

The City of

COCONUT CREEK

Florida



FY 20 18

CAFR

Comprehensive Annual Financial Report
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018



BUTTERFLY CAPITAL OF THE WORLD®

Comprehensive Annual Financial Report

of

CITY OF COCONUT CREEK, FLORIDA

Fiscal Year Ended
September 30, 2018



Prepared by the
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

CITY OF COCONUT CREEK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2018

City Commission

Sandra L. WelchMayor
Lou SarboneVice Mayor
Rebecca A. Tooley.....Commissioner
Mikkie Belvedere.....Commissioner
Joshua D. Rydell.....Commissioner

Administrative Staff

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

Leslie Wallace MayCity Clerk

Karen M. Brooks, CPFODeputy City Manager/
Chief Financial Officer
Sheila N. RoseAssistant City Manager/
Director of Sustainable
Development



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FY 20 18 10



April 2, 2019

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, 2018. 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, 2018 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, 2018 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 58,344, the City of Coconut Creek ranks 18th 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 City 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 2018 Consumer Price Index increase for the Miami-Fort Lauderdale area (Local CPI) was 3.3%, the largest annual increase since 2011 when food and gas prices increased significantly. The Local CPI exceeded the national average of 1.9%, indicating higher-than-average economic growth in South Florida.

When it comes to economic growth statewide, Florida is among the leading states and is ahead of the United States as a whole. Florida's Gross State Product (FGSP) is outpacing the national growth trend and is maintaining its positive footing, registering 3.8% growth in the third quarter and ranking 7th among all states. Florida growth rates are at levels that are typical of solid growth and continue to show progress.

The City's unemployment rate remains stable at 3.4%, the eighth lowest in the State of Florida. The City's unemployment rate is 0.1%, 0.4%, and 0.4% lower than that of Broward County, the State of Florida, and the national average, respectively. Locally, experts are expecting strong economic growth in 2019 in South Florida due to increased employment opportunities,

population growth, and tourism. It is important to note that a low and stable unemployment rate has a direct positive effect on consumer spending. CoreLogic economists forecast growth in home prices to drop by one percentage point as higher interest rates impact the mortgage market and homeowners have an incentive to retain their current low-rate mortgages. However, Florida’s housing market is still projected to do very well in the upcoming year.

As the economy continues to show steady growth with some volatility, the City proactively evaluates service levels and streamlines its programs to meet the requirements of its residents, constantly balancing available resources with competing priorities. The City must also factor the uncertainty of any future tax reform or legislative changes that will directly affect the City’s ability to maintain or enhance current service levels, as well as other external factors, including an 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 2018 proved to be another fruitful year for the City. Several commercial and residential projects were either approved, in process, or completed in 2018, including:

Commercial

- Texas Roadhouse Restaurant
- U-Haul Storage
- Residence Inn by Marriott Hotel
- Clarity Pointe Memory Care Facility
- The FORTS Corporation
(Fold Out Rigid Temporary Shelters)
- North Broward Preparatory School Residential Village

Residential

- In the Pines Townhomes
- Rain Forest Estates Single Family Homes

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Residential Units	28	325	83	53	33	720	81	60	68	26
Commercial Permits	8	4	3	3	9	3	3	4	2	4
Value (in millions)	\$39.8	\$42.9	\$22.6	\$16.5	\$30.7	\$67.1	\$46.2	\$55.7	\$15.7	\$9.4

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 developments were permitted, including the addition of Casa Palma Luxury Apartments, Broadstone Cypress Hammocks, and Solaire at Coconut Creek in 2013; and Simonton Court, In the Pines Townhomes – Phase I, and Monarch Station Luxury Apartments in 2017. In 2018, the City issued residential permits for 28 units for In the Pines Townhomes - Phase II, Rain Forest Estates single family homes, and a privately owned residential unit. While residential building permits have tapered off towards the end of 2018 and it is projected to increase with the development of the City’s MainStreet area over the next several years.

The number of commercial permits has remained consistent over the past ten years, with minor peaks in 2014 and 2018. Although the number of new construction permits issued remained relatively stable over the past 10 years, the value of new construction continues to remain strong as new developments come on board. During fiscal year 2018, the City issued commercial permits for North Broward Preparatory School’s new residential village and maintenance building; Clarity Pointe, a

memory care facility; a new Marriott Residence Inn hotel; the addition of a liquor store at Walmart; the remodel and expansion of the Infiniti of Coconut Creek facilities; and the expansion of Gunther Volvo.

The City's 2018 assessed value as reported by the Property Appraiser was \$4 billion, an increase of \$374.7 million or 10.4% from the prior year final valuation. Assessed values from new construction increased by \$47 million or 1.3%, and property value reassessments increased by \$327.7 million or 9.1%. Assessed values have shown strong improvements in recent years finally returning to pre-recession 2007 levels. The additional ad valorem revenue generated from the increase in assessed values was used to offset the costs associated with providing additional City services, including the addition of eight (8) Police Officers, a part-time School Resource Officer, an Animal Control Police Service Aide, and a part-time Code Enforcement Officer during fiscal year 2018, 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 maintaining, upgrading, and expanding its existing public areas. It is anticipated the number of residential and commercial permits are expected to increase in the upcoming 3 to 5 years due to 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. It is North Broward County's premier open air shopping and dining experience, featuring over 36 stores and boutiques, 14 restaurants and Silverspot Cinema, a state of the art 11 screen luxury theatre.

The first residential project in the MainStreet area was completed in early 2018. The project, known as Monarch Station, is a 296-unit mid-rise luxury apartment development with units 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") has added a 2,800 vehicle parking structure, a small retail village, and eight restaurants along with a casino expansion. The Seminole Coconut Creek Casino expansion continues to create numerous full-time jobs. 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 a commercial rehabilitation program intended to improve overall community appearance and sustainability. \$250,000 is budgeted annually for this program as well as for other economic development priorities that may arise. Any unused funds are accumulated for future use. During fiscal year 2018, the City awarded \$75,056 in commercial rent subsidies, which marked the final year for the commercial rent subsidy program. There is currently an available balance of approximately \$684,000.

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 6.3% for fiscal year 2019.

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.

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 has primarily been used for community capital improvement projects and debt service payments related to capital improvement projects and land purchases. As part of this agreement, the City received \$3.0 million during fiscal year 2018.

In 2010, the Florida Legislature approved a 20 year Compact with the Seminole Tribe, authorizing them exclusive rights to offer certain games such as slots and blackjack at its casinos, including the Seminole Coconut Creek Casino. Per the Compact, the City receives from the State a small portion of the net wins attributed to the Seminole Coconut Creek Casino annually. The City received \$0.8 million during fiscal year 2018.

During fiscal year 2018, the Federal Bureau of Indian Affairs approved the Seminole Tribe of Florida's fee-to-trust application, thereby designating approximately 45 acres of land owned by the Seminole Tribe as tribal trust 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 is to receive payments of \$2.5 million, adjusted annually based on the consumer price index, to help mitigate the impact on the City. These payments became effective on April 1, 2018 and during fiscal year 2018, the City received \$1.3 million. Proceeds from the Seminole Tribe Mitigation Agreement accumulate in the Seminole Mitigation Special Revenue Fund and will be used for improvements and services within the MainStreet area, as well as other expenses or improvements to mitigate the impact of the lands becoming sovereign.

Transportation Surtax

A major challenge facing Broward County and all the cities within it, as well as the general public, relates to the need and desire to address aging transportation infrastructure and traffic congestion. Broward County as well as Coconut Creek currently funds its transportation programs through local option gas tax revenues and general fund revenues (derived from property taxes and other sources). The amount of money generated by the gas tax has declined over the years as a result of people driving less and cars being more fuel-efficient. At the same time, the costs for operating and maintaining a fleet of public transit and community buses, traffic lights, and roads have increased. Broward residents recently approved a one-cent increase to the sales tax in Broward County to fund transportation projects over the next 30 years in Broward County. The surtax will raise an estimated \$257 million annually and an estimated \$16 billion over 30 years. Coconut Creek has identified approximately \$3,003,000 of eligible projects in the first year with \$79,166,160 projected over the next 29 years. Broward County has initially qualified these projects for funding.

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
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 athletic fields. Conceptual plans include creating a large multi-purpose field with sports lighting, parking, restroom facilities, band shell, pavilion, as well as other amenities. The City was able to leverage grant funding of \$200,000 from the Florida Recreational Development Assistance Program (FRDAP) to partially fund sports lighting, picnic shelters, landscaping, new parking, and restroom improvements in fiscal year 2017.	\$6.5 million (including land purchase)	2020
Comprehensive Street Improvement Program	Citywide	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 milling, resurfacing, and striping, sidewalk and ADA improvements, as well as milling and/or asphalt resurfacing at various City locations. This program also incorporates 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. In fiscal year 2018, the City issued a \$10 million Revenue Note, Series 2018 to finance Phase II of the Program, as well as the government center roof replacement.	\$22.8 million	2022
Complete Streets Program	Lyons Road from the C-14 Canal to Sawgrass Expressway	This project provides for the addition of buffered bicycle lanes, missing sidewalk connections, and resurfacing of Lyons Road. It also includes decorative crosswalks and intermittent pedestrian lighting. More information on the Complete Streets Program is provided in the Major Initiatives section.	\$15.7 million (\$14.4 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 2018'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 City 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, while revisions that alter the budgeted totals of each department require approval of the City 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 67 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 84.

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 vehicles, roads, sidewalks, parks, buildings, infrastructure, and information technology needs. The City's Five Year Capital Improvement Program for fiscal years 2019 through 2023 calls for funding of approximately \$45.7 million in governmental funds and \$12.5 million in enterprise funds.

During fiscal year 2018, the City spent \$14.7 million on governmental funds capital improvement projects and \$6.2 million on enterprise funds capital improvement projects and include the following:

Governmental Funds	Enterprise Funds
<ul style="list-style-type: none"> • Windmill Park expansion (complete) • Comprehensive Streets Improvement Program – Phase I (complete) • Comprehensive Streets Improvement Program – Phase II (plans and studies in progress) • Government Center Rehabilitation (in progress) • Vehicle/computer replacements • Land purchases adjacent to Oak Trail Park • Cypress Creek playground equipment replacement • Winston Park playground equipment replacement • Winston Park sports field lighting 	<ul style="list-style-type: none"> • Reclaimed Water Project, Lyons Road, from Wiles Road to north of Hilton Road (complete) • Utilities and Engineering Building Expansion (complete) • 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 and/or regular, 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. 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, 2018 totaled \$25.8 million, an increase of \$8.3 million from the previous year due to the issuance of Revenue Note, Series 2018 for \$10.0 million, partially offset by scheduled debt service payments of \$1.7 million. Revenue Note, Series 2018 was issued to finance certain construction projects, including the Comprehensive Street Improvement Program and the Government Center Roof Replacement.

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 \$73.6 million, of which \$20.8 million is unassigned fund balance of the General Fund. Unassigned fund balance represents 35.0%, or approximately four months, of total General Fund's budgeted operating expenditures. An additional \$3.2 million has been reserved for Hurricane Emergencies and \$1.5 million assigned for Public Safety to be used to offset the cost of an alternative to Broward County's regional E-911 system. For more information on the City's Fund Balance Policy, please refer to pages 41 and 42, Note 1 to the Financial Statements.

Major Initiatives

Coconut Creek is widely recognized as a well-planned community, successfully balancing the provision of exceptional levels of service; an extensive array of amenities; proactive, environmental mindfulness; and a welcoming business climate. The City's financial status is strong and continues to grow, generating sufficient revenues to meet increased costs for quality municipal services that our constituents have come to expect.

Strategic Planning

The City of Coconut Creek's long-term vision is to be "the City of the Future with a Personal Touch." To ensure the City upholds that vision, staff's mission 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 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 for 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 2018 initiatives and/or programs that support them:

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 eight (8) Police Officers • Addition of one (1) one part-time Code Compliance Officer • Addition of one (1) part-time School Resource Officer • Addition of one (1) Animal Control Police Service Aide • Addition of two (2) part-time Park Rangers • Crime Trend Analysis 	<ul style="list-style-type: none"> • MainStreet Development • Economic Development Incentive Program • Hillsboro Boulevard Revitalization • City Green Plan • Complete Streets Program • City Mobility Initiatives • Reclaimed Water Projects • Household Hazardous Waste Disposal Events 	<ul style="list-style-type: none"> • Culture Educational Series • Autism Awareness Event • Annual Butterfly Festival • Partnership with Junior Achievement • Farmer's Market • Government Week presentations at High Schools • Windmill Park Expansion and Improvements • Lakeside Park Expansion

Public Safety

Hurricane Irma

It has been an impactful year in the area of public safety. In September 2017, Hurricane Irma hit the South Florida mainland as a Category 3 storm, overwhelming the entire state with heavy rains and fierce winds. Like many cities, Coconut Creek felt its effects and incurred \$2.2 million in expenses related to personnel costs for storm preparations, debris removal, and facility repairs. The City anticipates reimbursement in fiscal year 2019 of approximately \$2 million from the Federal Emergency Management Agency (FEMA).

Regional Dispatch and Fire Protection Services

In 2014, the City transferred police dispatch services to Broward County as part of a new County E-911 communications system to streamline operations, increase service through regionalization, and save costs. However, since that time there have been numerous complaints from the community as well as police and fire operations prompting the City to explore alternatives. \$1.5 million was set aside during the fiscal year 2018 budget process and has been assigned for future use to bring E-911 service back to the City or to contract with the City of Coral Springs. The City is exploring various options for future fire protection and emergency medical services, including regionalization. A temporary fire station with fire/rescue apparatus in the central part of the City is provided for in the fiscal year 2019 budget.

Coconut Creek Police Department Accreditation Program

An accreditation program has long been recognized as a means of maintaining the highest standards of professionalism. The Coconut Creek Police Department is proud to have received accreditation from the Commission for Florida Law Enforcement Accreditation, Inc. (CFA). 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.

Marjory Stoneman Douglas High School

As a result of the Marjory Stoneman Douglas High School shooting in the City of Parkland, the Florida Legislature took swift action requiring a School Resource Officer (SRO) at every school. To address the state mandate and increase safety, funding for three additional SRO's was added to the fiscal year 2019 budget. The City receives funds in the amount of \$52,000 per officer annually from the Broward County School Board to defray the costs of providing this valuable service.

Culture and Recreation

To optimize the City's existing parks and recreation resources and assets, as well as strategically plan for the future, the City is in the final stages of preparing a Parks and Recreation Master Plan. The Plan will provide a 10-year vision for parks, recreation, and open space and trails, as well as an action plan for implementing this vision. The master planning process, which includes the Mainstreet area, is designed to ensure Coconut Creek's legacy of parks and open spaces will continue into

the future and community resources will be dedicated to programs and facilities that are desired by and utilized by our residents.

Additionally, the City purchased two (2) five-acre parcels of land, one on each side of Oak Trails Park, and a five-acre parcel of vacant land adjacent to Lakeside Park, all located in the northern part of the City. Development of these properties will be included in the Parks and Recreation Master Plan described above and will provide opportunities to increase recreational amenities including sports fields, sports lighting, pavilions, opens spaces, and a large band shell.

Community Enhancements

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. Boasting 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, the City has focused on applying this initiative 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. A total of \$15.7 million has been earmarked for a Complete Streets project on Lyons Road between the C-14 canal and Sawgrass Expressway, which includes the design and construction of all the hardscape elements to include paving, pavement markings, sidewalks, signalization, transit amenities, drainage and signage for the project. The City was granted approximately \$14.4 million in construction benefits from the Broward Metropolitan Planning Organization. The project will be completed by the Florida Department of Transportation (FDOT) and is anticipated to begin in July 2019.

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 as follows:

- Greenhouse Gas
- Florida Green Building Certification
- Dark Sky Lighting Ordinance
- Audubon International (AI) Sustainable Community

- Virtual Garden Tours

The City is an active member of the Southeast Florida Regional Climate Compact with staff and elected officials attending workshops and summits regularly. The Compact is a regional compilation of educators, businesses, and government entities with the goal of identifying climate issues, mitigation responses, and resiliency efforts. Coconut Creek is dedicated to playing an active role in the regional response to climate change.

The City continues to be a leader in Green Initiatives in Broward County. The City maintains Gold Certification from the Florida Green Building Coalition, a Certification in the Sustainable Communities Program by Audubon International; is a Certified Wildlife Community by the National Wildlife Federation, and remains a Tree City USA by the Arbor Day Foundation.

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. To date, the project costs are approximately \$2.0 million and comprised of the following areas:

- Sabal Pines Park irrigation (complete)
- Wiles Road, from NW 39th Avenue to the MainStreet area (complete)
- Lyons Road, from Wiles Road to north of Hilton Road (complete)
- 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 also received gold designation as a “Fit Friendly Worksite” from the American Heart Association; was named “Healthy 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 Florida Recreation & Park Association Health & Wellness Pledge; and received the “Worksite Wellness Award” from Florida Tobacco Cessation Alliance. The City also launched the CreekFit Program, which was designed to provide affordable fitness memberships and free and/or low cost fitness and wellness programs for our residents.

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, 2017. This was the 35th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the City also received the GFOA’s Distinguished Budget Presentation Award with Special Performance Measures Recognition for its fiscal year 2018 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 18th 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, 2017 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 11th 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

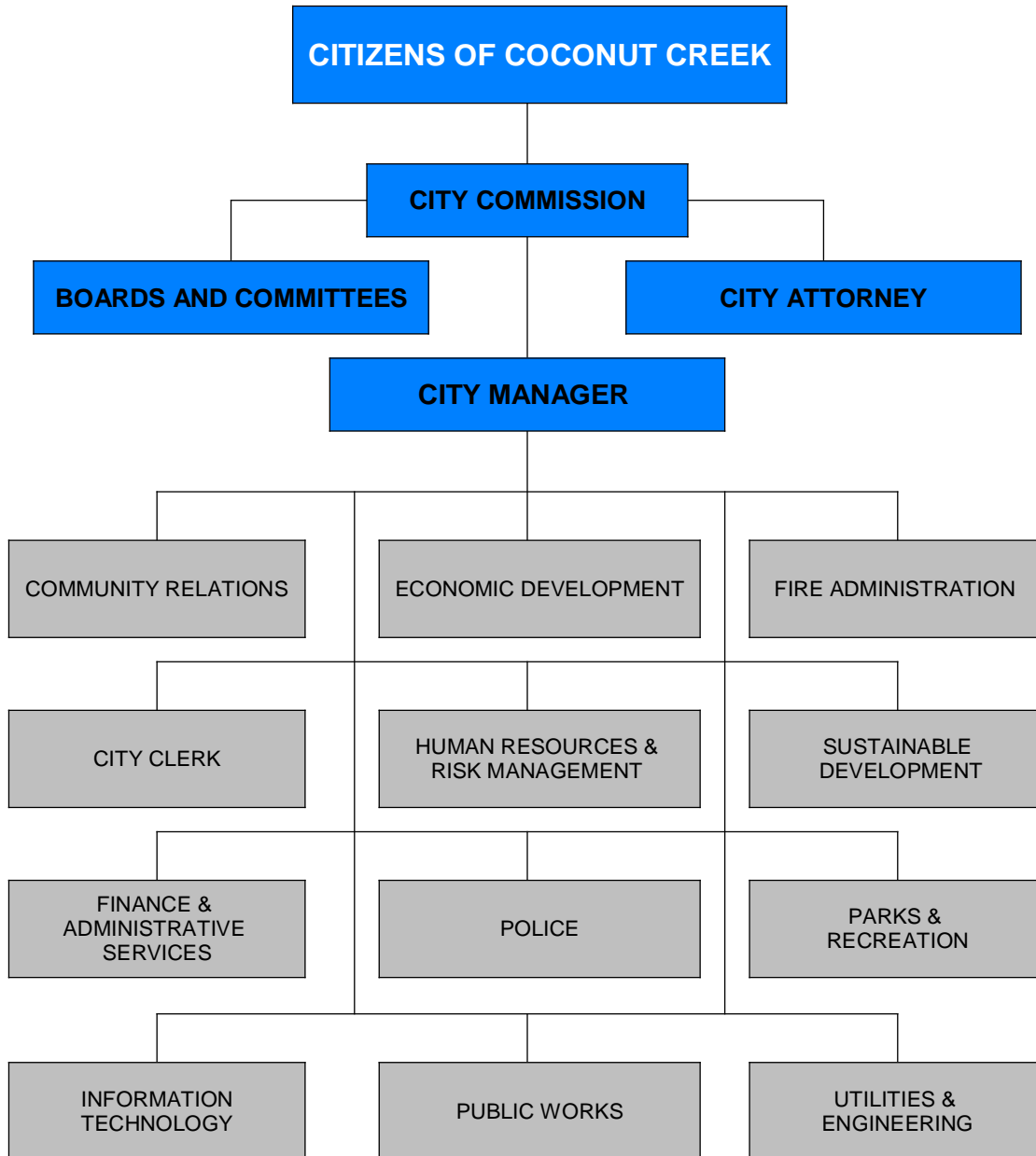
September 30, 2017

Christopher P. Morill

Executive Director/CEO



COCONUT CREEK GOVERNMENTAL STRUCTURE ORGANIZATIONAL CHART FISCAL YEAR 2018



CITY OF COCONUT CREEK, FLORIDA
LIST OF PRINCIPAL OFFICIALS

Elected Officials

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

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 Arenal
Fire Marshal..... Jeffery Gary

Finance Officials

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





FY 20 18 10

INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor, City Commission and City Manager
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, 2018, 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 City'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 City'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, as of September 30, 2018, 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 on pages 4 through 22, the Budgetary Comparison Schedules Schedule of City's Proportionate Share of the Net Pension Plan Pension Liability, Schedule of City's Contributions (FRS and HIS), Schedule of Investment Returns (FRS and HIS), and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on pages 67 through 79 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 combining and individual fund statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections 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 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2019 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, FL
April 2, 2019



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, 2018. 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 xii 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 \$249.6 (net position). Of this amount, \$63.7, the unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$12.8 during the current fiscal year. Net position of governmental and business-type activities each increased by \$6.4. The majority of the increase in governmental fund 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 capital grants and contributions from developers and grantors, as well as the timing of capital expenses.
- Governmental Activities generated \$24.7 in program revenues, with \$65.9 in direct expenses.
- Business-type Activities generated \$25.3 in program revenues, with \$19.9 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 \$73.6 an increase of \$7.4, or 11.2%, over the prior year. Of this amount, approximately \$0.1 is nonspendable, \$19.1 is restricted, \$14.8 is committed, \$20.6 is assigned, and \$19.0 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20.8, or 35.0% of total General Fund budgeted operating expenditures.
- The City of Coconut Creek's total outstanding debt increased \$8.3, or 47.4% during the current fiscal year due to the issuance of the \$10 Capital Improvement Revenue Note, Series 2018, partially offset by scheduled annual debt service payments.
- Capital grants and contributions increased by \$1.0, or 125% due to an increase in capital contributions from developers and a capital grant for the Reclaimed Water project.
- 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 non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The *governmental funds* statements show how general government services such as public safety were financed in the short-term as well as what remains for future spending.
 - *Proprietary fund* statements offer short-term and long-term financial information about the activities of the water and wastewater and the stormwater management 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 23 and 24 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 non-major governmental funds is provided in the form of *combining statements* in this report beginning on page 80.

