>\$ 29,232</u>	<u>\$ 26,111</u>	<u>\$ 34,982</u>

City of Coconut Creek, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	2008	2009	2010	2011
Revenues				
Ad valorem taxes	\$ 16,077	\$ 15,886	\$ 16,213	\$ 15,906
Franchise fees	3,989	4,222	4,095	4,070
Utility taxes	5,544	5,937	6,093	6,050
Licenses and permits	3,247	1,088	1,522	2,760
Intergovernmental revenues	6,668	5,805	6,702	5,969
Charges for services	11,267	12,163	13,452	12,456
Fines and forfeitures	3,598	462	488	938
Impact fees	-	-	-	1,075
Seminole Mitigation Fees	-	-	-	-
Investment income	1,227	890	534	575
Special assessment	-	-	-	-
Miscellaneous revenues	2,264	1,313	1,621	1,208
Total revenues	53,881	47,766	50,720	51,007
Expenditures				
General government	9,833	9,525	9,505	9,247
Public safety	20,499	21,510	22,116	22,732
Physical environment	5,419	5,977	4,944	4,865
Culture and recreation	5,082	5,143	4,930	4,597
Nondepartmental	184	210	294	511
Capital outlay	2,459	3,941	3,332	3,174
Debt service				
Principal	2,630	3,452	7,398	3,049
Interest and fiscal charges	1,100	1,151	1,223	996
Total expenditures	47,206	50,909	53,742	49,171
Excess (deficiency) of revenues over expenditures	6,675	(3,143)	(3,022)	1,836
Other financing sources (uses)				
Net proceeds from long-term debt	-	-	10,000	-
Transfers in	2,937	3,834	7,698	4,291
Transfers out	(2,937)	(3,834)	(7,698)	(3,791)
Payment to Fiscal Agent	-	-	-	-
Total other financing sources (uses)	-	-	10,000	500
Net change in fund balances	\$ 6,675	\$ (3,143)	\$ 6,978	\$ 2,336
Debt service as a percentage of noncapital expenditures	8.3%	9.7%	16.9%	8.7%

Table 4

	2012	2013	2014	2015	2016	2017
\$	16,129	\$ 16,144	\$ 16,894	\$ 17,700	\$ 19,673	\$ 21,405
	3,971	3,936	4,315	4,408	4,385	4,495
	6,092	6,317	6,563	6,750	6,665	6,768
	2,988	3,200	2,839	2,122	2,376	3,078
	7,523	8,282	8,590	10,620	7,623	8,014
	13,106	13,997	14,986	16,270	17,650	17,770
	1,220	613	565	980	981	826
	876	674	1,150	540	246	1,082
	-	-	3,000	-	-	-
	352	(83)	496	413	485	421
	-	-	-	194	-	-
	1,618	2,920	2,498	1,573	1,999	2,110
	53,875	56,000	61,896	61,570	62,083	65,969
	9,767	9,762	9,948	10,203	10,406	11,649
	23,119	24,316	25,261	26,187	27,881	29,270
	4,932	5,343	5,980	6,125	5,821	6,192
	4,675	4,909	5,253	5,729	5,862	5,998
	514	660	1,343	564	594	671
	8,355	9,209	6,763	5,463	11,385	7,386
	2,647	2,603	2,686	2,771	2,864	1,686
	897	688	606	521	427	402
	54,906	57,490	57,840	57,563	65,240	63,254
	(1,031)	(1,490)	4,056	4,007	(3,157)	2,715
	5,270	-	-	-	-	16,765
	13,064	4,988	5,493	4,733	6,007	4,142
	(13,064)	(4,988)	(5,493)	(4,733)	(6,007)	(4,142)
	(5,240)	-	-	-	-	(6,765)
	30	-	-	-	-	10,000
\$	(1,001)	\$ (1,490)	\$ 4,056	\$ 4,007	\$ (3,157)	\$ 12,715
	7.6%	6.8%	6.4%	6.3%	6.1%	3.7%



General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

Fiscal Year Ended September 30	Property Taxes	Local Option Gas Tax	Utility Taxes	Franchise Fees	Total
2008	\$ 16,077	\$ 875	\$ 5,544	\$ 3,989	\$ 26,485
2009	15,886	850	5,936	4,222	26,894
2010	16,213	837	6,093	4,095	27,238
2011	15,906	838	6,050	4,070	26,864
2012	16,129	909	6,092	3,971	27,101
2013	16,144	910	6,317	3,936	27,307
2014	16,894	931	6,563	4,315	28,703
2015	17,700	960	6,750	4,409	29,819
2016	19,672	1,001	6,665	4,385	31,723
2017	21,405	1,048	6,768	4,495	33,716

