

CITY OF BOCA RATON FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2011



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boca Raton
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF BOCA RATON, FLORIDA
FOR THE FISCAL YEAR ENDED
September 30, 2011



Prepared by the Financial Services Department

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ABOUT THE COVER:



Florida Atlantic University (FAU) is part of the State of Florida's public university system with its main campus located in Boca Raton. FAU is a comprehensive public university that is fully accredited by the Southern Association of Colleges and Schools and is currently serving 29,000 students on seven campuses and sites. The University's 10 colleges offer more than 195 undergraduate and graduate degree programs. FAU was originally established in 1961 as a junior-senior college on the site of a former military airbase. The City of Boca Raton and FAU entered into a joint agreement for Campus Development for FAU to construct and operate its new stadium, as pictured on the cover. Additional information can be found at the University's website at www.fau.edu.

The new on-campus football stadium provides students, alumni and fans an opportunity to enjoy a wonderful day on the Boca Raton campus and the new stadium and staff ensure a great game-day experience. The 30,000-seat stadium was completed in the Fall of 2011 and Florida Atlantic University hosted its first home game on its campus in Boca Raton on October 15, 2011.

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DESIGN CREDIT: Mark Witzen, *City of Boca Raton*

CITY OF BOCA RATON, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2011

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March 26, 2012

The Honorable Mayor,
Members of the City Council,
Citizens of the City of Boca Raton, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Boca Raton, Florida (the City), for the fiscal year ended September 30, 2011. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an external auditing firm. We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Financial Services Department and the exhibits and statistical tables included herein.

The CAFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

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

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Marcum LLP, independent auditors, has issued unqualified opinions on the City of Boca Raton's financial statements for the fiscal year ended September 30, 2011. The independent auditors' report is located at the front of the financial section of this report.

The City's Financial Statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments the letter of transmittal and should be read in conjunction with it.

THE CITY OF BOCA RATON

Profile

Boca Raton is a full service city located within the boundaries of Palm Beach County. The City derives its governmental authority from a charter granted by the Legislature of the State of Florida. In 1965, the Council-Manager form of government replaced the Commissioner-Manager system in Boca Raton. Four Council Members and a Mayor are elected at large on a non-partisan basis for three-year terms. The City Council appoints the City Manager who is the Chief Administrative Officer of the City and directs the business of the City and its various departments. The City Council determines policy, adopts legislation, approves the City's budget, sets taxes and fees, and appoints the City Attorney and members of various boards and committees.

Services Provided

The City provides a full range of municipal services. The public safety program includes police, fire protection and rescue services; the City's extensive recreation program includes beaches, a pool, golf courses, libraries, tennis courts, neighborhood parks, and community centers; the Municipal Services Department provides essential traffic, street maintenance, sanitation, storm water system maintenance and other technical assistance to the City; the Utility Services Department provides water and sewer services. The City's Development Services Department provides planning, zoning and building permit and inspection services and administers the City's Community Development Block Grants. The City also provides general administrative services.

Reporting Entity

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included in the reporting entity. However, the Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Accounting and Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City is required to undergo an annual single audit performed under the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General, State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control and compliance with applicable laws and regulations are included in a separate report. This report disclosed no instances of significant deficiencies in internal control over financial reporting or significant violations of applicable laws and regulations.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget adoption. All expenditures for other than personal services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the fund budget is not increased. Budget amendments are submitted quarterly to Council for their consideration and in accordance with state law are posted to the City's website five days after adoption.

LOCAL ECONOMY

Florida Trend recently summarized the Boca Raton economy: ***“Boca Raton fared better than most in the recession, and it's rolling out well. An effort to rebrand downtown shopping areas is under way. Tourism growth led the county in a county that led the state in hotel occupancy growth. Major corporate headquarters and offices for the likes of IBM, ADT and Office Depot lend stability, as does Florida Atlantic University, which has a standout new engineering***

building, a med school opening this fall and a 30,000-seat football stadium under construction that will be ready for the upcoming season.”

The birthplace of the of the IBM personal computer, Boca Raton has grown from a small agricultural community to a large regional employment center with one of the largest business concentrations in South Florida. In fact, about half of all of the large office buildings in Palm Beach County are in Boca Raton, and a number of national and international corporations call Boca Raton home. Corporate headquarters in Boca Raton include such well-known companies such as Office Depot, Bluegreen Corp., Campus Management, Garda Global, and Jardin Consumer Solutions, as well as innovative and high-tech start-up companies such as 3CInteractive, GeoGroup, Integrity Tracking, and Biotest. Nearly 3,000 businesses are located in Boca Raton, employing over 38,000.

Despite the continued economic downturn, Boca Raton has maintained its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs. The value of the building permit applications increased from \$6.4 million in 2010 to \$7.1 million in 2011.

The severity and length of the economic downturn has had a negative impact on the City’s corporate tax base and jobs. In addition, the City of Boca Raton is facing competition for new and existing businesses. In order to create and retain jobs in the City, the City Council identified economic development strategy and funding as one of the top priorities for FY 2011-12. As a result, in addition to working with economic development agencies such as Enterprise Florida and the Palm Beach County Business Development Board, the City developed and adopted an aggressive Economic Development Incentive Program to attract businesses to the City and to retain and promote the growth of existing businesses in the City.

One of the primary components in the City’s economic development efforts was the creation of the City’s Economic Development Incentive Policy to provide economic development incentives for companies seeking to relocate to the City or to expand their existing business within the City. Based on the criteria listed in the policy, including job creation and/or retention, capital investment and job salaries, the City can provide incentives through a number of different methods including providing the local match for state economic development programs, making grants and/or loans, and subsidizing rents and leases. It also can provide non-financial incentives such as expedited permitting.

Through its Economic Development Incentive Policy, the City has committed \$678,400 to date, which has resulted in the creation of 1,769 new jobs and retainage of 1,650 other jobs in the City.

Boca Raton is also a major cultural location in southeast Florida, anchored by the Mizner Park Amphitheater, the Boca Raton Museum of Art, and the Mizner Park Cultural Arts Center the Caldwell Theater. The City has a large number of quality hotel accommodations, including the iconic Boca Raton Resort & Beach Club.

Formal education plays an important role in the Boca Raton area. The City is the location of Florida Atlantic University (FAU), Lynn University, and the southern campus of Palm Beach State College. The combined enrollment of these institutions is over 25,000 students, which adds to the stability of the City’s economic base, and the educational facilities continue to expand. FAU was

approved for an on-site medical school, and continues to expand its campus with new student housing, classroom buildings, a new stadium, and a state-of-the-art LEED certified Engineering Building.

Lynn University has created a new master plan for its campus and has opened its new performance facility and is scheduled to host the final Presidential Debate in October 2012. Palm Beach State College has expanded its programs to include courses in alternative energy and environmental sustainability. Additionally, all of the public schools in the City have received an “A” rating, the highest rating possible, by the State of Florida.

MAJOR INITIATIVES

For the Year

With goals and priorities of a financially sound City government, top quality municipal services, sustainable city and a strong partnership with our stakeholders, the City continues to demonstrate its ability to be one of the most financially secure local governments in Florida.

The City’s taxable value is \$16.421 billion, making the City’s taxable value the highest of any municipality in Palm Beach County and the fourth highest in the three South Florida counties behind Miami, Miami Beach and Ft. Lauderdale.

The Boca Raton Community Redevelopment Agency’s taxable value over the last five years has decreased an average of 4% annually. The City of Boca Raton’s taxable property values decreased 0.70% for the 2011 tax year. This is the fourth year of declines in property values that the City has experienced since 1992 and is well below the City’s twenty-year average property value growth rate of 5%.

Beginning in May 2011, the City implemented a new metered parking program in the downtown and beach areas. The program will be expanded to approximately 50% of the City service area by 2012 and will be fully implemented City-wide by 2013.

During 2011, Moody’s, Standard and Poor’s and Fitch Ratings affirmed the “AAA” ratings on the City of Boca Raton’s General Obligation Debt. Standard & Poor’s stated *“The Aaa rating is based on the city’s broad-based economy, with an affluent resident base and established business sector, sound financial position characterized by good cash and equity, and affordable debt profile.”* Fitch stated *“Its credit profile is strong, marked by healthy financial performance, very low debt levels, and prudent financial management.”* Boca Raton was the first city or county in Florida to receive the highest bond credit rating from all three credit rating agencies. All three of the rating agencies have also rated the Water and Sewer Revenue Bonds “AAA.”

On October 1, 2010, the City took over the operation of the Mizner Park Amphitheater from the non-profit The Centre for the Arts at Mizner Park. The City has made physical improvements to the facility, established a website at www.mizneramphitheater.com and enhanced marketing for the Mizner Park Amphitheater. The City actively programmed a wide variety of events including commercial shows, venue rentals, and City produced and co-produced shows and

concerts. In the initial year of the City operation of the Mizner Park Amphitheater, there were over 50 events with attendance of over 100,000.

The initiatives from the Downtown Boca Strategic Marketing and Branding Plan were implemented on a cost neutral basis to the City. The City and its community partners co-produced the inaugural Meet Me on the Promenade in October 2011. The two-night, one-day free community festival had more than 10,000 visitors filling the streets. This inaugural event celebrated the recent completion of the city's \$5 million infrastructure enhancement program and the new Downtown Boca Pedestrian Promenade. The promenade area created a new destination hub at its centrally located Sanborn Square Park. The newly reconstructed paved streets and widened sidewalks strengthen the physical and experiential connection and enhance and promote walkability between the north and south ends of Downtown Boca Raton. In February 2012, the Downtown Pedestrian Promenade project earned a National Recognition Award in the American Council of Engineering Companies (ACEC) 2012 Engineering Excellence Awards (EEA) competition, a prestigious distinction for demonstrating exceptional achievements in engineering.

The City of Boca Raton has continued the design process for the proposed new downtown library. Through a series of public meetings, the design and site plan for the 40,000 square foot library to be constructed in the City property on the northeast corner of Boca Raton Boulevard (aka NW 2nd Avenue) and NW 4th Street has been developed. A monetary gift from The Friends of the Boca Raton Public Library expanded the meeting area of the library, increased the size of the used bookstore within the library, and provided other enhancements. The construction of the project is scheduled to begin in April 2012, with the opening of the facilities in late spring 2013.

In October 2010, the City of Boca Raton was presented with the Association of Metropolitan Water Agencies Platinum Award for Utility Excellence. This is the highest award granted for continued excellence in the water industry, and these awards recognize large public drinking water systems that exhibit high levels of performance in the areas of product quality, customer satisfaction, employee and leadership development, operational optimization, financial viability, community sustainability, operational resiliency, infrastructure stability, stakeholder understanding and support, and water resource adequacy. Gold and Platinum Award winners also show achievement in the areas of leadership, strategic business planning, organizational approaches, measurement, and a continual improvement management framework.

Boca Raton also remains as a premier shopping and dining location. The Town Center at Boca Raton has continued to expand and is considered the premier regional mall in South Florida. Other destination shopping and dining areas in the City include the downtown areas of Mizner Park, whose main thoroughfare, Plaza Real, was named as one of the **Top 10 Great Public Spaces in America** by the American Planning Association, as well as Royal Palm Place.

For the Future

The City recognizes that a successful downtown is a critical component for Boca Raton. To be successful, downtown Boca Raton must develop a sense of place, the public and private sector must work together with a common goal, public funds need to be wisely invested and new development should provide pedestrian connections to the overall downtown.

The Downtown Boca Strategic Marketing and Branding Plan continues to be implemented, including local workshops with downtown businesses, a wholly dedicated downtown website and continued monthly special events and programming as a follow up to the success of the inaugural Meet Me on the Promenade event. The Meet Me on the Promenade event was a perfect example of successful public/private partnership supported by the connectivity and collaboration of downtown Boca Raton business and lifestyle, as it was underwritten by community stakeholders and partners who also understand the importance of a vibrant downtown. The City is currently collaborating with our downtown partners to provide the annual promenade event again in October 2012.

For the 2012 fiscal year, the City approved a 4.3% increase in the operating tax rate to \$3.15 per \$1,000. The City's 2012 debt service tax rate decreased 6.6% to \$0.3602 per \$1,000 based upon voter approved bond issues. The net result was an increase of 3.06%.

The City continues to evaluate and implement user fees as part of its efforts for long term sustainability. In the 2012 budget, the sanitation fee was increased from \$15 to \$16 monthly for single family residents and from \$8.61 to \$9.59 monthly for multi-family residential units to cover approximately 100% of the projected \$6 million annual cost to provide sanitation services. The provision of solid waste services is accounted for as an enterprise fund.

The City is in the process of implementing a red light camera program at certain intersections in the City to reduce accidents. This program is anticipated to generate additional revenue of \$800,000 to the City. Also, in the 2012 operating budget, the City increased the fire assessment fee from \$60 to \$80 per household to recover a portion of the operational costs of the City's fire services.

In the 2012 Session, the Florida Legislature is considering cuts to business taxes along with pushing additional costs down to local governments as unfunded mandates. The City is closely monitoring these proposals and their potential impacts and limitations to Florida municipalities. The consequences of a combination of several of the proposals being considered could have a significant impact on the City's ability to maintain and/or improve services to residents.

LONG RANGE FINANCIAL PLANNING

The City Council has adopted financial policies for operating, capital and debt management. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. A long-range financial plan is presented to the City Council annually in the spring. This document forecasts the General Fund and several other fund operations for the next five years and is used to guide the development of the annual operating budget and to achieve the long term goal of a financially sound city.

The City has also recognized the long-term financial cost implications of its pension benefits and in fiscal year 2008 adjusted benefits prospectively for new general employee hires, then in fiscal year 2010, adjusted benefits prospectively for executive employees. For 2011, \$10.5 million has been committed for a retirement system reserve. The City continues to monitor all of its pension costs for sustainability and to provide cost containment so as not to shift the costs to future taxpayers.

The Capital Improvements Program (CIP) is prepared and presented to the City Council as part of the annual budget process. The projects represent the City's plan for infrastructure improvement and major equipment acquisition for the next six years.

The City issued the remaining balance of the 2003 voter approved General Obligation Bonds in 2010 to fund the construction of the downtown library. The City also entered into an agreement with the Friends of the Boca Raton Public Library for financial support. The CIP includes \$1.5 million to fund the balance of the costs of the downtown library construction, furniture, fixtures and equipment. The approved CIP also includes funding for updated radio communications system and enveloping the City's roadways, buildings and significant public venues in a video security network. Due to the lack of state and federal funding, the City will fund \$1.5 million annually to pay for future beach renourishment project to protect and preserve our significant beachfront property.

OTHER INFORMATION

Independent Audit

The City Charter, Article 3, Section II, requires an annual audit of the City's financial statements by independent accountants selected by the City Council. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boca Raton, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2010. This was the 31st consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report 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.

Award for Distinguished Budget

The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year ended September 30, 2011. It was the 29th consecutive year the City received the award for the document, which serves as the City's primary fiscal policy document.

ACKNOWLEDGMENTS

The completion and issuance of this report could not have been accomplished without the dedicated efforts of the entire staff of the Financial Services Department. Special thanks must be given to Patricia White, Carol Himes, Victoria Guinn, Allison Teslia and Gary Kapalka, for their dedication in the creation and compilation of this document. Our appreciation is also extended to Jean Bonds, Michael Woika, Robert George, Sharon McGuire, Leslie Harmon and Ella Moore-Poitier for providing support in the preparation of this report.

We believe that this report clearly illustrates the strong financial posture of the City of Boca Raton and we wish to take this opportunity to thank you and the citizens of Boca Raton for the vital role you have historically played in enabling the City to achieve and maintain this high degree of fiscal responsibility.

Respectfully yours,

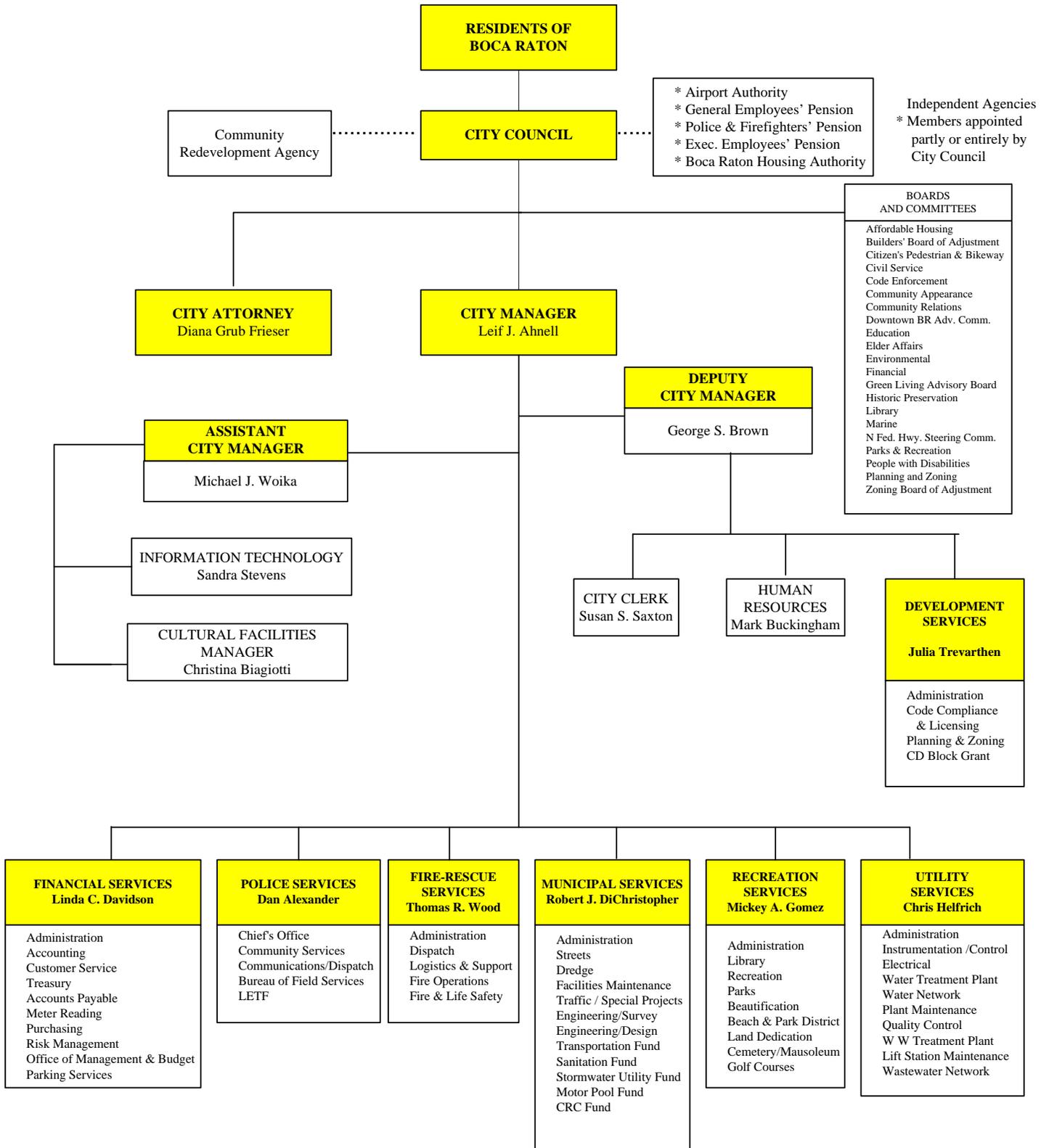
A handwritten signature in cursive script that reads "Linda C. Davidson".

Linda C. Davidson, C.P.A., C.G.F.O., C.P.F.O.
Financial Services Director

LIST OF PRINCIPAL OFFICIALS
September 30, 2011

| | |
|-----------------------------------------------|----------------------|
| Mayor | Susan Welchel |
| Deputy Mayor | Susan Haynie |
| Council Member | Michael Mullaugh |
| Council Member | Anthony Majhess |
| Council Member | Constance Scott |
| City Manager..... | Leif J. Ahnell |
| Deputy City Manager..... | George S. Brown |
| Assistant City Manager..... | Michael J. Woika |
| City Attorney..... | Diana Grub Frieser |
| City Clerk | Susan Saxton |
| Development Services Director..... | Julia Trevarthen |
| Financial Services Director | Linda C. Davidson |
| Fire/Rescue Services Chief..... | Thomas R. Wood |
| Recreation Services Director | Mickey A. Gomez |
| Police Services Chief | Dan Alexander |
| Utility Services Director | Chris Helfrich |
| Municipal Services Director | Robert DiChristopher |
| Office of Management and Budget Director..... | Sharon McGuire |
| Information Technology Director..... | Sandra Stevens |
| Human Resources Director..... | Mark Buckingham |

CITY OF BOCA RATON ORGANIZATIONAL STRUCTURE





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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council
City of Boca Raton, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information (including the Community Redevelopment Agency Funds) of the City of Boca Raton, Florida, (the City) as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information on pages 1 through 18 and 82 through 89 is 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.

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

Marcum LLP

West Palm Beach, FL
March 26, 2012



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Management's Discussion and Analysis (Unaudited)

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Boca Raton, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2011. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$811.655 million (net assets). Of this amount, \$138.740 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$11.822 million. The increase is attributable to a significant decrease in expenses in the governmental activities and an increase in operating revenues for the business-type activities, especially in water and sewer.
- The City's business-type activities reported total net assets of \$312.891 million, which is an increase of \$5.637 million, or 1.83%, in comparison to the prior year. Approximately 17.10% of the total or \$53.501 million is unrestricted and thus available for spending at the City's discretion.
- At the end of the current fiscal year, fund balance for the General Fund was \$46.572 million, or 39.6% of the general fund expenditures and other financing uses. Of this balance, \$170 thousand has been restricted for the Army Corp of Engineers for an overflow site in the event of emergency dredging of the Intracoastal Waterway, \$22.733 million has been committed for hurricane/disaster emergency, Mizner Park debt service and retirement, \$1.316 million was assigned for the subsequent years' budget, \$12.9 thousand for inventories was non-spendable and \$22.34 million was unassigned and available for new spending.
- Due to continued volatile financial market conditions, interest rates declined by a significant margin this past fiscal year, resulting in decreased interest earnings for the City. The City's average interest earnings return decreased from 1.91% in 2010 to 1.08% in 2011.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Boca Raton. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net assets and statement of activities. As described below, these statements do not include the City's fiduciary funds because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary funds are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

The *Statement of Net Assets* presents information on the assets held and liabilities owed by the City. Assets are reported when the City acquires ownership over the assets and liabilities are reported when they are incurred, regardless of the timing of the related cash flows. For example, the City reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities even though these liabilities might not be paid until several years into the future.