Major Governmental Funds:

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

Non-major 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 25 through 30 of this report.

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

Major Enterprise Fund:

- Water and Wastewater

Non-major Enterprise Fund:

- Stormwater Management

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 31 through 34 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 35 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; information regarding the City's responsibility towards Florida State Retirement System pension plan; and information regarding the City's other post-employment benefits. Required supplementary information can be found starting on page 67 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 80 of this report.

Management's Discussion and Analysis

Government-wide Financial Analysis

Summary of net position. The overall position of the City improved in 2018. 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 of resources exceeded liabilities and deferred inflows of resources by \$249.6 at the close of fiscal year 2018 (See Table 1 below).

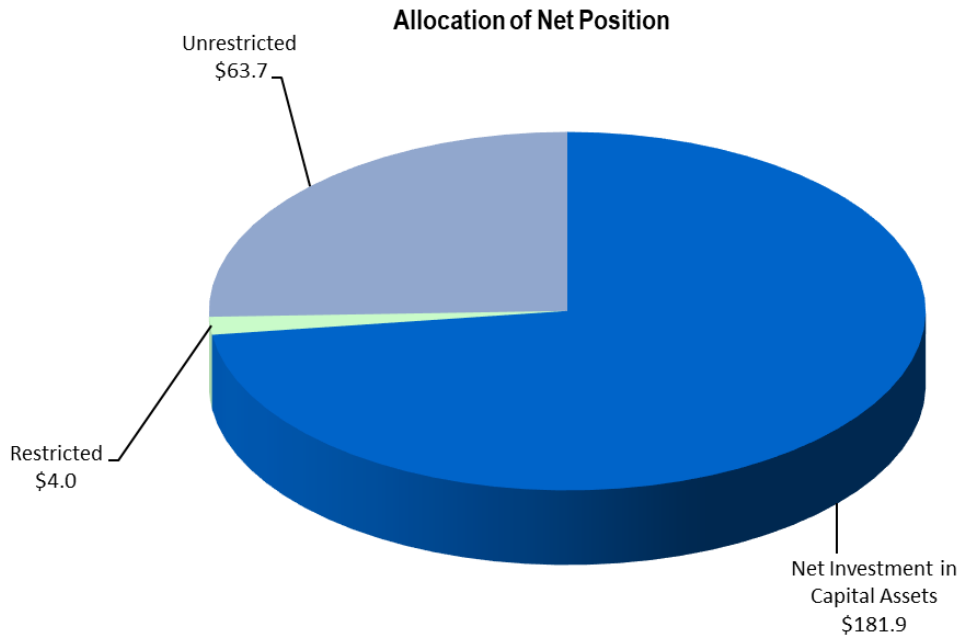
Table 1
City of Coconut Creek's Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2018	2017 *	2018	2017 *	2018	2017 *	2017 *-2018
Current and other assets	\$ 81.9	\$ 73.5	\$ 51.3	\$ 47.5	\$ 133.2	\$ 121.0	10.1%
Capital assets	112.1	101.6	82.7	78.4	194.8	180.0	8.2%
Total assets	194.0	175.1	134.0	125.9	328.0	301.0	9.0%
Total deferred outflows of resources	15.8	16.4	1.4	1.6	17.2	18.0	(4.4%)
Long-term liabilities outstanding	72.4	63.0	4.4	4.6	76.8	67.6	13.6%
Other liabilities	9.0	8.1	5.8	4.3	14.8	12.4	19.4%
Total liabilities	81.4	71.1	10.2	8.9	91.6	80.0	14.5%
Total deferred inflows of resources	3.7	2.2	0.3	0.1	4.0	2.3	73.9%
Net position:							
Net investment in capital assets	100.3	93.5	81.6	78.0	181.9	171.5	6.1%
Restricted	4.0	13.7	-	-	4.0	13.7	(70.8%)
Unrestricted	20.4	11.1	43.3	40.5	63.7	51.6	23.4%
Total net position	\$ 124.7	\$ 118.3	\$ 124.9	\$ 118.5	\$ 249.6	\$ 236.8	5.4%

* Amounts restated for FY2017.

Management's Discussion and Analysis

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 \$181.9 or 72.9% 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 \$10.4 primarily due to the acquisition and construction of capital assets and scheduled debt payments.

The restricted portion of the City of Coconut Creek's net position totals \$4.0 or 1.6%, and represents resources that are subject to external restrictions on how they may be used. The fiscal year 2018 restricted net position decreased by \$9.7 mainly due to a \$10.1 re-allocation to unrestricted net position, slightly reduced by minor increases in restricted balances for Street Construction and Maintenance, Public Safety, and Grants.

The remaining balance of \$63.7 or 25.5% reflects unrestricted net position, which increased by \$12.1, and may be used to meet the government's on-going obligations to citizens and creditors. This increase in unrestricted net position was primarily the result of a \$10.1 re-allocation from restricted net position and favorable variances in both revenues and expenses (detailed explanations provided in the governmental and business-type activities sections of the MD&A).

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

The City's long-term liabilities increased \$9.2. This increase was mainly due to the issuance of debt of \$10.0, partially offset by annual debt service payments; an increase in net pension liability of \$0.4; an increase in compensated absences of \$1.1; and a decrease of \$0.3 in total other post-employment benefits (OPEB) liability. The City contributes towards other post-employment benefits (OPEB) on a pay-as-you go basis. Pensions and other post-employment benefits (OPEB) are discussed in more detail in Note 11 and Note 16, respectively, pages 54 through 61 and pages 63 through 66, respectively.

Management's Discussion and Analysis

Current and other assets increased \$12.2 mainly due to the an overall increase in cash and investments primarily from the issuance of debt, an increase in accounts receivable, and the timing of payments, receipts and capital expenses.

Capital assets increased \$14.8 mainly due to the construction of numerous ongoing capital projects, including the completion of Windmill Park expansion; the Comprehensive Street Improvement program; the Utilities and Engineering building expansion; various other park improvements and utility improvement projects; and the annual replacement of vehicles and computers.

Changes in capital assets are discussed in the Capital Assets and Debt Administration section on page 19.

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 53.5% 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) **Inflation** continues to edge upwards, therefore increasing the price of goods and services purchased by the City. The City is also a major consumer of certain commodities such as fuel, chemicals, supplies, and parts which 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 \$12.8 or 5.4%, during the fiscal year 2018. 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 pages:

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
	2018	2017	2018	2017	2018	2017	2017-2018
Revenues							
Program revenues							
Charges for services	\$ 23.8	\$ 21.4	\$ 23.6	\$ 23.6	\$ 47.4	\$ 45.0	5.3%
Operating grants and contributions	0.8	0.7	-	-	0.8	0.7	14.3%
Capital grants and contributions	0.1	0.8	1.7	-	1.8	0.8	125.0%
General revenues							
Property taxes	24.8	21.4	-	-	24.8	21.4	15.9%
Utility taxes	6.9	6.8	-	-	6.9	6.8	1.5%
Local option gas tax	1.1	1.1	-	-	1.1	1.1	0.0%
Franchise fees	4.6	4.5	-	-	4.6	4.5	2.2%
Impact fees	0.8	1.1	0.5	1.0	1.3	2.1	(38.1%)
Intergovernmental	6.3	6.1	-	-	6.3	6.1	3.3%
Investment income	0.8	0.4	0.5	0.3	1.3	0.7	85.7%
Miscellaneous	2.3	2.1	-	-	2.3	2.1	9.5%
Total revenues	72.3	66.4	26.3	24.9	98.6	91.3	8.0%
Expenses							
General government	14.0	13.2	-	-	14.0	13.2	6.1%
Public safety	34.8	32.2	-	-	34.8	32.2	8.1%
Physical environment	11.0	8.3	-	-	11.0	8.3	32.5%
Culture/recreation	5.6	7.0	-	-	5.6	7.0	(20.0%)
Interest on long-term debt	0.5	0.4	-	-	0.5	0.4	25.0%
Water and wastewater	-	-	18.5	18.4	18.5	18.4	0.5%
Stormwater management	-	-	1.4	1.4	1.4	1.4	0.0%
Total expenses	65.9	61.1	19.9	19.8	85.8	80.9	6.1%
Increase in net position	6.4	5.3	6.4	5.1	12.8	10.4	23.1%
Net position-beginning	118.3	113.9	118.5	113.4	236.8	227.3	
Restatement (Note 1-E)	-	(0.9)	-	-	-	(0.9)	
Net position-ending	\$ 124.7	\$ 118.3	\$ 124.9	\$ 118.5	\$ 249.6	\$ 236.8	5.4%

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

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City of Coconut Creek's net position by \$6.4, thereby accounting for 50% of the total growth in the net position of the City of Coconut Creek. The increase in net position is attributed to favorable variances in revenues and expenses, as well as the timing of capital expenses.

In summary, governmental revenues increased 8.9% to \$72.3 in fiscal year 2018. Key elements of this increase are as follows:

- Charges for services increased by \$2.4 or 11.2% during the year. The increase is primarily attributed to an increase of \$0.2 in licenses and permits due to the timing of new construction within the City; \$1.3 in mitigation fees received as a result of additional lands owned by the Seminole Tribe of Florida going into Trust; and an increase of \$0.3 in federal forfeitures received. These increases were partially reduced by a \$0.1 decrease in public safety revenues as a result of the timing of collections for EMS transport fees and a \$0.1 decrease in payment in lieu of taxes from North Broward Preparatory School. The remaining net increase of \$0.8 is due to minor fluctuations in other accounts.
- Operating grants/contributions increased by \$0.1 or 14.3%, mainly due to the timing of grant revenues.
- Capital grants/contributions decreased by \$0.7 or 87.5%, mainly due changes in revenue classifications and the timing of grant revenues.
- Property tax collections increased \$3.4 or 15.9%, due to new construction; an increase in property tax values; and a .4008 mills rate increase to generate approximately \$1.5 to be used to offset the cost of transferring the E-911 system from Broward County back to the City. The \$1.5 was not spent in fiscal year 2018 and has been assigned to Public Safety to be used in fiscal year 2019 for E-911 dispatch.
- Utility taxes increased by \$0.1 or 1.5% mainly due to the addition of several multi-family homes to the tax base in late 2017.
- Local option gas tax taxes remained unchanged from 2017 to 2018.
- Franchise fees increased by \$0.1 or 2.2% primarily due to an increase in solid waste franchise fees in fiscal year 2018.
- Impact fees decreased by \$0.3 or 27.3%, mainly due to timing of new development within the City.
- Intergovernmental revenues increased by \$0.2 or 3.3%, mainly due to a \$0.2 increase from half-cent sales tax, an indication that consumer confidence continues to be positive.
- Investment income increased by \$0.4 or 100% mainly due to the ongoing changes in financial market conditions.
- Miscellaneous revenues increased by \$0.2 or 9.5% mainly due to insurance reimbursements received as a result of Hurricane Irma.
- Expenses increased by \$4.8 or 7.9%. This can be attributed to a \$2.6 increase in personnel costs, which included the addition of 13.45 full-time equivalent (FTE) employees, salary and employee benefit increases, including pension and other post-employment benefit related expenses; an increase of \$0.7 in compensated absences; an increase of \$0.4 in the contract for fire and EMS services with the City of Margate; an increase of \$0.5 in depreciation expense; an increase of \$0.1 in property and liability insurance; an increase of \$0.1 in fuel costs; an increase of \$0.1 in interest on long-term debt; and the remaining \$0.3 from other minor variances, 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 2017 to fiscal year 2018.

CHART 2

Revenues By Source - Governmental Activities

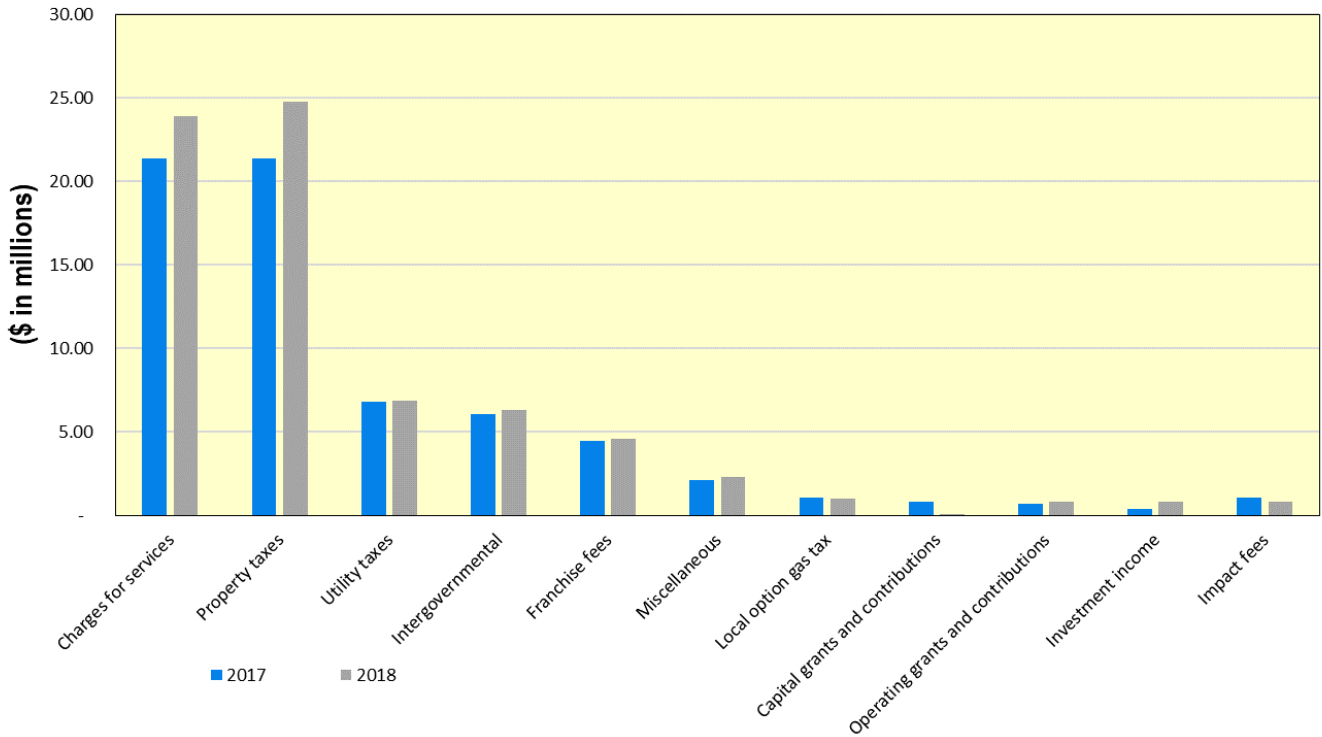


Chart 3, on the following page, provides an overall view of the various governmental revenue sources. 34.4% of the revenues received come from property taxes, 33.1% from charges for services, 9.5% from utility taxes, 8.7% from intergovernmental activities, and 6.3% from franchise fees. The remaining sources account for 8.0% of governmental revenues.

Management's Discussion and Analysis

CHART 3

Governmental Revenue Sources

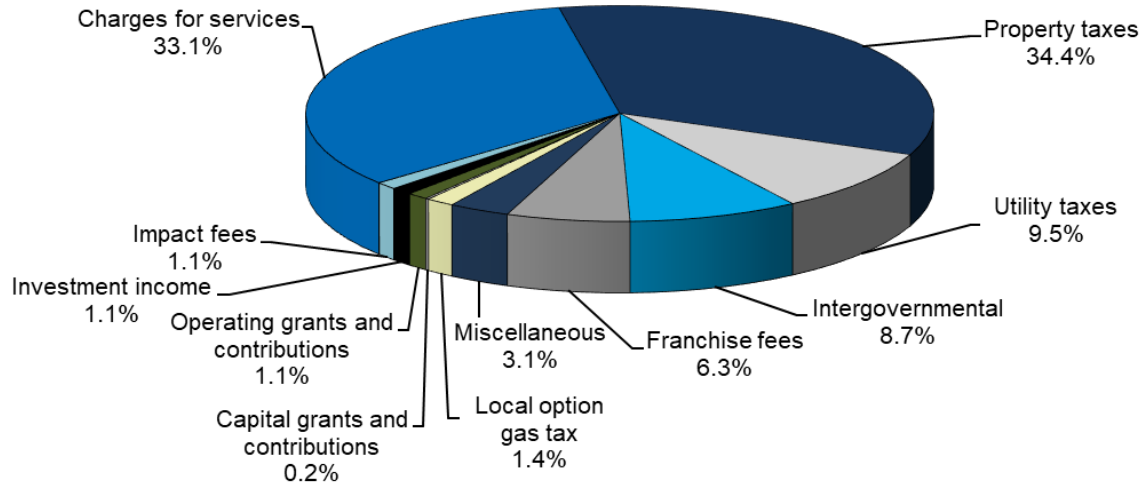


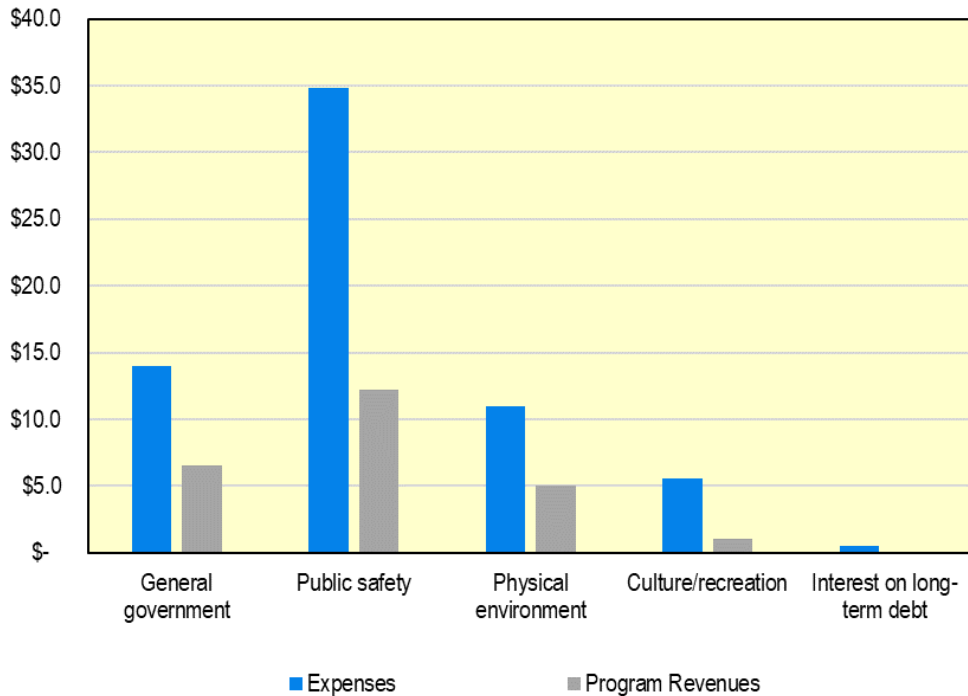
Chart 4, on the following page, compares program revenues to program expenses for each category of activities. The cost of all governmental activities this year was \$65.9. This cost was financed by:

- Those who directly benefited from the programs through charges for services of \$23.8, and
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions of \$0.9,
- The remaining \$41.2 “public benefit” portion of governmental activities was financed with \$37.4 in taxes and franchise fees, and with other revenues such as unrestricted state aid, impact fees and miscellaneous revenues.