City of Coconut Creek, Florida

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30	Save Our Homes (SOH) Value			
	Residential	Commercial	Industrial	Other*
2008	\$ 3,475,090,460	\$ 476,525,460	\$ 109,354,120	\$ 620,193,710
2009	3,325,196,440	544,993,880	131,761,640	627,363,020
2010	2,729,460,450	633,971,090	149,361,570	627,896,870
2011	2,349,102,060	597,927,930	151,805,050	635,594,810
2012	2,353,406,490	555,543,250	138,124,920	662,510,000
2013	2,374,513,210	576,291,950	140,205,740	662,962,500
2014	2,494,888,270	594,326,970	122,620,490	656,952,910
2015	2,697,371,210	606,225,150	127,521,680	670,913,350
2016	2,990,243,390	605,886,720	139,120,280	684,248,670
2017	3,203,443,620	673,489,900	155,685,620	697,645,620

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

NOTES:

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

Table 6

Exemptions	Total Taxable Assessed Value	City Direct Tax Rate	Market Value	Assessed Value as a Percentage of Market Value
\$ 1,009,820,010	\$ 3,671,343,740	4.3796	\$ 6,101,425,730	60.17%
1,330,667,720	3,298,647,260	4.8869	5,481,926,110	60.17%
1,271,152,380	2,869,537,600	5.6837	4,494,682,060	63.84%
1,237,156,670	2,497,273,180	6.4036	3,901,423,180	64.01%
1,214,736,610	2,494,848,050	6.3857	3,937,457,080	63.36%
1,215,545,240	2,538,428,160	6.3250	3,964,203,630	64.03%
1,207,415,350	2,661,373,290	6.3250	4,150,312,340	64.12%
1,230,106,240	2,871,925,150	6.2301	4,688,929,480	61.25%
1,240,687,580	3,178,811,480	6.1803	5,217,655,290	60.92%
1,257,293,880	3,472,970,880	6.1370	5,638,168,710	61.60%

City of Coconut Creek, Florida

Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Coconut Creek			Overlapping Rates					
				County			School District		
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage
2008	4.3796	-	4.3796	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484
2009	4.8869	-	4.8869	4.8889	0.4256	5.3145	7.4170	-	7.4170
2010	5.6837	-	5.6837	4.8889	0.5000	5.3889	7.4310	-	7.4310
2011	6.4036	-	6.4036	5.1021	0.4509	5.5530	7.6310	-	7.6310
2012	6.3857	-	6.3857	5.1860	0.3670	5.5530	7.4180	-	7.4180
2013	6.3250	-	6.3250	5.2576	0.2954	5.5530	7.4560	-	7.4560
2014	6.3250	-	6.3250	5.4400	0.2830	5.7230	7.4800	-	7.4800
2015	6.2301	-	6.2301	5.4584	0.2646	5.7230	7.4380	-	7.4380
2016	6.1803	-	6.1803	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740
2017	6.1370	-	6.1370	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063

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

Table 7

Overlapping Rates					
CocoMar Water Management District	Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct & Overlapping Rates
0.1446	0.3572	1.6255	0.6240	0.0345	20.1006
0.1446	0.3754	1.7059	0.6240	0.0345	20.5028
0.1446	0.4243	1.7059	0.6240	0.0345	21.4369
0.1446	0.4696	1.8750	0.6240	0.0345	22.7353
0.1446	0.4789	1.8750	0.4363	0.0345	22.3260
0.1446	0.4902	1.8564	0.4289	0.0345	22.2886
0.1446	0.4882	1.7554	0.4110	0.0345	22.3617
0.1446	0.4882	1.5939	0.3842	0.0345	22.0365
0.1446	0.4882	1.4425	0.3551	0.0320	21.6397
0.1446	0.4882	1.3462	0.3307	0.0320	21.0540