The difference between the City's total assets and total liabilities is net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net assets, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents the revenue and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the City 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 include general government, law enforcement, fire rescue, physical environment, transportation, community development and parks and recreation. The business-type activities include water and sewer utility, cemetery/mausoleum, golf course, stormwater utility, and sanitation.

The City's government-wide financial statements are presented on pages 19-22 of this report.

Fund Financial Statements

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. Except for the General Fund, separate funds are established to maintain control over resources that

have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary (pension) funds.

Governmental Funds

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net assets presented in the governmental activities column on the statement of net assets. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the major funds which are the General Fund, Community Redevelopment Agency Mizner Park Revenue Fund, the Five Year Capital Improvement Fund and the Beach and Park Operations Fund. The City presents data from all other non-major governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City's governmental fund financial statements are presented on pages 23-28.

Proprietary Funds

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

These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City uses Internal Service Funds to account for its fleet of vehicles, information technology systems and self-insurance/benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City presents a separate column for the Water and Sewer Utility Fund since it is most significant to the City. The remaining four non-major enterprise funds are aggregated and reported in a single column. Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 29-32.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

The City's fiduciary fund financial statements are presented on pages 33-34.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-81.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as other post employment benefits. This section also includes a comparison between the City's adopted and final budget and actual financial results. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and for the major special revenue funds to demonstrate compliance with this budget.

Required supplementary information can be found on pages 82-89.

Combining and individual fund statements and schedules referred to earlier in connection with major and non-major governmental funds and proprietary funds are presented immediately following the required supplementary information and can be found on pages 90-127 of this report.

Government-Wide Financial Analysis

The following schedule is a summary of the fiscal 2011 Statement of Net Assets found on pages 19-20 with comparative information for fiscal 2010.

| CITY OF BOCA RATON, FLORIDA | | | | | | |
|----------------------------------------------------|----------------------------|------------|-----------------------------|------------|------------|------------|
| Net Assets (in thousands) | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Current and other assets | \$ 185,150 | \$ 190,372 | \$ 112,372 | \$ 109,051 | \$ 297,522 | \$ 299,423 |
| Capital assets | 451,776 | 451,512 | 258,465 | 258,953 | 710,241 | 710,465 |
| Total assets | 636,926 | 641,884 | 370,837 | 368,004 | 1,007,763 | 1,009,888 |
| Non-current liabilities outstanding | 127,224 | 135,141 | 50,032 | 53,144 | 177,256 | 188,285 |
| Other liabilities | 10,938 | 14,164 | 7,914 | 7,606 | 18,852 | 21,770 |
| Total liabilities | 138,162 | 149,305 | 57,946 | 60,750 | 196,108 | 210,055 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 369,771 | 361,158 | 210,890 | 208,818 | 580,661 | 569,976 |
| Restricted | 43,754 | 46,129 | 48,500 | 53,378 | 92,254 | 99,507 |
| Unrestricted | 85,239 | 85,292 | 53,501 | 45,058 | 138,740 | 130,350 |
| Total net assets | \$ 498,764 | \$ 492,579 | \$ 312,891 | \$ 307,254 | \$ 811,655 | \$ 799,833 |

The overall position of the City improved in both the 2011 and 2010 fiscal years. Changes in net assets over time can be one of the best and most useful indicators of financial position. The total City's net assets balance of \$811.7 million at September 30, 2011 is a 1.48%, or \$11.8 million, increase compared to the 2010 balance of \$799.8 million. The increase in net assets was a result of operations in both the governmental and business-type activities.

By far, the largest portion of the City's net assets (71%) reflect its investment in capital assets (such as land, roads, parks, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. Although the capital assets are shown net of 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 and pay for these liabilities. With a 2011 balance of \$580.661 million, capital assets net of related debt increased by 1.9%, \$10.685 million, over the 2010 balance of \$569.976 million. This increase was due primarily to the reduction of debt related to capital assets.

12% of the City's net assets represent resources that are subject to external restrictions on how they may be used. The \$92.254 million balance in restricted net assets reflects a net decrease of \$7.253 million from \$99.507 million in 2010.

The remaining 17% of the City's net assets are unrestricted and may be used to meet the City's on-going obligations to its citizens and creditors. The ending balance of \$138.740 million is a 6.4%, or \$8.390 million, increase from the 2010 balance of \$130.350 million. This increase in unrestricted net assets is due to a reduction in expenses that were greater than the overall reduction in revenues.

The following schedule is a summary of the fiscal year ended September 30, 2011 Statement of Activities found on pages 21-22 with comparative information for fiscal year ended September 30, 2010.

CITY OF BOCA RATON, FLORIDA
Changes in Net Assets (in thousands)

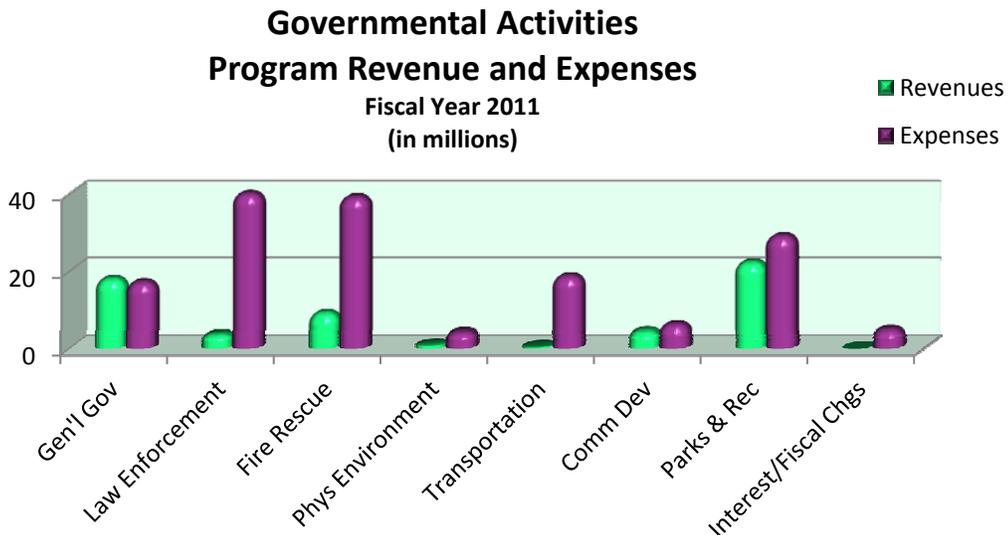
| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 50,628 | \$ 48,185 | \$ 59,337 | \$ 55,673 | \$ 109,965 | \$ 103,858 |
| Operating grants & contributions | 5,317 | 13,916 | | | 5,317 | 13,916 |
| Capital grants & contributions | 2,720 | 3,326 | 1,259 | 5,401 | 3,979 | 8,727 |
| General revenues: | | | | | | |
| Property taxes | 54,246 | 57,635 | | | 54,246 | 57,635 |
| Other taxes | 48,938 | 46,925 | | | 48,938 | 46,925 |
| Other | 3,737 | 4,765 | 718 | 1,354 | 4,455 | 6,119 |
| Total revenues | <u>165,586</u> | <u>174,752</u> | <u>61,314</u> | <u>62,428</u> | <u>226,900</u> | <u>237,180</u> |
| Expenses: | | | | | | |
| General government | 16,977 | 23,023 | | | 16,977 | 23,023 |
| Law enforcement | 39,979 | 37,585 | | | 39,979 | 37,585 |
| Fire rescue | 39,140 | 37,856 | | | 39,140 | 37,856 |
| Physical environment | 4,237 | 7,851 | | | 4,237 | 7,851 |
| Transportation | 18,536 | 22,196 | | | 18,536 | 22,196 |
| Community development | 6,040 | 4,168 | | | 6,040 | 4,168 |
| Parks and recreation | 28,979 | 34,928 | | | 28,979 | 34,928 |
| Interest and fiscal charges | 4,793 | 4,834 | | | 4,793 | 4,834 |
| Water and sewer | | | 44,132 | 42,970 | 44,132 | 42,970 |
| Cemetery | | | 658 | 635 | 658 | 635 |
| Golf | | | 3,073 | 3,075 | 3,073 | 3,075 |
| Stormwater Utility | | | 2,023 | 1,646 | 2,023 | 1,646 |
| Sanitation | | | 6,511 | 5,851 | 6,511 | 5,851 |
| Total expenses | <u>158,681</u> | <u>172,441</u> | <u>56,397</u> | <u>54,177</u> | <u>215,078</u> | <u>226,618</u> |
| Increase in net assets before transfers | 6,905 | 2,311 | 4,917 | 8,251 | 11,822 | 10,562 |
| Transfers | <u>(720)</u> | <u>(2,784)</u> | <u>720</u> | <u>2,784</u> | | |
| Increase in net assets | <u>6,185</u> | <u>(473)</u> | <u>5,637</u> | <u>11,035</u> | <u>11,822</u> | <u>10,562</u> |
| Net assets beginning of year | <u>492,579</u> | <u>493,052</u> | <u>307,254</u> | <u>296,219</u> | <u>799,833</u> | <u>789,271</u> |
| Net assets end of year | <u>\$ 498,764</u> | <u>\$ 492,579</u> | <u>\$ 312,891</u> | <u>\$ 307,254</u> | <u>\$ 811,655</u> | <u>\$ 799,833</u> |

Changes in net assets:

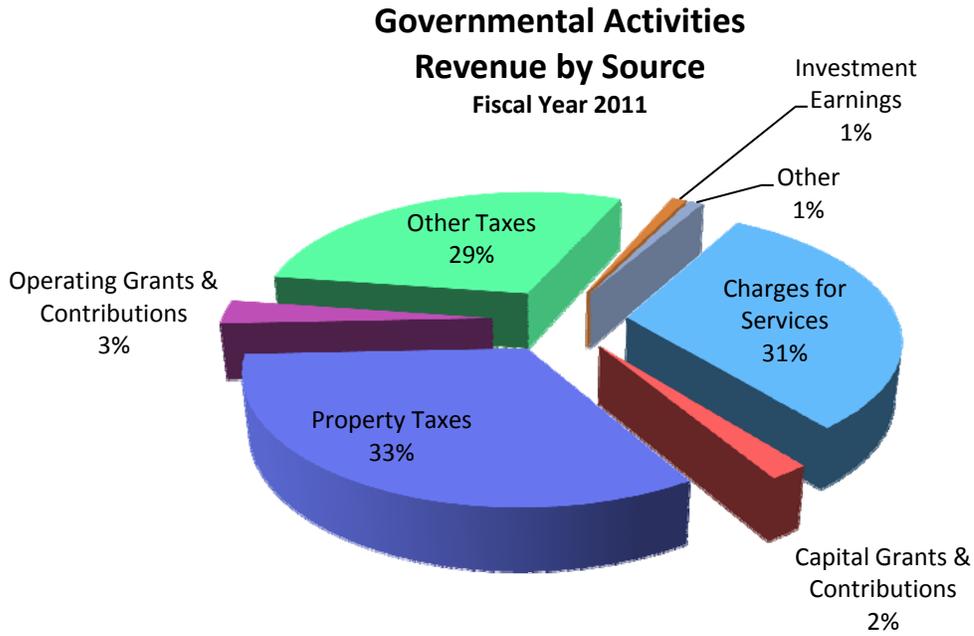
Governmental activities increased the City's net assets by \$6.185 million. This net increase in assets is a result of the following:

- Property tax revenues decreased by approximately \$3.389 million due to a decrease in new construction and property tax values and no change in the property tax rate.
- Other taxes (including utility, franchise, sales and other state shared revenue) decreased by \$2.013 million due primarily to a decline in franchise taxes (electrical, cable television, natural gas and solid waste) in the current year.
- Charges for services increased by \$2.482 million related to an increase in the fire assessment fee and the new metered parking program. Other revenues decreased by \$1.1 million related to declines in interest earnings.
- Operating grants and contributions received by the City declined by approximately \$8.599 million due to the state and federal reimbursements related to beach renourishment and transportation projects that were specific only to the prior fiscal year.
- Transfers from governmental funds to business type funds were reduced by \$2.063 million, primarily due to reduced support from the General Fund to Sanitation as part of four year plan to make Sanitation a self-sufficient operation.
- Expenses during 2011 decreased by approximately \$14.075 million from 2010 due primarily to decreases in transportation projects, service delivery and staff reductions and a \$2 million decrease in operating transfers.

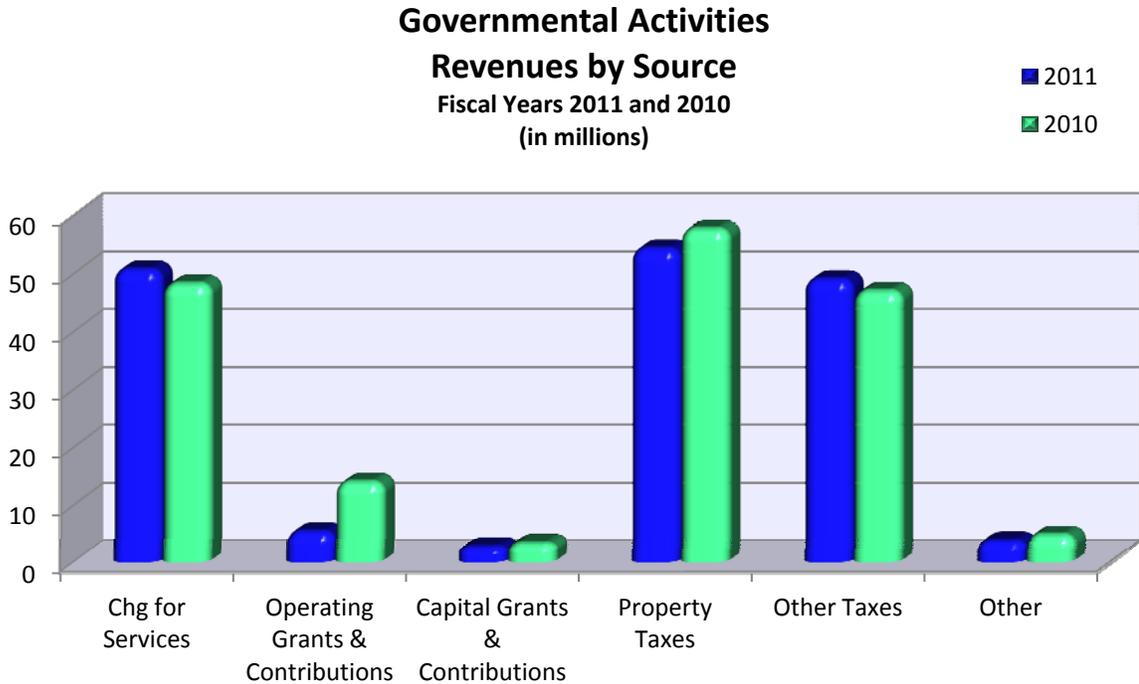
The following chart compares expenses and program revenues for the governmental activities for fiscal year 2011.



The following is a chart of the fiscal year 2011 revenues by source of governmental activities by percent of total revenues.



The following is a comparative chart of the fiscal years 2011 and 2010 revenues by source for governmental activities.



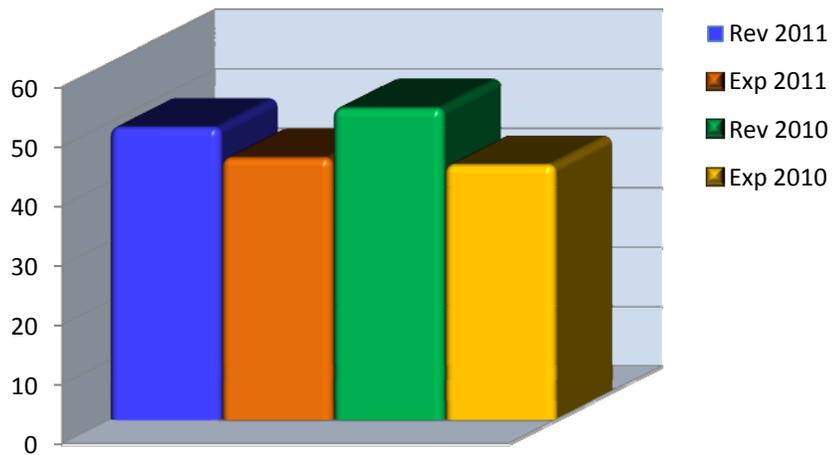
Business-Type Activities

Net assets for business-type activities at September 30, 2011 were \$312.9 million, a 1.83%, or \$5.7 million, increase from the 2010 balance of \$307.2 million.

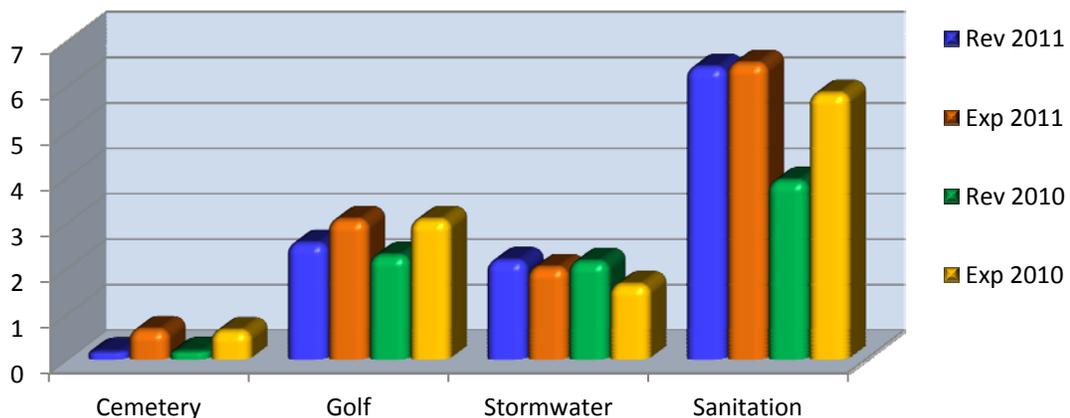
The net assets for the Water and Sewer Fund increased by \$5.589 million in 2011, a 47.64% decline from the \$10.643 million reported in 2010. In 2010 there were \$4.1 million of nonrecurring system development charges that were not received in 2011.

The following charts show the fiscal years 2011 and 2010 expenses and revenues by program for the business-type activities.

**Business-Type Activities
Water and Sewer Fund
Revenue and Expenses**
Fiscal Years 2011 and 2010
(in millions)

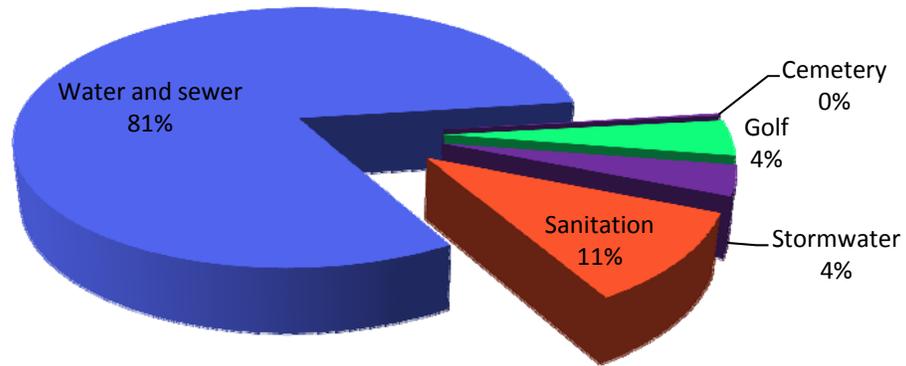


**Business-Type Activities
excluding Water and Sewer Fund
Revenue and Expenses**
Fiscal Years 2011 and 2010
(in millions)



The following is a chart of the fiscal year 2011 revenue by program for business-type activities.

Business-Type Activities Revenue by Source



Financial Analysis of the City of Boca Raton's Funds

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

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 23-28. The focus of the City'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'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.

Major Fund Information
(in thousands)

| | <u>General</u> | <u>Community Revelopment Agency Mizner Park Revenue Fund</u> | <u>Five Year Capital Improvement Fund</u> | <u>Beach and Park Operations Fund</u> |
|-------------------------------------|----------------|------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
| Fiscal Year 2011 | | | | |
| Revenues | \$116,053 | \$10,203 | \$8,940 | \$15,333 |
| Expenditures | 116,359 | 2,500 | 5,607 | 15,309 |
| Other financing sources (uses) | (48) | (6,807) | (3,953) | (25) |
| Increase (decrease) in fund balance | (353) | 896 | (620) | |
| Fiscal Year 2010 | | | | |
| Revenues | \$119,098 | \$7,987 | \$14,724 | \$13,880 |
| Expenditures | 116,268 | 2,500 | 17,492 | 13,854 |
| Other financing sources (uses) | (4,940) | (11,316) | (737) | (26) |
| Increase (decrease) in fund balance | (2,110) | (5,829) | (3,504) | |

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23.34 million while the total fund balance amounted to \$46.572 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and other financing uses. Unassigned fund balance represents 19% of total general fund expenditures and other financing uses, while total fund balance represents 39.6% of that same amount.

The fund balance of the City's General Fund decreased by \$353 thousand in 2011 due primarily to a decline in property tax revenues of \$2,646 thousand. Support to the City's Sanitation fund was reduced by \$2,246 thousand thereby reducing expenditures.