Management's Discussion and Analysis

CHART 4

Expenses and Program Revenues-Governmental Activities



Business-type activities. Business-type activities increased the City of Coconut Creek's net position by \$6.4, accounting for 50.0% of the total increase in the government's net position. The increase in net position is attributed to favorable variances in revenues and expenses, as well as the timing of capital expenses.

Revenues of the City's business-type activities increased 5.6% to \$26.3 while expenses increased 0.5% to \$19.9. Factors contributing to these results included:

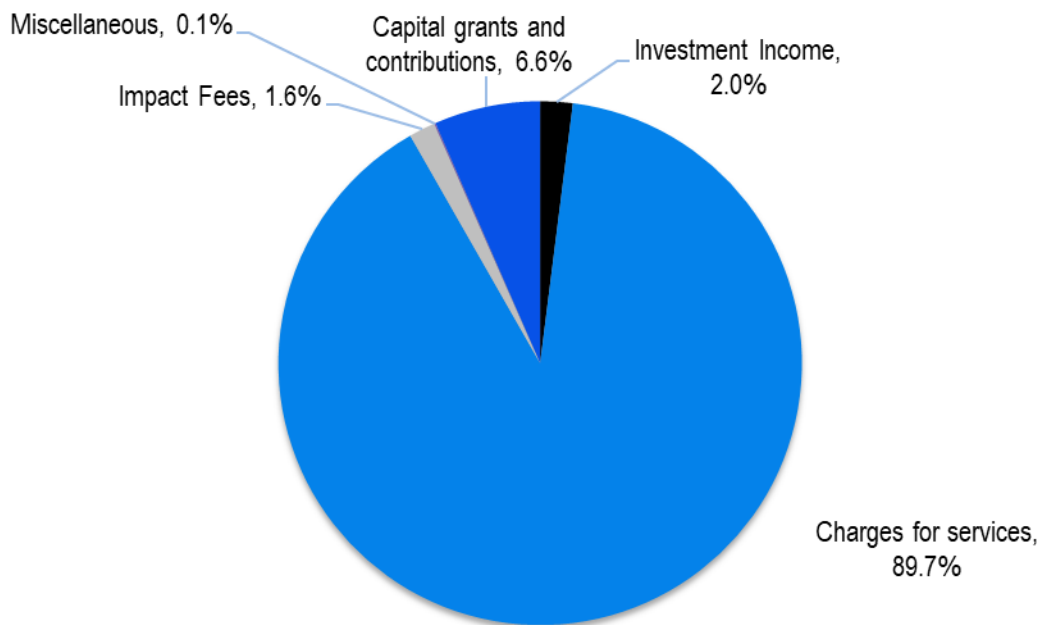
- Charges for services remained stable from 2017 to 2018. Due to several operational efficiencies, the water and wastewater rate increase scheduled for April 1, 2018 was postponed. As such, charges for services remained at \$23.6 in fiscal year 2018.
- Capital grants and contributions increased \$1.7 or 100% due to receipt of \$1.3 in capital contributions of utility easements and infrastructure made during fiscal year 2018. Capital contributions do not represent spendable revenue collected during the year. In addition, the City received \$0.5 in capital grants for the Reclaimed Water project.
- Impact fees decreased by \$0.5, or 50% due to the timing of new developments within the City. Impact fees were received for the construction of the Residence Inn Hotel; Clarity Pointe memory care facility; In the Pines Townhomes; Leder Hillsboro Pet Lodge; Leder Hillsboro self-storage; and multiple smaller projects.
- Investment income increased on \$0.2 or 66.7% from fiscal year 2017 to 2018, mainly due to the ongoing changes in financial market conditions.
- Expenses increased by \$0.1 or 0.5%, during the year. This increase is mainly attributable to a \$0.1 increase in administrative charges paid to the General Fund, as well as other minor favorable and unfavorable variances under \$0.1 in other operating accounts.

Management's Discussion and Analysis

Chart 5 provides an overall view of the various business-type revenue sources. 89.7% of these revenues received come from charges for services, 1.6% from impact fees paid by developers, 2.0% from investments, 6.6% from capital grants and contributions made by developers and granting agencies, and 0.1% from miscellaneous revenues.

CHART 5

Revenues by Source-Business-Type Activities



Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Coconut Creek's governmental funds reported combined ending fund balances of \$73.6, an increase of \$7.4 in comparison with the prior year.

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

	Governmental Funds	
	2018	2017
Nonspendable:		
Inventory	\$ 0.1	\$ 0.1
Prepays	-	0.1
Restricted for:		
Capital projects	15.0	10.1
Grants	0.5	0.5
Street construction/maintenance	1.7	1.5
Public safety	1.9	1.6
Committed to:		
Affordable housing program	1.1	0.9
Capital projects	9.5	9.4
Economic development	0.7	0.1
Debt service	0.1	0.1
Culture and Recreation	0.2	2.9
Hurricane emergency reserve	3.2	3.0
Assigned to:		
Assets held for resale	8.6	8.6
Capital projects	4.0	3.2
General government	4.4	3.1
Physical environment	-	0.3
Public safety	1.7	-
General trust accounts	1.9	2.0
Unassigned	19.0	18.7
Total fund balances	\$ 73.6	\$ 66.2

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

Management's Discussion and Analysis

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

- Nonspendable Fund Balance: \$0.1 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 prepaid costs.
- Restricted Fund Balance: \$19.1 is classified as *restricted*, which indicate amounts constrained to specific purposes by external entities. Restricted fund balance includes \$15.0 of outstanding debt proceeds to be used for various capital projects; \$0.5 associated with grant restrictions; \$1.9 for federal, state, and local requirements for the use of law enforcement forfeitures and seizures; and \$1.7 related to street construction and maintenance.
- Committed Fund Balance: \$14.8 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 \$1.1 related to affordable housing; \$9.5 constrained to ongoing and future capital projects; \$0.7 related to economic development; \$0.1 related to debt service; \$0.2 related to culture and recreation; and \$3.2 related to hurricane emergencies.
- Assigned Fund Balance: \$20.6 is classified as *assigned*, to indicate amounts constrained by the City's *intent* to use for a specific purpose. Assigned fund balance mainly includes \$8.6 for assets held for resale; \$4.0 set aside for ongoing and future capital projects; \$4.3 for future budgetary requirements; \$1.5 to offset the cost of transferring the E-911 system back to the City; \$1.9 for general trust accounts; and the remaining \$0.3 will be used for purchase commitments and fiscal year 2019 reappropriations.
- Unassigned Fund Balance: \$19.0 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 \$33.0, of which \$20.8 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 35.0%, 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 \$1.8 to \$33.0. The City appropriated \$2.9 of fund balance for spending in the 2018 fiscal year budget, with the assumption that 100% of expenditures budgeted would not be spent due to vacancies, cost savings, and residual dollars left in each department. This increase in fund balance was a result of a higher than anticipated franchise fees, licenses and permits, miscellaneous income, and investment income, as well as unused departmental expenditures, partially offset by unanticipated budget shortages for charges for services. Unused departmental expenditures include personnel cost savings of \$2.6 (approximately 6.7% of total budgeted personnel costs) resulting from vacancies throughout the year, and various operating cost savings of \$5.1. More detailed information is included in the General Fund Budgetary Highlights section on page 18.

The Streets Construction and Maintenance Fund has a fund balance of \$1.7, which is mainly held in cash and investments for future street related expenditures and due from other governments as a result of the timing of receipts of State and County shared revenues. Fund balance increased by \$0.1 primarily due to the timing of completion of funded capital improvement projects.

The Grants Fund has a fund balance of (\$1.8). Fund balance decreased \$0.8 due to the timing of grant reimbursements.

The Community Improvement Fund has a fund balance of \$4.3, which is mainly held in cash and investments for future capital projects and the repayment of debt issued for various capital projects. Fund balance increased by \$0.1 primarily due to the timing of debt service payments.

The 2009 Capital Projects Fund has a total fund balance of \$0.5, which is mainly held in cash and investments received from the Capital Improvement Revenue Note, Series 2017B, which was used to refinance the Capital Improvement Revenue Note,

Management's Discussion and Analysis

Series 2010. 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 Capital Projects Financing Fund as a total fund balance of \$14.5, which consists mainly of cash and investments received from the \$10.0 Capital Improvement Revenue Note, Series 2017A and the \$10.0 Capital Improvement Revenue Note, Series 2018. The proceeds are to fund the Comprehensive Street Improvement project, Lakeside Park expansion, the Government Center roof replacement, as well as other capital projects.

The Capital Improvement Program Fund has a total fund balance of \$13.5, which consists mainly of \$8.6 for land reserved as assets held for resale, with the majority of the balance in cash and investments for ongoing projects. Fund balance increased \$1.6 during fiscal year 2018 due to higher-than-anticipated Compact fees received from the Seminole Tribe of Florida, Inc. and the timing of completion of funded capital improvement projects.

The Public Safety Improvement Fund has a total fund balance of \$1.0, which is mainly held in cash and investments for future capital projects. Fund balance increased \$0.2 due to the timing of impact fee receipts and the timing of completion of funded capital improvement projects.

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.

The unrestricted net position of the Water and Wastewater Fund at the end of the year amounted to \$38.7. The total increase in net position was \$6.0. This increase was mainly due higher-than-anticipated interest income of \$0.3; capital contributions from developers of \$1.3; and capital grants of \$0.2; as well as lower- than-anticipated utility charges paid to Broward County of \$0.8; various other operational savings; and timing of capital related expenses.

The above savings were partially offset by lower-than-anticipated charges for services of \$0.5 due to postponing the water and wastewater annual rate increase scheduled for April 1, 2018.

The unrestricted net position of the Stormwater Management Fund at the end of the year amounted to \$4.6. The total increase in net position was \$0.4 mainly due to various operational savings and the timing of capital related expenses. 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 revenues exceeded the budget by \$1.2. The revenue difference is primarily attributed to the following factors:

- Franchise Fees exceeded budget by \$0.2 mainly due higher-than-anticipated franchise fees for solid waste collection.
- Utility Taxes fell short of budget by \$0.1 mainly due to lower-than-anticipated communication services taxes.
- Licenses and Permits exceeded budget by \$1.0 due to the timing of new development within the City. Fiscal year 2018 receipts includes permitting fees for the construction of a new residential village at North Broward Preparatory School;

Management's Discussion and Analysis

Clarity Pointe, a memory care facility; LA Fitness renovation; Chevron improvements; Phase II of In the Pines Townhomes; a new Marriott Residence Inn Hotel; Elite Aluminum Corp improvements; the remodel and expansion of the Infiniti of Coconut Creek facilities; and a remodel at the Promenade for a new store, Sephora.

- Charges for services fell short of budget by \$0.3 due to a \$0.1 budget shortfall as a result of a reduction in payment in lieu of taxes for North Broward Preparatory School; a budget shortfall of \$0.1 in EMS transport services due to the timing of payments received; and other minor variances totaling \$0.1.
- Fines and forfeitures exceeded budget by \$0.1 due to receipt of more court fines than originally anticipated.
- Investment income exceeded budget by \$0.01 due to the on-going changes in financial market conditions.
- Miscellaneous revenues exceeded budget by \$0.2 mainly due to insurance reimbursements received as a result of Hurricane Irma.

Expenditures

As of fiscal year-end, actual expenditures were under budget by \$7.7. The main operational expenditure differences are as follows:

- Personnel costs were less than budgeted amounts by \$2.6 due to staff turnover and vacancies throughout the year, leading to lower than budgeted personal costs.
- Other operating costs were \$5.1 less than budgeted amounts mainly due to savings in insurance premiums and contingency (\$0.2); utilities (\$0.1); maintenance and repair costs (\$0.2); professional and contract services (\$0.9); timing of economic incentives and neighborhood enhancement grants (\$0.8); capital outlay (\$0.3) contingency (\$0.3); and other operational savings in various accounts (\$0.8). In addition, \$1.5 was budgeted to offset the cost of transferring the E-911 system back to the City. The \$1.5 was not spent in fiscal year 2018 and has been assigned to Public Safety to be used in future years. Overall, the City continues to make a concerted effort to streamline costs and reduce spending each year in other operating expenditures.

Additional information on budgetary comparisons can be found on pages 67 – 68.

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, 2018 amounts to \$194.8 (net of depreciation). This investment in capital assets includes land, buildings, water/sewer system infrastructure, 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 \$14.7 represented by a 10.2% increase in governmental activities and a 5.5% increase for business-type activities.

Management's Discussion and Analysis

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

	Governmental		Business-Type		Total		Total
	Activities		Activities				Percentage
	2018	2017	2018	2017	2018	2017	Change
							2017-2018
Land	\$ 30.2	\$ 27.4	\$ 0.4	\$ 0.4	\$ 30.6	\$ 27.8	10.1%
Buildings	28.0	28.3	2.2	2.3	30.2	30.6	(1.3%)
Improvements	12.3	7.5	0.6	0.7	12.9	8.2	57.3%
Equipment	8.9	9.0	2.7	2.9	11.6	11.9	(2.5%)
Infrastructure	31.4	27.2	61.5	60.4	92.9	87.6	6.1%
Intangibles	0.1	0.1	11.2	10.3	11.3	10.4	8.7%
Construction in progress	1.2	2.2	4.1	1.4	5.3	3.6	47.2%
Total	\$112.1	\$101.7	\$ 82.7	\$ 78.4	\$194.8	\$180.1	8.2%

For governmental activities, this year's major capital asset additions before depreciation totaled \$14.7 and include the following:

- \$2.8 in land acquisition for the purchase of 2 parcels of land adjacent to Oak Trails Park.
- \$1.0 in construction in progress, which relates to projects started in the City, but not yet completed, including \$0.6 for the Lakeside Park expansion; \$0.2 for Phase IV of the fiber optic backbone project; and \$0.2 for various other projects.
- \$0.5 in building improvements, which represents \$0.3 for Windmill Park building enhancements and \$0.2 for various other projects.
- \$3.8 in land improvements, which represents \$3.0 for Windmill Park expansion; \$0.4 for playground equipment and sports lighting at Winston Park; \$0.2 for Cypress Creek Park playground improvements; and \$0.2 for various other projects.
- \$5.1 in infrastructure for the Comprehensive Street Improvements project.
- \$1.5 in equipment, which represents \$0.2 for computer software and computer hardware purchases and replacements; \$0.8 for vehicle replacement; \$0.1 for ground maintenance equipment; and \$0.4 for various other equipment purchases.

This year's major capital asset disposals for governmental activities consisted of \$0.6 in vehicles and \$0.3 in computer equipment as part of the City's annual replacement program. In addition, \$2.0 was transferred from construction in progress to buildings and improvements. The transfer represented the completion of various projects, including \$1.9 for Windmill Park expansion and \$0.1 for various other projects.

Capital additions for business-type activities before depreciation totaled \$6.2 and include the following:

- \$0.9 in utility easements from various developers.
- \$3.1 in construction in progress, which relates to projects started in the City, but not yet completed, including \$1.7 for the Utilities and Engineering building expansion; \$1.3 for Phase III of the reclaimed water project; and \$0.1 for the Copans Road Wastewater Transmission System.
- \$2.0 in infrastructure, which represents \$0.3 for the Wastewater Pump Station Rehabilitation Program; \$0.5 for the Wastewater Pipe Rehabilitation Program; \$0.3 for the Water Valve Replacement Program; \$0.2 for the Wastewater Force Main Isolation Valves Rehabilitation Program; \$0.1 for the Electrical Control Panel Rehabilitation Program; \$0.1

Management's Discussion and Analysis

for Water Quality Improvements; \$0.1 for Comprehensive Streets Improvement project drainage rehabilitation; and several minor additions totaling \$0.4.

- \$0.2 in equipment, which includes the purchase of a mini-excavator, a solar powered message board, as well as various other equipment purchases.

There were no major capital asset disposals for business-type activities. However, \$0.5 was transferred from construction in progress to infrastructure for Phase II of the reclaimed water project completed in fiscal year 2018.

Additional information on the City of Coconut Creek's capital assets can be found in Note 7 on pages 49 through 50 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 \$25.8. Debt is comprised of revenue notes used to finance various capital expenditures, including improvements to parks, public buildings and infrastructure.

The City of Coconut Creek's total debt increased by \$8.3 or 47.4% during the current fiscal year due to the issuance of the \$10 Revenue Note, Series 2018, to fund the Comprehensive Street Improvement project and the Government Center roof replacement; offset by 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
	2018	2017	2018	2017	2018	2017	2017-2018
Revenue notes (backed by non-ad valorem revenues)	25.8	17.5	-	-	25.8	17.5	47.4%
Total	\$ 25.8	\$ 17.5	\$ -	\$ -	\$ 25.8	\$ 17.5	47.4%

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 51 through 53 of this report.

Economic Factors and Next year's Budgets and Rates

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (for example, 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 \$32.9. Of that amount, the City of Coconut Creek appropriated \$4.3 for spending in the 2019 fiscal year budget. The City continues to show improvement from prior years, which is representative of steady, positive growth occurring in the local and

City of Coconut Creek, Florida

Management's Discussion and Analysis

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, communications services tax, as well as other unfunded mandates 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 2019 budget, property tax values increased 6.3% in the City. The net increase is comprised of a 5.4% increase from reassessments of existing properties and a 0.9% increase from new construction. The millage rate remained the same at 6.5378.

The City fire assessment rates increased by 2% in fiscal year 2019 to partially cover the increase in fire protection service costs. The single family, multi-family, and mobile home rates are \$181.35, \$163.23, and \$90.68, 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 2019 is \$9.5.

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 to the existing Comprehensive Utility Rate Study was completed in 2017, 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 automatic rate increase scheduled for April 1, 2019 was waived. A stormwater rate increase of 4.2% or \$0.16 per month went into effect on October 1, 2018.

The initiatives and programs within the 2019 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.