Principal Property Taxpayers
 Current Year and Nine Years Ago
 (Amounts Expressed in Thousands)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Teachers Ins. & Annuity Assn. of America	\$ 80,594	1	2.3%	\$ -	-	-
Broadstone Cypress Hammocks LLC	70,836	2	2.0%	-	-	-
MCA Promenade Owner LLC	58,356	3	1.7%	-	-	-
Seminole Properties II Inc	56,979	4	1.6%	-	-	-
5401 Wiles Road LLC	56,683	5	1.6%	-	-	-
Bell Fund V Coconut Creek LLC	55,480	6	1.6%	37,243	2	1.0%
Florida Power & Light Co	47,191	7	1.4%	-	-	-
ERP Operating LTD Partnership	44,597	8	1.3%	28,150	7	0.7%
CGL Banyan Bay LP	41,846	9	1.2%	33,037	3	0.9%
Northland Cypress Shores LLC	40,283	10	1.2%	-	-	-
Forest Pointe 372 LLC	-	-	-	52,409	1	1.4%
CA New Plan Asset Partnership	-	-	-	31,132	4	0.8%
Club Caribe Associates LLC	-	-	-	30,641	5	0.8%
Southern Bell Telephone Co.	-	-	-	29,428	6	0.8%
ERP Operating LTD Partner ET A	-	-	-	27,304	8	0.7%
ERP Operating LTD Partner	-	-	-	27,185	9	0.7%
Atlyons LLC	-	-	-	27,176	10	0.7%
Totals	\$ 552,845		15.9%	\$ 323,705		8.5%

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

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts Expressed in Thousands)**

Fiscal Year	Total Tax Levy (1)	Current Taxes Collections	Percentage Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy
2008	\$ 16,557	\$ 16,005	96.67%	\$ 22	\$ 16,027	96.80%
2009	16,676	15,772	94.58%	18	15,790	94.69%
2010	17,087	15,909	93.11%	265	16,174	94.66%
2011	16,838	15,796	93.81%	312	16,108	95.66%
2012	16,714	15,949	95.42%	180	16,129	96.50%
2013	16,831	16,164	96.04%	(19)	16,145	95.92%
2014	17,638	16,942	96.05%	(48)	16,894	95.78%
2015	18,752	17,856	95.22%	(156)	17,700	94.39%
2016	20,483	19,634	95.86%	12	19,646	95.91%
2017	22,284	21,399	96.03%	2	21,405	96.06%

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

NOTE: (1) Tax levy, net of discount

Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Promissory Note	Improvement Revenue Notes	Line of Credit	Capital Lease			
2008	\$ -	\$ -	\$ 2,331	\$ 24,314	\$ -	\$ 46	\$ 26,691	1.98%	\$ 554
2009	-	-	1,424	21,803	-	12	23,239	1.76%	486
2010	-	-	481	25,359	-	908	26,748	2.04%	555
2011	-	-	-	22,791	-	-	22,791	1.55%	431
2012	-	-	-	20,174	-	-	20,174	1.33%	378
2013	-	-	-	17,571	-	-	17,571	1.14%	327
2014	-	-	-	14,885	-	-	14,885	0.96%	269
2015	-	-	-	12,114	-	-	12,114	0.76%	214
2016	-	-	-	9,250	-	-	9,250	0.57%	162
2017	-	-	-	17,564	-	-	17,564	1.03%	306

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 (1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Direct and Overlapping Governmental Activities Debt
 As of September 30, 2017
 (Amounts Expressed in Thousands)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Coconut Creek (1)</u>	<u>Estimated Amount Applicable to City of Coconut Creek</u>
Debt repaid with property taxes:			
Broward County	\$ 207,550	2.23%	\$ 4,628
School Board of Broward County (2)	148,225	2.03%	<u>3,009</u>
Subtotal, overlapping debt			<u>7,637</u>
City of Coconut Creek			<u>\$ 17,564</u>
Total direct and overlapping debt			<u><u>\$ 25,201</u></u>

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

(1) Based on ratio of assessed taxable value

(2) The School Board of Broward County debt outstanding is as of June 30, 2017

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



**Legal Debt Margin Information
Last Ten Fiscal Years
(Amounts Expressed in Thousands)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 917,836	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712	\$ 634,607	\$ 665,343	\$ 717,981	\$ 794,703	\$ 868,243
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 917,836	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712	\$ 634,607	\$ 665,343	\$ 717,981	\$ 794,703	\$ 868,243
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Valuation of Taxable Real Property	\$ 3,472,971
Bonded Debt Limit - 25% of above	868,243
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	-
Less Revenue Bonds	-
Total net debt applicable to limit	-
Legal debt margin (1)	<u>\$ 868,243</u>