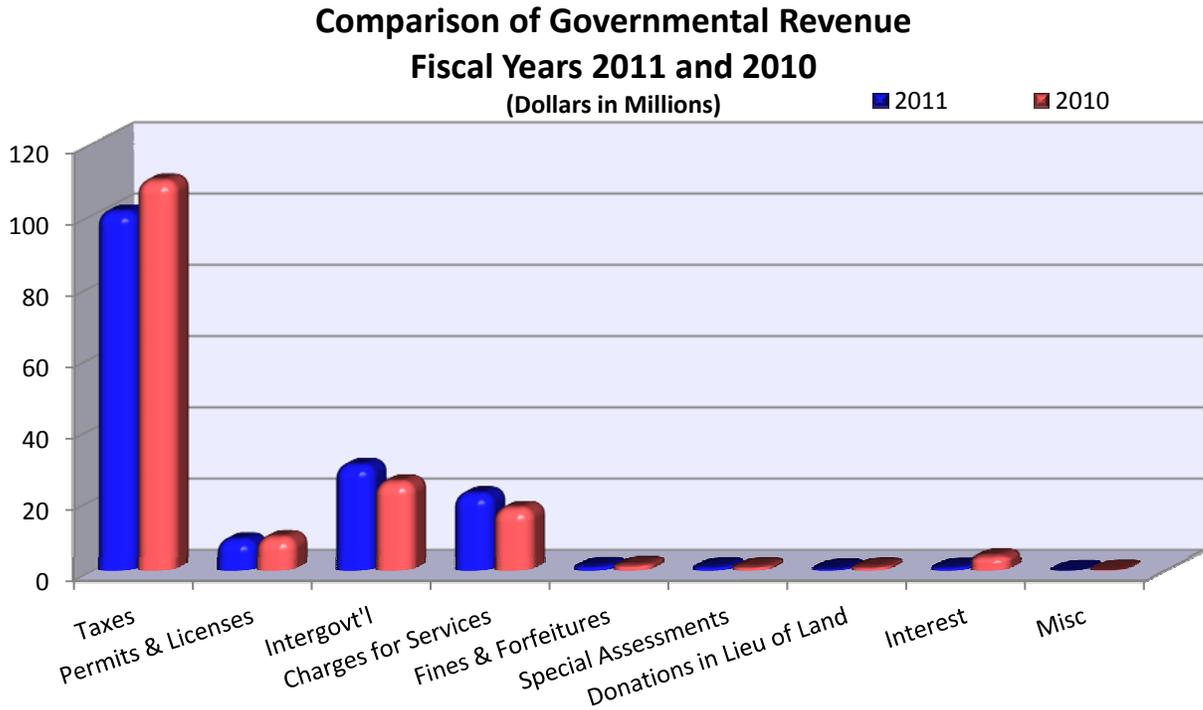
The fund balance of the City's Community Redevelopment Agency (CRA) Mizner Park Revenue Fund increased by \$896 thousand in 2011 due to additional tax increment revenue recognized in 2011.

The Five Year Capital Improvement Fund had a decrease in fund balance from the prior year of \$620 thousand. Revenues decreased by \$5,784 thousand, expenditures decreased \$11,885 thousand due to the completion of various capital projects including road improvements.

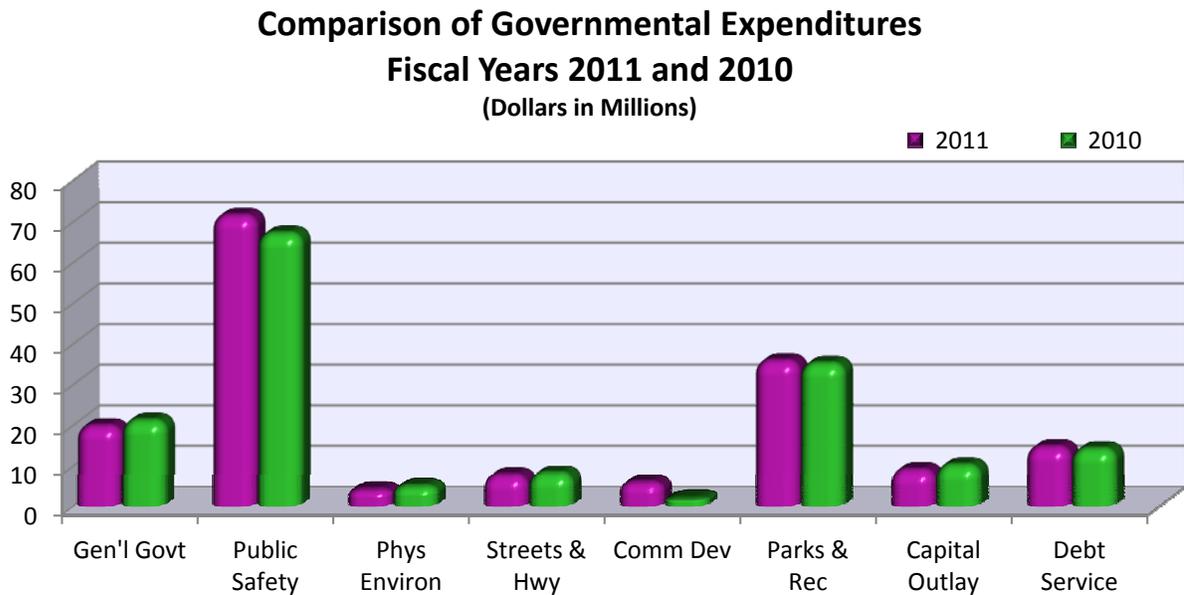
The Beach and Park Operations Fund increased contributions from an independent special district by \$1,455 thousand. This increase covered the district's related operating costs provided through an interlocal agreement for services by the City.

The fund balance in the other non-major governmental funds decreased \$6.307 million from \$50.102 million in 2010 to \$43.795 million in 2011. This decrease was primarily due to \$4.2 million spent on construction projects in the downtown area.

The chart below compares revenues by source for the governmental funds for fiscal years 2011 and 2010.



The following chart compares governmental expenditures by program for fiscal years 2011 and 2010.



Proprietary Funds

The table below summarizes both the operating income (loss) and the change in net assets for each of the City's proprietary funds. The current year operating income in the Water and Sewer Fund was \$5.987 million as compared with \$6.257 million income in the prior year. The non operating revenues total \$4.387 million, contributed to the increase in net assets.

PROPRIETARY FUNDS (in thousands)

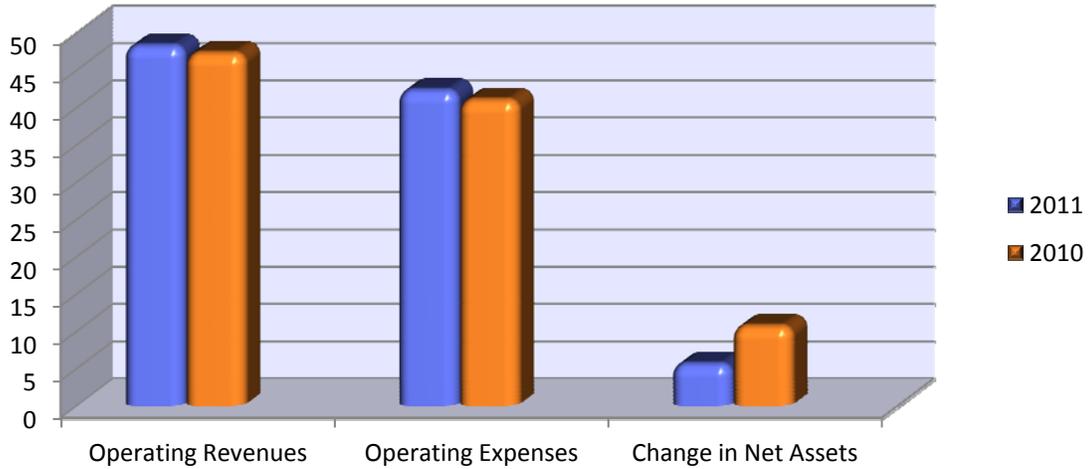
| | <u>Operating Income (Loss)</u> | | <u>Change In Net Assets</u> | |
|------------------------|--------------------------------|-----------------|-----------------------------|------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Water and Sewer | \$ 5,987 | \$ 6,257 | \$ 5,590 | \$ 10,675 |
| Cemetery Mausoleum | (480) | (446) | (17) | (139) |
| Golf Course | (801) | (954) | (514) | (795) |
| Stormwater Utility | 152 | 509 | 213 | 633 |
| Sanitation | (88) | (1,919) | 365 | 661 |
| Fleet Management | 89 | 633 | 2,173 | 2,258 |
| Information Technology | (1,513) | (1,241) | (67) | (916) |
| Insurance Programs | <u>3,096</u> | <u>185</u> | <u>3,358</u> | <u>4,975</u> |
| Total | <u>\$ 6,442</u> | <u>\$ 3,024</u> | <u>\$ 11,101</u> | <u>\$ 17,352</u> |

The Cemetery Mausoleum Fund experienced an operating loss and a decrease in net assets. The Golf Course Fund experienced an operating loss resulting in a decrease in net assets. This was primarily attributable to the Municipal courses being closed for renovation of the greens to improve their condition. The Stormwater Utility Fund generated operating income and an increase in net assets. The Sanitation Fund had an operating loss and an increase in net assets.

Fleet Management generated operating income of \$89 thousand and an increase in net assets of \$2,173 thousand due to transfers from other funds for future vehicle and heavy equipment replacement. The Self Insurance Fund increased its net assets by \$3.358 million due primarily to a decrease in claims and a reduction in the cost of property insurance. The Information Technology Fund recovers part of the cost of its operations through transfers in from other departments.

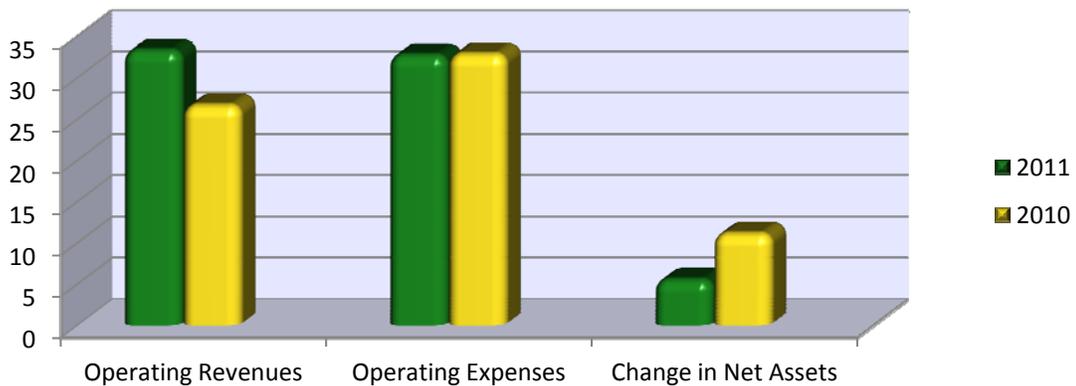
The following chart summarizes the operations of the Water and Sewer Fund for fiscal years 2011 and 2010.

Water and Sewer Fund Operations
Fiscal Years 2011 and 2010
(Dollars in Millions)



The following chart summarizes the operations of the proprietary funds, excluding the Water and Sewer Fund, for fiscal years 2011 and 2010.

Proprietary Funds Operations
Excluding Water and Sewer Fund
Fiscal Years 2011 and 2010
(Dollars in Millions)



General Fund Budgetary Highlights

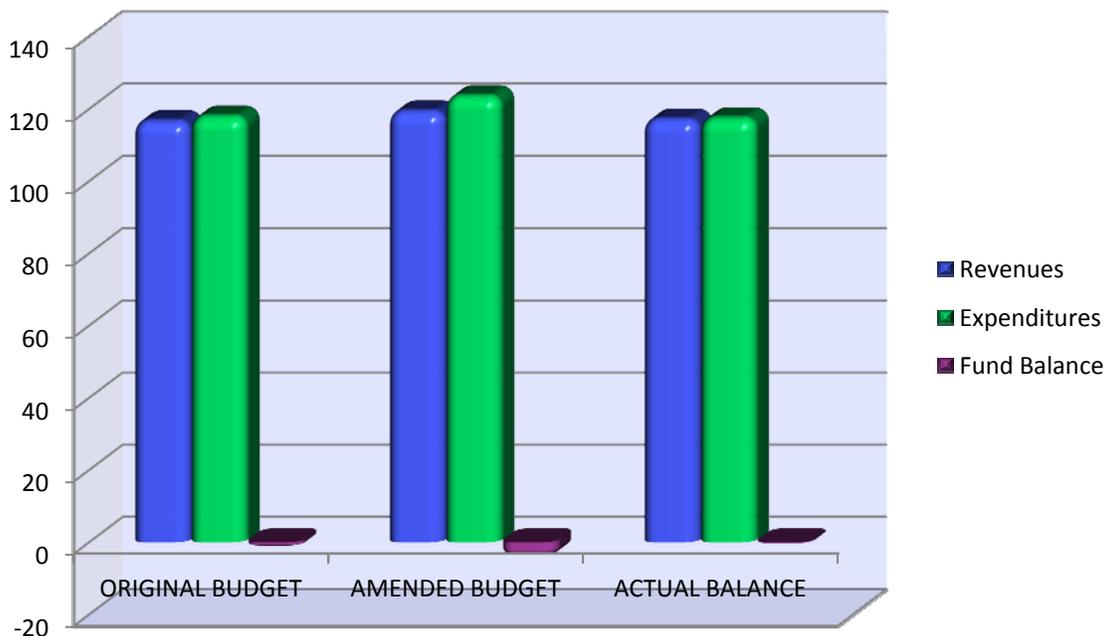
The difference between the original and final amended budget for 2011 was an increase of \$5.6 million funded from available unassigned fund balance. Of the increase, the significant items were: \$2.7 million was related to insurance premium taxes and \$1.9 million was related to public safety costs.

The City generated a positive variance of approximately \$3.8 million between the final adopted budget and actual results of operations. Actual revenues were less than final budgeted revenues by \$2.2 million due to the delay in implementing new programs for metered parking and red light cameras and a decline in interest earnings due to market conditions. Actual expenditures during the year were less than final budgeted expenditures by \$5 million. This positive variance is due primarily to reductions in operating costs related to general government of \$2.5 million, public safety of \$571 thousand, physical environment of \$671 thousand, transportation of \$500 thousand and parks and recreation of \$786 thousand. Transfers out to other funds were \$1 million less than budgeted.

Both the original and the final budget anticipated \$1.3 and \$4.2 million, respectively, to be expended from available unassigned fund balance. During the year, however, expenditures in most areas met budgetary estimates, producing the positive budget variance of \$3.85 million.

The following chart depicts the fiscal year 2011 original and amended budgets, as well as, the actual balance.

**General Fund
Budgetary Comparison
Fiscal Year 2011
(in millions)**



Capital Assets and Debt Administration

Capital Assets

As of year-end, the City had \$710 million invested in a variety of capital assets, as reflected in the following schedule. In 2011, there was a net decrease (additions less retirements and depreciation) of \$224 thousand.

| CITY OF BOCA RATON | | | | | | |
|---------------------------------------------------------|------------------------------------|------------------|-------------------------------------|-------------------|------------------|------------------|
| Capital Assets | | | | | | |
| (in thousands, net of depreciation/amortization) | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Land | \$138,136 | \$138,136 | \$ 833 | \$ 833 | \$138,969 | \$138,969 |
| Utility plant in service | | | 201,320 | 206,384 | 201,320 | 206,384 |
| Buildings | 59,612 | 57,610 | 916 | 975 | 60,528 | 58,585 |
| Improvements other than buildings | 14,670 | 14,656 | 14,361 | 14,484 | 29,031 | 29,140 |
| Equipment | 16,130 | 17,198 | 23,172 | 20,010 | 39,302 | 37,208 |
| Intangible | 408 | 396 | 5,291 | 5,587 | 5,699 | 5,983 |
| Infrastructure | 209,482 | 217,761 | | | 209,482 | 217,761 |
| Construction in progress | 13,338 | 5,755 | 12,572 | 10,680 | 25,910 | 16,435 |
| Total | <u>\$451,776</u> | <u>\$451,512</u> | <u>\$ 258,465</u> | <u>\$ 258,953</u> | <u>\$710,241</u> | <u>\$710,465</u> |

Major capital asset events during the fiscal year included:

- Capital projects under construction in the governmental activities increased by \$7.56 million. Projects include the downtown infrastructure projects (Visions 90) and the design phase for the new Downtown Library.
- During the 2011 year, several capital projects in the business-type activities relating to the water utility plant were completed and put into service. The assets were transferred from construction in progress to the appropriate asset category.

Additional information can be found in Note 6 Capital Assets on pages 56-58.

Debt Administration

As of year-end, the City had \$151 million in debt (bonds, notes, etc.) outstanding compared to the \$164 million last year, a 7.95% decrease (considering debt retirement). Of this amount of debt outstanding as of the end of fiscal year 2011, approximately 30% was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

The debt position of the City is summarized below and is more fully explained in Note 8 Long-Term Debt on page 59-64.

CITY OF BOCA RATON
Bonded Debt, Loans and Capital Lease Payable (in thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------------------------------------|------------------------------------|-------------------|-------------------------------------|------------------|-------------------|-------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| General obligation bonds | \$ 44,960 | \$ 49,195 | | | \$ 44,960 | \$ 49,195 |
| Revenue bonds | 43,741 | 48,091 | \$ 46,900 | \$ 50,045 | 90,641 | 98,136 |
| Special assessment debt with government commitments | 13,545 | 14,240 | | | 13,545 | 14,240 |
| Loans payable | 1,865 | 2,435 | | | 1,865 | 2,435 |
| Capital lease payable | | 46 | | | | 46 |
| Totals | <u>\$ 104,111</u> | <u>\$ 114,007</u> | <u>\$ 46,900</u> | <u>\$ 50,045</u> | <u>\$ 151,011</u> | <u>\$ 164,052</u> |

During fiscal year 2011, the City had the following debt activity:

- The capital lease for the telecommunications equipment was paid off during the fiscal year.
- All other decreases in the debt and notes payable were due to principal payments on the debt.

The City's General Obligation Bonds were rated AAA by all three credit rating agencies. Boca Raton was the first municipality in Florida to have been granted this credit rating by all three rating agencies. The Water and Sewer Utility Fund bonds are also rated AAA by Fitch Rating Services, Standard and Poor's and Moody's Investor Service. Under Florida Statutes, no debt limit margin is placed on local governments.

Economic Factors and Next Year's Budgets and Rates

The City Council during the annual Goal Setting Session in May 2011, established goals and priorities which included: a financially sound City government, top quality municipal services and a strong partnership with our stakeholders. These goals were used as a guide to prioritize funding for the Fiscal Year 2011-12 Approved Budget. The City expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the City.

- For FY 2010-11 property values decreased .701% in the City. The net decrease is composed of a 2.24% decrease from reassessments of existing properties and an increase of 1.54% from new construction (net of CRA Downtown values). This is the fourth consecutive year of decline in property values the City has experienced since 1992 and well below the City's twenty-year average property value growth rate of 5%. The City increased the 2012 operating property tax rates by 4.3%, making the millage rate 3.15 mills per \$1,000 of taxable value.

- Amendment 1 was adopted by the voters of Florida in January of 2008. This amendment provided an additional \$25,000 homestead exemption to permanent residents, provided portability of accumulated Save Our Homes exemptions and established a \$25,000 exemption on tangible personal property tax. Since 2007 property tax revenues have declined by \$15.9 million or 24.5% attributed to the combined effects of Amendment 1 and declines in property taxes.
- To support the increased cost of fire operations, the City Council increased the fire assessment fee from \$60 to \$80 per household for fiscal year 2012.
- In October 2011, the sanitation fees increase to \$16 per month for single family residents and \$9.20 per month for multi-family residents. It is anticipated that the sanitation fee will cover the total cost to provide sanitation services to residents.
- A slowing real estate market combined with volatile financial markets will continue to have a significant impact on the City's budget for at least the next several years. Current projections indicate that General Fund revenues will grow at an estimated rate of 1-2% annually for the next several years while at the same time operating costs are projected to increase at 3-4% annually.
- The Florida legislature is again considering various proposals relating to caps and/or the elimination of local government revenues and limits to business taxes amounts. Potential legislation could have a significant impact on a local government's ability to maintain and or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function as its present level.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Director of Financial Services, 201 W. Palmetto Park Road, Boca Raton, Florida 33432. Additional Information is also available on the City's web site, www.myboca.us.



CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

| | Primary Government | | |
|------------------------------------|----------------------------|-----------------------------|-------------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 82,824,044 | \$ 34,459,113 | \$ 117,283,157 |
| Investments | 64,065,644 | 9,081,825 | 73,147,469 |
| Receivables, net | 15,738,600 | 9,815,496 | 25,554,096 |
| Due from other governmental units | 6,498,148 | 137,803 | 6,635,951 |
| Inventories | 571,220 | 59,613 | 630,833 |
| Other assets | 19,579 | 5,099 | 24,678 |
| Restricted: | | | |
| Cash and cash equivalents | 3,369,355 | 22,807,311 | 26,176,666 |
| Investments | 2,557,872 | 34,363,291 | 36,921,163 |
| Interest receivable on investments | 6,162 | 11,190 | 17,352 |
| Accounts receivable | 12,016 | | 12,016 |
| Assessment receivable | | 1,245,550 | 1,245,550 |
| Interest receivable on assessments | | 12,143 | 12,143 |
| Net pension assets | 8,768,013 | | 8,768,013 |
| Deferred charges | 719,307 | 373,828 | 1,093,135 |
| Capital assets: | | | |
| Non-depreciable | 151,474,034 | 13,404,245 | 164,878,279 |
| Depreciable (net) | 300,301,736 | 245,060,834 | 545,362,570 |
| Total assets | \$ 636,925,730 | \$ 370,837,341 | \$ 1,007,763,071 |

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

CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

| | Primary Government | | |
|-----------------------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 6,730,913 | \$ 2,511,516 | \$ 9,242,429 |
| Accrued interest payable | 637,839 | | 637,839 |
| Retainage payable | 376,866 | 120,670 | 497,536 |
| Performance bonds and escrow funds | 2,314,239 | 1,000 | 2,315,239 |
| Unearned revenue | 878,432 | 8,063 | 886,495 |
| Current liabilities payable from restricted assets: | | | |
| Accounts payable and accrued liabilities | | 568,335 | 568,335 |
| Customer deposits payable | | 3,706,284 | 3,706,284 |
| Retainage payable | | 86,127 | 86,127 |
| Accrued interest payable | | 912,216 | 912,216 |
| Non-current liabilities: | | | |
| Due within one year: | | | |
| Compensated absences | 1,431,583 | 220,330 | 1,651,913 |
| Bonds, loans and capital leases | 11,000,000 | 3,260,000 | 14,260,000 |
| Estimated liability for self-Insured losses | 3,251,674 | | 3,251,674 |
| Due in more than one year: | | | |
| Compensated absences | 12,884,250 | 1,982,989 | 14,867,239 |
| Bonds, loans and capital leases | 92,175,154 | 44,315,045 | 136,490,199 |
| Net OPEB obligation | 977,122 | 253,878 | 1,231,000 |
| Estimated liability for self-Insured losses | 5,504,000 | | 5,504,000 |
| Total liabilities | <u>138,162,072</u> | <u>57,946,453</u> | <u>196,108,525</u> |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 369,771,069 | 210,890,034 | 580,661,103 |
| Restricted - nonexpendable | 5,437,037 | | 5,437,037 |
| Restricted for: | | | |
| Community development | 14,380,877 | | 14,380,877 |
| Debt service | 9,893,703 | 22,260,561 | 32,154,264 |
| Law enforcement | 1,292,272 | | 1,292,272 |
| Transportation | 7,485,740 | | 7,485,740 |
| Renewal and replacement | | 17,507,213 | 17,507,213 |
| Operations and maintenance reserves | | 8,731,725 | 8,731,725 |
| Capital projects | 5,094,783 | | 5,094,783 |
| Other purposes | 170,000 | | 170,000 |
| Unrestricted | 85,238,177 | 53,501,355 | 138,739,532 |
| Total net assets | <u>\$ 498,763,658</u> | <u>\$ 312,890,888</u> | <u>\$ 811,654,546</u> |

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|--------------------------------------|-----------------------|-----------------------------|-------------------------------------------|-----------------------------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary Government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 16,977,071 | \$ 17,565,073 | \$ 54,831 | \$ 207,583 |
| Law enforcement | 39,978,737 | 2,647,342 | 1,010,445 | |
| Fire rescue | 39,139,931 | 8,876,036 | 94,021 | |
| Physical environment | 4,236,711 | 213,776 | 867,811 | |
| Transportation | 18,536,246 | | 560,816 | |
| Community development | 6,040,371 | 1,695,246 | 2,728,700 | |
| Parks and recreation | 28,978,700 | 19,630,739 | 150 | 2,512,794 |
| Interest and fiscal charges | 4,793,292 | | | |
| Total governmental activities | <u>158,681,059</u> | <u>50,628,212</u> | <u>5,316,774</u> | <u>2,720,377</u> |
| Business-type activities: | | | | |
| Water and sewer | 44,131,994 | 48,288,449 | | 974,457 |
| Cemetery | 658,494 | 178,668 | | |
| Golf course | 3,073,213 | 2,272,120 | | 284,971 |
| Stormwater utility | 2,023,147 | 2,174,882 | | |
| Sanitation | 6,511,047 | 6,423,061 | | |
| Total business-type activities | <u>56,397,895</u> | <u>59,337,180</u> | | <u>1,259,428</u> |
| Total Primary Government | <u>\$ 215,078,954</u> | <u>\$ 109,965,392</u> | <u>\$ 5,316,774</u> | <u>\$ 3,979,805</u> |
| General revenues: | | | | |
| Property tax | | | | |
| Utility tax | | | | |
| Franchise tax | | | | |
| Sales tax | | | | |
| Gas tax | | | | |
| Incremental property tax | | | | |
| State shared revenues, unrestricted | | | | |
| Unrestricted investment earnings | | | | |
| Gain on disposal of capital assets | | | | |
| Miscellaneous | | | | |
| Transfers | | | | |
| Total general revenues and transfers | | | | |
| Change in net assets | | | | |
| Net assets - beginning | | | | |
| Net assets - ending | | | | |

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

**Net (Expense) Revenue and
Changes in Net Assets**

| Primary Government | | |
|------------------------------------|-------------------------------------|----------------|
| Governmental Activities | Business-type Activities | Total |
| \$ 850,416 | | \$ 850,416 |
| (36,320,950) | | (36,320,950) |
| (30,169,874) | | (30,169,874) |
| (3,155,124) | | (3,155,124) |
| (17,975,430) | | (17,975,430) |
| (1,616,425) | | (1,616,425) |
| (6,835,017) | | (6,835,017) |
| (4,793,292) | | (4,793,292) |
| (100,015,696) | | (100,015,696) |
| | \$ 5,130,912 | 5,130,912 |
| | (479,826) | (479,826) |
| | (516,122) | (516,122) |
| | 151,735 | 151,735 |
| | (87,986) | (87,986) |
| | 4,198,713 | 4,198,713 |
| (100,015,696) | 4,198,713 | (95,816,983) |
| 54,245,661 | | 54,245,661 |
| 20,170,572 | | 20,170,572 |
| 12,481,744 | | 12,481,744 |
| 5,429,537 | | 5,429,537 |
| 1,908,137 | | 1,908,137 |
| 8,948,102 | | 8,948,102 |
| 2,185,113 | | 2,185,113 |
| 1,378,257 | 623,953 | 2,002,210 |
| 131,180 | 94,403 | 225,583 |
| 42,135 | | 42,135 |
| (719,923) | 719,923 | |
| 106,200,515 | 1,438,279 | 107,638,794 |
| 6,184,819 | 5,636,992 | 11,821,811 |
| 492,578,839 | 307,253,896 | 799,832,735 |
| \$ 498,763,658 | \$ 312,890,888 | \$ 811,654,546 |

**CITY OF BOCA RATON, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2011**

| | <u>General Fund</u> | <u>Community Redevelopment Agency Mizner Park Revenue Fund</u> | <u>Five Year Capital Improvement Fund</u> |
|------------------------------------------|-------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 23,724,502 | \$ 842,186 | \$ 14,487,173 |
| Investments | 19,981,928 | 639,352 | 10,875,828 |
| Receivables, net: | | | |
| Accounts receivable | 3,829,380 | | 31,003 |
| Assessments | | | |
| Lease revenues | | 11,436,371 | |
| Interest | 51,220 | 2,053 | 26,704 |
| Due from other funds | 2,361,928 | | |
| Due from other governmental units | 2,802,595 | | 93,294 |
| Inventories | 12,896 | | |
| Cash and cash equivalents | | | |
| Investments | | | |
| Interest receivable on investments | | | |
| Accounts receivable | | | |
| Total assets | <u>\$ 52,764,449</u> | <u>\$ 12,919,962</u> | <u>\$ 25,514,002</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 3,765,640 | | \$ 613,587 |
| Retainage payable | | | 230,560 |
| Performance bonds and escrow funds | 1,551,580 | | 66,600 |
| Due to other funds | | | |
| Unearned revenue | 804,874 | | |
| Deferred revenue | 70,571 | \$ 11,436,371 | |
| Total liabilities | <u>6,192,665</u> | <u>11,436,371</u> | <u>910,747</u> |
| Fund balances: | | | |
| Restricted for: | | | |
| Army Corp of Engineers | 170,000 | | |
| Debt service | | | |
| Housing | | | |
| Law enforcement | | | |
| Transportation | | | |
| Right of way beautification | | | |
| Downtown | | 1,483,591 | |
| Land dedication | | | |
| Library | | | |
| Committed to: | | | |
| Hurricane/ disaster emergency | 10,600,000 | | |
| Mizner Park debt service | 1,633,000 | | |
| Parking | | | |
| Right of way acquisition | | | |
| Retirement system reserve | 10,500,000 | | |
| Assigned to: | | | |
| Capital projects | | | 24,603,255 |
| Environmentally sensitive lands | | | |
| Subsequent year's budget | 1,316,000 | | |
| Non-spendable: | | | |
| Inventories | 12,897 | | |
| Perpetual care, cemetery | | | |
| Perpetual care, mausoleum | | | |
| Unassigned | | | |
| General fund | 22,339,887 | | |
| Total fund balances | <u>46,571,784</u> | <u>1,483,591</u> | <u>24,603,255</u> |
| Total liabilities and fund balances | <u>\$ 52,764,449</u> | <u>\$ 12,919,962</u> | <u>\$ 25,514,002</u> |

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

| Beach and Park Operations Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--------------------------------------|------------------------------------|--------------------------------|
| | \$ 22,332,532 | \$ 61,386,393 |
| | 16,407,072 | 47,904,180 |
| | | 3,860,383 |
| | 282,427 | 282,427 |
| | | 11,436,371 |
| | 38,477 | 118,454 |
| | | 2,361,928 |
| \$ 2,729,206 | 873,053 | 6,498,148 |
| | | 12,896 |
| | 3,369,355 | 3,369,355 |
| | 2,557,872 | 2,557,872 |
| | 6,162 | 6,162 |
| | 12,016 | 12,016 |
| <u>\$ 2,729,206</u> | <u>\$ 45,878,966</u> | <u>\$ 139,806,585</u> |

| | | |
|------------------|------------------|-------------------|
| \$ 645,371 | \$ 889,922 | \$ 5,914,520 |
| 101,606 | 44,700 | 376,866 |
| 700 | 695,359 | 2,314,239 |
| 1,977,112 | 384,816 | 2,361,928 |
| 4,417 | 69,141 | 878,432 |
| | | <u>11,506,942</u> |
| <u>2,729,206</u> | <u>2,083,938</u> | <u>23,352,927</u> |

| | | |
|---------------------|----------------------|-----------------------|
| | | 170,000 |
| | 10,531,542 | 10,531,542 |
| | 158,367 | 158,367 |
| | 1,292,272 | 1,292,272 |
| | 7,485,740 | 7,485,740 |
| | 1,292,970 | 1,292,970 |
| | 2,160,652 | 3,644,243 |
| | 1,646,177 | 1,646,177 |
| | 10,436,884 | 10,436,884 |
| | | 10,600,000 |
| | | 1,633,000 |
| | 3,067 | 3,067 |
| | 2,283,644 | 2,283,644 |
| | | 10,500,000 |
| | | 24,603,255 |
| | 1,066,676 | 1,066,676 |
| | | 1,316,000 |
| | | 12,897 |
| | 1,950,188 | 1,950,188 |
| | 3,486,849 | 3,486,849 |
| | | <u>22,339,887</u> |
| | <u>43,795,028</u> | <u>116,453,658</u> |
| <u>\$ 2,729,206</u> | <u>\$ 45,878,966</u> | <u>\$ 139,806,585</u> |

**CITY OF BOCA RATON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

Ending fund balance - governmental funds \$ 116,453,658

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

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

| | | |
|---------------------------------------------------------------|----------------------|-------------|
| Governmental capital assets, excluding Internal Service Funds | \$ 673,278,797 | |
| Less accumulated depreciation/amortization | <u>(229,323,719)</u> | |
| Net capital assets | | 443,955,078 |

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.

| | | |
|------------------------------------|---------------|------------|
| Operating lease revenues | 11,436,371 | |
| Communication Service Tax revenues | <u>70,571</u> | |
| | | 11,506,942 |

Net pension assets resulting from overfunding of the Police and Firefighters, General Employees and Executive Employees pension plans 8,768,013

Long term liabilities, including bonds payable, loans payable and capital leases, are not due and payable in the current period and therefore are not reported in the governmental funds

| | | |
|--------------------------------------------|------------------|---------------|
| Accrued interest payable on long-term debt | (637,839) | |
| Bonds, loans and capital leases payable | (103,175,154) | |
| Compensated absences | (13,931,812) | |
| Net OPEB obligation | (937,718) | |
| Supplemental SERP pension accrual | <u>(465,708)</u> | |
| Total long-term liabilities | | (119,148,231) |

Internal service funds are used by management to charge the costs of fleet management, management information systems and insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

| | | |
|-------------|--------------------|------------|
| Assets | 46,038,675 | |
| Liabilities | <u>(9,529,784)</u> | |
| Net assets | | 36,508,891 |

Bond issuance costs are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, must be capitalized and amortized over the life of the bonds in the government-wide statements.

| | | |
|---------------------|-----------------|----------------|
| Bond issuance costs | 780,177 | |
| Amortization | <u>(60,870)</u> | |
| Deferred charges | | <u>719,307</u> |

Net assets of governmental activities \$ 498,763,658

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



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CITY OF BOCA RATON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | General Fund | Community Redevelopment Agency Mizner Park Revenue Fund | Five Year Capital Improvement Fund |
|---------------------------------------------------|-------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------|
| REVENUES | | | |
| Taxes | \$ 75,335,522 | \$ 8,948,102 | \$ 6,071,925 |
| Licenses and permits | 8,697,459 | | |
| Intergovernmental | 12,609,200 | | 2,489,440 |
| Charges for services | 17,811,183 | 1,236,280 | |
| Fines and forfeitures | 1,067,136 | | |
| Special assessments | | | |
| Donations in lieu of land | | | 173,923 |
| Investment earnings | 462,588 | 18,413 | 204,776 |
| Miscellaneous | 70,236 | | |
| Total revenues | <u>116,053,324</u> | <u>10,202,795</u> | <u>8,940,064</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 19,647,100 | | |
| Law enforcement | 36,083,533 | | |
| Fire rescue | 34,849,430 | | |
| Physical environment | 4,203,550 | | |
| Transportation | 5,096,124 | | |
| Community development | | 2,500,000 | |
| Parks and recreation | 16,478,842 | | |
| Capital outlay | | | 5,607,351 |
| Debt service: | | | |
| Principal | | | |
| Interest | | | |
| Total expenditures | <u>116,358,579</u> | <u>2,500,000</u> | <u>5,607,351</u> |
| Excess (deficiency) of revenues over expenditures | <u>(305,255)</u> | <u>7,702,795</u> | <u>3,332,713</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,020,000 | | |
| Transfers out | <u>(1,067,500)</u> | <u>(6,807,200)</u> | <u>(3,952,800)</u> |
| Total other financing sources (uses) | <u>(47,500)</u> | <u>(6,807,200)</u> | <u>(3,952,800)</u> |
| Net change in fund balances | (352,755) | 895,595 | (620,087) |
| Fund balances - beginning | <u>46,924,539</u> | <u>587,996</u> | <u>25,223,342</u> |
| Fund balances - ending | <u>\$ 46,571,784</u> | <u>\$ 1,483,591</u> | <u>\$ 24,603,255</u> |

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

| Beach and Park Operations Fund | Non-Major Governmental Funds | Total Governmental Funds |
|-----------------------------------------------|---------------------------------------------|-----------------------------------------|
| | \$ 10,357,025 | \$ 100,712,574 |
| | | 8,697,459 |
| \$ 13,091,906 | 1,432,021 | 29,622,567 |
| 2,241,190 | 336,185 | 21,624,838 |
| | 292,892 | 1,360,028 |
| | 1,199,953 | 1,199,953 |
| 150 | 512,794 | 686,867 |
| | 392,268 | 1,078,045 |
| | 18,770 | 89,006 |
| <u>15,333,246</u> | <u>14,541,908</u> | <u>165,071,337</u> |
| | | 19,647,100 |
| | 425,317 | 36,508,850 |
| | | 34,849,430 |
| | | 4,203,550 |
| | 2,458,410 | 7,554,534 |
| | 3,407,758 | 5,907,758 |
| 15,308,646 | 3,848,379 | 35,635,867 |
| | 3,227,708 | 8,835,059 |
| | 11,075,000 | 11,075,000 |
| | 3,405,937 | 3,405,937 |
| <u>15,308,646</u> | <u>27,848,509</u> | <u>167,623,085</u> |
| <u>24,600</u> | <u>(13,306,601)</u> | <u>(2,551,748)</u> |
| | 8,718,400 | 9,738,400 |
| (24,600) | (1,719,000) | (13,571,100) |
| <u>(24,600)</u> | <u>6,999,400</u> | <u>(3,832,700)</u> |
| | (6,307,201) | (6,384,448) |
| | 50,102,229 | 122,838,106 |
| <u>\$</u> | <u>\$ 43,795,028</u> | <u>\$ 116,453,658</u> |

**CITY OF BOCA RATON, 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, 2011**

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Net change in fund balances - total governmental funds | | \$ (6,384,448) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is depreciated over their estimated useful lives | | |
| Expenditures for capital assets | \$ 15,711,869 | |
| Less current year depreciation/amortization | <u>(15,707,492)</u> | 4,377 |
| The net effect of the various miscellaneous transactions involving capital assets (i.e. sales, trade ins and donations) is to decrease net assets | | |
| | | (1,154) |
| Some revenues and expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources | | |
| Operating lease revenues | 396,869 | |
| Communications Service Tax revenues | (282,287) | |
| Compensated absences | (2,278,150) | |
| Net OPEB obligation | (184,998) | |
| Net effect of accrued interest on long term debt (difference between amount that would have been accrued in prior year and current year accrual) | <u>53,261</u> | (2,295,305) |
| Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net assets | | |
| | | (282,682) |
| The issuance of long-term debt (e.g., bonds, loans and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report issuance costs, premiums, discounts and similar items as expenditures when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities. | | |
| Debt issued or incurred: | | |
| Principal payments on bonds and loans | 11,075,000 | |
| Principal payments on capital leases | 45,675 | |
| Amortization of deferred charges from issuance of debt | (215,588) | |
| Change in accreted interest on tax increment revenue bonds payable | <u>(1,225,028)</u> | 9,680,059 |
| Internal service funds are used by management to charge costs of fleet management, management information systems and insurance programs to individual funds. | | |
| The net revenue of the activities of the internal service funds is reported with governmental activities: | | |
| Net operating gain of the internal service funds | 1,781,036 | |
| Impact of external transactions on the net assets of governmental activities: | | |
| Investment income | 300,210 | |
| Gain on disposal of capital assets | 100,826 | |
| Net transfers from governmental funds to internal service funds decrease the fund balances of the governmental funds, but have no effect on net assets as reported on a government-wide basis. | | |
| | <u>3,281,900</u> | <u>5,463,972</u> |
| Change in net assets of governmental activities | | <u>\$ 6,184,819</u> |

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



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**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2011**

| | Business - Type Activities - Enterprise Funds | | | Governmental |
|---------------------------------------------------------------------|------------------------------------------------------|----------------------|-----------------------|----------------------|
| | Water and | Other | Total | Internal |
| | Sewer | Enterprise | | Service |
| | Fund | Funds | | Fund |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 28,295,815 | \$ 6,163,298 | \$ 34,459,113 | \$ 21,437,651 |
| Investments | 4,431,500 | 4,650,325 | 9,081,825 | 16,161,464 |
| Interest receivable on investments | 81,721 | 11,479 | 93,200 | 37,895 |
| Interest receivable on assessments | 20,481 | | 20,481 | |
| Accounts receivable (net of allowance for uncollectibles) | 7,460,596 | 1,528,208 | 8,988,804 | 3,070 |
| Assessments receivable | 713,011 | | 713,011 | |
| Due from other governmental units | 21,641 | 116,162 | 137,803 | |
| Inventories | | 59,613 | 59,613 | 558,324 |
| Other assets | | 5,099 | 5,099 | 19,579 |
| Deferred charges | 373,828 | | 373,828 | |
| Total unrestricted current assets | <u>41,398,593</u> | <u>12,534,184</u> | <u>53,932,777</u> | <u>38,217,983</u> |
| Restricted assets: | | | | |
| Cash and cash equivalents | 22,807,311 | | 22,807,311 | |
| Investments | 34,363,291 | | 34,363,291 | |
| Interest receivable on investments | 11,190 | | 11,190 | |
| Interest receivable on assessments | 12,143 | | 12,143 | |
| Assessments receivable | 1,245,550 | | 1,245,550 | |
| Total restricted current assets | <u>58,439,485</u> | | <u>58,439,485</u> | |
| Total current assets | <u>99,838,078</u> | <u>12,534,184</u> | <u>112,372,262</u> | <u>38,217,983</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Utility plant in service | 343,143,802 | | 343,143,802 | |
| Land | 245,873 | 586,735 | 832,608 | |
| Buildings | | 2,259,661 | 2,259,661 | 1,313,785 |
| Golf course improvements | | 3,660,473 | 3,660,473 | |
| Cemetery lot improvements | | 477,867 | 477,867 | |
| Stormwater utility improvements | | 14,312,792 | 14,312,792 | |
| Equipment | 38,164,337 | 7,608,899 | 45,773,236 | 17,737,676 |
| Construction in progress | 11,044,726 | 1,526,911 | 12,571,637 | 124,345 |
| Less accumulated depreciation | (160,886,660) | (8,971,726) | (169,858,386) | (11,563,497) |
| Intangible assets | 6,055,065 | | 6,055,065 | 1,238,737 |
| Less accumulated amortization | (763,676) | | (763,676) | (1,030,354) |
| Total capital assets (net of accumulated depreciation/amortization) | <u>237,003,467</u> | <u>21,461,612</u> | <u>258,465,079</u> | <u>7,820,692</u> |
| Total noncurrent assets | <u>237,003,467</u> | <u>21,461,612</u> | <u>258,465,079</u> | <u>7,820,692</u> |
| Total assets | <u>\$ 336,841,545</u> | <u>\$ 33,995,796</u> | <u>\$ 370,837,341</u> | <u>\$ 46,038,675</u> |