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BASIC FINANCIAL
STATEMENTS

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities	Business- type Activities	Total
ASSETS:			
Cash	\$ 5,705,676	\$ 3,963,617	\$ 9,669,293
Accounts receivable	2,719,377	2,951,106	5,670,483
Due from other governments	1,559,029	526,492	2,085,521
Investments	63,078,142	43,863,120	106,941,262
Inventory and prepaid items	139,515	-	139,515
Assets held for resale	8,620,084	-	8,620,084
Capital assets not being depreciated	31,534,449	15,738,414	47,272,863
Capital assets being depreciated	80,598,182	66,990,517	147,588,699
Total assets	193,954,454	134,033,266	327,987,720
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows for pension	15,791,808	1,392,433	17,184,241
Total deferred outflows of resources	15,791,808	1,392,433	17,184,241
LIABILITIES:			
Accounts payable and accrued liabilities	5,725,210	1,248,699	6,973,909
Retainage payable	518,834	203,482	722,316
Unearned revenue	304,624	47,196	351,820
Due to other governments	29,645	2,485,519	2,515,164
Customer and other deposits payable	1,412	1,728,755	1,730,167
Due within one year:			
Compensated absences payable	374,217	53,260	427,477
Net Pension Liability	185,635	18,360	203,995
Revenue notes payable	1,825,000	-	1,825,000
Due in more than one year:			
Compensated absences payable	5,905,112	541,676	6,446,788
Revenue notes payable	24,015,000	-	24,015,000
Net pension liability	37,035,225	3,303,103	40,338,328
Total OPEB liability	5,475,751	579,099	6,054,850
Total liabilities	81,395,665	10,209,149	91,604,814
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows for pension	3,674,650	328,652	4,003,302
Total deferred inflows of resources	3,674,650	328,652	4,003,302
NET POSITION:			
Net investment in capital assets	100,269,582	81,605,596	181,875,178
Restricted:			
Street construction and maintenance	1,657,008	-	1,657,008
Public safety	1,852,048	-	1,852,048
Grants	519,960	-	519,960
Unrestricted	20,377,349	43,282,302	63,659,651
Total net position	\$ 124,675,947	\$ 124,887,898	\$ 249,563,845

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 13,974,794	\$ 6,473,603	\$ -	\$ -	\$ (7,501,191)	\$ -	\$ (7,501,191)
Public safety	34,811,647	12,260,729	2,796	-	(22,548,122)	-	(22,548,122)
Physical environment	10,938,547	4,271,945	759,196	10,000	(5,897,406)	-	(5,897,406)
Culture and recreation	5,633,851	848,828	-	121,332	(4,663,691)	-	(4,663,691)
Interest on long-term debt	538,387	-	-	-	(538,387)	-	(538,387)
Total governmental activities	65,897,226	23,855,105	761,992	131,332	(41,148,797)	-	(41,148,797)
Business-type activities							
Water and wastewater	18,504,705	21,862,880	-	1,726,295	-	5,084,470	5,084,470
Stormwater management	1,428,142	1,759,364	-	-	-	331,222	331,222
Total business-type activities	19,932,847	23,622,244	-	1,726,295	-	5,415,692	5,415,692
Total primary government	\$ 85,830,073	\$ 47,477,349	\$ 761,992	\$ 1,857,627	(41,148,797)	5,415,692	(35,733,105)
General Revenues:							
Taxes:							
Property taxes					24,837,554	-	24,837,554
Utility taxes					6,857,475	-	6,857,475
Local option gas tax					1,043,804	-	1,043,804
Franchise fees					4,582,174	-	4,582,174
Impact fees					782,639	456,995	1,239,634
Intergovernmental not restricted to specific programs					6,312,881	-	6,312,881
Special Assessment					32,752	-	32,752
Investment income					814,059	527,525	1,341,584
Miscellaneous					2,266,789	21,928	2,288,717
Total general revenues					47,530,127	1,006,448	48,536,575
Change in net position					6,381,330	6,422,140	12,803,470
Net position, beginning as originally stated					119,155,427	118,463,571	237,618,998
Prior period adjustment					(860,810)	2,187	(858,623)
Net position, beginning as restated (Note 1E)					118,294,617	118,465,758	236,760,375
Net position, ending					\$ 124,675,947	\$ 124,887,898	\$ 249,563,845

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

CITY OF COCONUT CREEK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	General Fund	Street Construction and Maintenance Fund	Grants Fund	Community Improvement Fund
ASSETS:				
Cash	\$ 2,699,878	\$ 166,352	\$ -	\$ 372,530
Accounts receivable	1,770,491	5,379	-	12,046
Due from other funds	1,761,693	-	-	-
Due from other governments	1,072,315	87,691	399,023	-
Investments	29,814,674	1,840,927	-	4,122,578
Inventory and prepaid items	139,515	-	-	-
Assets held for resale	-	-	-	-
Total assets	\$ 37,258,566	\$ 2,100,349	\$ 399,023	\$ 4,507,154
LIABILITIES:				
Accounts payable and accrued liabilities	3,534,043	443,341	-	255,645
Retainage payable	-	-	-	-
Unearned revenue	286,773	-	17,851	-
Due to other funds	-	-	1,761,693	-
Due to other governments	29,645	-	-	-
Deposits	1,412	-	-	-
Total liabilities	3,851,873	443,341	1,779,544	255,645
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants	-	-	379,590	-
Unavailable revenue - billings	10,050	-	-	-
Unavailable revenue - EMS/public safety	363,908	-	-	-
Unavailable revenue - Physical environment	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	373,958	-	379,590	-
FUND BALANCES:				
Nonspendable:				
Inventory	90,275	-	-	-
Prepaid items	49,240	-	-	-
Restricted:				
Capital projects	-	-	-	-
Grants	-	-	-	-
Street construction/maintenance	-	1,657,008	-	-
Public safety	-	-	-	-
Committed:				
Affordable housing program	-	-	-	-
Capital projects	-	-	-	4,251,509
Culture and recreation	135,823	-	-	-
Debt service	-	-	-	-
Economic Development	684,435	-	-	-
Hurricane emergency reserve	3,198,043	-	-	-
Assigned:				
Assets held for resale	-	-	-	-
Capital projects	-	-	-	-
General government	4,405,452	-	-	-
Physical environment	2,465	-	-	-
Public safety	1,717,724	-	-	-
General trust accounts	1,947,649	-	-	-
Unassigned	20,801,629	-	(1,760,111)	-
Total fund balances	33,032,735	1,657,008	(1,760,111)	4,251,509
Total liabilities, deferred inflows of resources and fund balances	\$ 37,258,566	\$ 2,100,349	\$ 399,023	\$ 4,507,154

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

2009 Capital Projects Fund	Capital Projects Financing Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 42,946	\$ 1,290,359	\$ 450,070	\$ 86,012	\$ 597,529	\$ 5,705,676
852,938	41,723	14,553	2,781	19,466	2,719,377
-	-	-	-	-	1,761,693
-	-	-	-	-	1,559,029
475,265	14,279,679	4,980,669	951,843	6,612,507	63,078,142
-	-	-	-	-	139,515
-	-	8,620,084	-	-	8,620,084
<u>\$ 1,371,149</u>	<u>\$ 15,611,761</u>	<u>\$ 14,065,376</u>	<u>\$ 1,040,636</u>	<u>\$ 7,229,502</u>	<u>\$ 83,583,516</u>
21,653	581,792	585,822	-	302,914	5,725,210
-	517,334	1,500	-	-	518,834
-	-	-	-	-	304,624
-	-	-	-	-	1,761,693
-	-	-	-	-	29,645
-	-	-	-	-	1,412
<u>21,653</u>	<u>1,099,126</u>	<u>587,322</u>	<u>-</u>	<u>302,914</u>	<u>8,341,418</u>
-	-	-	-	-	379,590
-	-	-	-	-	10,050
-	-	-	-	-	363,908
-	-	-	-	-	-
<u>851,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>851,550</u>
<u>851,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,605,098</u>
-	-	-	-	-	90,275
-	-	-	-	-	49,240
497,946	14,512,635	-	-	-	15,010,581
-	-	-	-	519,960	519,960
-	-	-	-	-	1,657,008
-	-	-	-	1,852,048	1,852,048
-	-	-	-	1,086,649	1,086,649
-	-	898,457	1,040,636	3,321,819	9,512,421
-	-	-	-	-	135,823
-	-	-	-	146,112	146,112
-	-	-	-	-	684,435
-	-	-	-	-	3,198,043
-	-	8,620,084	-	-	8,620,084
-	-	3,959,513	-	-	3,959,513
-	-	-	-	-	4,405,452
-	-	-	-	-	2,465
-	-	-	-	-	1,717,724
-	-	-	-	-	1,947,649
-	-	-	-	-	19,041,518
<u>497,946</u>	<u>14,512,635</u>	<u>13,478,054</u>	<u>1,040,636</u>	<u>6,926,588</u>	<u>73,637,000</u>
<u>\$ 1,371,149</u>	<u>\$ 15,611,761</u>	<u>\$ 14,065,376</u>	<u>\$ 1,040,636</u>	<u>\$ 7,229,502</u>	<u>\$ 83,583,516</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, 2018

TOTAL FUND BALANCES, GOVERNMENTAL FUNDS, PAGE 26 \$ 73,637,000

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	\$	155,991,000	
Less accumulated depreciation		(43,858,369)	
Net Adjustment			112,132,631

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. 1,605,098

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		15,791,808	
Deferred inflows relating to pension activity		(3,674,650)	
			12,117,158

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

Compensated absences		(6,279,329)	
Revenue notes payable		(25,840,000)	
Net pension liability		(37,220,860)	
Total OPEB liability		(5,475,751)	

NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 23 \$ 124,675,947

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018

	General Fund	Street Construction and Maintenance Fund	Grants Fund	Community Improvement Fund
REVENUES:				
Ad valorem taxes	\$ 24,837,554	\$ -	\$ -	\$ -
Franchise fees	4,582,174	-	-	-
Utility taxes	6,857,475	-	-	-
Licenses and permits	3,280,782	-	-	-
Intergovernmental revenues	5,638,380	1,725,375	475,013	-
Charges for services	15,094,641	-	-	3,021,946
Fines and forfeitures	397,211	-	-	-
Impact fees	-	-	-	-
Investment income	465,390	17,173	-	63,613
Miscellaneous revenues	1,442,131	-	-	-
Total revenues	<u>62,595,738</u>	<u>1,742,548</u>	<u>475,013</u>	<u>3,085,559</u>
EXPENDITURES:				
Current:				
General government	11,609,473	-	682,709	8,450
Public safety	31,275,007	-	2,797	-
Physical environment	6,397,327	1,347,292	258,806	9,657
Culture and recreation	4,738,225	-	-	-
Nondepartmental	530,964	239,640	-	-
Capital outlay	3,358,017	17,639	314,832	713,414
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>57,909,013</u>	<u>1,604,571</u>	<u>1,259,144</u>	<u>731,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,686,725</u>	<u>137,977</u>	<u>(784,131)</u>	<u>2,354,038</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from revenue notes	-	-	-	-
Transfers in	181,159	-	-	-
Transfers out	(3,100,000)	-	-	(2,301,266)
Total other financing sources (uses)	<u>(2,918,841)</u>	<u>-</u>	<u>-</u>	<u>(2,301,266)</u>
Net change in fund balances	1,767,884	137,977	(784,131)	52,772
FUND BALANCES- Beginning	<u>31,264,851</u>	<u>1,519,031</u>	<u>(975,980)</u>	<u>4,198,737</u>
FUND BALANCES - Ending	<u>\$ 33,032,735</u>	<u>\$ 1,657,008</u>	<u>\$ (1,760,111)</u>	<u>\$ 4,251,509</u>

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

2009 Capital Projects Fund	Capital Projects Financing Fund	Capital Improvement Program Fund	Public Safety Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,837,554
-	-	-	-	-	4,582,174
-	-	-	-	-	6,857,475
-	-	-	-	-	3,280,782
-	-	-	-	288,720	8,127,488
-	-	-	-	1,250,000	19,366,587
-	-	-	-	729,179	1,126,390
-	-	-	289,852	492,787	782,639
6,246	118,222	60,723	11,400	71,292	814,059
-	-	821,248	-	-	2,263,379
<u>6,246</u>	<u>118,222</u>	<u>881,971</u>	<u>301,252</u>	<u>2,831,978</u>	<u>72,038,527</u>
-	-	-	-	-	12,300,632
-	-	-	-	73,521	31,351,325
-	-	-	-	262,568	8,275,650
-	-	-	-	-	4,738,225
-	-	-	-	-	770,604
91,260	5,129,736	2,414,532	87,311	2,822,353	14,949,094
-	-	-	-	1,724,270	1,724,270
-	34,500	-	-	503,887	538,387
<u>91,260</u>	<u>5,164,236</u>	<u>2,414,532</u>	<u>87,311</u>	<u>5,386,599</u>	<u>74,648,187</u>
<u>(85,014)</u>	<u>(5,046,014)</u>	<u>(1,532,561)</u>	<u>213,941</u>	<u>(2,554,621)</u>	<u>(2,609,660)</u>
-	10,000,000	-	-	-	10,000,000
-	-	3,100,000	-	2,228,300	5,509,459
-	-	-	-	(108,193)	(5,509,459)
-	<u>10,000,000</u>	<u>3,100,000</u>	-	<u>2,120,107</u>	<u>10,000,000</u>
(85,014)	4,953,986	1,567,439	213,941	(434,514)	7,390,340
582,960	9,558,649	11,910,615	826,695	7,361,102	66,246,660
<u>\$ 497,946</u>	<u>\$ 14,512,635</u>	<u>\$ 13,478,054</u>	<u>\$ 1,040,636</u>	<u>\$ 6,926,588</u>	<u>\$ 73,637,000</u>

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

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, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 29 \$ 7,390,340

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

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

Recorded as capital assets	\$ 14,747,043	
Depreciation expense	<u>(4,249,488)</u>	
Net Adjustment		10,497,555

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds. 240,029

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.

Proceeds from Revenue Notes	(10,000,000)	
Principal payments	<u>1,724,270</u>	
		(8,275,730)

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	(1,125,872)	
Change in other post employment benefit liability (OPEB)	<u>262,059</u>	
		(863,813)

The net effect of pension and retirement contribution expenses (2,568,063)

The net effect of various miscellaneous transactions involving
capital assets. (38,988)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 24 \$ 6,381,330

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities		
	Water and Wastewater Fund	Enterprise Fund Nonmajor Stormwater Management Fund	Total
ASSETS:			
Current assets:			
Cash	\$ 3,529,724	\$ 433,893	\$ 3,963,617
Accounts receivable	2,776,045	175,061	2,951,106
Due from other governments	511,678	14,814	526,492
Total current assets	<u>6,817,447</u>	<u>623,768</u>	<u>7,441,215</u>
Non-current assets:			
Investments	<u>39,061,473</u>	<u>4,801,647</u>	<u>43,863,120</u>
Capital assets:			
Land	406,071	-	406,071
Easements	11,226,048	-	11,226,048
Buildings	2,747,901	-	2,747,901
Improvements	1,096,268	18,866	1,115,134
Equipment	4,475,774	672,862	5,148,636
Infrastructure	88,526,465	2,642,316	91,168,781
Construction in progress	3,642,734	463,561	4,106,295
Total capital assets	<u>112,121,261</u>	<u>3,797,605</u>	<u>115,918,866</u>
Less accumulated depreciation	<u>32,479,903</u>	<u>710,032</u>	<u>33,189,935</u>
Total capital assets, net	<u>79,641,358</u>	<u>3,087,573</u>	<u>82,728,931</u>
Total assets	<u>125,520,278</u>	<u>8,512,988</u>	<u>134,033,266</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows for pension	1,048,750	343,683	1,392,433
Total deferred outflows of resources	<u>1,048,750</u>	<u>343,683</u>	<u>1,392,433</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	1,058,140	190,559	1,248,699
Retainage payable	124,675	78,807	203,482
Unearned revenues	47,196	-	47,196
Due to other governments	2,485,519	-	2,485,519
Compensated absences	53,260	-	53,260
Net pension liability	14,280	4,080	18,360
Customer deposits payable	1,728,755	-	1,728,755
Total Current Liabilities	<u>5,511,825</u>	<u>273,446</u>	<u>5,785,271</u>
Noncurrent liabilities:			
Total OPEB liability	438,361	140,738	579,099
Compensated absences	424,154	117,522	541,676
Net pension liability	2,496,336	806,767	3,303,103
Total noncurrent liabilities	<u>3,358,851</u>	<u>1,065,027</u>	<u>4,423,878</u>
Total liabilities	<u>8,870,676</u>	<u>1,338,473</u>	<u>10,209,149</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows for pension	248,586	80,066	328,652
Total deferred inflows of resources	<u>248,586</u>	<u>80,066</u>	<u>328,652</u>
NET POSITION:			
Net investment in capital assets	78,752,100	2,853,496	81,605,596
Unrestricted	38,697,666	4,584,636	43,282,302
Total net position	<u>\$ 117,449,766</u>	<u>\$ 7,438,132</u>	<u>\$ 124,887,898</u>

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

CITY OF COCONUT CREEK, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2018

	Business-type Activities Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
Operating revenues:			
Charges for services	\$ 21,862,880	\$ 1,759,364	\$ 23,622,244
Miscellaneous	521,928	-	521,928
Total operating revenues	<u>22,384,808</u>	<u>1,759,364</u>	<u>24,144,172</u>
Operating expenses:			
Administrative costs	5,722,869	445,840	6,168,709
Operations and maintenance	10,937,775	833,743	11,771,518
Depreciation	1,761,021	100,694	1,861,715
Other services and charges	48,948	47,865	96,813
Total operating expenses	<u>18,470,613</u>	<u>1,428,142</u>	<u>19,898,755</u>
Operating income	<u>3,914,195</u>	<u>331,222</u>	<u>4,245,417</u>
Non-operating revenues (expenses)			
Interest expense and fees	(34,092)	-	(34,092)
Impact fees	456,995	-	456,995
Investment income	467,585	59,940	527,525
Total non-operating revenues	<u>890,488</u>	<u>59,940</u>	<u>950,428</u>
Net income before contributions	<u>4,804,683</u>	<u>391,162</u>	<u>5,195,845</u>
Capital contributions - developers	<u>1,226,295</u>	<u>-</u>	<u>1,226,295</u>
Change in net position	6,030,978	391,162	6,422,140
Net position - Beginning, as previously reported	111,421,128	7,042,443	118,463,571
Prior period adjustment (See Note 1E)	(2,340)	4,527	2,187
Net position - Beginning, as restated	<u>111,418,788</u>	<u>7,046,970</u>	<u>118,465,758</u>
Net position - ending	\$ <u>117,449,766</u>	\$ <u>7,438,132</u>	\$ <u>124,887,898</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, 2018

	Business-type Activities		
	Enterprise Fund		
	Water and Wastewater Fund	Nonmajor Stormwater Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 21,649,225	\$ 1,737,489	\$ 23,386,714
Payments to suppliers	(12,216,250)	(335,577)	(12,551,827)
Payments to employees for services	(3,090,288)	(696,833)	(3,787,121)
Net Cash Provided By Operating Activities	<u>6,342,687</u>	<u>705,079</u>	<u>7,047,766</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid	(34,092)	-	(34,092)
Net Cash Used in Noncapital Financing Activities	<u>(34,092)</u>	<u>-</u>	<u>(34,092)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	(4,323,133)	(639,612)	(4,962,745)
Impact fees	456,995	-	456,995
Net Cash Used In Capital and Related Financing Activities	<u>(3,866,138)</u>	<u>(639,612)</u>	<u>(4,505,750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	467,585	59,940	527,525
Proceeds from sales and maturities of investments	17,642,150	2,168,668	19,810,818
Purchases of investments	(22,888,329)	(2,615,587)	(25,503,916)
Net Cash Used In Investing Activities	<u>(4,778,594)</u>	<u>(386,979)</u>	<u>(5,165,573)</u>
Net Decrease in Cash	(2,336,137)	(321,512)	(2,657,649)
CASH - BEGINNING	<u>5,865,861</u>	<u>755,405</u>	<u>6,621,266</u>
CASH - ENDING	<u>\$ 3,529,724</u>	<u>\$ 433,893</u>	<u>\$ 3,963,617</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, 2018

	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	\$ 3,914,195	\$ 331,222	\$ 4,245,417
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for depreciation	1,761,021	100,694	1,861,715
(Increase) decrease in assets and deferred outflows:			
Accounts receivable	(231,140)	(20,385)	(251,525)
Due from other governments	(500,000)	(1,490)	(501,490)
Deferred outflows for pensions	168,837	15,274	184,111
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued liabilities and retainage payable	471,627	226,679	698,306
Unearned revenues	(18,601)	-	(18,601)
Due to other governments	798,540	-	798,540
Compensated absences	(36,218)	18,803	(17,415)
Customer deposits payable	14,158	-	14,158
Net pension liability	(110,993)	6,955	(104,038)
Deferred inflows for pensions	132,240	34,062	166,302
Total OPEB liability	(20,979)	(6,735)	(27,714)
Total adjustments	<u>2,428,492</u>	<u>373,857</u>	<u>2,802,349</u>
Net Cash Provided By Operating Activities	<u>\$ 6,342,687</u>	<u>\$ 705,079</u>	<u>\$ 7,047,766</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, AND CAPITAL RELATED FINANCING ACTIVITIES			
Contributions of capital assets from developers	<u>\$ 1,226,295</u>	<u>\$ -</u>	<u>\$ 1,226,295</u>
Decrease in fair value of investments	<u>\$ 84,942</u>	<u>\$ 10,442</u>	<u>\$ 95,384</u>

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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 five-member commission and operates under the commission/manager form of government. The Mayor and Vice-Mayor are selected annually by the City Commission. The City provides a wide range of community services including general government, public safety, physical environment, culture/recreation, water/wastewater, and stormwater.

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The *Capital Projects Financing 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 and the Series 2018 - \$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. Implementation of Governmental Accounting Standards Board Statements

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. This statement includes financial reporting requirements and note disclosures for defined benefit OPEB plans that are not administered through trusts that meet specified criteria. This new guidance requires the restatement of the prior year net position.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Therefore, in accordance with the requirements of GASB No. 75, below are the restated balances of net position as of September 30, 2017:

Restatement	Governmental Activities	Water and Wastewater Fund	Stormwater Management Fund	Business-type Activities	Total
Net position as of September 30, 2017 (as reported)	\$ 119,155,427	\$ 111,421,128	\$ 7,042,443	\$ 118,463,571	\$ 237,618,998
Restatement of prior year net position for the cumulative effect of rescinding GASB 45:	4,877,000	457,000	152,000	609,000	5,486,000
Restatement of prior year net position for the cumulative effect of implementing GASB 75:					
Net OPEB liability	(5,737,810)	(459,340)	(147,473)	(606,813)	(6,344,623)
Total Restatement	(860,810)	(2,340)	4,527	2,187	(858,623)
Net position as of September 30, 2017 (restated)	\$ 118,294,617	\$ 111,418,788	\$ 7,046,970	\$ 118,465,758	\$ 236,760,375

Refer to Note 16 for additional information on the City's OPEB plan.