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

Restated data for 2008 through 2010

Pledged Revenue Coverage
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

Improvement Revenue Notes												
Fiscal Year	Electric Utility Taxes	Electric Franchise Fees	Total Revenue	Debt Service		Coverage	Non-Ad Valorem Revenue	Debt Service		Coverage		
				Principal	Interest			Principal	Interest			
2008	\$ 2,689	\$ 3,064	\$ 5,753	\$ 1,725	\$ 968	2.14	\$ -	\$ -	\$ -	-		
2009	2,689	3,055	5,744	2,511	1,056	1.61	-	-	-	-		
2010	2,939	2,800	5,739	6,444	(1) 815	0.79	22,421	-	313	71.63		
2011	2,915	2,773	5,688	2,568	583	1.81	22,563	-	394	57.27		
2012	2,991	2,708	5,699	7,887	(2) 473	0.68	23,458	-	394	59.54		
2013	3,203	2,657	5,860	2,201	294	2.35	24,456	402	394	30.72		
2014	3,521	2,908	6,429	2,270	228	2.57	25,524	415	378	32.19		
2015	3,599	2,983	6,582	1,590	159	3.76	26,540	1,181	361	17.21		
2016	3,695	2,910	6,605	1,629	112	3.79	28,397	1,236	315	18.31		
2017	3,802	2,985	6,787	1,685	64	3.88	29,551	6,766	(3) 298	4.18		

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

- (1) Includes \$3,973,491 principal payment of Series 2003C revenue note to extinguish debt.
- (2) Includes \$5,240,096 to fully refund principal on Series 2003D from issuance of Series 2012 revenue note proceeds.
- (3) Includes \$6,765,000 to fully refund principal on Series 2009 from issuance of Series 2017B revenue note proceeds.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	General Fund Operating Revenues Per Capita	General Fund Operating Expenditures Per Capita	Gross Residential Property Tax Per Capita	Median Age	School Enrollment (3)	Unemployment Rate (2)
2008	48,193 (1)	\$ 1,346,994,350	\$ 27,950 (4)	\$ 927	\$ 829	\$ 279	41.1 (2)	9,799	6.1%
2009	47,804 (5)	1,322,927,896	27,674 (4)	888	847	268	43.5 (4)	9,414	8.8%
2010	48,159 (5)	1,312,429,068	27,252 (4)	921	829	246	42.1 (4)	9,341	10.1%
2011	52,909 (5)	1,474,891,284	27,876 (4)	835	764	210	40.3 (4)	8,718	10.7%
2012	53,313 (5)	1,516,488,285	28,445 (4)	849	770	204	40.0 (4)	8,784	7.6%
2013	53,783 (5)	1,547,874,740	28,780 (4)	864	809	211	40.6 (4)	8,564	5.6%
2014	55,319 (5)	1,553,246,882	28,078 (4)	883	826	220	40.2 (4)	10,051	5.2%
2015	56,593 (5)	1,596,884,681	28,217 (4)	898	828	234	39.6 (4)	10,196	5.6%
2016	57,116 (5)	1,620,552,268	28,373 (4)	957	905	261	39.8 (4)	10,080	4.6%
2017	57,395 (5)	1,646,088,600	28,680 (4)	1006	889	280	40.2 (4)	10,484	3.3%

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

(2) Furnished by the Bureau of Labor Statistics

(3) Furnished by the School Board of Broward County

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

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

Principal Employers
Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Seminole Coconut Creek Casino	1,939	1	6.12%	556	4	2.86%
Broward County School Board	1,364	2	4.30%	1,417	2	7.29%
Broward College North	1,034	3	3.26%	1,784	1	9.18%
Publix	614	4	1.94%	620	3	3.19%
Atlantic Technical Center	463	5	1.46%	-	-	0.00%
City of Coconut Creek	394	6	1.24%	357	6	1.84%
Walmart	325	7	1.03%	510	5	2.63%
Food for the Poor	318	8	1.00%	330	7	1.70%
Vista BMW	300	9	0.95%	-	-	0.00%
Al Hendrickson Toyota	270	10	0.85%	-	-	0.00%
Carl's Corporate Headquarters	-	-	0.00%	320	8	1.65%
Enterprise Car Rental (Regional Office)	-	-	0.00%	158	9	0.81%
Elite Aluminum Corporation	-	-	0.00%	100	10	0.51%
Totals	7,021		22.15%	6,152		31.66%

**Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General government	61	62	62	62	56	60	61	62	63	64
Public safety	153	155	163	163	152	153	165	170	170	173
Physical environment	41	40	35	25	29	29	32	33	33	49
Culture and recreation	65	80	78	68	64	68	71	72	72	61
Water and wastewater	30	29	31	31	31	35	36	36	36	37
Stormwater management	7	8	8	8	8	9	9	9	10	10
Total	357	374	377	357	340	354	374	382	384	394

Source: City of Coconut Creek

**Operating Indicators by Function
Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Bids and contracts awarded	22	15	18	23	12	23	14	21	15	22
Building permits	2,794	2,446	2,530	2,272	2,738	2,898	2,588	3,115	3,141	3,035
Business licenses (new)	211	380	289	140	177	124	119	108	144	193
Police										
Personnel and officers	132	133	139	138	134	133	137	140	140	142
Physical arrests	995	1,100	1,070	984	883	933	899	830	908	1,064
Traffic violations	7,484	11,211	8,354	7,919	6,683	6,748	5,756	6,744	7,329	9,550
Parking violations	513	1,074	653	1,027	909	1,260	1,332	627	638	290
Fire										
Personnel and officers	4	4	4	4	5	4	4	4	5	5.5
Number of calls answered	5,724	6,178	6,820	6,528	6,807	6,720	5,902	7,260	7,705	7,858
Inspections	1,650	1,577	1,784	1,456	1,803	1,869	1,986	2,125	2,908	2,851
Transit (1)										
Number of Routes	-	2	2	2	2	2	2	2	2	3
Number of Passengers	-	131,123	143,872	170,291	161,660	167,377	158,430	141,316	140,976	131,934
Streets										
Street resurfacing (miles)	-	-	29	-	1	-	-	-	-	79
Potholes repaired	265	273	173	325	303	248	224	212	368	250
Culture and recreation										
Athletic field permits issued	2,927	3,420	3,222	4,075	4,081	4,364	4,722	4,642	4,342	4,196
Fitness memberships	1,326	1,663	1,577	1,443	1,193	1,161	1,175	1,178	1,279	1,472
Participants Registered:										
Athletic Programs	899	1,274	2,988	2,087	1,691	1,961	2,203	2,116	1,978	2,264
Recreation Programs	2,417	3,312	7,510	5,356	5,291	4,579	4,679	5,604	5,483	5,986
Water										
New connections	150	74	43	50	91	107	88	51	74	95
Water main breaks	2	1	-	2	-	1	-	-	2	3
Average daily consumption (thousands of gallons)	4,367	4,475	4,263	4,211	3,942	4,015	4,046	4,181	4,149	4,228
Active Accounts: (Average)										
Residential	10,393	10,424	10,473	10,542	10,617	10,719	10,834	10,925	11,000	11,088
Commercial	851	854	844	830	839	854	851	932	862	877

(1) Transit Information for fiscal year 2008 is not available.

Source: City of Coconut Creek, Florida.

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	122	122	123	126	126	116	134	137	130	132
Streets										
Streets (miles)	53	47	48	48	48	48	48	48	48	48
Street lights	1,528	1,659	1,662	1,662	1,668	1,668	1,712	1,712	1,712	1,712
Culture and recreation										
Parks acreage	107	107	107	107	107	107	170	170	170	170
Parks	18	18	18	18	18	18	18	18	18	18
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	241	244	247	251	250	251	266	273	273	275
Fire hydrants	1,638	1,682	1,739	1,756	1,749	1,754	1,748	1,822	1,822	1,822
Maximum daily capacity (thousands of gallons)	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Sewer										
Sanitary sewers (miles)	201	203	205	205	209	207	224	227	227	227
Storm sewers (miles)	22	23	29	30	32	32	32	33	33	33
Maximum daily treatment capacity (thousands of gallons)	6,040	6,540	6,540	6,540	6,540	6,540	6,540	6,540	6,540	6,540

Source: City of Coconut Creek, Florida.