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

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2011**

| | Business - Type Activities - Enterprise Funds | | | Governmental Activities |
|----------------------------------------------------------|------------------------------------------------------|---------------------------------------|-----------------------|--------------------------------------|
| | Water and Sewer Fund | Other Enterprise Funds | Total | Internal Service Fund |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 1,304,185 | \$ 1,207,331 | \$ 2,511,516 | \$ 350,685 |
| Compensated absences | 142,157 | 78,173 | 220,330 | 38,402 |
| Retainage payable | 57,467 | 63,203 | 120,670 | |
| Unearned revenue | | 8,063 | 8,063 | |
| Performance bonds and escrow funds | | 1,000 | 1,000 | |
| Total unrestricted current liabilities | <u>1,503,809</u> | <u>1,357,770</u> | <u>2,861,579</u> | <u>3,640,761</u> |
| Current liabilities payable from restricted assets: | | | | |
| Accounts payable and accrued liabilities | | | 568,335 | |
| Customer deposits payable | 3,706,284 | | 3,706,284 | |
| Retainage payable | 86,127 | | 86,127 | |
| Revenue bonds payable, current portion | 3,260,000 | | 3,260,000 | |
| Accrued interest payable | 912,216 | | 912,216 | |
| Total current liabilities payable from restricted assets | <u>8,532,962</u> | | <u>8,532,962</u> | |
| Total current liabilities | <u>10,036,771</u> | <u>1,357,770</u> | <u>11,394,541</u> | <u>3,640,761</u> |
| Non-current liabilities: | | | | |
| Compensated absences | 1,279,418 | 703,571 | 1,982,989 | 345,619 |
| Net OPEB obligation | 163,777 | 90,101 | 253,878 | 39,404 |
| Revenue bonds payable | 44,315,045 | | 44,315,045 | |
| Estimated liability for self-insurance losses | | | | 5,504,000 |
| Total noncurrent liabilities | <u>45,758,240</u> | <u>793,672</u> | <u>46,551,912</u> | <u>5,889,023</u> |
| Total liabilities | <u>55,795,011</u> | <u>2,151,442</u> | <u>57,946,453</u> | <u>9,529,784</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 189,428,422 | 21,461,612 | 210,890,034 | 7,820,692 |
| Restricted for: | | | | |
| Debt service | 22,260,561 | | 22,260,561 | |
| Renewal and replacement | 17,507,213 | | 17,507,213 | |
| Operations and maintenance reserves | 8,731,725 | | 8,731,725 | |
| Unrestricted | 43,118,613 | 10,382,742 | 53,501,355 | 28,688,199 |
| Total net assets | <u>\$ 281,046,534</u> | <u>\$ 31,844,354</u> | <u>\$ 312,890,888</u> | <u>\$ 36,508,891</u> |

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

| | Business - Type Activities - Enterprise Funds | | | Governmental Activities |
|--------------------------------------------------|------------------------------------------------------|---------------------------------------|-----------------------|--------------------------------------|
| | Water and Sewer Fund | Other Enterprise Funds | Total | Internal Service Fund |
| OPERATING REVENUES | | | | |
| Charges for sales and services | | \$ 10,955,316 | \$ 10,955,316 | \$ 22,159,194 |
| Water sales | \$ 28,647,813 | | 28,647,813 | |
| Sewer service charges | 17,378,418 | | 17,378,418 | |
| Other | 2,262,218 | 93,415 | 2,355,633 | |
| Total operating revenues | <u>48,288,449</u> | <u>11,048,731</u> | <u>59,337,180</u> | <u>22,159,194</u> |
| OPERATING EXPENSES | | | | |
| Personal services | 9,194,808 | 5,800,520 | 14,995,328 | 3,605,559 |
| Materials and supplies | 3,927,363 | 668,113 | 4,595,476 | 104,421 |
| General and administration | 10,168,962 | | 10,168,962 | |
| Other services and charges | 8,332,789 | 4,328,380 | 12,661,169 | 5,010,645 |
| Insurance claims | | | | 10,184,412 |
| Depreciation of capital assets | 10,382,490 | 1,468,888 | 11,851,378 | 1,581,510 |
| Amortization | 295,333 | | 295,333 | |
| Total operating expenses | <u>42,301,745</u> | <u>12,265,901</u> | <u>54,567,646</u> | <u>20,486,547</u> |
| Operating income (loss) | <u>5,986,704</u> | <u>(1,217,170)</u> | <u>4,769,534</u> | <u>1,672,647</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment earnings | 530,749 | 93,204 | 623,953 | 300,210 |
| Interest expense | (1,830,249) | | (1,830,249) | |
| Gain on disposal of capital assets | 17,450 | 76,953 | 94,403 | 100,826 |
| Insurance recovery | | | | 108,389 |
| Total nonoperating revenues (expenses) | <u>(1,282,050)</u> | <u>170,157</u> | <u>(1,111,893)</u> | <u>509,425</u> |
| Income/(loss) before contributions and transfers | 4,704,654 | (1,047,013) | 3,657,641 | 2,182,072 |
| Transfers in | | 659,400 | 659,400 | 3,281,900 |
| Transfers out | (89,500) | (19,100) | (108,600) | |
| Capital contributions | 974,457 | 454,094 | 1,428,551 | |
| Change in net assets | 5,589,611 | 47,381 | 5,636,992 | 5,463,972 |
| Net assets - beginning | <u>275,456,923</u> | <u>31,796,973</u> | <u>307,253,896</u> | <u>31,044,919</u> |
| Net assets - ending | <u>\$ 281,046,534</u> | <u>\$ 31,844,354</u> | <u>\$ 312,890,888</u> | <u>\$ 36,508,891</u> |

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

**CITY OF BOCA RATON, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

| | Enterprise Funds | | | Governmental Activities |
|-----------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------|----------------------|------------------------------|
| | Water and Sewer Fund | Other Enterprise Funds | Total | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 48,249,675 | \$ 10,573,628 | \$ 58,823,303 | \$ 26,864,513 |
| Payments to suppliers | (20,450,710) | (4,359,956) | (24,810,666) | (6,156,139) |
| Payments to employees | (11,493,470) | (5,744,362) | (17,237,832) | (3,545,825) |
| Claims paid | | | | (10,872,076) |
| Net cash provided by (used in) operating activities | <u>16,305,495</u> | <u>469,310</u> | <u>16,774,805</u> | <u>6,290,473</u> |
| CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | | 659,400 | 659,400 | 3,281,900 |
| Transfers out | (89,500) | (19,100) | (108,600) | |
| Net cash provided by (used in) non-capital financing activities | <u>(89,500)</u> | <u>640,300</u> | <u>550,800</u> | <u>3,281,900</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| System development charges | | 284,971 | 284,971 | |
| Payment of bond principal | (3,145,001) | | (3,145,001) | |
| Acquisition of capital assets | (7,918,009) | (2,686,497) | (10,604,506) | (1,841,667) |
| Interest paid | (1,889,367) | | (1,889,367) | |
| Proceeds from sale of capital assets | 17,450 | 154,843 | 172,293 | 100,826 |
| Net cash provided by (used in) capital and related financing activities | <u>(12,934,927)</u> | <u>(2,246,683)</u> | <u>(15,181,610)</u> | <u>(1,740,841)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 948,711 | 130,918 | 1,079,629 | 384,642 |
| Sale of investments | 45,889,374 | 6,331,865 | 52,221,239 | 15,622,058 |
| Purchase of investments | (38,794,791) | (4,650,325) | (43,445,116) | (16,161,464) |
| Net cash provided by (used in) investing activities | <u>8,043,294</u> | <u>1,812,458</u> | <u>9,855,752</u> | <u>(154,764)</u> |
| Net increase (decrease) in cash and cash equivalents | 11,324,362 | 675,385 | 11,999,747 | 7,676,768 |
| Cash and cash equivalents | | | | |
| Beginning of year | <u>39,778,764</u> | <u>5,487,913</u> | <u>45,266,677</u> | <u>13,760,883</u> |
| End of year, including restricted cash and cash equivalents | <u>\$ 51,103,126</u> | <u>\$ 6,163,298</u> | <u>\$ 57,266,424</u> | <u>\$ 21,437,651</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 5,986,704 | \$ (1,217,170) | \$ 4,769,534 | \$ 1,672,647 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Amortization | 295,333 | | 295,333 | |
| Depreciation | 10,382,490 | 1,468,888 | 11,851,378 | 1,581,510 |
| Change in assets and liabilities | | | | |
| (Increase) decrease in accounts receivable | (406,309) | (470,431) | (876,740) | 4,705,319 |
| (Increase) decrease in assessment receivable | 316,122 | | 316,122 | |
| (Increase) decrease in due from other governmental units | (21,641) | (5,672) | (27,313) | |
| (Increase) decrease in inventories | | 778 | 778 | (108,200) |
| (Increase) decrease in other assets | | 2,823 | 2,823 | (18,011) |
| Increase (decrease) in accounts payable and accrued liabilities | (96,631) | 585,267 | 488,636 | (903,011) |
| Increase (decrease) in retainage payable | (258,058) | 62,067 | (195,991) | |
| Increase (decrease) in customer deposits payable | 73,054 | | 73,054 | |
| Increase (decrease) in compensated absences | (2,790) | 22,272 | 19,482 | 37,590 |
| Increase (decrease) in performance bonds and escrow funds | | 1,000 | 1,000 | |
| Increase (decrease) in OPEB obligations | 37,221 | 19,488 | 56,709 | 10,293 |
| Increase (decrease) in self-insured liabilities | | | | (687,664) |
| Total adjustments | <u>10,318,791</u> | <u>1,686,480</u> | <u>12,005,271</u> | <u>4,617,826</u> |
| Net cash provided by (used in) operating activities | <u>\$ 16,305,495</u> | <u>\$ 469,310</u> | <u>\$ 16,774,805</u> | <u>\$ 6,290,473</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| Increase in fair value of investments that are not cash equivalents: | | | | |
| Unrealized gains/(losses) on investments | \$ 26,759 | \$ (13,156) | \$ 13,603 | \$ (45,720) |
| Contributions of capital assets | 974,457 | 454,094 | 1,428,551 | |

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

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011**

| | Pension Plans |
|--------------------------------------|--------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 8,953,256 |
| Investments: | |
| Corporate bonds and debentures | 42,776,148 |
| U.S. government securities | 49,049,080 |
| Common stock | 142,093,123 |
| Real estate | 25,071,920 |
| Commingled funds | 91,853,204 |
| Florida Municipal Pension Trust Fund | 17,756,983 |
| Total investments | 368,600,458 |
| Receivables: | |
| Interest and dividends | 868,499 |
| Unsettled trades | 1,698,935 |
| Total receivables | 2,567,434 |
| Other assets | 592,551 |
| Total assets | 380,713,699 |
| LIABILITIES | |
| Accounts payable | 481,363 |
| Unsettled trades | 2,133,438 |
| Total Liabilities | 2,614,801 |
| NET ASSETS | |
| Held in trust for pension benefits | \$ 378,098,898 |

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

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | Pension Plans |
|-----------------------------------------------|--------------------------|
| ADDITIONS | |
| Contributions: | |
| City | \$ 13,031,959 |
| State | 2,676,070 |
| Employee | 6,304,143 |
| Transfer from Other Pension Plan | 262,364 |
| Total contributions | 22,274,536 |
| Investment income: | |
| Interest earnings, net | 4,469,791 |
| Dividends | 4,314,131 |
| Net depreciation in fair value of investments | (7,354,905) |
| Other investment income | 32,690 |
| Investment expense | (1,798,877) |
| Total investment income | (337,170) |
| Total additions | 21,937,366 |
| DEDUCTIONS | |
| Benefits paid: | |
| Retirement | 14,202,106 |
| Disability | 1,591,915 |
| Death | 603,442 |
| Deferred retirement option plan | 2,462,670 |
| Termination refunds | 349,389 |
| Administrative expenses | 856,847 |
| Transfer to other pension plan | 262,364 |
| Total deductions | 20,328,733 |
| Change in net assets | 1,608,633 |
| Net assets - beginning | 376,490,265 |
| Net assets - ending | \$ 378,098,898 |

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

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

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CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

1. The City of Boca Raton

The City of Boca Raton, Florida (the City) was incorporated in 1925 and operates under a Charter granted by the Legislature of the State of Florida, Chapter 65-1264, Special Acts, Laws of Florida. The City is governed by an elected City Council (4 members) and an elected Mayor, and provides, under the administration of an appointed City Manager, the following services: public safety, recreation, sanitation, cemetery, streets and traffic engineering, planning and zoning, water and sewer services, animal control, and general administrative services.

2. Summary of Significant Accounting Policies

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

A. Reporting Entity

As required by GASB Statement No. 14, "*The Financial Reporting Entity*" and GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*", these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported; in a separate column in the combined financial statements to emphasize they are legally separate from the government.

Blended Component Unit. The City Council of Boca Raton, Florida created the Boca Raton Community Redevelopment Agency (CRA) in 1980 as an independent special district by City Resolution No. 162-80. The CRA was established to prepare or have prepared a community redevelopment plan for areas within the City of Boca Raton, which are, determined to be slum or blighted areas, and to carry out the community redevelopment purposes of Part III, Chapter 163, of the Florida Statutes. As a tax increment district, the CRA receives operating revenues from tax increment assessments from three taxing jurisdictions within Palm Beach County. Funds are also provided by private contributions, fees collected, interest income, and the unexpended fund balance from the previous year. The CRA is reported as a blended component unit since its Board of Directors is the same as the governing board of the City. The funds of the CRA included within the reporting entity are the Community Redevelopment Agency Mizner Park Revenue Fund (major special revenue fund), Community Redevelopment Agency Operating Fund (nonmajor special revenue fund) and the Community Redevelopment Agency Debt Service Fund. During Fiscal Year 1989, the CRA entered into an interlocal agreement with the City. This agreement called for the City to make a secondary pledge of its excise tax revenues for the CRA's debt. On February 5, 1991, the City, by referendum, adopted a resolution declaring the City Council Members to constitute the Board of Directors of the CRA. Under Florida Statute 218.34, this made the CRA a dependent special district of the City.

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Discretely Presented Component Units. There are no discretely presented component units for the City. The Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority have not met the established criteria for inclusion as component units and, therefore, are excluded from this report.

B. Government-Wide And Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

Government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary funds of the government are also excluded from this presentation since these resources are not available for general government funding purposes.

The Statement of Net Assets reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenues. Business type activities rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for goods or services that are recovered directly from customers for services rendered and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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C. Measurement Focus, Basis Of Accounting And Financial Statement Presentation

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

All governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used 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 fiscal year. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, public services taxes, franchise taxes and interest income associated with the current fiscal period are susceptible to accrual and are recorded as earned since they are measurable and available. In addition, revenue from Federal, State and local reimbursement type grants for which eligibility requirements have been met and which meet the availability criteria of twelve months have been accrued and recognized as revenues of the period. The City also considers funds due from the Greater Boca Raton Beach and Park District as available if received within a twelve month period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Licenses and permits, charges for services and miscellaneous revenues are recorded as revenue when received in cash, because they are generally not measurable until actually received.

D. Major Funds and Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds. The non-major funds are presented in one column in the fund financial statements.

The City reports the following major governmental funds:

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The **General Fund** is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and Federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The **Community Redevelopment Agency Mizner Park Revenue Fund** is used to account for tax increment revenues assessed on downtown properties and land lease revenues that are used to fund the Mizner Park bond debt service and capital improvements that encourage development in the downtown.

The **Five-Year Capital Improvement Program Fund** is used to account for various building, park and street construction projects. Financing is being provided by general tax revenue, bond proceeds, excise tax and interest income.

The **Beach and Park Operations Fund** is used to account for beach and park operations reimbursed through an interlocal agreement with the Greater Boca Raton Beach and Park Tax District. The Fund did not meet the minimum criteria for major fund determination during fiscal 2011. However, it will continue to be presented as a major fund for the purpose of consistency and to highlight the operations of the Fund.

The City reports the following major proprietary fund:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to residents of the City and to some residents of Palm Beach County.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City's Internal Service Fund operations include Fleet Management and Information Technology for direct services and Self-Insurance for the provision of employee health, workers' compensation and property and general liability insurance for the City.

Pension Trust Funds account for activities of the City's General Employees' Pension Plan, the Police and Firefighters' Retirement System and the Executive Employees' Retirement Plan that accumulate resources for pension benefits and disability benefit payments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and

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contributions. All revenues that are not program revenues are general revenues, and include *all* taxes, as well as grants, contributions and investment earnings that are not restricted to a particular program.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All items not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected to not follow subsequent private-sector guidance.

E. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand and time deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Investment Pool and the Florida Municipal Investment Trust.

The City maintains a cash and investment pool that is available for use by all funds. This pool has deposits and other investments with maturities generally less than one year. In addition, longer-term investments are also held by the investment pool. Pooled cash is classified as "Cash and Cash Equivalents" in the Statement of Net Assets and pooled investments are combined with other separate investments and classified as "Investments."

Long-term investments are stated at fair value as required by GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Investments that have a remaining maturity at the time of purchase, of one year or less, are reported at amortized cost. Interest income earned as a result of pooling is distributed to the appropriate funds based on the month end equity balance in each fund.

2. Receivables and Payables

During the course of its operations, the City has numerous transactions between funds to provide goods or render services. To the extent that certain transactions between funds were not paid for or received as of September 30, 2011, balances of interfund receivables and payables expected to be

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liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. Balances of advances to and from other funds are considered non-spendable fund balances of the respective funds since these balances are not available for appropriation.

All trade and other receivables are shown net of an allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historical bad debt experience.

Water and wastewater charges to customers are based on actual water consumption. Consumption is determined on a bi-monthly cycle basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

3. Inventories

All inventories are valued at weighted average cost. Perpetual inventory records are maintained and adjusted annually to physical inventory amounts as of September 30th of each year. Inventory is reported using the consumption method whereby inventories are recorded as expenditures/expenses when used.

4. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside in accordance with bond covenants or local ordinances are classified as restricted assets on the fund level balance sheet. The "operations and maintenance reserve" is used to report resources set aside to subsidize potential deficiencies from the City's Water and Sewer Utility operations that could adversely affect debt service payments. The "renewal and replacement reserve" is used for the accumulation of resources to provide for replacement of existing system assets. The "debt service reserve" is used for the accumulation of resources needed to meet debt service requirements as they become due. Certain accounts receivable items in the Water and Sewer Fund are restricted to repay debt. Cash and investments of the City's Perpetual Care Fund are restricted to providing perpetual care for the City's cemetery and mausoleum. Additionally, cash and investments of the General Trust Fund are restricted as the funds are to be used only for specific purposes. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

5. Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's capitalization threshold for tangible capital assets is \$5,000 and for intangible assets, including software, is \$35,000. In addition, these assets must have an estimated life of greater than one year. A \$35,000 threshold is maintained for additions to infrastructure capital assets. Capital assets are

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recorded at historical cost or estimated historical cost if purchased or constructed. All infrastructure assets acquired subsequent to June 30, 1980 are reported. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, equipment, intangible and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset Type</u> | <u>Life</u> |
|-----------------------|-------------|
| Building | 40 |
| Building improvements | 10-50 |
| Roads | 40 |
| Bridges | 50 |
| Other Infrastructure | 10-75 |
| Equipment | 3-40 |
| Intangible | 5-20 |

6. Lease Revenues

The City accounts for lease revenues in accordance with ASC 840-20, *Operating Leases*. ASC 840-20 requires accounting for leases on a straight-line basis when the lease contains rental payments that are lower than the amounts computed on a straight-line basis. At the government-wide level, lease revenue is recognized on a straight-line basis and a receivable is recorded for the difference between straight-line and actual rent received. In the governmental fund statements, revenue is recognized to the extent that it is both measurable and available. Long-term portions of the lease receivable are offset with deferred revenue, as it is not available to finance expenditures of the current period.

7. Unearned Revenue

Unearned revenue is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenue in the government-wide and the fund statements.

8. Liabilities

Liabilities include amounts paid to the City by contractors as guarantees of performance. These amounts may be due back to the contractors.

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. All vacation, sick pay and compensatory time is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

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10. Long-Term Obligations

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

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

11. Net Assets/Fund Balances

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. The first category represents net assets related to property, plant, equipment and infrastructure. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Council direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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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, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

12. Minimum Fund Balance Policy

The City's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 10 percent of budgeted expenditures.

F. Other Policies

1. Property Taxes

Calendar of Property Tax Events

- January 1, 2010 – Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- May 31, 2010 - Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 20, 2010 – Proposed tax millage rate approved by the City Council and provided to the Palm Beach County Property Appraiser, who mails notices to the taxpayers.
- September 23, 2010 – Property tax millage rate ordinance approved by the City Council.
- October 1, 2010 – Beginning of fiscal year for which taxes are levied.
- December 31, 2010 – The Palm Beach County Property Appraiser notifies the City of the taxable value on the final property tax assessment roll.
- April 1, 2011 – Unpaid property taxes become delinquent and become a lien.
- June 1, 2011 – Tax certificates are sold by the Palm Beach County Tax Collector.

Property Tax Collection

Property tax collections are governed by Chapter 197, Florida Statutes. The Palm Beach County Tax Collector (Tax Collector) bills and collects all property taxes levied within the County. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January and 1% in February. If property taxes are not paid by April 1, the County adds a 3% penalty on real estate and a 1 ½% penalty on personal property.

The Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. Certificates not sold revert back to the County. The Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the land by paying the Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of a tax certificate may at any time after taxes have been delinquent (April 1), for two years, file an application for a tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property which is sold at public auction.

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The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied. The Tax Collector pays the City interest on monies held from day of collection to day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by State statutes.

Property Tax Limitation

The City is permitted by state statutes to levy taxes up to 10 mills of assessed value. The millage rate levied by the City for the fiscal year ended September 30, 2011, was 3.4059. Current tax collections for the City were approximately 97% of the total tax levy.

2. Use of Estimates

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

3. Encumbrances

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

3. Deposits and Investments

General Authorization:

Cash and cash equivalents include cash on hand, amounts in demand and time deposits and short-term investments with original maturity dates within three months of the date acquired by the City. All of the City's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 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 potential losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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The City's investment practices are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, Section 20, the adopted investment policy, and various legal covenants related to outstanding bond issues. For all investments authorized by statute and policy, the City applies the "Prudent Man Rule" when developing investment strategies.

Types of Investments:

The City is authorized to invest in a wide range of securities that include certificates of deposit, money market funds, U.S. Treasury obligations, State and U.S. Government Agencies and Enterprises, State and Local Government Series, the State Board of Administration investment pool, the Florida Municipal Investment Trust, mutual funds and repurchase agreements. The City uses only financial institutions qualified as public depositories by the State of Florida or "approved" security dealers to place its investments unless bond covenants specifically require other financial institutions to be used. In addition to the investments above, the Pension Plans are authorized to invest in corporate bonds; real estate; common and preferred stock; and commingled funds..

The State Board of Administration (SBA) administers the Florida PRIME and the Fund B Surplus Funds Trust Fund (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2011, the fair value factor for Fund B was \$.7568 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

The Florida Municipal Investment Trust (Municipal 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 Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however the Board has adopted operating procedures consistent with the requirements for a "2a-7 like" pool.