F. 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, liabilities, deferred inflows/outflows 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.

G. Cash and Investments

Cash includes cash on hand and demand deposits. 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.

H. Accounts Receivable

Accounts receivable balances consist 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 4.5% collection fee. Management determines an allowance for uncollectible amounts based on a review of the accounts and their knowledge of the creditors and their ability to pay.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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.

J. 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. There was no interest capitalized for the fiscal year ended September 30, 2018.

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

K. Compensated Absences

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

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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 effective 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.

M. 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, 2018.

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.

N. 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 \$4,029,016 of restricted net position, all of which is restricted by enabling legislation.

O. Fund Equity

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

Non-Spendable: Non-spendable fund balances include amounts that cannot be spent because they are either (a) in a non-spendable form or (b) are legally or contractually required to remain intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid items) and items such as the long-term amount of loans and notes receivable. In fiscal year 2018, non-spendable fund balance is \$139,515.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2018, restricted fund balance is \$19,039,597.

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 2018, committed fund balance is \$14,763,483.

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 2018, assigned fund balance is \$20,652,887.

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 2018, unassigned fund balance is \$19,041,518.

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.

P. 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, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. 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.

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, general government, 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, 2018, the City had a deficit balance in the Grants Fund of \$1,760,111. 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, 2017, upon which the 2017-2018 tax levy calculation was based, was \$3,941,563,462. The tax rate to finance all governmental services for the fiscal year ended September 30, 2018 was 6.5378 per \$1,000 of assessed taxable value.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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. Liens are placed on property 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 Chapters 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, multiplied by 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 Small Business Administration; 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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 3 - CASH AND INVESTMENTS (continued)

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; 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, 2018

NOTE 3 - CASH AND INVESTMENTS (continued)

As of September 30, 2018, the City of Coconut Creek had the following investment balances:

	09/30/2018	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	\$ 12,422,705	\$ -	\$ 12,422,705	\$ -
1-3 Year High Quality Bond Fund	2,973,950	-	2,973,950	-
Intermediate High Quality Bond Fund	192,524	-	192,524	-
U.S. Government Sponsored Enterprises:				
Federal National Mortgage Association	6,319,147	-	6,319,147	-
Small Business Assoc. Pool	2,503,170	-	2,503,170	-
Federal Home Loan Mortgage Corporation	10,731,819	-	10,731,819	-
Federal Farm Credit Banks	971,280	-	971,280	-
Total Investments by Fair Value Level	<u>36,114,595</u>	<u>\$ -</u>	<u>\$ 36,114,595</u>	<u>\$ -</u>
Investments Exempt from Fair Value Reporting:				
Florida Trust Day to Day Fund-money market fund	15,406,735			
State Board of Administration-Florida PRIME	35,419,932			
Certificates of Deposit	20,000,000			
Total Exempt Investments	<u>70,826,667</u>			
Total Investments	<u>\$ 106,941,262</u>			

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 3 - CASH AND INVESTMENTS (continued)

As of September 30, 2018, the City of Coconut Creek had the following cash, cash equivalents and investments:

Portfolio/Investments	Reported Value	Weighted Average Maturity	Credit Rating	Percentage Distribution
Cash Deposits	\$ 9,669,293			8.3%
Total cash	<u>9,669,293</u>			
Florida Trust Day to Day Fund - money market fund	15,406,735	34 days	AAAm S&P	13.2%
State Board of Administration-Florida PRIME	35,419,932	30 days	AAAm S&P	30.4%
Florida Municipal Investment Trust				
0-2 Year High Quality Bond Fund	12,422,705	0.75 years	AAAf/S1 Fitch	10.7%
1-3 Year High Quality Bond Fund	2,973,950	1.51 years	AAAf/S2 Fitch	2.6%
Intermediate High Quality Bond Fund	192,524	4.27 years	AAAf/S3 Fitch	0.2%
U.S. Government Sponsored Enterprises:				
Federal National Mortgage Association	6,319,147	5.83 years	Aaa Moody's	5.4%
Small Business Administration	2,503,170	6.83 years	Aaa Moody's	2.1%
Federal Home Loan Mortgage Corporation	10,731,819	5.08 years	Aaa Moody's	9.2%
Federal Farm Credit Banks	971,280	6.25 years	Aaa Moody's	0.8%
Certificates of Deposit	20,000,000		Not rated	17.1%
Total Investments	<u>106,941,262</u>			
Total cash and investments	<u>\$ 116,610,555</u>			<u>100.0%</u>

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

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization. In accordance with the City's investment policy, the City minimizes credit risk by limiting investments to the safest types of securities and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business. The ratings of investments held at September 30, 2018 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 the total investment portfolio in any one issuer. As of September 30, 2018, all investments are within the allowable percentages.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 3 - CASH AND INVESTMENTS (continued)

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires securities be held by a third party custodian and be properly designated as an asset of the City and held in the City's name. As of September 30, 2018, 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's investment policy does not permit investments issued by a foreign entity and is, therefore, not exposed to foreign currency risk.

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE

Receivables and amounts due from other governments as of September 30, 2018 for the City's individual major funds and non-major funds in the aggregate are as follows:

	Accounts	Taxes and Franchise Fees	Other	Total	Due from Other Governments
Governmental activities:					
General Fund	\$ 2,693,922	\$ 1,226,374	\$ 107,021	\$ 4,027,317	\$ 1,072,315
Streets Construction & Maintenance Fund	-	-	5,379	5,379	87,691
Capital Projects Financing Fund	-	-	41,723	41,723	-
Grants Fund	-	-	-	-	399,023
Community Improvement Fund	-	-	12,046	12,046	-
2009 Capital Projects Fund	-	-	852,938	852,938	-
Capital Improvement Program Fund	-	-	14,553	14,553	-
Public Safety Improvement Fund	-	-	2,781	2,781	-
Nonmajor funds	-	-	19,466	19,466	-
Allowance for uncollectible accounts	(2,256,826)	-	-	(2,256,826)	-
Total governmental activities	\$ 437,096	\$ 1,226,374	\$ 1,055,907	\$ 2,719,377	\$ 1,559,029
Business-type activities:					
Water and Sewer	\$ 2,661,915	\$ -	\$ 114,130	\$ 2,776,045	\$ 511,678
Stormwater	161,030	-	14,031	175,061	14,814
Total business-type activities	\$ 2,822,945	\$ -	\$ 128,161	\$ 2,951,106	\$ 526,492

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 4 - ACCOUNTS RECEIVABLE AND PAYABLE (continued)

Payables and amounts due to other governments as of September 30, 2018 for the City's individual major funds and non-major funds in the aggregate are as follows:

	Vendors	Payroll and Related Taxes	Construction Bonds	Other	Total	Due To Other Governments
Governmental activities:						
General Fund	\$ 1,486,903	\$ 1,379,160	\$ 143,126	\$ 524,854	\$ 3,534,043	\$ 29,645
Streets Construction & Maintenance Fund	418,242	25,099	-	-	443,341	-
Capital Projects Financing Fund	1,099,126	-	-	-	1,099,126	-
Community Improvement Fund	255,645	-	-	-	255,645	-
2009 Capital Projects Fund	21,653	-	-	-	21,653	-
Capital Improvement Program Fund	587,322	-	-	-	587,322	-
Nonmajor funds	9,847	-	-	293,067	302,914	-
Total governmental activities	<u>\$ 3,878,738</u>	<u>\$ 1,404,259</u>	<u>\$ 143,126</u>	<u>\$ 817,921</u>	<u>\$ 6,244,044</u>	<u>\$ 29,645</u>
Business-type activities:						
Water and wastewater	\$ 1,067,923	\$ 114,892	\$ -	\$ -	\$ 1,182,815	\$ 2,485,519
Stormwater	238,692	30,674	-	-	269,366	-
Total business-type activities	<u>\$ 1,306,615</u>	<u>\$ 145,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,181</u>	<u>\$ 2,485,519</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, 2018 are as follows:

Major Funds:	
General Fund	\$ 127,091
Grants Fund	36,014
2009 Capital Projects Fund	49,104
Capital Projects Financing Fund	188,415
Capital Improvement Fund	898,457
Total Major Funds	<u>1,299,081</u>
Non-Major Governmental Funds	258,394
Total Governmental Encumbrances	<u>\$ 1,557,475</u>

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6 - INTERFUND TRANSACTIONS

Inter-fund transfers between the various funds for the year ended September 30, 2018 are as follows:

Transfer Out	Transfers In			
	General Fund	Capital Improvement Program Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 3,100,000	\$ -	\$ 3,100,000
Community Improvement Fund	72,966	-	2,228,300	2,301,266
Nonmajor Funds	108,193	-	-	108,193
Total Transfers In	\$ 181,159	\$ 3,100,000	\$ 2,228,300	\$ 5,509,459

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

NOTE 7 - CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the year ended September 30, 2018 is presented as follows:

	Beginning Balance	Additions	Transfers *	Retirements	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 27,408,183	\$ 2,815,935	\$ -	\$ -	\$ 30,224,118
Intangible Assets-Land	62,160	-	-	-	62,160
Construction in progress	2,219,843	1,050,176	(2,021,848)	-	1,248,171
Total capital assets, not being depreciated	29,690,186	3,866,111	(2,021,848)	-	31,534,449
Capital assets being depreciated:					
Buildings	38,404,694	474,050	76,711	-	38,955,455
Improvements	13,775,815	3,755,048	1,902,196	-	19,433,059
Infrastructure	39,291,806	5,144,102	-	-	44,435,908
Intangible - Software	12,203	17,495	-	-	29,698
Equipment	20,965,380	1,490,237	42,941	(896,127)	21,602,431
Total capital assets being depreciated	112,449,898	10,880,932	2,021,848	(896,127)	124,456,551
Less accumulated depreciation for:					
Buildings	10,093,625	841,796	-	-	10,935,421
Improvements	6,310,877	810,772	-	-	7,121,649
Infrastructure	12,060,212	982,408	-	-	13,042,620
Intangible	11,951	2,001	-	-	13,952
Equipment	11,989,355	1,612,511	-	(857,139)	12,744,727
Total accumulated depreciation	40,466,020	4,249,488	-	(857,139)	43,858,369
Total capital assets being depreciated, net	71,983,878	6,631,444	2,021,848	(38,988)	80,598,182
Governmental activities capital assets, net	\$ 101,674,064	\$ 10,497,555	\$ -	\$ (38,988)	\$ 112,132,631

* 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, 2018

NOTE 7 - CAPITAL ASSETS (continued)

A summary of changes in the business-type activities capital assets for the fiscal year ended September 30, 2018 is presented as follows:

	Beginning Balance	Additions	Transfers *	Retirements	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 406,071	\$ -	\$ -	\$ -	\$ 406,071
Easements	10,333,561	892,487	-	-	11,226,048
Construction in progress	1,441,868	3,166,476	(502,049)	-	4,106,295
Total capital assets, not being depreciated	12,181,500	4,058,963	(502,049)	-	15,738,414
Capital assets being depreciated:					
Buildings	2,747,901	-	-	-	2,747,901
Improvements	1,115,134	-	-	-	1,115,134
Infrastructure	88,713,175	1,953,557	502,049	-	91,168,781
Equipment	4,996,854	178,233	-	(26,451)	5,148,636
Total capital assets being depreciated	97,573,064	2,131,790	502,049	(26,451)	100,180,452
Less accumulated depreciation for:					
Buildings	467,143	54,958	-	-	522,101
Improvements	458,747	55,757	-	-	514,504
Infrastructure	28,282,272	1,401,970	-	-	29,684,242
Equipment	2,144,797	349,030	-	(24,739)	2,469,088
Total accumulated depreciation	31,352,959	1,861,715	-	(24,739)	33,189,935
Total capital assets being depreciated, net	66,220,105	270,075	502,049	(1,712)	66,990,517
Business-type activities capital assets, net	\$ 78,401,605	\$ 4,329,038	\$ -	\$ (1,712)	\$ 82,728,931

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

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

Governmental Activities:	
General government	\$ 572,822
Public safety	978,558
Physical environment	1,856,088
Culture and recreation	842,020
Total depreciation expense - governmental activities	\$ 4,249,488
Business-type activities:	
Water and wastewater	\$ 1,761,021
Stormwater management	100,694
Total depreciation expense - business-type activities	\$ 1,861,715

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 8 – LONG-TERM DEBT

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

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Revenue notes	\$ 17,564,270	\$ 10,000,000	\$ 1,724,270	\$ 25,840,000	\$ 1,825,000
Compensated absences	5,153,457	4,635,520	3,509,648	6,279,329	374,217
Total governmental activities	\$ 22,717,727	\$ 14,635,520	\$ 5,233,918	\$ 32,119,329	\$ 2,199,217
Business-type activities:					
Compensated absences	\$ 612,351	\$ 373,384	\$ 390,799	\$ 594,936	\$ 53,260
Total business-type activities	\$ 612,351	\$ 373,384	\$ 390,799	\$ 594,936	\$ 53,260

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

As of September 30, 2018, long-term debt consisted of the following for governmental activities:

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

Revenue Note, Series 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. The note matured in October, 2018.

Revenue Note, Series 2017A: On August 2, 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, 2018 is \$9,440,000.

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

Fiscal Year Ending September 30	Capital Improvement Revenue Note, Series 2017A	
	Principal	Interest
2019	\$ 570,000	\$ 232,224
2020	585,000	218,202
2021	600,000	203,810
2022	615,000	189,050
2023	630,000	173,922
2024-2028	3,400,000	629,024
2029-2032	3,040,000	189,420
	\$ 9,440,000	\$ 1,835,652

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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 lowered debt service payment over the subsequent three years by \$6,008,255, and thereafter increased 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, 2018 is \$6,400,000.

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
2019	\$ 375,000	\$ 186,240
2020	385,000	175,328
2021	400,000	164,124
2022	410,000	152,484
2023	420,000	140,553
2024-2028	2,305,000	511,577
2029-2032	2,105,000	155,394
	<u>\$ 6,400,000</u>	<u>\$ 1,485,700</u>

Capital Improvement Revenue Note, Series 2018: On August 1, 2018, the City issued a \$10,000,000 Capital Improvement Revenue Note, Series 2018. Principal and interest on the note is to be paid from a pledge of non-ad-valorem tax revenues. The note bears interest at 2.74% payable semi-annually. The note matures in October, 2028. The outstanding principal balance as of September 30, 2018 is \$10,000,000.

Fiscal Year Ending September 30	Capital Improvement Revenue Note, Series 2018	
	Principal	Interest
2019	\$ 880,000	\$ 274,000
2020	905,000	249,888
2021	930,000	225,091
2022	955,000	199,609
2023	985,000	173,442
2024-2028	5,345,000	447,442
	<u>\$ 10,000,000</u>	<u>\$ 1,569,472</u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 8 – LONG-TERM DEBT (continued)

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
2019	\$ 1,825,000	\$ 692,464	\$ 2,517,464
2020	1,875,000	643,418	2,518,418
2021	1,930,000	593,025	2,523,025
2022	1,980,000	541,143	2,521,143
2023	2,035,000	487,917	2,522,917
2024-2028	11,050,000	1,588,043	12,638,043
2029-2032	5,145,000	344,814	5,489,814
	<u>\$ 25,840,000</u>	<u>\$ 4,890,824</u>	<u>\$ 30,730,824</u>

Pledged Revenues: The City has pledged future non-ad-valorem tax revenues to repay \$30,730,824 in Capital Improvement Revenue Notes issued in 2017 and 2018. 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 are payable 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 8% of projected non-ad-valorem tax revenues with total future payouts of \$30,730,824. Principal and interest paid for the current year and non-ad-valorem tax revenues are \$1,412,767 and \$34,568,181, respectively.

All the above revenue notes contain debt covenants, all of which the City was in compliance with at September 30, 2018.

NOTE 9 – LEASES

Operating leases, City as Lessee: The City leases vehicles and office equipment under noncancelable operating leases. Total lease expense was approximately \$96,742 for the year ended September 30, 2018. Future minimum lease payments as of September 30, 2018 are approximately as follows:

Year Ending September 30	Amount
2019	\$ <u>78,906</u>

Operating leases, City as Lessor: The City leases land to telecommunication providers to house cellular towers. Total lease revenue was \$447,524 for the year ended September 30, 2018.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 9 – LEASES (continued)

Future lease payments to be received as of September 30, 2018 are approximately as follows:

Year Ending September 30	Amount
2019	\$ 333,787
2020	294,478
2021	243,632
2022	149,784
	<u>\$ 1,021,681</u>

NOTE 10 - DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

As of September 30, 2018, 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	\$ 234,738	\$ -
Business licenses	-	255,292
Fitness memberships	-	31,481
Police services	129,170	-
Special assessments	851,550	-
Grant revenue	379,590	17,851
Other miscellaneous fees	10,050	-
	<u>\$ 1,605,098</u>	<u>\$ 304,624</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 statements and required supplementary information. That report may be obtained on-line at https://www.rol.frs.state.fl.us/forms/2017-18_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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11– PENSION PLANS (continued)

(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, 2018 was Civil Service, 32 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 13%; and Administrative – 14% and 12%, respectively. Contributions to the 401(a) Plan by the City of Coconut Creek, and its plan members were \$653,929 and \$541,812 respectively.

(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 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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11– PENSION PLANS (continued)

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, 2018

NOTE 11– PENSION PLANS (continued)

HIS Plan:

For the fiscal year ended September 30, 2018 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, 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, 2017 through June 30, 2018 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%

Contribution rates effective July 1, 2018 through September 30, 2018 were as follows:

<u>Employees</u>	<u>Contribution Rates</u>
Senior Management	24.06%
Regular Employees	8.26%
Special Risk	24.50%
Elected Officials	48.70%

The City's contributions for FRS totaled \$3,739,333 and employee contributions totaled \$693,214 for the fiscal year ended September 30, 2018, 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, 2017 through June 30, 2018 and July 1, 2018 through September 30, 2018 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 for the current year preceding three years. 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 \$402,942 for the fiscal year ended September 30, 2018.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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, 2018, the City reported liabilities of \$32,734,658 for its proportionate share of the FRS net pension liability and \$7,807,666 for the HIS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's fiscal year 2018 contributions relative to the fiscal year 2017 contributions of all participating members. At June 30, 2018, the City's proportionate share was .108678933%, for the FRS plan and .073767795% for the HIS plan, which was a decrease of .001176142% and increase of .001751998% respectively, from the proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$2,814,438. 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	\$ 2,773,118	\$ 119,532	\$ 2,892,650
Changes in assumptions	10,696,094	868,309	11,564,403
Net difference between projected and actual earnings on pension plan investments	-	4,713	4,713
Changes in proportion and differences between City contributions and proportionate share of contributions	1,186,323	684,731	1,871,054
City contributions subsequent to the measurement date	759,194	92,227	851,421
Total Deferred Outflows of Resources	\$ 15,414,729	\$ 1,769,512	\$ 17,184,241

	Deferred Inflow of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 100,651	\$ 13,265	\$ 113,916
Changes in Assumptions	-	825,492	825,492
Net difference between projected and actual earnings on pension plan investments	2,529,151	-	2,529,151
Changes in proportion and differences between City contributions and proportionate share of contributions	534,743	-	534,743
Total Deferred Inflows of Resources	\$ 3,164,545	\$ 838,757	\$ 4,003,302

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11– PENSION PLANS (continued)

The deferred outflows of resources related to pensions, totaling \$851,421, 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, 2019. 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 Ending September 30	Employer Share of Deferred Outflows/Inflows		
	FRS	HIS	Total
2019	\$ 4,224,320	\$ 259,279	\$ 4,483,599
2020	3,083,417	258,881	3,342,298
2021	673,384	223,702	897,086
2022	2,051,588	134,286	2,185,874
2023	1,281,848	(27,992)	1,253,856
Thereafter	176,433	(9,628)	166,805
	<u>\$ 11,490,990</u>	<u>\$ 838,528</u>	<u>\$ 12,329,518</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	7.00%	3.87%
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, 2018

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%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
Assumed Inflation - Mean			2.6%	1.9%

(1) As outlined in the FRS Pension Plan's investment policy available from managed funds on the SBA's website at www.sbafla.com.

Discount Rate:

The discount rate used to measure the total pension liability was 7.00% 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 3.87% 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, on the following page, 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, 2018.

Pension Plan	1% Decrease	Current Discount Rate	1% Increase
FRS	\$ 59,742,124	\$ 32,734,658	\$ 10,303,361
HIS	8,892,474	7,807,665	6,903,416

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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. An amendment was executed effective October 1, 2018 through September 30, 2019 with two (2) one-year renewal options. The service fee for the year ended September 30, 2018 was \$8,935,000.