Insurance Coverage Via Preferred Governmental Insurance Trust (PGIT)
 October 1, 2016 through September 30, 2017

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Limit	Policy Period From / To	Liability Limits	Member Deductible
Property Pkg	Coverage is blanket; Including: Buildings and Contents	Preferred Governmental Insurance Trust PRFL1 0062801 16-09		10/1/2016	\$62,448,666 6Total Insured Values (TIV)	\$ 10,000
				through 10/1/2017	Per Buildings and Contents Schedule on file with PGIT All other Perils deductible	10,000
					Windstorm 5% of TIV per location; per occurrence named storm Minimum deductible, per named windstorm	25,000
					\$100,000 Business income	10,000
					\$500,000 Additional Expense	10,000
					\$26,953 Communication Equipment - Agreed Value	10,000
					\$1,756,173 Contractors Equipment - Agreed Value	10,000
					\$100,000 Other Inland Marine - Agreed Value	10,000
					\$655,506 EDP Equipment - Replacement Cost	10,000
					\$50,000 Rented, Borrowed, Leased Equipment	10,000
					\$750,000 Blanket Unscheduled Inland Marine - Actual Cash Value	10,000
					Emergency Services Portable Equip - included in Blanket	10,000
					Fine Arts Included in Blanket	10,000
					Valuable Papers Included in Blanket	10,000
					Coverage Extensions:	
					2,000,000 Newly acquired or constructed buildings/personal property subject to 60 days	10,000
					\$250,000 Accounts Receivable	10,000
					\$250,000 Errors & Omissions	10,000
					\$25,000/\$50,000 Pollution Cleanup Expense occur/annual aggregate	10,000
					\$500,000 Debris Removal	10,000
					\$25,000 Lawns, Trees, Plants	10,000
					\$500,000 Demolition Cost, Operation of Building Laws and ICC	10,000
					\$250,000 Property in transit	10,000
					\$100,000 Service Interruption Coverage	10,000
					\$25,000 Fire department charges	10,000
	Automobile Physical Damage, owned and hired autos only				Per owned Vehicle Schedule on file with Preferred	
					Comprehensive - Actual Cash Value less deductible	1,000
					Collision - Actual Cash Value less deductible	1,000
Equipment Breakdown	Comprehensive coverage for City owned boilers, air conditioning & turbine equipment, including business interruption, extra expense & utility interruption			10/1/2016	\$50,000,000 Incl. property damage, business interruption, extra expense	\$ 10,000
				through 10/1/2017	\$250,000 Spoilage Damage \$500,000 Ordinance/law \$1,000,000 Expediting Expenses \$500,000 Water Damage \$500,000 Ammonia Contamination \$500,000 Hazardous Substance Coverage \$2,000,000 Utility Interruption (24Hour waiting period)	10,000 10,000 10,000 10,000 10,000 10,000 10,000
Workers' Compensation and Employers'	Workers' Compensation Liabilities under F.S. 440	Preferred Governmental Insurance Trust WC FL1 0062801 16-09		10/1/2016 through 10/1/2017	Statutory Benefits per F.S. 440 \$1,000,000 per accident \$1,000,000 per employee - disease	\$ -

Insurance Coverage Via Preferred Governmental Insurance Trust (PGIT)
October 1, 2016 through September 30, 2017