Violations:

There were no violations of the legal or contractual provisions for deposits and investments.

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a. City of Boca Raton

At September 30, 2011, the City of Boca Raton had the following cash, cash equivalents and investments:

| Portfolio/Investments | Fair Value | Weighted Average Maturity | Credit Rating | Percent Distribution |
|----------------------------------------------------|-----------------------|------------------------------------------|--------------------------|---------------------------------|
| Cash Deposits | \$ 143,165,806 | | | 56.47% |
| State Board of Administration- Florida PRIME | 294,017 | 38 days | AAAm S&P | 0.12% |
| Total Cash | <u>143,459,823</u> | | | |
| State Board of Administration-Fund B | 6,610 | 4.82 years | Not rated | 0.00% |
| FMIvT 0-2 Year High Quality Bond Fund | 25,446,219 | .73 years | AAAf/S1+ S&P | 10.04% |
| FMIvT 1-3 Year High Quality Bond Fund | 17,836,443 | 1.57 years | AAA/V2 Fitch | 7.04% |
| FMIvT Intermediate High Quality Bond Fund | 17,622,337 | 3.4 years | AAA/V3 Fitch | 6.95% |
| U.S. Treasury Notes | 1,142,180 | 3.62 years | Not rated | 0.45% |
| U.S. Government Sponsored Enterprises: | | 4.57 years | | |
| Federal National Mortgage Association | 23,844,242 | | AA+ S&P | 9.40% |
| Federal Home Loan Mortgage Mortgage Corporation | 9,138,042 | | AA+ S&P | 3.60% |
| Federal Home Loan Bank | 10,032,559 | | AA+ S&P | 3.96% |
| Certificates of Deposit | 5,000,000 | | Not rated | 1.97% |
| Total Investments | <u>110,068,632</u> | | | |
| Total Cash & Investments | <u>\$ 253,528,455</u> | | | <u>100.00%</u> |

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than five years. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2011.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The City's investment policy allows investments in U.S. Government sponsored agencies and enterprises, the State Board of Administration investment pool, and the Florida Municipal Investment Trust. The ratings of the investments held at year end are shown above. All are rated within the policy guidelines.

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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 investment type in the portfolio is shown in the preceding table. The City's investment policy allows investment concentrations in various percentages for different types of investments. The investments held at year end are all within the allowable percentages.

Custodial Risk

The City's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2011, the City's investment portfolio was held with a third-party custodian.

b. Executive Employees' Retirement Plan

At September 30, 2011, the Executive Employee's Retirement Plan (EERP) invested in securities and fixed income investments as listed as follows:

| Portfolio/Investments | Fair Value | Weighted Average Maturity | Credit Rating | Percent Distribution |
|-------------------------------------------------|----------------------|------------------------------------------|--------------------------|---------------------------------|
| Cash Deposits | \$ 702,417 | | | 3.80% |
| FMIvT Broad Market High Quality Bond Fund | 5,814,397 | 5.11 years | AA/V4 Fitch | 31.50% |
| FMIvT Market High Quality Growth Portfolio | 1,587,423 | | Not rated | 8.60% |
| FMIvT Large Cap Diversified Value Portfolio | 1,587,422 | | Not rated | 8.60% |
| FMIvT Russell 1000 Enhanced Index Portfolio | 4,891,477 | | Not rated | 26.50% |
| FMIvT Diversified Small Cap Equity Portfolio | 2,307,300 | | Not rated | 12.50% |
| FMIvT International Portfolio | 1,568,964 | | Not rated | 8.50% |
| Total Investments | <u>17,756,983</u> | | | |
| Total Cash & Investments | <u>\$ 18,459,400</u> | | | <u>100.00%</u> |

Interest Rate Risk

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

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Credit Risk

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

Concentration of Credit Risk

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

c. General Employees' Pension Plan

At September 30, 2011, the General Employees' Pension Plan's (the Plan) portfolio consisted of the following securities and fixed income investments:

**CITY OF BOCA RATON, FLORIDA
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| Portfolio/ Investments | Fair Value | Weighted Average Maturity | Credit Rating | Percent Distribution |
|-------------------------------------------------|-------------------|------------------------------------------|--------------------------|---------------------------------|
| Cash Deposits | \$ 444,175 | | | 0.29% |
| Short-term securities | 2,226,458 | | Aaa Moody's | 1.46% |
| Total Cash & Cash Equivalents | 2,670,633 | | | |
| U.S. Government Securities: | | | | |
| U.S. Treasury Securities: | | | | |
| U.S. Treasury Notes Index Linked | 10,197,351 | 5.43 years | Aaa Moody's | 6.71% |
| U.S. Government Sponsored Agencies: | | | | |
| Government Mortgage Backed Securities: | | 23.06 years | | |
| Federal National Mortgage Association | 10,953,002 | | Aaa Moody's | 7.20% |
| Government National Mortgage Association | 494,881 | | Aaa Moody's | 0.33% |
| Federal Home Loan Mortgage Corporation | 9,651,798 | | Aaa Moody's | 6.35% |
| Corporate Bonds & Debentures | | | | |
| Corporate Obligations: | | 5.80 years | | |
| Bonds | | | | |
| Bonds | 3,398,523 | | Aa Moody's | 2.24% |
| Bonds | 11,538,081 | | A Moody's | 7.59% |
| Bonds | 4,273,644 | | Baa Moody's | 2.81% |
| Commercial Mortgage Backed Securities (CMBS) | | 28.46years | | |
| CMBS | 4,642,445 | | Aaa Moody's | 3.05% |
| CMBS | 231,151 | | Not rated | 0.15% |
| Government Issued CMBS | 379,731 | 9.08 years | Aaa Moody's | 0.25% |
| Common Stock | 59,486,083 | | | 39.13% |
| Real Estate Investment Trust | 7,323,674 | | | 4.82% |
| Commingled Funds | | | | |
| International Equity Fund | 14,305,222 | | | 9.41% |
| Domestic Equity Fund | 12,485,095 | | | 8.21% |
| Total Investments | 149,360,681 | | | |
| Total Cash & Investments | \$152,031,314 | | | 100.00% |

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied Aa+ rating from Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to provide sufficient liquidity to pay obligations as they become due. Treasury inflation indexed

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securities are limited to ten year maturities. At September 30, 2011, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to be rated by Moody's/Standard & Poor's as Baa2/BBB or better. The policy requires short-term commercial paper/bankers acceptances to be rated by Moody's/Standard & Poor's as P-1/A-1 with the issuer having a long-term debt rating of A. Commercial mortgage backed and asset backed securities are required to be rated by Moody's/Standard & Poor's as Aaa/AAA. Further, the investment policy does not permit private mortgages or tax exempt bonds. At September 30, 2011, for those where ratings are available, the portfolio met the credit rating limitations of the investment policy.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. The investment policy requires that corporate bond issues cannot represent more than 1 1/2% of the total bond portfolio. The policy further requires that corporate bond issues rated below A3/A- by Moody's/Standard & Poor's cannot represent more than 15% of the total bond portfolio. At September 30, 2011, the investment portfolio met the corporate single issuer and quality limitations of the investment policy.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk

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

d. Police and Firefighter's Retirement System

At September 30, 2011, the Police and Firefighter's Retirement System invested in the following securities and fixed income investments:

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| Portfolio/Investments | Fair Value | Weighted Average Maturity | Credit Rating | Percent Distribution |
|--------------------------------------------------|----------------------|------------------------------------------|--------------------------|---------------------------------|
| Cash Deposits | \$ 2,758,313 | | | 1.33% |
| Short-Term Securities | 2,821,893 | | Not rated | 1.36% |
| Total Cash and Cash Equivalents | <u>5,580,206</u> | | | |
| U.S. Government Securities: | | | | |
| U.S. Treasury Securities: | | 15.77 years | | |
| U.S. Treasury Notes | 2,733,909 | | Aaa Moody's | 1.32% |
| U.S. Treasury Bonds | 1,734,324 | | Aaa Moody's | 0.84% |
| U.S. Government Sponsored Agencies: | | | | |
| Government Mortgage Backed Securities: | | 27.15 years | | |
| Federal National Mortgage Association | 7,818,628 | | Aaa Moody's | 3.78% |
| Government National Mortgage Association | 3,626,444 | | Aaa Moody's | 1.75% |
| Federal Home Loan Mortgage Corporation | 1,838,743 | | Aaa Moody's | 0.89% |
| Corporate Bonds & Debentures | | | | |
| Corporate Obligations: | | 6.88 years | | |
| Bonds | 221,528 | | Aaa Moody's | 0.11% |
| Bonds | 2,842,236 | | Aa Moody's | 1.37% |
| Bonds | 6,900,972 | | A Moody's | 3.33% |
| Bonds | 6,286,808 | | Baa Moody's | 3.04% |
| Commercial Mortgage Backed Securities (CMBS): | | 30.79 years | | |
| CMBS | 795,609 | | Aaa Moody's | 0.38% |
| CMBS | 673,190 | | Not available | 0.33% |
| Asset Backed Securities: | | 3.81 years | | |
| ABS | 493,811 | | Aaa Moody's | 0.24% |
| ABS | 98,419 | | Not available | 0.05% |
| Common Stock | 82,607,040 | | | 39.89% |
| Real Estate Direct | | | | |
| Investment Partnership | 17,748,246 | | | 8.57% |
| Commingled Funds: | | | | |
| Mutual Funds | 7,468,923 | | | 3.61% |
| Long/Short Equity Funds | 27,893,602 | | | 13.47% |
| International Equity Funds | 25,453,101 | | | 12.29% |
| High Yield Fixed Income Fund | 4,247,261 | | Not rated | 2.05% |
| Total Investments | <u>201,482,794</u> | | | |
| Total Cash & Investments | <u>\$207,063,000</u> | | | <u>100.00%</u> |

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied Aa+ rating from Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to

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match anticipated cash-flow requirements in order to pay obligations when due. At September 30, 2011, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to maintain a weighted average credit quality rating of A or better. The policy further limits high yield fixed income securities to 20% of the portfolio. The investment policy does not permit private placement bonds, except for Rule 144A securities of U.S. issuers which are limited to five percent of the portfolio. At September 30, 2011, for those where ratings are available, the portfolio met the credit rating limitations of the policy.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. The investment policy requires that corporate bond issues cannot represent more than five percent of the fair value of the portfolio. At September 30, 2011, the portfolio met the corporate single issuer limitation of the policy.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy permits a maximum of 10% of the market value of the fixed income portfolio to be invested in Yankee securities (foreign issuers of dollar-denominated debt). At September 30, 2011, less than 6% of the market value of the fixed income portfolio was invested in Yankee securities, which met the limitations of the policy.

e. Risks and Uncertainties – Pension Plans

The Plans invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statement of plan net assets for each Plan. The Plans, through their investment

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advisors, monitor Plan investments and the risks associated therewith on a regular basis which each Plan believes minimizes these risks.

Contributions to the Plans are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

4. Receivables and Payables

Receivables as of year-end for the City's individual major and non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| Governmental: | General | Community Redevelop- ment Agency Mizner Park Revenue | Five Year Capital Improvement | Other Govern- mental | Internal Service | Total |
|------------------------------|--------------------|-----------------------------------------------------------------------------|----------------------------------------------|-------------------------------------|-----------------------------|---------------------|
| Receivables: | | | | | | |
| Accounts | \$3,829,380 | | \$31,003 | | \$ 3,070 | \$ 3,863,453 |
| Assessments | | | | \$282,427 | | 282,427 |
| Lease revenues | | \$11,436,371 | | | | 11,436,371 |
| Interest | 51,220 | 2,053 | 26,704 | 38,477 | 37,895 | 156,349 |
| Net governmental receivables | <u>\$3,880,600</u> | <u>\$11,438,424</u> | <u>\$57,707</u> | <u>\$320,904</u> | <u>\$40,965</u> | <u>\$15,738,600</u> |

Receivables for the City's business-type activities, including individual major funds and allowances for uncollectible accounts are as follows:

| Business-type | Water and Sewer | Other Enterprise | Total |
|-------------------------------|----------------------------|-----------------------------|---------------------|
| Receivables: | | | |
| Accounts | \$ 7,875,596 | \$ 1,528,208 | \$ 9,403,804 |
| Interest on investments | 81,721 | 11,479 | 93,200 |
| Interest on assessments | 20,481 | | 20,481 |
| Assessments | 713,011 | | 713,011 |
| Allowance for uncollectibles | (415,000) | | (415,000) |
| Net business-type receivables | <u>\$ 8,275,809</u> | <u>\$ 1,539,687</u> | <u>\$ 9,815,496</u> |

**CITY OF BOCA RATON, FLORIDA
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Accounts payable and accrued liabilities as of year-end for the City's individual major and non-major funds, and internal service funds in the aggregate, are as follows:

| Governmental: | General | Five Year Capital Improvement | Beach and Park Operations | Other Govern- mental | Internal Service | Total |
|---------------------------|---------------------|----------------------------------------------|------------------------------------------|-------------------------------------|-----------------------------|---------------------|
| Payables: | | | | | | |
| Vendors | \$ 636,541 | \$ 613,587 | \$ 385,196 | \$ 845,826 | \$ 172,135 | \$ 2,653,285 |
| Salaries and benefits | 3,129,099 | | 260,175 | 44,096 | 178,550 | 3,611,920 |
| Net governmental payables | <u>\$ 3,765,640</u> | <u>\$ 613,587</u> | <u>\$ 645,371</u> | <u>\$ 889,922</u> | <u>\$ 350,685</u> | <u>\$ 6,265,205</u> |

Accounts payable and accrued liabilities for the City's business-type activities, including individual major funds, are as follows:

| Business-type | Water and Sewer | Other Enterprise | Total |
|----------------------------|----------------------------|-----------------------------|---------------------|
| Payables: | | | |
| Vendors | \$ 1,440,080 | \$ 1,013,872 | \$ 2,453,952 |
| Salaries and benefits | 432,440 | 193,459 | 625,899 |
| Net business-type payables | <u>\$ 1,872,520</u> | <u>\$ 1,207,331</u> | <u>\$ 3,079,851</u> |

5. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2011 are as follows:

| | |
|------------------------------------|---------------------|
| Major funds: | |
| General Fund | \$ 693,748 |
| Five Year Capital Improvement Fund | <u>3,918,828</u> |
| Total Major funds | 4,612,576 |
| Non-Major Governmental Funds | <u>2,738,479</u> |
| Total Encumbrances | <u>\$ 7,351,055</u> |

CITY OF BOCA RATON, FLORIDA
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6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2011:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|-----------------------------------------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| Governmental activities: | | | | |
| <i>Capital assets not being depreciated/amortized:</i> | | | | |
| Land | \$ 138,135,702 | | | \$ 138,135,702 |
| Construction in progress | 5,755,323 | \$ 10,574,965 | \$ 2,991,956 | 13,338,332 |
| <i>Total capital assets not being depreciated/amortized</i> | <u>143,891,025</u> | <u>10,574,965</u> | <u>2,991,956</u> | <u>151,474,034</u> |
| <i>Capital assets being depreciated/amortized:</i> | | | | |
| Buildings | 78,326,155 | 4,543,162 | | 82,869,317 |
| Improvements other than buildings | 34,735,120 | 1,292,535 | | 36,027,655 |
| Equipment | 44,490,435 | 2,788,027 | 1,533,942 | 45,744,520 |
| Intangible | 2,457,446 | 79,791 | | 2,537,237 |
| Infrastructure | 373,762,270 | 1,278,307 | | 375,040,577 |
| <i>Total capital assets being depreciated/amortized</i> | <u>533,771,426</u> | <u>9,981,822</u> | <u>1,533,942</u> | <u>542,219,306</u> |
| <i>Less accumulated depreciation/amortization for:</i> | | | | |
| Buildings | 20,731,852 | 2,524,993 | | 23,256,845 |
| Improvements other than buildings | 20,063,694 | 1,294,290 | | 21,357,984 |
| Equipment | 27,292,327 | 3,844,453 | 1,521,491 | 29,615,289 |
| Intangible | 2,061,138 | 67,604 | | 2,128,742 |
| Infrastructure | 156,001,048 | 9,557,662 | | 165,558,710 |
| <i>Total accumulated depreciation/amortization</i> | <u>226,150,059</u> | <u>17,289,002</u> | <u>1,521,491</u> | <u>241,917,570</u> |
| Total capital assets being depreciated/amortized, net | <u>307,621,367</u> | <u>(7,307,180)</u> | <u>12,451</u> | <u>300,301,736</u> |
| Governmental activities capital assets, net | <u>\$ 451,512,392</u> | <u>\$ 3,267,785</u> | <u>\$ 3,004,407</u> | <u>\$ 451,775,770</u> |
| | | | | |
| | Beginning Balance | Additions | Deletions | Ending Balance |
| Business-type activities: | | | | |
| <u>Water and sewer</u> | | | | |
| <i>Capital assets not being depreciated/amortized:</i> | | | | |
| Land | \$ 245,873 | | | \$ 245,873 |
| Construction in progress | 10,433,181 | \$ 8,579,482 | \$7,967,937 | 11,044,726 |
| <i>Total capital assets not being depreciated/amortized</i> | <u>10,679,054</u> | <u>8,579,482</u> | <u>7,967,937</u> | <u>11,290,599</u> |
| <i>Capital assets being depreciated/amortized:</i> | | | | |
| Utility plant in service | 339,231,939 | 3,911,863 | | 343,143,802 |
| Equipment | 33,921,555 | 4,357,514 | 114,732 | 38,164,337 |
| Intangible | 6,055,065 | | | 6,055,065 |
| <i>Total capital assets being depreciated/amortized</i> | <u>379,208,559</u> | <u>8,269,377</u> | <u>114,732</u> | <u>387,363,204</u> |
| <i>Less accumulated depreciation/amortization for:</i> | | | | |
| Utility plant in service | 132,848,072 | 8,975,586 | | 141,823,658 |
| Equipment | 17,770,830 | 1,406,904 | 114,732 | 19,063,002 |
| Intangible | 468,343 | 295,333 | | 763,676 |
| <i>Total accumulated depreciation/amortization</i> | <u>151,087,245</u> | <u>10,677,823</u> | <u>114,732</u> | <u>161,650,336</u> |
| Total capital assets being depreciated/amortized, net | <u>228,121,314</u> | <u>(2,408,446)</u> | <u>0</u> | <u>225,712,868</u> |
| Total water and sewer capital assets, net | <u>\$ 238,800,368</u> | <u>\$ 6,171,036</u> | <u>\$7,967,937</u> | <u>\$237,003,467</u> |

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| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---------------------------------------------------------|------------------------------|--------------------|--------------------|---------------------------|
| <u>Non-major funds, business-type activities</u> | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 586,735 | | | \$ 586,735 |
| Construction in progress | 247,000 | \$1,690,512 | \$ 410,601 | 1,526,911 |
| <i>Total capital assets not being depreciated</i> | <u>833,735</u> | <u>1,690,512</u> | <u>410,601</u> | <u>2,113,646</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings | 2,259,661 | | | 2,259,661 |
| Improvements other than buildings | 18,040,531 | 410,601 | | 18,451,132 |
| Equipment | 6,653,875 | 1,087,218 | 132,194 | 7,608,899 |
| <i>Total capital assets being depreciated</i> | <u>26,954,067</u> | <u>1,497,819</u> | <u>132,194</u> | <u>28,319,692</u> |
| <i>Less accumulated depreciation for:</i> | | | | |
| Buildings | 1,284,734 | 59,220 | | 1,343,954 |
| Improvements other than buildings | 3,556,107 | 534,080 | | 4,090,187 |
| Equipment | 2,794,191 | 875,588 | 132,194 | 3,537,585 |
| <i>Total accumulated depreciation</i> | <u>7,635,032</u> | <u>1,468,888</u> | <u>132,194</u> | <u>8,971,726</u> |
| Total capital assets being depreciated, net | <u>19,319,035</u> | <u>28,931</u> | | <u>19,347,966</u> |
| Total non-major funds, capital assets, net | <u>20,152,770</u> | <u>1,719,443</u> | <u>410,601</u> | <u>21,461,612</u> |
| Total business-type activities, capital assets, net | <u>\$258,953,138</u> | <u>\$7,890,479</u> | <u>\$8,378,538</u> | <u>\$ 258,465,079</u> |

Depreciation/amortization expense was charged to function / programs of the primary government as follows:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 367,595 |
| Law enforcement | 1,138,649 |
| Fire rescue | 1,694,549 |
| Physical environment | 32,019 |
| Transportation, including depreciation of general infrastructure assets | 10,040,597 |
| Community development | 102,665 |
| Parks and recreation | 2,331,418 |
| | <u>15,707,492</u> |
| Depreciation and amortization of the capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | |
| | <u>1,581,510</u> |
| Total depreciation/amortization expense, governmental activities | <u>\$17,289,002</u> |
| Business-type activities: | |
| Water and sewer depreciation | \$10,382,490 |
| Water and sewer amortization | 295,333 |
| Total water and sewer | <u>10,677,823</u> |
| Cemetery | 61,211 |
| Golf course | 211,150 |
| Stormwater utility | 599,820 |
| Sanitation | 596,707 |
| Total depreciation and amortization expense, business-type activities | <u>\$12,146,711</u> |
| Total government wide depreciation and amortization expense | <u>\$29,435,713</u> |

Construction and Purchase Commitments:

The City has active construction projects as of September 30, 2011. The projects include street and traffic projects and various water, wastewater and drainage projects. In addition, the City has

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outstanding purchase commitments for engineering and design services. At year-end, the City's significant commitments with contractors are as follows:

| <u>Project</u> | <u>Spent to-date</u> | <u>Remaining Commitment</u> |
|-----------------------------------------|----------------------|---------------------------------|
| Downtown Library | \$ 584,250 | \$ 10,950,600 |
| Downtown Infrastructure (Visions 90) | 6,668,785 | 567,377 |
| Water, Wastewater and Drainage Projects | <u>11,955,982</u> | <u>20,908,300</u> |
| Total | <u>\$ 19,209,017</u> | <u>\$ 32,426,277</u> |

The Downtown Library is financed through general obligation bonds repaid by ad valorem taxes. The downtown infrastructure capital projects are financed through revenue bonds repaid by special assessments on the benefitted properties in the downtown. The water and sewer improvements are financed through revenue bonds from system revenues. All other commitments are financed from existing City resources.