Future service fees are as follows:

Year Ending September 30	Amount
<u>2019</u>	\$ <u>9,543,380</u>

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

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.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Construction Commitment

During fiscal year 2018, the City entered into three (3) construction agreements totaling \$1,259,295. Five (5) projects were carried forward from fiscal year 2017 to fiscal year 2018 totaling \$13,994,666. As of September 30, 2018, the City completed \$11,843,889 of the contract amounts. Five (5) of the projects were completed in fiscal year 2018. The remaining projects are anticipated to be completed in fiscal year 2019. The remaining commitment on the construction contracts totaled \$3,410,072 as of September 30, 2018.

Grant Revenue

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

Municipal Service Provider Agreement

The City has a Municipal Service Provider Agreement with the Seminole Tribe of Florida. The agreement is in effect as long as the property is open for gaming. During the year ended September 30, 2018, a total of \$3,021,946 was earned and collected by the City. An annual escalation clause is in effect for subsequent years. Monies will be used for community capital improvement projects with any interest earned transferred to the General Fund.

Mitigation Agreement

The City has a Mitigation Agreement with the Seminole Tribe of Florida. The agreement is in effect as long as the property is open for gaming. During the year ended September 30, 2018, a total of \$1,250,000 was earned and collected by the City for mitigation fees, while \$274,488 was earned and collected by the City for additional municipal services. In addition, another one-eleventh of mitigation fees are contributed directly to an educational trust foundation held separately from the City. An annual escalation clause is in effect for subsequent years. Monies will be used for community capital improvement projects including MainStreet development projects and any other expenses or improvements to mitigate the impact of the lands going into trust.

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 2018 was \$218,554 and the cumulative total through September 30, 2018 was \$1,117,353.

CITY OF COCONUT CREEK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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, 2018 is \$5.3 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. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the Plan 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 years 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 years 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.

Police Officers, Trainees, Corporals, and Sergeants hired prior to 1/1/2002, 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.

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (continued)

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.

The explicit subsidy is established by Administrative Order of the City and the Collective Bargaining Agreements for Police Officers, Trainees, Corporals, Sergeants, and Lieutenants, as approved by the City Manager and City Commission, respectively. Benefit terms may be amended upon approval by the City Manager and City Commission.

There were no changes in benefit terms during the measurement period and the OPEB Plan is open to new members, except for Police Officers, Trainees, Corporals, and Sergeants.

For the 2018 fiscal year, the City provided contributions of \$227,929 from the General Fund on a pay-as-you-go basis toward annual OPEB costs, net of retiree contributions totaling \$437,213.

Employees Covered by Benefit Terms

At September 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>256</u>
	<u>273</u>

Total OPEB Liability

The City's total OPEB liability of \$6,054,850 was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017.

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	September 30, 2017
Measurement date	September 30, 2018
Actuarial value of assets	N/A - no plan assets
Inflation	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (continued)

Salary increases	3.00% per annum
Discount rate	3.64% per annum (S&P Municipal Bond 20-year High Grade Index as of the measurement date)
Healthcare cost trend rates	4.50% for the 2017/18 fiscal year and then 7.50% for the 2018/19 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees
Long-term expected rate of return, net of investment expense	N/A
Mortality	RP-2000 Combined Mortality Table (general employees) or RP-2000 Blue Collar Mortality Table (police officers), both with full generational improvements in mortality using scale BB

The actuarial assumptions used in the October 1, 2017 valuation were based on the results of an actuarial experience study for the period October 1, 2016 to September 30, 2017. In the actuarial valuation as of September 30, 2017, the actuarial present value of projected benefit payments was used and attributed to periods of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 9/30/2017:	<u>\$ 6,344,623</u>
Changes for the Year:	
Service cost	324,703
Other recognized changes in net pension liability:	
Expected interest growth	227,575
Benefit payments and refunds	<u>(842,051)</u>
Net Changes	<u>(289,773)</u>
Balance at 9/30/18:	<u><u>\$ 6,054,850</u></u>

CITY OF COCONUT CREEK, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the sensitivity of the City's total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact on the City's total OPEB liability if the discount rates were 1.00% lower or 1.00% higher than the current discount rate at September 30, 2018:

	Discount Rate Minus 1.00%	3.64% Discount Rate	Discount Rate Plus 1.00%
Total OPEB liability	\$ 6,626,870	\$ 6,054,850	\$ 5,550,094

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the sensitivity of the City's total OPEB liability to changes in healthcare trends. The sensitivity analysis shows the impact on the City's total OPEB liability if the healthcare trend rates were 1.00% lower or 1.00% higher than the current healthcare trend rate at September 30, 2018:

	Total Rates Minus 1.00%	4.50% for the first year, then 7.50% graded down to 5.00%	Trend Rates Plus 1.00%
Total OPEB liability	\$ 5,451,967	\$ 6,054,850	\$ 6,770,160

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For fiscal year ended September 30, 2018, the City recognized OPEB expense of (\$289,773). There were no payables, deferred outflows of resources and deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2018.

The actuarial report for the OPEB Plan may be obtained by contacting the City of Coconut Creek's Finance and Administrative Services Department at 4800 West Copans Road, Coconut Creek, Florida, 33063.

**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, 2018

	Budgeted Amounts		Budgetary	Variance
	Original	Final	Basis Actual Amounts	with Final Budget- Positive (Negative)
REVENUES:				
Ad valorem taxes	\$ 24,836,990	\$ 24,836,990	\$ 24,837,554	\$ 564
Franchise fees	4,425,680	4,425,680	4,582,174	156,494
Utility taxes	6,937,090	6,937,090	6,857,475	(79,615)
Licenses and permits	2,323,510	2,323,510	3,280,782	957,272
Intergovernmental revenues	5,590,460	5,590,460	5,638,380	47,920
Charges for services	15,337,600	15,337,600	15,094,641	(242,959)
Fines and forfeitures	327,000	327,000	397,211	70,211
Investment income	303,000	303,000	436,469	133,469
Miscellaneous revenues	1,084,840	1,084,840	1,240,258	155,418
Total revenues	<u>61,166,170</u>	<u>61,166,170</u>	<u>62,364,944</u>	<u>1,198,774</u>
EXPENDITURES:				
Departmental:				
City Commission	587,920	587,920	529,960	57,960
City Manager/City Attorney	2,980,338	2,980,338	2,038,678	941,660
Risk management	2,223,141	2,223,141	2,062,274	160,867
City Clerk	620,710	645,710	578,094	67,616
Finance and administration	2,044,432	2,044,432	1,693,837	350,595
Information technology	2,599,568	2,599,568	2,332,339	267,229
Human resources	1,237,440	1,237,440	1,100,034	137,406
Sustainable development	4,152,348	4,152,348	3,757,551	394,797
Police	22,093,050	22,093,050	18,966,485	3,126,565
Fire	9,974,480	9,974,480	9,717,578	256,902
Public works	6,730,329	6,730,329	6,212,271	518,058
Parks and recreation	5,126,970	5,276,970	4,744,112	532,858
Engineering	803,314	803,314	498,317	304,997
Total departmental	<u>61,174,040</u>	<u>61,349,040</u>	<u>54,231,530</u>	<u>7,117,510</u>
Nondepartmental	3,680,240	3,680,240	3,366,118	314,122
Contingency	438,200	263,200	-	263,200
Total expenditures	<u>65,292,480</u>	<u>65,292,480</u>	<u>57,597,648</u>	<u>7,694,832</u>
Excess (deficiency) of revenues over (under) expenditures	(4,126,310)	(4,126,310)	4,767,296	8,893,606
OTHER FINANCING SOURCES (USES):				
Transfers in	107,500	107,500	181,159	73,659
Transfers out	<u>(3,100,000)</u>	<u>(3,100,000)</u>	<u>(3,100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,992,500)</u>	<u>(2,992,500)</u>	<u>(2,918,841)</u>	<u>73,659</u>
Net change in fund balance	\$ <u>(7,118,810)</u>	\$ <u>(7,118,810)</u>	1,848,455	\$ <u>8,967,265</u>
FUND BALANCE, beginning			29,236,631	
FUND BALANCE, ending			\$ <u>31,085,086</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, 2018

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 67	\$ 62,364,944
-------------------------	---------------

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	<u>230,794</u>
-----------------------------	----------------

Total revenues, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 28	<u><u>\$ 62,595,738</u></u>
--	-----------------------------

Total expenditures, page 67	\$ 57,597,648
-----------------------------	---------------

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	<u>311,365</u>
---------------------------------	----------------

Total expenditures, per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 28	<u><u>\$ 57,909,013</u></u>
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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues:				
Local option gas tax	\$ 1,063,000	\$ 1,063,000	\$ 1,043,804	\$ (19,196)
County contribution	195,000	195,000	199,313	4,313
State shared revenue	476,000	476,000	482,258	6,258
Total intergovernmental revenues	1,734,000	1,734,000	1,725,375	(8,625)
Investment income	-	-	17,173	17,173
Total revenues	1,734,000	1,734,000	1,742,548	8,548
EXPENDITURES:				
Current:				
Physical environment	1,602,510	1,602,510	1,347,292	255,218
Nondepartmental	239,640	239,640	239,640	-
Capital outlay	1,091,830	1,091,830	17,639	1,074,191
Total expenditures	2,933,980	2,933,980	1,604,571	1,329,409
Excess (deficiency) of revenues over expenditures	\$ (1,199,980)	\$ (1,199,980)	137,977	\$ 1,337,957
FUND BALANCE, beginning			1,519,031	
FUND BALANCE, ending			\$ 1,657,008	

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 433,700	\$ 433,700	\$ 475,013	\$ 41,313
Total revenues	<u>433,700</u>	<u>433,700</u>	<u>475,013</u>	<u>41,313</u>
EXPENDITURES:				
Current:				
General government	685,000	685,000	682,709	2,291
Public safety	3,000	3,000	2,797	203
Physical environment	439,555	439,555	258,806	180,749
Capital outlay	<u>315,000</u>	<u>315,000</u>	<u>314,832</u>	<u>168</u>
Total expenditures	<u>1,442,555</u>	<u>1,442,555</u>	<u>1,259,144</u>	<u>183,411</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(1,008,855)</u>	\$ <u>(1,008,855)</u>	(784,131)	\$ <u>224,724</u>
FUND BALANCE, beginning			(975,980)	
FUND BALANCE, ending			\$ <u>(1,760,111)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 3,021,640	\$ 3,021,640	\$ 3,021,946	\$ 306
Investment income	15,000	15,000	63,613	48,613
Total revenues	<u>3,036,640</u>	<u>3,036,640</u>	<u>3,085,559</u>	<u>48,919</u>
EXPENDITURES:				
Current:				
General government	170,000	170,000	8,450	161,550
Physical environment	10,000	10,000	9,657	343
Capital outlay	<u>732,151</u>	<u>732,151</u>	<u>713,414</u>	<u>18,737</u>
Total expenditures	<u>912,151</u>	<u>912,151</u>	<u>731,521</u>	<u>180,630</u>
Excess (deficiency) of revenues over expenditures	2,124,489	2,124,489	2,354,038	229,549
OTHER FINANCING USES:				
Transfers out	<u>(3,052,200)</u>	<u>(3,052,200)</u>	<u>(2,301,266)</u>	<u>750,934</u>
Net change in fund balance	<u><u>\$(927,711)</u></u>	<u><u>\$(927,711)</u></u>	<u>52,772</u>	<u><u>\$980,483</u></u>
FUND BALANCE, beginning			<u>4,198,737</u>	
FUND BALANCE, ending			<u><u>\$4,251,509</u></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, 2018

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 \$7.1 million to be expended from available unassigned fund balance. During the year, however, expenditures in most areas were below the budgetary estimates, producing a positive variance of \$7.7 million. In addition, revenues and transfers in exceeded the budget by \$1.3 million.

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF CHANGES IN THE CITY'S
 TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST TEN FISCAL YEARS *

September 30,	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 324,703
Other recognized changes in net pension liability:	
Expected interest growth	227,575
Investment gain/loss	-
Employee contributions	-
Benefit payments and refunds	(842,051)
Administrative expenses	-
Change in benefit terms	-
Assumption changes	<u>-</u>
Net Change in Total OPEB Liability	(289,773)
Total OPEB Liability - Beginning	<u>6,344,623</u>
Total OPEB Liability - Ending	<u>\$ 6,054,850</u>
Covered-Employee Payroll	\$ 20,806,510
Total OPEB Liability as a Percentage of Covered-Employee Payroll	29.10%

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

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

June 30,	2018	2017	2016	2015	2014
City of Coconut Creek's proportion of the net pension liability	0.00108678933	0.00109855075	0.00105877731	0.00096834936	0.00095327282
City of Coconut Creek's proportionate share of the net pension liability	\$ 32,734,658	\$ 32,494,394	\$ 26,734,210	\$ 12,507,531	\$ 5,816,366
City of Coconut Creek's covered payroll	\$ 20,695,291	\$ 19,894,672	\$ 18,334,711	\$ 17,347,533	\$ 16,532,685
City of Coconut Creek's proportionate share of the net pension liability as a percentage of its covered payroll	158.17%	163.33%	145.81%	72.10%	35.18%
Plan fiduciary net position as a percentage of total pension liability	84.26%	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.

Information for fiscal years 2014 to 2017 have been restated.

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

June 30,	2018	2017	2016	2015	2014
City of Coconut Creek's proportion of the net pension liability	0.00073767795	0.00072015797	0.00068830391	0.00065640098	0.00062594577
City of Coconut Creek's proportionate share of the net pension liability	\$ 7,807,665	\$ 7,700,261	\$ 8,021,897	\$ 6,694,257	\$ 5,852,746
City of Coconut Creek's covered payroll	\$ 24,093,826	\$ 22,954,855	\$ 21,247,993	\$ 19,914,059	\$ 18,613,034
City of Coconut Creek's proportionate share of the net pension liability as a percentage of its covered payroll	32.41%	33.55%	37.75%	33.62%	31.44%
Plan fiduciary net position as a percentage of total pension liability	2.15%	1.64%	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.

Information for fiscal years 2014 to 2017 have been restated.

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

September 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,958,097	\$ 2,700,642	\$ 2,456,299	\$ 2,257,282	\$ 2,095,364
Contributions in relation to the contractually required contribution	<u>2,958,097</u>	<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>	<u>\$ -</u>
City of Coconut Creek's covered payroll	\$ 20,861,265	\$ 19,759,433	\$ 18,415,717	\$ 17,642,788	\$ 16,612,088
Contributions as a percentage of covered payroll	14.18%	13.67%	13.34%	12.79%	12.61%

* 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.

Information for fiscal years 2014 to 2016 have been restated.

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

September 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 402,942	\$ 378,169	\$ 354,038	\$ 277,606	\$ 229,204
Contributions in relation to the contractually required contribution	<u>402,942</u>	<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>	<u>\$ -</u>
City of Coconut Creek's covered payroll	\$ 24,273,622	\$ 22,781,202	\$ 21,399,050	\$ 20,317,273	\$ 18,775,287
Contributions as a percentage of covered payroll	1.66%	1.66%	1.65%	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.

Information for fiscal years 2014 and 2016 have been restated.

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

June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted annual rate of return, net of investment expenses	9.28%	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 *

June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money weighted annual rate of return, net of investment expenses	9.28%	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.



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COMBINING & INDIVIDUAL FUND
STATEMENTS & SCHEDULES

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 2012, Revenue Note Series, 2017A and 2017B, and Revenue Note, Series 2018.

CITY OF COCONUT CREEK, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2018

	Special Revenue		
	Law	Affordable	
	Enforcement Fund	Housing Fund	SHIP Fund
ASSETS:			
Cash	\$ 178,114	\$ 89,815	\$ 42,976
Accounts receivable	5,760	2,905	1,390
Investments	1,971,088	993,929	475,594
Total assets	\$ 2,154,962	\$ 1,086,649	\$ 519,960
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 302,914	\$ -	\$ -
Total liabilities	302,914	-	-
Fund balances:			
Restricted for:			
Grants	-	-	519,960
Public safety	1,852,048	-	-
Committed to:			
Affordable housing project	-	1,086,649	-
Capital projects	-	-	-
Debt service	-	-	-
Total fund balances	1,852,048	1,086,649	519,960
Total liabilities and fund balances	\$ 2,154,962	\$ 1,086,649	\$ 519,960

Seminole Mitigation Fund	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	
\$ 105,764	\$ 55,106	\$ 113,689	\$ 12,065	\$ 597,529
3,420	1,782	3,677	532	19,466
1,170,432	609,823	1,258,126	133,515	6,612,507
<u>\$ 1,279,616</u>	<u>\$ 666,711</u>	<u>\$ 1,375,492</u>	<u>\$ 146,112</u>	<u>\$ 7,229,502</u>
\$ -	\$ -	\$ -	\$ -	\$ 302,914
-	-	-	-	302,914
-	-	-	-	519,960
-	-	-	-	1,852,048
-	-	-	-	1,086,649
1,279,616	666,711	1,375,492	-	3,321,819
-	-	-	146,112	146,112
<u>1,279,616</u>	<u>666,711</u>	<u>1,375,492</u>	<u>146,112</u>	<u>6,926,588</u>
<u>\$ 1,279,616</u>	<u>\$ 666,711</u>	<u>\$ 1,375,492</u>	<u>\$ 146,112</u>	<u>\$ 7,229,502</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, 2018

	Special Revenue		
	Law Enforcement Fund	Affordable Housing Fund	SHIP Fund
REVENUES:			
Intergovernmental revenues	\$ -	\$ -	\$ 288,720
Charges for services	-	-	-
Fines and forfeitures	729,179	-	-
Impact fees	-	208,550	-
Investment income	20,527	11,907	5,511
Total revenues	<u>749,706</u>	<u>220,457</u>	<u>294,231</u>
EXPENDITURES:			
Current:			
Public safety	73,521	-	-
Physical environment	-	-	262,568
Capital outlay	299,200	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>372,721</u>	<u>-</u>	<u>262,568</u>
Excess (deficiency) of revenues over expenditures	376,985	220,457	31,663
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(90,000)	-	-
Total other financing sources (uses)	<u>(90,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	286,985	220,457	31,663
FUND BALANCES, beginning	<u>1,565,063</u>	<u>866,192</u>	<u>488,297</u>
FUND BALANCES, ending	<u>\$ 1,852,048</u>	<u>\$ 1,086,649</u>	<u>\$ 519,960</u>

Seminole Mitigation Fund	Capital Projects		Debt Service	Total Nonmajor Governmental Funds
	Parks Improvement Fund	Utility Underground Fund	Capital Improvement Revenue Bonds Fund	
\$ -	\$ -	\$ -	\$ -	\$ 288,720
1,250,000	-	-	-	1,250,000
-	-	-	-	729,179
-	25,000	259,237	-	492,787
6,890	9,557	15,256	1,644	71,292
<u>1,256,890</u>	<u>34,557</u>	<u>274,493</u>	<u>1,644</u>	<u>2,831,978</u>
-	-	-	-	73,521
-	-	-	-	262,568
1,663,365	859,788	-	-	2,822,353
-	-	-	1,724,270	1,724,270
-	-	-	503,887	503,887
<u>1,663,365</u>	<u>859,788</u>	<u>-</u>	<u>2,228,157</u>	<u>5,386,599</u>
(406,475)	(825,231)	274,493	(2,226,513)	(2,554,621)
-	-	-	2,228,300	2,228,300
-	-	(18,193)	-	(108,193)
-	-	(18,193)	2,228,300	2,120,107
(406,475)	(825,231)	256,300	1,787	(434,514)
1,686,091	1,491,942	1,119,192	144,325	7,361,102
<u>\$ 1,279,616</u>	<u>\$ 666,711</u>	<u>\$ 1,375,492</u>	<u>\$ 146,112</u>	<u>\$ 6,926,588</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 730,000	\$ 730,000	\$ 729,179	\$ (821)
Investment income	-	-	20,527	20,527
Total revenues	<u>730,000</u>	<u>730,000</u>	<u>749,706</u>	<u>19,706</u>
EXPENDITURES:				
Current:				
Public safety	75,000	75,000	73,521	1,479
Capital outlay	<u>742,854</u>	<u>742,854</u>	<u>299,200</u>	<u>443,654</u>
Total expenditures	<u>817,854</u>	<u>817,854</u>	<u>372,721</u>	<u>445,133</u>
Excess (deficiency) of revenues over expenditures	(87,854)	(87,854)	376,985	464,839
OTHER FINANCING USES:				
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(177,854)</u></u>	\$ <u><u>(177,854)</u></u>	286,985	\$ <u><u>464,839</u></u>
FUND BALANCE, beginning			<u>1,565,063</u>	
FUND BALANCE, ending			\$ <u><u>1,852,048</u></u>	