Policy	Type of Coverage	Insurer/Policy No.	From / To	Liability Limits	Deductible
Flood Insurance	Flood - National Flood Insurance Program (NFIP) Building Replacement Cost Contents Actual Cash Value	Wright National Flood Ins.Co. #091150025731 Govt. Ctr.-City Hall	8/6/2016 through	\$500,000 bldg/\$500,000 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025737 Gerber Park	8/6/2017	\$208,300 bldg/\$15,900 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025732 Govt. Ctr.-Public Works		\$500,000 bldg/\$72,100 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$83,600 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$180,600 bldg/\$13,100 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$148,900 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$132,800 bldg/\$9,600 cnts	\$1,250/\$1,250
	Flood Insurance	Flood - National Flood Insurance Program (NFIP) Building Replacement Cost Contents Actual Cash Value	Wright National Flood Ins.Co. #091150025731 Govt. Ctr.-City Hall	8/6/2017 through	\$500,000 bldg/\$500,000 cnts
		Wright National Flood Ins.Co. #091150025737 Gerber Park	8/6/2018	\$208,300 bldg/\$15,900 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025732 Govt. Ctr.-Public Works		\$500,000 bldg/\$72,100 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025733 Govt. Ctr.-Auto/Land/Carp		\$500,000 bldg/\$83,600 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025734 Govt. Ctr.-Equip. Bldg.		\$180,600 bldg/\$13,100 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025735 Govt. Ctr.-Comm. Chamb.		\$500,000 bldg/\$148,900 cnts	\$1,250/\$1,250
		Wright National Flood Ins.Co. #091150025736 Govt. Ctr.-Storage Bldg.		\$132,800 bldg/\$9,600 cnts	\$1,250/\$1,250
Flood Insurance		Flood Per Occurrence/Aggregate (Property and contents not covered under the Wright National policies)	Preferred Governmental Insurance Trust PR FL1 0062801 16-09	10/1/2016 through 10/1/2017	\$5,000,000
Crime Insurance	Employee Theft	Travelers Casualty & Surety	10/1/2016 through	\$1,000,000	\$ 10,000
	Faithful Performance of Duty included	Company of America			
	Computer Crime	105684154	10/1/2017	\$1,000,000	\$ 10,000
	Funds Transfer Fraud			\$1,000,000	\$ 10,000
	Forgery or Alteration			\$500,000	\$ 5,000
	On Premises / In Transit			\$500,000	\$ 5,000
	Money Order/Counterfeit Currency			\$500,000	\$ 5,000

City of Coconut Creek, Florida

Table 19
(continued)

Insurance Coverage Via Preferred Governmental Insurance Trust (PGIT)
October 1, 2016 through September 30, 2017

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible
General Liability	Bodily Injury & Property Damage Combined Single Limit for all Premises/Ops. Employee Benefits Liability Fire Damage Limit No Fault Sewer Backup Pesticide/Herbicide Limit Law Enforcement	Preferred Governmental Insurance Trust PKFL1 0062801 16-09	10/1/2016 through 10/1/2017	\$1,000,000 per occurrence	\$0
				\$1,000,000 per person Included	
				\$10,000 / \$200,000	
				\$1,000,000	
				\$1,000,000 per occurrence	\$ 2,500
Automobile Liability	Bodily Injury & Property Damage Combined Single Limit for any "auto"			\$1,000,000 per accident	\$0
Public Official and Employment Practices Liability	Liability for Money Damages (other than BI or PD) due to Errors or Omissions of the City, it's Commissioners, & Employees			\$2,000,000 per claim	\$ 2,500
				\$2,000,000 policy aggregate/annually	
				\$2,000,000 per claim	\$ 2,500
Network Security and	Limit (inclusive of claim expenses)			\$2,000,000 aggregate	
				\$1,000,000 per claim	\$2,500
				\$1,000,000 aggregate	
				\$1,000,000 Aggregate for all Privacy Notification Costs for Privacy Liability	\$2,500
				\$1,000,000 Aggregate for all Regulatory fines and claim expenses for Privacy Liability	\$2,500
Accidental Death & Dismemberment	Liabilities under F.S. 118 & 119.191 Applicable to Police Officers	Hartford Life Ins. Co. ETB125091	10/1/2016 through 10/1/2018	Statutory Benefits per F.S. 118 & 119.191 2 year policy	\$0
Storage Tank Liability	Storage Tank Third-Party Liability, Corrective Action and Cleanup Costs	Commerce and Industry Insurance Company	9/2/2015 through 9/2/2016	\$1,000,000 each incident limit \$4,000,000 aggregate limit	\$ 25,000
Storage Tank Liability	Storage Tank Third-Party Liability, Corrective Action and Cleanup Costs	Commerce and Industry Insurance Company	9/2/2017 through 9/2/2018	\$1,000,000 each incident limit \$4,000,000 aggregate limit	\$ 25,000



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coconut Creek, Florida (the City) as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

Fort Lauderdale, Florida
March 29, 2018

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Coconut Creek, Florida (the City) as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 29, 2017.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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.

Annual Financial Report

Sections 10.554(1)(i)5.b. 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 the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

Fort Lauderdale, Florida
March 29, 2017

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

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

We have examined the City of Coconut Creek's (the City) compliance with Section 218.415 Florida Statutes during the fiscal year ended September 30, 2017. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance 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 complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks 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's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2017.

This report is intended to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, Florida
March 29, 2018