7. System Development Charges (Impact Fees)

System Development Charges are fees designed to recover the cost of providing capacity for new customers. The fees represent a major source of financing for the Water and Sewer System (System) and will provide a significant portion of the debt service coverage for the 2001, 2008 and 2009 Revenue Bonds. A Florida State Supreme Court decision outlined the basic requirements of an equitable System Development Charge structure. These requirements are as follows:

- System Development Charges must reflect a pro rata share of the cost of new capacity.
- System Development Charges revenue may be applied only to capital projects expressly designed to expand System capacity.
- Anticipated System Development Charge revenues may not exceed the costs to be incurred by the municipality in expanding capacity to accommodate new users of the System.

The City's System Development Charge structure, implemented in 1980, was designed to comply with this decision. Compliance is achieved in the following manner:

- The Consulting Engineers have reviewed the proposed Capital Improvement Program and identified the expansion portions of the program directed as providing capacity for growth.
- The debt service associated with the cost of providing for this growth will be met through System Development Charges from new customers and the capital recovery portion of the rates paid by new customers.
- System Development Charge revenues will be utilized solely for meeting the construction costs or annual debt service or for early retirement of debt specifically designated for System expansion.

A computerized model has been developed to verify the validity of this approach. It is the City's intent to utilize this model to make necessary adjustments in the System Development Charge schedule from time to time to ensure that compliance with fee objectives is maintained.

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The City has classified system development charges as capital contributions (non-operating revenue) as the fees are revenues which are incidental to the Water and Sewer Enterprise Fund's primary service activities which are provision of potable water and processing of wastewater.

8. Long Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City as a whole and not its individual funds. In each year that debt is outstanding, an ad valorem tax is levied equal to principal and interest due. No reserves are maintained. These bonds generally are issued as 20-year serial bonds.

B. Enterprise Funds Revenue Bonds

The City issues bonds where the City pledges income derived from the operations of the water and sewer system and a system development charge of the water and sewer system to pay debt service.

C. Governmental Activities Revenue Bonds

The City issues bonds where the City pledges revenues from non-ad valorem revenues.

D. Special Assessment Bonds

The City issues special assessment debt where both principal and interest are payable from pledged funds, which consist of special assessment proceeds, and an annual appropriation of available non-ad valorem revenues as shall be necessary to make up any deficiencies in the event the pledged funds shall be inadequate.

On September 13, 2010, the City Council adopted Resolution 120-2010, which equalized and adopted the special assessment roll for the Downtown Special Assessment and established the special assessment amounts due January 1, 2011. During the fiscal year, the City assessed \$1,153,705 and collected \$1,105,537 which was approximately 95.8% of the assessment levied.

E. Tax Increment Revenue Bonds

The Boca Raton Community Redevelopment Agency (CRA or Agency) issued tax increment revenue bonds to fund capital projects at Mizner Park. The Agency bonds are secured by a pledge of, and lien on, the Pledged Revenues as provided in the Agency resolution and on the Deficiency Payments received by the Agency pursuant to the Interlocal Agreement with the City. Pledged revenues consist of tax increment revenues and future land lease revenues of the Agency and the Public Service taxes (Deficiency Payments) of the City. In the event sufficient savings from the issuance of the Agency Bonds are realized, the Agency may use such savings to finance capital projects in Mizner Park, which would constitute public infrastructure or park improvements.

CITY OF BOCA RATON, FLORIDA
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F. Loans payable

The City participates in the First Florida Governmental Financing Commission Loan Agreement Program. The Commission is a public body corporate and politically formed by seven local governments in Florida to benefit participants from the economies of scale associated with large financing. The City covenants and agrees to appropriate in its annual budget, by amendment if required, and to pay when due under its Loan Agreement as promptly as funds become available, amounts of non-ad valorem revenues and other legally available funds sufficient to satisfy the loan repayment requirements of the Loan Agreement.

G. Compensated Absences

For the governmental activities, compensated absences are generally liquidated by the General Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities.

Governmental activities bonds and loans outstanding at September 30, 2011 consist of the following:

| <u>Governmental activities:</u> | <u>Purpose of Issue</u> | <u>Amount Issued</u> | <u>Amount Outstanding</u> | <u>Interest Rate</u> | <u>Maximum Annual Debt Service</u> |
|--------------------------------------|-------------------------|----------------------|---------------------------|----------------------|------------------------------------|
| General Obligation Bonds: | | | | | |
| Series 1997, Refunding | Refunding | \$ 8,920,000 | \$ 490,000 | 3.70 – 5.60% | \$ 513,520 |
| Series 2003 | Fire Station Projects | 17,500,000 | 11,540,000 | 2.00 – 4.50% | 1,337,500 |
| Series 2003A | Library Projects | 10,000,000 | 6,425,000 | 2.00 – 4.50% | 722,695 |
| Series 2004, Refunding | Refunding | 21,720,000 | 17,560,000 | 2.00 – 3.88% | 2,325,480 |
| Series 2010 | Downtown Library | <u>9,225,000</u> | <u>8,945,000</u> | 3.00 – 4.00% | 670,700 |
| | | <u>67,365,000</u> | <u>44,960,000</u> | | |
| Special Assessment Bonds: | | | | | |
| Series 2009, Refunding | Refunding | 11,205,000 | 9,840,000 | 2.00 – 4.25% | 1,162,388 |
| Series 2010 | Improvement | <u>3,705,000</u> | <u>3,705,000</u> | 2.00 – 4.125% | 286,769 |
| | | <u>14,910,000</u> | <u>13,545,000</u> | | |
| Loans Payable: | | | | | |
| First Florida, Series 2001 Refunding | Refunding | 5,635,000 | 1,865,000 | 3.00 – 5.50% | 691,025 |
| Tax Increment Revenue Bonds: | | | | | |
| Series 1998, Refunding | Refunding | <u>72,560,168</u> | <u>43,741,269*</u> | 3.60 – 5.00% | 6,655,000 |
| Total for Gov't Activities | | <u>\$160,470,168</u> | <u>\$104,111,269</u> | | |

* Includes \$12,031,101 of accreted interest on Capital Appreciation Bonds

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Business-type activities bonds and notes outstanding at September 30, 2011 consist of the following:

| | Purpose of Issue | Amount Issued | Amount Outstanding | Interest Rate | Maximum Annual Debt Service |
|-------------------------------------------|-------------------------|-----------------------------|-----------------------------|----------------------|------------------------------------|
| <u>Business-type activities:</u> | | | | | |
| Utility system revenue bonds: | | | | | |
| Series 2001 | Plant Expansion | \$ 24,460,000 | \$ 1,450,000 | 4.00 – 4.75% | \$ 1,481,719 |
| Series 2008 | Refunding | 40,040,000 | 38,170,000 | 4.00 – 4.375% | 4,005,988 |
| Series 2009 | Refunding | 8,485,000 | 7,280,000 | 2.50 – 4.00% | 1,037,388 |
| Total for Business-type Activities | | <u>\$ 72,985,000</u> | <u>\$ 46,900,000</u> | | |

Long-term liability activity for the year ended September 30, 2011 was as follows:

| | Beginning Balances | Additions | Reductions | Ending Balances | Due Within One Year |
|------------------------------------------------------|---------------------------|----------------------|---------------------|------------------------|----------------------------|
| Governmental activities: | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation bonds | \$ 49,195,000 | | \$ 4,235,000 | \$ 44,960,000 | \$ 3,880,000 |
| Tax increment revenue bonds | 37,285,168 | | 5,575,000 | 31,710,168 | 5,815,000 |
| Special assessment bonds | 14,240,000 | | 695,000 | 13,545,000 | 715,000 |
| Loans payable | 2,435,000 | | 570,000 | 1,865,000 | 590,000 |
| Capital lease payable | 45,675 | | 45,675 | | |
| Deferred amounts | (1,090,832) | | (154,717) | (936,115) | |
| Accretion | 10,806,073 | \$ 1,225,028 | | 12,031,101 | |
| Total bonds, loans and capital lease payable, net | <u>112,916,084</u> | <u>1,225,028</u> | <u>10,965,958</u> | <u>103,175,154</u> | <u>11,000,000</u> |
| Compensated absences | 12,000,094 | 4,590,228 | 2,274,489 | 14,315,833 | 1,431,583 |
| Estimated liability for self-insurance losses | 9,443,338 | 10,184,412 | 10,872,076 | 8,755,674 | 3,251,674 |
| Total governmental activities, Long-term liabilities | <u>\$ 134,359,516</u> | <u>\$ 15,999,668</u> | <u>\$24,112,523</u> | <u>\$ 126,246,661</u> | <u>\$ 15,683,257</u> |
| Business-type activities: | | | | | |
| <i>Water and Sewer:</i> | | | | | |
| Revenue bonds | \$50,045,000 | | \$3,145,000 | \$ 46,900,000 | \$ 3,260,000 |
| Deferred amounts | 717,690 | | 42,645 | 675,045 | |
| Revenue bonds payable, net | 50,762,690 | | 3,187,645 | 47,575,045 | 3,260,000 |
| Compensated absences | 1,424,365 | \$ 499,573 | 502,363 | 1,421,575 | 142,157 |
| Total water and sewer | <u>52,187,055</u> | <u>499,573</u> | <u>3,690,008</u> | <u>48,996,620</u> | <u>3,402,157</u> |
| <i>Other business-type activities:</i> | | | | | |
| Compensated absences | 759,472 | 153,748 | 131,476 | 781,744 | 78,173 |
| Total other business-types activities, | <u>759,472</u> | <u>153,748</u> | <u>131,476</u> | <u>781,744</u> | <u>78,173</u> |
| Total business-type activities | <u>\$52,946,527</u> | <u>\$ 653,321</u> | <u>\$3,821,484</u> | <u>\$49,778,364</u> | <u>\$ 3,480,330</u> |
| Long-term liabilities | | | | | |

**CITY OF BOCA RATON, FLORIDA
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SEPTEMBER 30, 2011**

Summary of Annual Debt Service Requirements:

Governmental Activities

| <u>Year Ended</u> <u>September 30,</u> | <u>General Obligation Bonds</u> | | <u>Special Assessment and Revenue Bonds</u> | | <u>Tax Increment Bonds</u> | |
|---------------------------------------------------------|----------------------------------------|------------------------|--------------------------------------------------------|------------------------|-----------------------------------|------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2012 | \$3,880,000 | \$1,680,091 | \$715,000 | \$493,294 | \$5,815,000 | \$704,206 |
| 2013 | 3,495,000 | 1,547,236 | 905,000 | 471,844 | 6,075,000 | 433,644 |
| 2014 | 3,615,000 | 1,431,230 | 930,000 | 446,294 | 6,355,000 | 146,959 |
| 2015 | 3,740,000 | 1,302,718 | 975,000 | 419,994 | 2,987,363 | 3,667,637 |
| 2016 | 3,875,000 | 1,169,846 | 1,015,000 | 391,569 | 2,815,486 | 3,804,514 |
| 2017-2021 | 19,360,000 | 3,542,811 | 5,765,000 | 1,344,180 | 7,662,319 | 12,197,781 |
| 2022-2026 | 4,565,000 | 834,826 | 2,210,000 | 378,719 | | |
| 2027-2030 | 2,430,000 | 238,575 | 1,030,000 | 106,375 | | |
| Total | \$44,960,000 | \$11,747,333 | \$13,545,000 | \$4,052,269 | \$31,710,168 | \$20,954,741 |

Governmental Activities

Business Type Activities

| <u>Year Ended</u> <u>September 30,</u> | <u>First Florida Loans</u> | | <u>Enterprise Bonds</u> | |
|---------------------------------------------------------|-----------------------------------|------------------------|--------------------------------|------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2012 | \$590,000 | \$99,625 | \$3,260,000 | \$1,766,594 |
| 2013 | 620,000 | 70,125 | 3,380,000 | 1,660,169 |
| 2014 | 655,000 | 36,025 | 3,480,000 | 1,558,838 |
| 2015 | | | 3,585,000 | 1,439,988 |
| 2016 | | | 3,715,000 | 1,314,656 |
| 2017-2021 | | | 18,800,000 | 4,154,790 |
| 2022-2026 | | | 7,300,000 | 1,558,891 |
| 2027-2028 | | | 3,380,000 | 148,371 |
| Total | \$1,865,000 | \$205,775 | \$46,900,000 | \$13,602,297 |

J. Water and Sewer System Bond Covenants

The Water and Sewer System (the System) bond ordinances provide for two separate revenue flows to meet the needs of the System operations, reserves and debt service. System Development Charges (impact fees) are deposited into separate accounts. An annual calculation determines the portion of the charge to be transferred to the debt service fund. Impact fees are restricted to payment of debt service related to the construction of new plant capacity. Impact fees may not be used for operations (see Note 7).

First, operating revenue of the System is used to meet the operations and maintenance requirements. Next, revenue is used to pay any portion of the bond interest, principal and reserve requirements not paid from impact fees. Next, an amount not less than 5% of the prior year's revenue is transferred to the System's renewal and replacement fund until the balance in the fund totals 1% of gross book value of assets of the System. Revenue is then used to fund an operation and maintenance reserve fund, which is maintained at a level equal to 1/8 of the operating budget. Remaining monies can be used for any legal City purpose.

At September 30, 2011, all reserves including the bond reserve account were fully funded. The rate structure is calculated annually to assure adequate coverage of all requirements.

CITY OF BOCA RATON, FLORIDA
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K. Tax Increment Revenue Bond Covenants

Mizner Park Project:

The Community Redevelopment Agency bonds are secured by a pledge of, and a lien on, the pledged revenues as provided in the resolution and on the deficiency payments received by the Agency pursuant to an interlocal agreement with the City. Pledged revenues consist of tax increment revenues and future land lease revenues of the Agency and the Public Service taxes of the City. In the event that the tax increment revenues and the future lease revenues are insufficient to pay the required obligations under the Agency bonds, then the City is required to pay the Agency from available Public Service taxes an amount equal to any deficit in the amounts required to be on deposit in the sinking fund established under the bond resolution.

During the 1991 Legislative Session, the State Legislature passed legislation exempting the Palm Beach County Health Care District (District) from tax increment payments to the Agency. Subsequently, this legislation has become law and has resulted in the loss of approximately \$6 million in tax increment revenues since 1991, and will continue to adversely affect the Agency in future years. At closing on the original financing, approximately 17.5% of annual tax increment revenues were expected from the District.

In the 1992 Legislative Session, the State Legislature passed legislation exempting the Palm Beach County Children's Services District from tax increment payments to the Agency in Fiscal Year 1993. This has resulted in the loss of approximately \$3.2 million in tax increment revenues since 1993. At closing, approximately 2.3% of all future tax increment revenues were expected from the Children's Services District.

The Agency has leased the Mizner Park Project to a developer who has constructed a cultural, commercial and residential facility. The lease is an operating lease with scheduled rent increases over the life of the lease. The lease has a term of 99 years and requires minimum fixed future rentals of \$1,180,000 in 2012, 2013, 2014, 2015 and 2016 and \$127,938,333 in total thereafter, plus contingent rentals. Contingent rentals are the greater of the minimum fixed amount or 15% of the tenant's net operating income as defined in each lease agreement. In fiscal year 2011, rental income amounted to \$1,236,280 and the contingent rental payment was \$56,280.

The ability of the tenant to pay the Agency the lease revenues is dependent upon their ability to sublease the commercial facilities constructed thereon and such other guarantees contracted by the Agency. The Agency has an unsubordinated claim on the buildings constructed under the lease prior to the mortgage holder. All portions of the project have been constructed.

Management monitors the collection of pledged revenues to comply with the bond resolution. Tax increment and lease revenue payments of contingent rentals from the developer began in 2001 and are available for debt service. Management cannot presently make a reliable estimate of future contingent rentals. If lease rental and tax increment revenues are not sufficient for debt service, the City's pledge of public service tax would be required to be used for the repayment of the debt service.

**CITY OF BOCA RATON, FLORIDA
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Based on current information, management believes that there will be no future deficiencies in tax increment and lease revenues that will require the use of the City's public service tax revenues. The City's public service (excise) tax was increased from 8.5% to 10% effective January 1, 1997. The tax is levied on electric and water service and on the purchase of natural gas. The increase in revenues through September 30, 2004 was segregated into a special revenue lock box fund to cover future deficiencies in the pledged revenues for the debt service payments for the Mizner Park bonds. The City has restricted \$6,131,099 in the special revenue Mizner Park Lock Box Fund and committed \$1,633,000 of fund balance in the General Fund at September 30, 2011 to cover future deficiencies in the pledged revenues.

The City, in prior fiscal years, had advanced \$5,229,500 to the CRA from the Mizner Park Lock Box Fund to cover deficiencies in pledged revenues. During the 2011 fiscal year, the CRA repaid \$2.5 million to the City pursuant to the interlocal agreement between the City and the CRA.

L. Pledged Revenues

The City issues bonds that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds as of September 30, 2011 are as follows:

| <u>Source of Revenue Pledged</u> | <u>Government Activities</u> | | <u>Business Activities</u> |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| | <u>Special Assessment</u> | <u>Tax Increment Bonds</u> | <u>Water and Sewer Revenues</u> |
| Current revenue pledged | \$1,199,953 | \$10,184,382 | \$17,195,276 |
| Current debt service | 1,219,292 | 6,531,997 | 5,028,550 |
| Total future revenues pledged | 17,597,269 | 52,664,909 | 60,502,299 |
| Description of debt | Special Assessment Refunding & Improvement Bonds, Series 2009-2010 (Visions 90 Projects) | Tax Increment Bonds, Series 1998 (Mizner Park Project) | Water and Sewer Utility Revenue Bonds, issued 1999-2009 |
| Purpose of debt | Series 2009, to refund Special Assessment Bonds, Series 2001; Series 2010, to finance certain improvements within the Downtown District | To refund Tax Increment Bonds, Series 1992 | Construction and Refunding |
| Term of commitment | 2010-2030 | 1998-2018 | 1999-2027 |
| Percentage of debt service to pledged revenues (current year) | 102% | 64% | 29% |

9. Defeasance of Debt

The City defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2011, \$6,715,784 of bonds outstanding is considered defeased.

10. Employee Retirement Systems

The City of Boca Raton sponsors three defined benefit plans – General Employees' Pension Plan, Police and Firefighters' Retirement System and the Executive Employees' Retirement Plan.

CITY OF BOCA RATON, FLORIDA
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The City's pension plans are presented in accordance with GASB Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," No. 27, "Accounting for Pensions by State and Local Governmental Employers" and No. 50, "Pension Disclosures." The objective of these statements is to enhance the understandability and usefulness of pension information included in the financial statements of state and local governmental employers. The General Employees' Pension Plan and the Police and Firefighters' Retirement System each issue a publicly available audited GAAP financial report that includes financial statements and required supplementary information. Copies of the report are available in the Pension Office located at 2333 Glades Road, Boca Raton, FL 33431. The Executive Employees' Retirement Plan does not issue separate financial statements. Condensed financial statements are presented below.

Plan Descriptions, Contribution Information and Funding Policies

General Employees' Pension Plan:

Plan Description:

The General Employees' Pension Plan (The Plan) is a single-employer defined benefit plan administered by an eight-member Board of Trustees (the Board) that covers all regular full-time City employees except police, fire, and executive management employees. The Plan was established by Ordinance 1806, adopted April 17, 1973, by City Council. The Plan is also governed by Chapter 112, Florida Statutes.

The Plan is divided into three levels of benefit- Plan A, Plan B and Plan C. Employees hired prior to October 1, 1987 are enrolled in Plan A. Employees hired from October 1, 1987 to October 31, 2007 or transferred from Plan A are enrolled in Plan B. Employees hired on or after November 1, 2007, or who elect to transfer from Plan A or B, may enroll in Plan C or the City's defined contribution plan. On an ongoing basis, all assets accumulated for the payment of benefits may legally be used to pay benefits to members or beneficiaries of Plan A, B and C.

Retirement benefits are calculated by multiplying the member's earnings averaged over five years times the member's years of continuous service times a multiplier determined by their plan level.

Members become eligible for unreduced benefits upon the attainment of age 65, without regard to service, age 55 with the completion of 20 years of continuous service, or age 53 with the completion of 30 years of continuous service. Plan A and B participants utilize a 3.00% multiplier and Plan C participants utilize a 1.75% multiplier.

Members become eligible for a Rule 68 retirement benefit when age plus service equals 68 and requires a minimum age of 50 and minimum continuous service of 15 years. For the Rule of 68 retirement option, Plan A participants utilize a 2.5% multiplier. Plan B and C participants utilize a 1.50% multiplier.

CITY OF BOCA RATON, FLORIDA
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Members qualify for alternate unreduced early retirement upon the attainment of age 55 and minimum continuous service of 15 years. Plan A and B participants utilize a 2% multiplier. Plan C participants utilize a 1.75% multiplier.

Members qualify for early retirement benefits upon attaining age 50 with 20 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year early retirement precedes the normal retirement age 55.

Active employees who become disabled receive 60% (50% of earnings for disabilities incurred away from work) of the monthly earnings in effect at the time of disability, reduced by workers' compensation or any public disability benefits to which the member is entitled. Disability benefits are paid until the earlier of death, recovery, or the end of the maximum benefit period. The maximum benefit period is until age 65 if the member became disabled prior to attainment of age 60 or for 60 months if the member became disabled after the attainment of age 60.

If an employee dies while an active member or on disability, the benefit is equal to 3.5 times the member's annual earnings as of the date of death or the date the member became disabled. The beneficiary receives an initial lump sum followed by monthly payments until the designated amount is paid in full. Interest, at a rate equal to the yield of the five-year U.S. Treasury Note on the first day of the fiscal year, is approved annually by the Board of trustees and is credited on the unpaid balance.

If a member meets the minimum service requirement of 10 years of continuous service at the time employment terminates, the benefit will be paid when the member turns 65 or later attains the age requirement for unreduced benefits provided the service requirement for unreduced benefits was met prior to termination. A member may elect to take an immediate reduced benefit, when eligible, calculated in the same manner as for early retirement.