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AFFORDABLE HOUSING FUND
 For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 172,660	\$ 172,660	\$ 208,550	\$ 35,890
Investment income	5,000	5,000	11,907	6,907
Total revenues	<u>177,660</u>	<u>177,660</u>	<u>220,457</u>	<u>42,797</u>
EXPENDITURES:				
Physical environment	5,000	5,000	-	5,000
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	\$ <u>172,660</u>	\$ <u>172,660</u>	220,457	\$ <u>47,797</u>
FUND BALANCE, beginning			<u>866,192</u>	
FUND BALANCE, ending			\$ <u>1,086,649</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 243,340	\$ 243,340	\$ 288,720	\$ 45,380
Investment income	-	-	5,511	5,511
Total revenues	<u>243,340</u>	<u>243,340</u>	<u>294,231</u>	<u>50,891</u>
EXPENDITURES:				
Current:				
Physical environment	<u>639,563</u>	<u>639,563</u>	<u>262,568</u>	<u>376,995</u>
Total expenditures	<u>639,563</u>	<u>639,563</u>	<u>262,568</u>	<u>376,995</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(396,223)</u>	\$ <u>(396,223)</u>	31,663	\$ <u>427,886</u>
FUND BALANCE, beginning			<u>488,297</u>	
FUND BALANCE, ending			\$ <u>519,960</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 28,921	\$ 28,921
Miscellaneous	205,000	205,000	201,873	(3,127)
Total revenues	<u>205,000</u>	<u>205,000</u>	<u>230,794</u>	<u>25,794</u>
EXPENDITURES:				
Departmental:				
Human Resources	1,500	1,500	1,330	170
Sustainable Development	105,000	105,000	103,007	1,993
Police	10,000	10,000	10,393	(393)
Engineering	100,000	100,000	95,632	4,368
Public Works	100,000	100,000	101,003	(1,003)
Total expenditures	<u>316,500</u>	<u>316,500</u>	<u>311,365</u>	<u>5,135</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(111,500)</u>	\$ <u>(111,500)</u>	(80,571)	\$ <u>30,929</u>
FUND BALANCE, beginning			2,028,220	
FUND BALANCE, ending			\$ <u>1,947,649</u>	

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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000
Investment income	-	-	6,890	6,890
Total revenues	<u>-</u>	<u>-</u>	<u>1,256,890</u>	<u>1,256,890</u>
EXPENDITURES:				
Capital outlay	<u>1,664,002</u>	<u>1,664,002</u>	<u>1,663,365</u>	<u>637</u>
Total expenditures	<u>1,664,002</u>	<u>1,664,002</u>	<u>1,663,365</u>	<u>637</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(1,664,002)</u></u>	\$ <u><u>(1,664,002)</u></u>	(406,475)	\$ <u><u>1,257,527</u></u>
FUND BALANCE, beginning			<u>1,686,091</u>	
FUND BALANCE, ending			\$ <u><u>1,279,616</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 1,644	\$ 1,644
Total revenues	<u>-</u>	<u>-</u>	<u>1,644</u>	<u>1,644</u>
EXPENDITURES:				
Debt service:				
Principal	2,284,270	2,284,270	1,724,270	560,000
Interest and fiscal charges	<u>752,930</u>	<u>752,930</u>	<u>503,887</u>	<u>249,043</u>
Total expenditures	<u>3,037,200</u>	<u>3,037,200</u>	<u>2,228,157</u>	<u>809,043</u>
Excess (deficiency) of revenues over expenditures	(3,037,200)	(3,037,200)	(2,226,513)	810,687
OTHER FINANCING SOURCES:				
Transfers in	<u>3,037,200</u>	<u>3,037,200</u>	<u>2,228,300</u>	<u>(808,900)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,787</u>	<u>\$ 1,787</u>
FUND BALANCE, beginning			<u>144,325</u>	
FUND BALANCE, ending			<u>\$ 146,112</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 310,000	\$ 310,000	\$ 25,000	\$ (285,000)
Investment income	-	-	9,557	9,557
Total revenues	<u>310,000</u>	<u>310,000</u>	<u>34,557</u>	<u>(275,443)</u>
EXPENDITURES				
Capital outlay	<u>1,562,688</u>	<u>1,562,688</u>	<u>859,788</u>	<u>702,900</u>
Total expenditures	<u>1,562,688</u>	<u>1,562,688</u>	<u>859,788</u>	<u>702,900</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,252,688)</u>	<u>\$ (1,252,688)</u>	(825,231)	<u>\$ 427,457</u>
FUND BALANCE, beginning			<u>1,491,942</u>	
FUND BALANCE, ending			<u>\$ <u>666,711</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ -	\$ -	\$ 259,237	\$ 259,237
Investment income	2,500	2,500	15,256	12,756
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>274,493</u>	<u>271,993</u>
EXPENDITURES:				
Current:				
Capital outlay	<u>664,000</u>	<u>664,000</u>	-	<u>664,000</u>
Total Expenditures	<u>664,000</u>	<u>664,000</u>	-	<u>664,000</u>
Excess (deficiency) of revenues over expenditures	(661,500)	(661,500)	274,493	935,993
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(2,500)</u>	<u>(2,500)</u>	<u>(18,193)</u>	<u>(15,693)</u>
Net change in fund balance	\$ <u><u>(664,000)</u></u>	\$ <u><u>(664,000)</u></u>	256,300	\$ <u><u>920,300</u></u>
FUND BALANCE, beginning			<u>1,119,192</u>	
FUND BALANCE, ending			\$ <u><u>1,375,492</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 6,246	\$ 6,246
Total revenues	<u>-</u>	<u>-</u>	<u>6,246</u>	<u>6,246</u>
EXPENDITURES:				
Capital outlay	<u>1,233,237</u>	<u>1,233,237</u>	<u>91,260</u>	<u>1,141,977</u>
Total expenditures	<u>1,233,237</u>	<u>1,233,237</u>	<u>91,260</u>	<u>1,141,977</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(1,233,237)</u></u>	\$ <u><u>(1,233,237)</u></u>	(85,014)	\$ <u><u>1,148,223</u></u>
FUND BALANCE, beginning			<u>582,960</u>	
FUND BALANCE, ending			\$ <u><u>497,946</u></u>	

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR FUND - CAPITAL PROJECTS FINANCING FUND
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 118,222	\$ 118,222
Total revenues	<u>-</u>	<u>-</u>	<u>118,222</u>	<u>118,222</u>
EXPENDITURES:				
Capital outlay	19,461,640	19,461,640	5,129,736	14,331,904
Debt service:				
Interest and fiscal charges	<u>50,000</u>	<u>50,000</u>	<u>34,500</u>	<u>15,500</u>
Total expenditures	<u>19,511,640</u>	<u>19,511,640</u>	<u>5,164,236</u>	<u>14,347,404</u>
Excess (deficiency) of revenues over expenditures	(19,511,640)	(19,511,640)	(5,046,014)	14,465,626
OTHER FINANCING SOURCES:				
Loan Proceeds	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	-
Net change in fund balance	<u>\$ 29,511,640</u>	<u>\$ 29,511,640</u>	<u>4,953,986</u>	<u>\$ 14,465,626</u>
FUND BALANCE, beginning			<u>9,558,649</u>	
FUND BALANCE, ending			<u>\$ 14,512,635</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 35,000	\$ 35,000	\$ 60,723	\$ 25,723
Miscellaneous revenues	600,000	600,000	821,248	221,248
Total revenues	<u>635,000</u>	<u>635,000</u>	<u>881,971</u>	<u>246,971</u>
EXPENDITURES:				
Capital outlay	<u>6,434,350</u>	<u>6,434,350</u>	<u>2,414,532</u>	<u>4,019,818</u>
Total expenditures	<u>6,434,350</u>	<u>6,434,350</u>	<u>2,414,532</u>	<u>4,019,818</u>
Excess (deficiency) of revenues over expenditures	(5,799,350)	(5,799,350)	(1,532,561)	4,266,789
OTHER FINANCING SOURCES:				
Transfers in	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,100,000</u>	-
Net change in fund balance	\$ <u><u>(2,699,350)</u></u>	\$ <u><u>(2,699,350)</u></u>	<u>1,567,439</u>	\$ <u><u>4,266,789</u></u>
FUND BALANCE, beginning			<u>11,910,615</u>	
FUND BALANCE, ending			\$ <u><u>13,478,054</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES:				
Impact fees	\$ 589,800	\$ 589,800	\$ 289,852	\$ (299,948)
Investment income	3,000	3,000	11,400	8,400
Total revenues	<u>592,800</u>	<u>592,800</u>	<u>301,252</u>	<u>(291,548)</u>
EXPENDITURES:				
Capital outlay	<u>256,158</u>	<u>256,158</u>	<u>87,311</u>	<u>168,847</u>
Total expenditures	<u>256,158</u>	<u>256,158</u>	<u>87,311</u>	<u>168,847</u>
Excess (deficiency) of revenues over expenditures	\$ <u>336,642</u>	\$ <u>336,642</u>	213,941	\$ <u>(122,701)</u>
FUND BALANCE, beginning			<u>826,695</u>	
FUND BALANCE, ending			\$ <u>1,040,636</u>	





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STATISTICAL SECTION

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

Contents

Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

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

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Demographic and Economic Information

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

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STATISTICAL SECTION
(continued)

Operating Information

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

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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	122-124
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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)

	2009	2010	2011	2012
Governmental activities:				
Net Investment in capital assets	\$ 49,710	\$ 57,183	\$ 59,771	\$ 67,752
Restricted	10,000	8,125	13,253	10,084
Unrestricted	27,636	25,481	23,940	25,602
Total governmental activities net assets	<u>\$ 87,346</u>	<u>\$ 90,789</u>	<u>\$ 96,964</u>	<u>\$ 103,438</u>
Business-type activities:				
Net Investment in capital assets	\$ 60,239	\$ 65,348	\$ 64,542	\$ 65,989
Restricted	-	-	-	-
Unrestricted	11,079	12,406	16,897	21,166
Total business-type activities net assets	<u>\$ 71,318</u>	<u>\$ 77,754</u>	<u>\$ 81,439</u>	<u>\$ 87,155</u>
Primary government:				
Net Investment in capital assets	\$ 109,949	\$ 122,531	\$ 124,313	\$ 133,741
Restricted	10,000	8,125	13,253	10,084
Unrestricted	38,715	37,887	40,837	46,768
Total primary government net assets	<u>\$ 158,664</u>	<u>\$ 168,543</u>	<u>\$ 178,403</u>	<u>\$ 190,593</u>

Table 1

2013	2014	2015	2016	2017	2018
\$ 69,352	\$ 73,361	\$ 78,498	\$ 88,808	\$ 93,544	\$ 100,269
6,608	3,813	5,245	2,408	13,714	4,029
33,398	42,592	25,048	22,651	11,897	20,378
<u>\$ 109,358</u>	<u>\$ 119,766</u>	<u>\$ 108,791</u>	<u>\$ 113,867</u>	<u>\$ 119,155</u>	<u>\$ 124,676</u>
\$ 66,329	\$ 69,944	\$ 76,161	\$ 77,799	\$ 77,973	\$ 81,606
-	-	-	-	-	-
25,498	28,199	30,372	35,637	40,491	43,282
<u>\$ 91,827</u>	<u>\$ 98,143</u>	<u>\$ 106,533</u>	<u>\$ 113,436</u>	<u>\$ 118,464</u>	<u>\$ 124,888</u>
\$ 135,681	\$ 143,305	\$ 154,659	\$ 166,607	\$ 171,517	\$ 181,875
6,608	3,813	5,245	2,408	13,714	4,029
58,896	70,791	55,420	58,288	52,388	63,660
<u>\$ 201,185</u>	<u>\$ 217,909</u>	<u>\$ 215,324</u>	<u>\$ 227,303</u>	<u>\$ 237,619</u>	<u>\$ 249,564</u>

City of Coconut Creek, Florida

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

	2009	2010	2011
Expenses:			
Governmental activities:			
General government	\$ 10,813	\$ 10,777	\$ 10,743
Public safety	22,817	23,452	23,446
Physical environment	6,695	6,195	5,698
Culture/recreation	5,781	5,495	5,255
Interest on long-term debt	980	1,160	991
Total governmental activities expenses	\$ 47,086	\$ 47,079	\$ 46,133
Business-type activities:			
Utilities	\$ 14,934	\$ 15,645	\$ 14,603
Stormwater management	808	816	813
Total business-type activities expenses	15,742	16,461	15,416
Total expenses	\$ 62,828	\$ 63,540	\$ 61,549
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	\$ 4,493	\$ 5,031	\$ 5,404
Public safety	6,290	7,798	7,398
Physical environment	2,068	2,116	2,122
Culture/recreation	638	701	729
Operating grants and contributions	918	979	618
Capital grants and contributions	125	475	1,562
Total governmental activities program revenues	\$ 14,532	\$ 17,100	\$ 17,833
Business-type activities:			
Charges for services:			
Utilities	\$ 12,581	\$ 14,800	\$ 17,044
Stormwater management	1,388	1,457	1,453
Capital grants and contributions	2,131	6,105	2,848
Total business-type activities program revenues	16,100	22,362	21,345
Total program revenues	\$ 30,632	\$ 39,462	\$ 39,178
Net (expense)/revenue			
Governmental activities	\$ (32,554)	\$ (29,979)	\$ (28,300)
Business-type activities	358	5,901	5,929
Total net expenses	\$ (32,196)	\$ (24,078)	\$ (22,371)

Table 2

	2012	2013	2014	2015	2016	2017	2018
\$	11,742	\$ 11,376	\$ 12,004	\$ 11,053	\$ 11,969	\$ 13,178	\$ 13,975
	23,959	25,187	26,487	26,315	29,801	32,207	34,812
	5,814	6,518	7,375	7,547	7,808	8,259	10,938
	5,251	5,498	5,984	6,289	6,791	7,036	5,634
	878	688	606	521	427	402	538
\$	47,644	\$ 49,267	\$ 52,456	\$ 51,725	\$ 56,796	\$ 61,082	\$ 65,897
\$	15,022	\$ 15,969	\$ 16,214	\$ 17,055	\$ 17,824	\$ 18,479	\$ 18,505
	1,014	1,118	1,158	1,222	1,438	1,445	1,428
	16,036	17,087	17,372	18,277	19,262	19,924	19,933
\$	63,680	\$ 66,354	\$ 69,828	\$ 70,002	\$ 76,058	\$ 81,006	\$ 85,830
\$	5,823	\$ 6,120	\$ 2,813	\$ 4,818	\$ 5,451	\$ 6,458	\$ 6,473
	7,325	8,018	8,834	9,979	11,199	11,165	12,261
	2,498	2,637	5,953	2,853	2,996	2,968	4,272
	752	760	708	757	684	780	849
	423	680	843	846	581	710	762
	2,501	1,144	3,321	1,088	620	801	131
\$	19,322	\$ 19,359	\$ 22,472	\$ 20,341	\$ 21,531	\$ 22,882	\$ 24,748
\$	17,717	\$ 18,401	\$ 19,645	\$ 20,629	\$ 20,976	\$ 21,956	\$ 21,863
	1,498	1,523	1,576	1,621	1,672	1,670	1,760
	1,464	705	1,899	5,232	2,021	-	1,726
	20,679	20,629	23,120	27,482	24,669	23,626	25,349
\$	40,001	\$ 39,988	\$ 45,592	\$ 47,823	\$ 46,200	\$ 46,508	\$ 50,097
\$	(28,322)	\$ (29,908)	\$ (29,984)	\$ (31,384)	\$ (35,265)	\$ (38,200)	\$ (41,149)
	4,643	3,542	5,748	9,205	5,407	3,702	5,416
\$	(23,679)	\$ (26,366)	\$ (24,236)	\$ (22,179)	\$ (29,858)	\$ (34,498)	\$ (35,733)

City of Coconut Creek, Florida

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

	2009	2010	2011
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes	\$ 15,886	\$ 16,213	\$ 15,906
Utility taxes	5,936	6,093	6,050
Franchise taxes	4,222	4,095	4,070
Intergovernmental	4,947	4,840	5,066
Impact fees	-	-	1,187
Special assessment	-	-	-
Investment income	917	561	601
Miscellaneous	2,502	1,730	1,095
Gain on disposal of capital assets	(152)	(110)	-
Transfers	-	-	500
Total governmental activities	\$ 34,258	\$ 33,422	\$ 34,475
Business-type activities:			
Investment income	303	157	206
Impact fees	-	-	1,023
Miscellaneous	186	378	295
Transfers	-	-	(500)
Total business-type activities	489	535	1,024
Total	\$ 34,747	\$ 33,957	\$ 35,499
Change in Net Position			
Governmental activities	\$ 1,704	\$ 3,443	\$ 6,175
Business-type activities	847	6,436	6,953
Total	\$ 2,551	\$ 9,879	\$ 13,128

Table 2
(continued)

	2012	2013	2014	2015	2016	2017	2018
\$	16,129	\$ 16,145	\$ 16,894	\$ 17,700	\$ 19,672	\$ 21,405	\$ 24,837
	6,092	6,317	6,563	6,750	6,665	6,768	6,857
	3,971	3,936	4,315	4,409	4,385	4,495	4,582
	5,732	6,023	6,217	7,661	6,859	7,177	7,357
	876	674	460	540	286	1,082	783
	-	-	-	951	31	31	33
	379	(56)	496	413	445	421	814
	1,617	2,849	5,444	1,573	1,998	2,110	2,267
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	34,796	\$ 35,888	\$ 40,389	\$ 39,997	\$ 40,341	\$ 43,489	\$ 47,530
	140	(69)	193	254	278	296	527
	698	1,057	215	453	1,006	1,027	457
	236	141	160	182	212	2	22
	-	-	-	-	-	-	-
	1,074	1,129	568	889	1,496	1,325	1,006
\$	35,870	\$ 37,017	\$ 40,957	\$ 40,886	\$ 41,837	\$ 44,814	\$ 48,536
\$	6,474	\$ 5,980	\$ 10,405	\$ 8,613	\$ 5,076	\$ 5,289	\$ 6,381
	5,717	4,671	6,316	10,094	6,903	5,027	6,422
\$	12,191	\$ 10,651	\$ 16,721	\$ 18,707	\$ 11,979	\$ 10,316	\$ 12,803

City of Coconut Creek, Florida

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

	2009	2010	2011	2012	2013
General Fund					
Reserved	\$ 165	\$ 132	\$ -	\$ -	\$ -
Unreserved	18,554	18,192	-	-	-
Non-spendable	-	-	124	137	191
Restricted	-	-	-	-	-
Committed	-	-	2,228	2,302	2,594
Assigned	-	-	4,075	5,159	5,856
Unassigned	-	-	15,690	16,207	15,149
Total general fund	\$ 18,719	\$ 18,324	\$ 22,117	\$ 23,805	\$ 23,790
All other governmental funds					
Reserved	\$ 8,620	\$ 8,639	\$ 8,629	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	12,531	10,827	8,969	-	-
Capital projects funds	4,473	3,148	12,791	-	-
Debt service fund	666	469	67	-	-
Non-spendable	-	-	-	8,624	8,623
Restricted	-	-	-	10,081	6,608
Committed	-	-	-	6,385	7,129
Assigned	-	-	-	1,220	2,475
Unassigned	-	-	-	-	-
Total all other governmental funds	\$ 26,290	\$ 23,083	\$ 30,456	\$ 26,310	\$ 24,835

(1) Information for fiscal years 2009 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

Table 3

2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
218	167	153	156	140
-	-	-	-	-
2,575	3,095	3,184	5,973	4,018
6,254	6,811	4,982	5,467	8,073
15,442	17,384	19,102	19,669	20,802
<u>\$ 24,489</u>	<u>\$ 27,457</u>	<u>\$ 27,421</u>	<u>\$ 31,265</u>	<u>\$ 33,033</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,629	8,630	8,625	-	-
3,813	5,245	2,409	13,714	19,040
14,309	13,335	11,203	10,435	10,744
1,441	2,022	3,874	11,809	12,579
-	-	-	(976)	(1,760)
<u>\$ 28,192</u>	<u>\$ 29,232</u>	<u>\$ 26,111</u>	<u>\$ 34,982</u>	<u>\$ 40,603</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)

	2009	2010	2011	2012
Revenues				
Ad valorem taxes	\$ 15,886	\$ 16,213	\$ 15,906	\$ 16,129
Franchise fees	4,222	4,095	4,070	3,971
Utility taxes	5,937	6,093	6,050	6,092
Licenses and permits	1,088	1,522	2,760	2,988
Intergovernmental revenues	5,805	6,702	5,969	7,523
Charges for services	12,163	13,452	12,456	13,106
Fines and forfeitures	462	488	938	1,220
Impact fees	-	-	1,075	876
Seminole Mitigation Fees	-	-	-	-
Investment income	890	534	575	352
Special assessment	-	-	-	-
Miscellaneous revenues	1,313	1,621	1,208	1,618
Total revenues	47,766	50,720	51,007	53,875
Expenditures				
General government	9,525	9,505	9,247	9,767
Public safety	21,510	22,116	22,732	23,119
Physical environment	5,977	4,944	4,865	4,932
Culture and recreation	5,143	4,930	4,597	4,675
Nondepartmental	210	294	511	514
Capital outlay	3,941	3,332	3,174	8,355
Debt service:				
Principal	3,452	7,398	3,049	2,647
Interest and fiscal charges	1,151	1,223	996	897
Total expenditures	50,909	53,742	49,171	54,906
Excess (deficiency) of revenues over expenditures	(3,143)	(3,022)	1,836	(1,031)
Other financing sources (uses)				
Net proceeds from long-term debt	-	10,000	-	5,270
Transfers in	3,834	7,698	4,291	13,064
Transfers out	(3,834)	(7,698)	(3,791)	(13,064)
Payment to Fiscal Agent				(5,240)
Total other financing sources (uses)	-	10,000	500	30
Net change in fund balances	\$ (3,143)	\$ 6,978	\$ 2,336	\$ (1,001)
Debt service as a percentage of noncapital expenditures	9.7%	16.9%	8.7%	7.6%

Table 4

	2013	2014	2015	2016	2017	2018
\$	16,144	\$ 16,894	\$ 17,700	\$ 19,673	\$ 21,405	\$ 24,838
	3,936	4,315	4,408	4,385	4,495	4,582
	6,317	6,563	6,750	6,665	6,768	6,857
	3,200	2,839	2,122	2,376	3,078	3,281
	8,282	8,590	10,620	7,623	8,014	8,128
	13,997	14,986	16,270	17,650	17,770	19,367
	613	565	980	981	826	1,126
	674	1,150	540	246	1,082	783
	-	3,000	-	-	-	-
	(83)	496	413	485	421	814
	-	-	194	-	-	-
	2,920	2,498	1,573	1,999	2,110	2,263
	56,000	61,896	61,570	62,083	65,969	72,039
	9,762	9,948	10,203	10,406	11,649	12,301
	24,316	25,261	26,187	27,881	29,270	31,351
	5,343	5,980	6,125	5,821	6,192	8,276
	4,909	5,253	5,729	5,862	5,998	4,738
	660	1,343	564	594	671	771
	9,209	6,763	5,463	11,385	7,386	14,949
	2,603	2,686	2,771	2,864	1,686	1,724
	688	606	521	427	402	538
	57,490	57,840	57,563	65,240	63,254	74,648
	(1,490)	4,056	4,007	(3,157)	2,715	(2,609)
	-	-	-	-	16,765	10,000
	4,988	5,493	4,733	6,007	4,142	5,509
	(4,988)	(5,493)	(4,733)	(6,007)	(4,142)	(5,509)
	-	-	-	-	(6,765)	-
	-	-	-	-	10,000	10,000
\$	(1,490)	\$ 4,056	\$ 4,007	\$ (3,157)	\$ 12,715	\$ 7,391
	6.7%	6.4%	6.3%	6.5%	3.7%	3.8%



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
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
2018	24,838	1,044	6,857	4,582	37,321

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*
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
2018	3,459,865,620	720,958,160	167,819,460	703,482,390

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
\$ 1,330,667,720	\$ 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%
1,232,170,870	3,819,954,760	6.5378	6,005,685,960	63.61%

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
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
2018	6.5378	-	6.5378	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394

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	0.3754	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
0.1446	0.4882	1.2483	0.3100	0.0320	20.9693

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

Taxpayer	2018			2009		
	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	\$ 82,109	1	2.1%	\$ -	-	-
Broadstone Cypress Hammocks LLC	77,806	2	2.0%	-	-	-
MCA Promenade Owner LLC	74,676	3	2.0%	-	-	-
Bell Fund V Coconut Creek LLC	60,989	4	1.6%	41,331	2	1.2%
5401 Wiles Road LLC	58,827	5	1.5%	-	-	-
USA.tr for Seminole Tribe of Florida	56,979	6	1.5%	-	-	-
Florida Power & Light Co	51,980	7	1.4%	33,261	4	1.0%
BMOC-MIA (FL) LLC	51,802	8	1.4%	-	-	-
ERP Operating LTD Partnership	49,860	9	1.3%	33,037	3	0.9%
CGL Banyan Bay LP	46,003	10	1.2%	30,624	5	0.9%
Forest Pointe 372 LLC	-	-	-	43,051	1	1.3%
CA New Plan Asset Partnership	-	-	-	33,525	3	1.0%
Bell South Communications	-	-	-	28,202	6	0.8%
Atlyons LLC	-	-	-	25,702	7	0.7%
ERP Operating LTD Partner ET A	-	-	-	25,526	8	0.7%
ERP Operating LTD Partner	-	-	-	24,723	9	0.7%
ERP Operating LTD Partner et al	-	-	-	24,531	10	0.7%
Totals	\$ 611,031		16.0%	\$ 343,513		9.9%

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	Current Taxes Collections	Percentage Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy
2009	\$ 16,769	\$ 15,772	94.05%	\$ 18	\$ 15,790	94.16%
2010	17,041	15,909	93.36%	265	16,174	94.91%
2011	16,806	15,796	93.99%	312	16,108	95.85%
2012	16,689	15,949	95.57%	180	16,129	96.64%
2013	16,804	16,164	96.19%	(19)	16,145	96.08%
2014	17,618	16,942	96.16%	(48)	16,894	95.89%
2015	18,727	17,856	95.35%	(156)	17,700	94.52%
2016	20,458	19,634	95.97%	12	19,646	96.03%
2017	22,252	21,399	96.17%	2	21,401	96.18%
2018	25,994	24,826	95.51%	12	24,838	95.55%

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

Restated data for 2009 through 2017

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			
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
2018	-	-	-	25,840	-	-	25,840	1.52%	443

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, 2018
 (Amounts Expressed in Thousands)

Jurisdiction	Net Debt Outstanding	Estimated Percentage Applicable to City of Coconut Creek (1)	Estimated Amount Applicable to City of Coconut Creek
Debt repaid with property taxes:			
Broward County	\$ 181,970	2.24%	\$ 4,076
School Board of Broward County (2)	144,430	2.06%	2,975
Subtotal, overlapping debt			7,051
City of Coconut Creek			\$ 25,840
Total direct and overlapping debt			\$ 32,891

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, 2018

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712	\$ 634,607	\$ 665,343	\$ 717,981	\$ 794,703	\$ 868,243	\$ 954,989
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 824,662	\$ 717,384	\$ 624,318	\$ 623,712	\$ 634,607	\$ 665,343	\$ 717,981	\$ 794,703	\$ 868,243	\$ 954,989
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 2018

Assessed Valuation of Taxable Real Property	\$ 3,819,955
Bonded Debt Limit - 25% of above	954,989
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	-
Less Revenue Bonds	-
Total net debt applicable to limit	-
Legal debt margin (1)	<u>\$ 954,989</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 2009 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			
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		
2018	-	2,959	2,959	799	16	3.63	34,568	925	488	24.46		

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 (1)	Personal Income	Per Capita Income (2)	General Fund Operating Revenues Per Capita	General Fund Operating Expenditures Per Capita	Gross Residential Property Tax Per Capita	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2009	47,804	\$ 1,322,927,896	\$ 27,674	\$ 888	\$ 847	\$ 268	43.5	9,414	8.8%
2010	48,159	1,312,429,068	27,252	921	829	246	42.1	9,341	10.1%
2011	52,909	1,474,891,284	27,876	835	764	210	40.3	8,718	10.7%
2012	53,313	1,516,488,285	28,445	849	770	204	40.0	8,784	7.6%
2013	53,783	1,547,874,740	28,780	864	809	211	40.6	8,564	5.6%
2014	55,319	1,553,246,882	28,078	883	826	220	40.2	10,051	5.2%
2015	56,593	1,596,884,681	28,217	898	828	234	39.6	10,196	5.6%
2016	57,116	1,620,552,268	28,373	957	905	261	39.8	10,080	4.6%
2017	57,395	1,646,088,600	28,680	1006	889	280	40.2	10,484	3.3%
2018	58,344	1,702,302,888	29,177	1069	986	320	40.1	10,283	2.8%

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

(2) Furnished by the American Community Survey/U.S. Census Bureau-Quick Facts-Factfinder as of 2017

(3) Furnished by the School Board of Broward County

(4) Furnished by the Bureau of Labor Statistics

Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Seminole Coconut Creek Casino	1,960	1	5.93%	600	3	2.15%
Broward College North	998	2	3.02%	1,791	1	6.43%
Broward County School Board	908	3	2.75%	1,283	2	4.60%
Publix	608	4	1.84%	571	4	2.05%
Atlantic Technical College	469	5	1.42%	-	-	0.00%
City of Coconut Creek	410	6	1.24%	374	6	1.34%
Walmart	326	7	0.99%	505	5	1.81%
Food for the Poor	324	8	0.98%	350	7	1.26%
Al Hendrickson Toyota	302	9	0.91%	-	-	0.00%
Vista BMW	300	10	0.91%	-	-	0.00%
Carl's Corporate Headquarters	-	-	0.00%	213	8	0.76%
Enterprise Car Rental (Regional Office)	-	-	0.00%	165	9	0.59%
Elite Aluminum Corporation	-	-	0.00%	85	10	0.31%
Totals	6,605		19.99%	5,937		21.30%

Source: City of Coconut Creek

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General government	62	62	62	56	60	61	62	63	64	67
Public safety	155	163	163	152	153	165	170	170	173	185
Physical environment	40	35	25	29	29	32	33	33	49	50
Culture and recreation	80	78	68	64	68	71	72	72	61	62
Water and wastewater	29	31	31	31	35	36	36	36	37	36
Stormwater management	8	8	8	8	9	9	9	10	10	10
Total	374	377	357	340	354	374	382	384	394	410

Source: City of Coconut Creek

Operating Indicators by Function
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Bids and contracts awarded	15	18	23	12	23	14	21	15	22	18
Building permits	2,446	2,530	2,272	2,738	2,898	2,588	3,115	3,141	3,035	3,795
Business licenses (new)	380	289	140	177	124	119	108	144	193	141
Police										
Personnel and officers	133	139	138	134	133	137	140	140	142	152
Physical arrests	1,100	1,070	984	883	933	899	830	908	1,064	810
Traffic violations	11,211	8,354	7,919	6,683	6,748	5,756	6,744	7,329	9,550	8,499
Parking violations	1,074	653	1,027	909	1,260	1,332	627	638	290	250
Fire										
Personnel and officers	4	4	4	5	4	4	4	5	5.5	6.3
Number of calls answered	6,178	6,820	6,528	6,807	6,720	5,902	7,260	7,705	7,858	7,883
Inspections	1,577	1,784	1,456	1,803	1,869	1,986	2,125	2,908	2,851	3,301
Transit (1)										
Number of Routes	2	2	2	2	2	2	2	2	3	3
Number of Passengers	131,123	143,872	170,291	161,660	167,377	158,430	141,316	140,976	131,934	132,663
Streets										
Street resurfacing (miles)	-	29	-	1	-	-	-	-	79	-
Potholes repaired	273	173	325	303	248	224	212	368	250	362
Culture and recreation										
Athletic field permits issued	3,420	3,222	4,075	4,081	4,364	4,722	4,642	4,342	4,109	4,196
Fitness memberships	1,663	1,577	1,443	1,193	1,161	1,175	1,178	1,279	1,472	928
Participants Registered:										
Athletic Programs	1,274	2,988	2,087	1,691	1,961	2,203	2,116	1,978	2,264	2,750
Recreation Programs	3,312	7,510	5,356	5,291	4,579	4,679	5,604	5,483	5,986	5,680
Water										
New connections	74	43	50	91	107	88	51	74	95	53
Water main breaks	1	-	2	-	1	-	-	2	3	-
Average daily consumption (thousands of gallons)	4,475	4,263	4,211	3,942	4,015	4,046	4,181	4,149	4,228	3,995
Active Accounts: (Average)										
Residential	10,424	10,473	10,542	10,617	10,719	10,834	10,925	11,000	11,088	11,173
Commercial	854	844	830	839	854	851	932	862	877	877

Source: City of Coconut Creek

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	122	123	126	126	116	134	137	130	132	151
Streets										
Streets (miles)	47	48	48	48	48	48	48	48	48	48
Street lights	1,659	1,662	1,662	1,668	1,668	1,712	1,712	1,712	1,712	1,712
Culture and recreation										
Parks acreage	107	107	107	107	107	170	170	170	170	185
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)	244	247	251	250	251	266	273	273	275	276
Fire hydrants	1,682	1,739	1,756	1,749	1,754	1,748	1,822	1,822	1,822	1,834
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)	203	205	205	209	207	224	227	227	227	228
Storm sewers (miles)	23	29	30	32	32	32	33	33	33	33
Maximum daily treatment capacity (thousands of gallons)	6,540	6,540	6,540	6,540	6,540	6,540	6,540	6,540	6,540	6,540

Source: City of Coconut Creek

Insurance Coverage Via Preferred Governmental Insurance Trust (PGIT)
 October 1, 2017 through September 30, 2018

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 17-10		10/1/2017 through 10/1/2018	\$66,948,666 Total Insured Values (TIV)	\$ 10,000					
					Per Buildings and Contents Schedule on file with PGIT						
					All other Perils deductible		10,000				
					Windstorm 5% of TIV per location; per 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				
					\$1,757,501 Contractors Equipment - Agreed Value		10,000				
					\$100,000 Other Inland Marine - Agreed Value		10,000				
					\$690,098 EDP Equipment - Replacement Cost		10,000				
					\$50,000 Rented, Borrowed, Leased Equipment		10,000				
					\$800,000 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			10/1/2017 through 10/1/2018	\$50,000,000 Incl. property damage, business interruption, extra expense	\$ 10,000					
					\$250,000 Spoilage Damage	10,000					
					\$1,000,000 Ordinance/law	10,000					
					\$1,000,000 Expediting Expenses	10,000					
					\$500,000 Water Damage	10,000					
					\$1,000,000 Ammonia Contamination	10,000					
					\$1,000,000 Hazardous Substance Coverage	10,000					
					\$2,000,000 Utility Interruption (24Hour waiting period)	10,000					
					Workers' Compensation and Employers' Liability	Workers' Compensation Liabilities under F.S. 440	Preferred Governmental Insurance Trust WC FL1 0062801 17-10		10/1/2017 through 10/1/2018	Statutory Benefits per F.S. 440	\$ -
										\$1,000,000 per accident	
\$1,000,000 per employee - disease											
	\$1,000,000 policy limit - disease										

Insurance Coverage Via Preferred Governmental Insurance Trust (PGIT)
October 1, 2017 through September 30, 2018

Type of Policy	Type of Coverage	Insurer/Policy No.	Policy Period From / To	Liability Limits	Member Deductible	
Flood Insurance	Flood - National Flood Insurance Program (NFIP)	Wright National Flood Ins.Co. #091150025731	8/6/2017	\$500,000 bldg/\$500,000 cnts	\$1,250/\$1,250	
	Building Replacement Cost	Govt. Ctr.-City Hall	through			
	Contents Actual Cash Value	Wright National Flood Ins.Co. #091150025737	8/6/2018	\$208,300 bldg/\$15,900 cnts	\$1,250/\$1,250	
		Gerber Park				
		Wright National Flood Ins.Co. #091150025732		\$500,000 bldg/\$72,100 cnts	\$1,250/\$1,250	
		Govt. Ctr.-Public Works				
		Wright National Flood Ins.Co. #091150025733		\$500,000 bldg/\$83,600 cnts	\$1,250/\$1,250	
		Govt. Ctr.-Auto/Land/Carp				
Flood Insurance	Flood - National Flood Insurance Program (NFIP)	Wright National Flood Ins.Co. #091150025731	8/6/2018	\$500,000 bldg/\$500,000 cnts	\$1,250/\$1,250	
	Building Replacement Cost	Govt. Ctr.-City Hall	through			
	Contents Actual Cash Value	Wright National Flood Ins.Co. #091150025737	8/6/2019	\$208,300 bldg/\$15,900 cnts	\$1,250/\$1,250	
		Gerber Park				
		Wright National Flood Ins.Co. #091150025732		\$500,000 bldg/\$72,100 cnts	\$1,250/\$1,250	
		Govt. Ctr.-Public Works				
		Wright National Flood Ins.Co. #091150025733		\$500,000 bldg/\$83,600 cnts	\$1,250/\$1,250	
		Govt. Ctr.-Auto/Land/Carp				
Flood Insurance	Flood Per Occurrence/Aggregate (Property and contents not covered under the Wright National policies)	Preferred Governmental Insurance Trust PR FL1 0062801 17-10	10/1/2017 through 10/1/2018	\$5,000,000	\$ 10,000 (except zones A & V refer to Policy)	
	Crime Insurance	Employee Theft	Travelers Casualty & Surety	10/1/2017	\$1,000,000	\$ 10,000
		Faithful Performance of Duty included	Company of America	through		
		Computer Crime	105684154	10/1/2018	\$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	

Insurance Coverage Via Preferred Governmental Insurance Trust (PGIT)
October 1, 2017 through September 30, 2018

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.	Preferred Governmental Insurance Trust PKFL1 0062801 17-10	10/1/2017 through 10/1/2018	\$1,000,000 per occurrence	\$ -
	Employee Benefits Liability Fire Damage Limit No Fault Sewer Backup Pesticide/Herbicide Limit Law Enforcement			\$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	\$ -
Public Official and Employment Practices Liability	Liability for Money Damages (other than BI or PD) due to Errors or Omissions of the City, it's Commissioners, & Employees			\$2,000,000 per claim \$2,000,000 policy aggregate/annually	\$ 2,500
				\$2,000,000 per claim \$2,000,000 aggregate	\$ 2,500
Media Content Services, Network Security and Privacy Liability	Limit (inclusive of claim expenses)			\$2,000,000 per claim \$2,000,000 aggregate	\$2,500
				\$2,000,000 Aggregate for all Privacy Notification Costs for Privacy Liability \$2,000,000 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	\$ -
Storage Tank Liability	Storage Tank Third-Party Liability, Corrective Action and Cleanup Costs	Commerce and Industry Insurance Company	9/2/2016 through 9/2/2017	\$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



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

To The Honorable Mayor, City Commission and City Manager
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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 2, 2019.

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 City'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 result 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, Florida
April 2, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Coconut Creek, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2018. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, Florida
April 2, 2019

CITY OF COCONUT CREEK, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended September 30, 2018

Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures
U.S. Department of Justice			
Direct Programs:			
Equitable Sharing Program	16.922	-	\$ 462,720
Bulletproof Vest Partnership Program 2017	16.607	-	2,796
Indirect Program:			
Passed through Florida Department of Law Enforcement			
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2018-JAGE-BROW-6-E9-007	<u>4,787</u>
Total U.S. Department of Justice			470,303
U.S. Department of Housing and Urban Development			
Direct Program:			
Community Development Block Grants			
Community Development Block Grants/ Entitlement Grants	14.218	B-16-MC-12-0054	293,784
	14.218	B-17-MC-12-0054	<u>66,709</u>
			360,493
Home Investment Partnership Program	14.239	15-HFCD-149	59,582
	14.239	15-HFCD-150	<u>22,231</u>
			81,813
Total U.S. Department of Housing and Urban Development			442,306
		Total Expenditures of Federal Awards	<u>\$ 912,609</u>

See accompanying notes to this schedule.

CITY OF COCONUT CREEK, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Coconut Creek, Florida (the City) under programs of the federal government for the fiscal year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*.

NOTE 3 – INDIRECT COST RATE

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF COCONUT CREEK, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

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

_____ Yes X None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over the major program:

Material weakness(es) identified?

_____ Yes X No

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

_____ Yes X None reported

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

_____ Yes X No

Identification of the major federal program:

Federal Program or Cluster

CFDA No.

United States Department of Justice
Equitable Sharing Program

16.922

Dollar threshold used to distinguish between Type A and Type B programs – Federal

\$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

_____ Yes X No

CITY OF COCONUT CREEK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF COCONUT CREEK, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The City was not subject to a Federal single audit for the fiscal year ended September 30, 2017.



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

To the Honorable Mayor, City Commission and City Manager
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, 2018, and have issued our report thereon dated April 2, 2019.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of the Federal Awards (Uniform Guidance) 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; Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Compliance, Schedule of Findings and Questioned Costs; 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 and schedule, which are dated April 2, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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

Sections 10.554(1)(i)5.a. and 10.556 (7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify 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.b. 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.

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

April 2, 2019

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

To The Honorable Mayor, City Commission and City Manager
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, 2018. 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, 2018.

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
April 2, 2019