If termination occurs after the completion of 10 years of continuous service, the full accrued retirement benefit is payable at the normal retirement date. If termination occurs prior to the completion of 10 years of continuous service, the member's contributions will be refunded with interest credited at 3% per year, compounded annually.

The Deferred Retirement Option Plan (DROP) is available to all Plan members who are still actively employed and have attained the age of 55 with at least 20 years of continuous service, age 53 with at least 30 years of continuous service, or a reduced benefit at age 50 with 20 years of continuous service. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest

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during the remainder of the member's employment with the City. City and employee contributions cease when a member elects to participate in the DROP. Maximum duration of participation is five years. If a member continues to remain in employment more than the maximum period, no further deposits will be made to the member's account and investment earnings will cease to be posted. Upon termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2011, there were 65 DROP participants with a total balance of \$5,376,695.

Plan Contributions and Funding Policy:

Plan A and B members are required to contribute 9.65% of their annual earnings while Plan C members are required to contribute 6% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings does not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2011 determined using the actuarial valuation dated October 1, 2009 were 9.72% of covered payroll for both Plan A and B members. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

Police and Firefighters' Retirement System:

Plan Description:

The Police and Firefighters' Retirement System (the Plan) is a single-employer defined benefit plan administered by an eight-member Board of Trustees which covers all City of Boca Raton (the City) police officers and firefighters. The Plan was established by Ordinance 1806, adopted April 17, 1973, by City Council. The Plan is also governed by Chapters 112, 175, and 185, Florida Statutes. Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the Plan. This amount totaled \$2,676,070 for the year ended September 30, 2011: \$1,578,470 for property insurance contracts for firefighters under Chapter 175 and \$1,097,600 for casualty insurance contracts for police officers under Chapter 185. This amount was recognized as an expenditure and revenue in the General Fund.

Police officers completing 20 or more continuous years of service, or age 55 with 10 years of continuous service, are eligible for normal retirement benefits. Normal retirement participants are entitled to receive monthly benefits payable at 3.5% of their average monthly earnings for the highest two consecutive years of compensation multiplied by the member's years of continuous service subject to a maximum of 87.5%. Normal retirement participants are eligible to receive a

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2% annual cost of living increase after one year of retirement. Retirements before October 1, 2001 receive a 3% cost of living adjustment every two years.

Firefighters completing 20 or more continuous years of service, or age 55 with 10 years of service, are entitled to monthly benefits of 3.4% of their average monthly earnings for the highest two consecutive years of compensation multiplied by the member's years of continuous service. Firefighter participants eligible to receive normal retirement benefits and have 22 or more years of continuous service (or 20 years if retired prior to December 9, 2008), are eligible for an increased benefit of 3% each year once they have attained the age of 52 or have been retired one year, whichever comes later. Participants with 21 years of continuous service are eligible for the cost-of-living adjustment after two years and with 20 years of continuous service are eligible after three years. Benefits payable for service-related death and disability benefits are increased by 3% each year starting with the date they would have attained age 52. No increases apply to non-service related death or disability benefits unless they complete 20 years of continuous service prior to their death or disability.

Members separating from service receive a \$10 monthly supplement per year of service. Members retiring after October 26, 2011 receive a \$10.50 monthly supplement per year of service.

A member of the Plan may be eligible for early retirement after attainment of age 50 with 10 years of continuous service. Members so qualifying may receive benefits under one of the following two options:

1. The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as discussed above under normal retirement, or
2. The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 3% for each year prior to the normal retirement date.

Active employees who become disabled while in service receive 75% of the average monthly earnings. Disability benefits are paid until the earlier of death or recovery from disability. The maximum pension including social security and workers compensation is 100% of salary at disability. If an active employee dies from in-service death, the beneficiary receives a \$5,000 lump sum benefit payment plus a maximum monthly benefit equal to 75% of the member's average monthly earnings until the beneficiary's death. If an active employee dies from non-service incurred cause and has less than one year of service, the beneficiary receives a \$2,500 lump sum benefit. If an active employee dies from non-service incurred cause and has more than one year of continuous service, the beneficiary receives a \$5,000 lump sum benefit payment. If the employee has five or more years of service, the surviving spouse will receive a monthly pension equal to 65% of the employee's accrued pension.

If an employee terminates his employment and is not eligible for any other benefits under the system, the member is entitled to the following:

- . With less than ten years of continuous service, a refund of the member contribution is made plus 3% interest, or

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- With ten or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her normal retirement date, or at the member's option, a lump sum refund of the member contribution plus 3% interest.

Police officers and firefighters who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). Upon electing to participate in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain active employees of the City. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation, using continuous service and average monthly earnings as of that date. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest during the remainder of the member's employment with the City. Maximum duration of DROP participation is five years. If a member continues to remain in employment more than the maximum period, no further deposits will be made to the member's account and investment earnings will cease to be posted. Upon termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum, annual installments or monthly annuity distributions. Benefit distributions must commence by age 70 ½. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2011, there were 88 DROP participants with a total balance of \$13,050,261.

Plan Contributions and Funding Policy:

Police Officer members are required to contribute 10.2% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages, longevity pay and the first 300 hours of overtime but exclude any overtime earnings in excess of 300 hours, bonuses and any other extra compensation. The Plan receives funding from premium taxes on certain property and casualty insurance contracts written on City properties which is collected by the State and remitted directly to the Plan as a contribution to the Plan, which was 8.13%. Employer contributions for the fiscal year ended September 30, 2011 determined using the actuarial valuation dated October 1, 2009 were 27.69% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

Firefighter members are required to contribute 10.2% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. The Plan receives funding from premium taxes on property and casualty insurance contracts written on City properties which is collected by the State and remitted directly to the plan as a contribution to the Plan, which was 11.50%. Employer contributions for the fiscal year ended September 30, 2011 determined using the actuarial valuation dated October 1, 2009 were 27.69% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

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Executive Employees' Retirement Plan

Plan Description:

The Executive Employees' Retirement Plan (the Plan) is a single-employer defined benefit plan administered by a five-member Board of Trustees that covers the executive employees of the City of Boca Raton. The Plan was established by Ordinance 4745, adopted November 12, 2003, by City Council. The Plan is also governed by Chapter 112, Florida Statutes.

Plan members are assigned to one of four divisions, each providing different levels of benefits depending on their division and entry into the plan. Division 1 includes D1, D2 and D3 pay classifications; Division 2 includes D4 and higher D pay classifications; Division 3 includes DD pay classifications and Division 4 includes the City Manager and City Attorney, if they elect to participate in the plan.

Retirement benefits are calculated by multiplying the member's earnings averaged over five years (for Division 1 through Division 3) or two years (for Division 4) times the member's years of continuous service times a multiplier determined by their plan level subject to a maximum of 90%.

For members on or before September 30, 2010 Division 1, Division 2, and Division 3 utilize multipliers of 3.05, 3.15 and 3.25 respectively. Division 4 utilizes a multiplier of 4.45 for the first 10 years and 3.35 thereafter. After September 30, 2010 new members assigned to Division 1, Division 2, Division 3 and Division 4 utilize multipliers of 2.35, 2.45, 2.55 and 2.65 respectively.

Members are eligible to retire the earlier of reaching age 65 with at least 6 years of vesting service or reaching age 55 with at least 10 years of vesting service or for new members after September 30, 2010 age 58 with at least 10 years of vesting service. Monthly benefits are calculated as a percentage of average final compensation. A cost of living increase of 2% per year for Divisions 1, 2 and 3 and 3% per year for Division 4 in current monthly benefits commence on October 1st following 5 years after retirement. Members who terminate with 10 years or more of benefit service and are eligible for immediate early or normal retirement receive a \$10 monthly supplement per year of service. The Plan also permits early retirement for all participants at the age of 50 and the completion of 10 years of vesting service or for new members after September 30, 2010 age 53 and the completion of 10 years of vesting service.

Members qualify for early retirement benefits upon attaining age 50 with 10 years of continuous service or for new members after September 30, 2010 age 53 with 10 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year early retirement precede the normal retirement age 55 or 58 for new members who join the plan after September 30, 2010.

Members who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). They will remain active employees of the City, but will no longer contribute to the Plan. Their benefits will remain frozen and continue to accrue interest until they

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retire from the City, at which time DROP benefits will be paid. Maximum duration of participation is sixty months. At September 30, 2011, there were 2 DROP participants with a total balance of \$137,122.

Active employees who become disabled receive 60% of the average final compensation as of the date of disability payable starting at age 65. Disability benefits are paid until the earlier of death or recovery from disability. If an active employee dies, a member's beneficiary is entitled to an accrued benefit that varies with age, length of service and employee division. If an employee terminates his employment with the City and is not eligible for any other benefits under the plan, the member is entitled to the following:

- with less than six years of continuous service, a refund of member contribution plus 5% interest.
- with six or more years of continuous service, the pension accrued to the date of termination, payable commencing at the member's normal retirement date.

The City by Ordinance No. 4749 established a Preservation of Benefits Plan to pay benefit obligations. In the event that the accrued benefit for a member under the Plan is reduced pursuant to Section 401(a)(17) or Section 415(b) of the Internal Revenue Code, the City will pay a supplemental benefit amount equal to the amount reduced under the Internal Revenue Code limits.

Plan Contributions and Funding Policy:

Members are required to contribute 11% of their annual earnings. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings do not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2011 determined using the actuarial valuation dated October 1, 2009 were 19.88% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

Condensed financial statements for the Executive Employees' Retirement Plan are show as follows:

| <u>Statement of Plan Net Assets</u> | |
|--------------------------------------|----------------------|
| Assets: | |
| Cash and equivalents | \$ 702,417 |
| Investments: | |
| Florida Municipal Pension Trust Fund | <u>17,756,983</u> |
| Total Assets | <u>18,459,400</u> |
| Liabilities: | |
| Accounts payable | <u>22,457</u> |
| Total Liabilities | <u>22,457</u> |
| Net Assets | <u>\$ 18,436,943</u> |

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Statement of Changes in Plan Net Assets

| | |
|-----------------------------------------------|----------------------|
| Additions | |
| Contributions: | |
| City | \$ 1,083,506 |
| Employee | 675,173 |
| Transfer from other pension plan | 262,364 |
| Total Contributions | <u>2,021,043</u> |
| Investment Income: | |
| Interest Revenue, net | 39,285 |
| Investment Expense | (30,647) |
| Total Investment Income | <u>8,638</u> |
| Total Additions | <u>2,029,681</u> |
| Deductions | |
| Retirement Benefits Paid | 656,190 |
| Deferred Retirement Option Plan Benefits Paid | 234,979 |
| Administrative Expenses | 25,697 |
| Total Deductions | <u>916,866</u> |
| Change in Net Assets | 1,112,815 |
| Net Assets held in trust for pension benefits | |
| Net Assets – Beginning | <u>17,324,128</u> |
| Net Assets – Ending | <u>\$ 18,436,943</u> |

Current Membership:

Current membership, at September 30, 2011 in the General Employees' Pension Plan, Police and Firefighters' Retirement System and Executive Employees' Retirement Plan, is comprised of the following:

| | <u>General Employees'</u> <u>Pension Plan</u> | <u>Police and Firefighters'</u> <u>Retirement System</u> | <u>Executive Employees'</u> <u>Retirement Plan</u> |
|---------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|
| Retirees and beneficiaries currently receiving benefits | 440 | 266 | 17 |
| Vested terminated employees | 35 | 4 | 9 |
| Active employees | | | |
| Fully-vested | 325 | 138 | 29 |
| Non-vested | 275 | 195 | 15 |

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension plans' financial statements are prepared using the accrual basis of accounting. Contributions from members are recognized in the period the City makes payroll deductions from participants. City contributions to each plan are recognized when due as determined actuarially and are remitted on a monthly basis along with the members' contributions. The City has made a formal commitment to provide the contributions to the pension plans. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of each plan.

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Investments and Investment Income:

Investments are carried at fair value, which is determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year; securities for which no sale was reported on that date are valued at the last reported bid price; and short-term investments are valued at cost, which approximates fair value. The fair value of real estate investments have been estimated based upon latest appraisal information. Commingled funds that do not have an established market are reported at the net asset value of shares owned at the end of the year. Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. Dividends and interest income are recorded as earned.

The City has contracted with the Florida Municipal Pension Trust Fund (FMPTF) to administer the Executive Employees' Retirement Plan. The FMPTF invests pension assets in the Florida Municipal Investment Trust (the Trust), an interlocal government entity created under the laws of the State of Florida as an investment vehicle for those participating governments. The Trust invests funds into one or more investment portfolios under the supervision of investment managers. The portfolio does not distribute income or capital gains to its members. All income earned and capital gains realized are retained by the portfolio and reinvested.

Administrative Expenses:

Administrative costs paid by the these Plans include services of administrative personnel, bank charges, investment counsel charges, actuarial costs, insurance expense, any approved medical expenses and miscellaneous office expenses.

Plan Termination:

In the event the Plan is terminated or contributions under the Plan are discontinued, each employee will have a non-forfeitable right to the benefits accrued and/or funded to the date of Plan termination or contribution discontinuance.

Pension Information:

City contributions for 2011 were determined by annual actuarial valuations as of October 1, 2009 and adopted by the Board of Trustees for the respective plans. Significant actuarial assumptions used in the latest actuarial valuation are as follows:

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| | <u>General Employees'</u> | <u>Police and Firefighters'</u> | <u>Executive Employees'</u> |
|-------------------------------|--------------------------------------------------------|--------------------------------------------------------|---------------------------------|
| Actuarial valuation date | 10/01/2011 | 10/01/2011 | 10/01/2011 |
| Actuarial cost method | Entry age normal | Entry age normal | Individual entry age |
| Amortization method | Level percent Closed | Level percent Closed | Level percent Open Group |
| Remaining amortization period | 6 - 30 years | 6 - 30 years | 30 years |
| Asset valuation method | 4 year smoothed average – with 80%/120% corridor | 4 year smoothed Average – with 80%/115% corridor | Market |
| Actuarial assumptions: | | | |
| Investment rate of return | 8.0% | 8.0% | 8.0% |
| Projected salary increases | 3.9% to 7.3% | 4.5% to 7.5% | 4.0% to 6.0% |
| Includes inflation of | 3.0% | 4.5% | 3.5% |
| Cost of living adjustment: | None | | |
| Police | | 2.0% Annually | |
| Fire | | 3.0% Annually | |
| EERP | | | 2-3% per year |

Annual Pension Cost and Net Pension Asset:

Annual Pension Cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan.

The annual pension cost and net pension asset for each retirement system and for the fiscal year ended September 30, 2011, is presented as follows:

| | <u>General Employees'</u> | <u>Police and Firefighters'</u> | <u>Executive Employees'</u> |
|---------------------------------------------|-------------------------------|-------------------------------------|---------------------------------|
| Annual required contribution (ARC) | \$ 3,333,945 | \$ 11,498,774 | \$ 1,029,022 |
| Interest on net pension asset (NPA) | (6,701) | (305,763) | (86,861) |
| Adjustments to ARC | 8,996 | 410,487 | 96,446 |
| Annual Pension Cost (APC) | <u>3,336,240</u> | <u>11,603,498</u> | <u>1,038,607</u> |
| Contributions made | (3,333,945) | (11,290,578) | (1,083,506) |
| Interest on APC & contributions at year end | <u>90</u> | <u>12,276</u> | <u></u> |
| Increase (decrease) in NPA | 2,385 | 325,196 | (44,899) |
| NPA – Beginning of year | <u>(170,820)</u> | <u>(7,794,110)</u> | <u>(1,085,765)</u> |
| NPA – End of year | <u><u>\$ (168,435)</u></u> | <u><u>\$ (7,468,914)</u></u> | <u><u>\$ (1,130,664)</u></u> |

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Three Year Trend Information

| Fiscal year ended in: | General Employees' | | | Police and Firefighters' | | |
|------------------------------|----------------------------|--------------------------------------|--------------------------|---------------------------------|--------------------------------------|--------------------------|
| | Annual Pension Cost | Percentage of APC Contributed | Net Pension Asset | Annual Pension Cost | Percentage of APC Contributed | Net Pension Asset |
| 2009 | \$2,055,509 | 102% | \$ (173,239) | \$ 8,243,112 | 108% | \$ (8,661,225) |
| 2010 | \$2,506,293 | 100% | \$ (170,820) | \$10,269,222 | 92% | \$ (7,794,110) |
| 2011 | \$3,336,240 | 100% | \$ (168,435) | \$11,603,498 | 97% | \$ (7,468,914) |

| Fiscal year ended in: | Executive Employees' | | |
|------------------------------|-----------------------------|--------------------------------------|--------------------------|
| | Annual Pension Cost | Percentage of APC Contributed | Net Pension Asset |
| 2009 | \$ 679,847 | 132% | \$ (1,095,435) |
| 2010 | \$ 909,598 | 99% | \$ (1,085,765) |
| 2011 | \$ 1,038,607 | 104% | \$ (1,130,664) |

Funded Status and Funding Progress

The funded status of the Plans as of October 1, 2011, the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

| Plan | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (UAAL) (b - a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | UAAL as Percentage Of Annual Covered Payroll Obligation |
|--------------------------|---------------------------------|--------------------------------------|----------------------------------------------|--------------------------------|---------------------------|-----------------------------------|----------------------------------------------------------------|
| General Employees' | October 1, 2011 | \$150,589 | \$177,691 | \$ 27,102 | 84.75% | \$29,916 | 90.59% |
| Police and Firefighters' | October 1, 2011 | \$205,429 | \$327,580 | \$122,151 | 62.70% | \$28,591 | 427.20% |
| Executive Employees' | October 1, 2011 | \$ 20,538 | \$ 30,797 | \$ 10,259 | 66.69% | \$ 4,746 | 216.18% |

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

11. Other Post Employment Benefits (OPEB)

Plan Description

The City provides a single employer defined benefit health care plan to all of its employees except for the firefighter members covered by the collective bargaining agreement between the City and the International Association of Firefighters. The plan allows its employees and their beneficiaries, at their own cost and until the attainment of age 65, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform with

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Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy and Annual OPEB Cost

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

The annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The annual OPEB cost for the City for the current year and the related information is as follows:

| | |
|--------------------------------------------|---------------------|
| Required contribution rates: | |
| Employer | Pay-as-you-go |
| Plan members | N/A |
| | |
| FY 2011 Annual Required Contribution (ARC) | \$ 473,000 |
| Interest on Net OPEB Obligation | 44,000 |
| Adjustment to ARC | <u>(37,000)</u> |
| Annual OPEB cost | 480,000 |
| Employer Contributions | <u>(228,000)</u> |
| Increase in net OPEB obligation | 252,000 |
| Net OPEB obligation – October 1, 2010 | <u>979,000</u> |
| Net OPEB obligation – September 30, 2011 | <u>\$ 1,231,000</u> |

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2011 and the two preceding years were as follows:

| Fiscal year ended | Annual OPEB cost | Percentage of OPEB cost contributed | Net OPEB obligation |
|-------------------|------------------|----------------------------------------|------------------------|
| 9/30/2009 | \$613,000 | 45.3% | \$697,000 |
| 9/30/2010 | \$452,000 | 37.6% | \$979,000 |
| 9/30/2011 | \$480,000 | 39.0% | \$1,231,000 |

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Funded Status and Funding Progress

The funded status of the plan as of October 1, 2010 was as follows:

| | |
|---------------------------------------------|--------------|
| Actuarial accrued liability | \$5,078,000 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | \$5,078,000 |
| Funded Ratio | - |
| Covered payroll | \$48,839,000 |
| UAAL as a percentage of covered payroll | 10.40% |

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

| | |
|-------------------------------------|-----------------------|
| Actuarial valuation date | 10/1/2010 |
| Actuarial cost method | Projected Unit Credit |
| Amortization method | Level percent, closed |
| Remaining amortization period | 30 years |
| Asset valuation method | Unfunded |
| Actuarial assumptions: | |
| Investment rate of return | 4.50% |
| Projected salary increases | 3.50% |
| Post-retirement benefit increases | 0% |
| Inflation rate | 3.0% |
| Healthcare inflation rate, ultimate | 5.0% |

12. Interfund Receivables, Payables and Transfers

A. Due To/From Other Funds (Balances Expected To Be Repaid Within One Year)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

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The following is a summary of interfund receivable and payable balances at September 30, 2011:

| | Interfund Receivables (Due from) | Interfund Payables (Due to) |
|--------------------------------|-------------------------------------------------|--------------------------------------------|
| Major funds: | | |
| General Fund | \$2,361,928 | |
| Beach and Park Operations Fund | | \$ 1,977,112 |
| Non-Major Governmental Funds | | 384,816 |
| | \$2,361,928 | \$ 2,361,928 |

The inter-fund balances above represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year end.

B. Interfund Transfer Reconciliation

| <u>Transfers from:</u> | <u>Transfers to:</u> | | | | <u>Total</u> |
|-------------------------------|-----------------------------|------------------------------------------|------------------------------------|----------------------------------------|---------------------|
| | <u>General</u> | <u>Non-major Governmental</u> | <u>Internal Service</u> | <u>Non-major Enterprise</u> | |
| General | | | \$ 867,500 | \$ 200,000 | \$ 1,067,500 |
| CRA Mizner Park Revenue | | \$ 6,807,200 | | | 6,807,200 |
| 5 Year Capital Improvements | \$ 1,000,000 | 691,900 | 2,260,900 | | 3,952,800 |
| Beach and Park Operations | | | 24,600 | | 24,600 |
| Water and Sewer | | | 89,500 | | 89,500 |
| Non-major governmental | 20,000 | 1,219,300 | 20,300 | 459,400 | 1,719,000 |
| Non-major enterprise | | | 19,100 | | 19,100 |
| Total | \$ 1,020,000 | \$ 8,718,400 | \$ 3,281,900 | \$ 659,400 | \$ 13,679,700 |

The transfers to the General Fund are reimbursement of construction costs related to the construction of the Spanish River Library and a transfer from the Downtown Infrastructure Fund for the reimbursement of administrative costs relating to the downtown special assessment program. Funds transferred into the Five Year Capital Improvement Program are for funding capital projects. Non-major governmental fund transfers in are for payment of debt service, beautification projects, and CRA operations. The transfers into the Internal Service Fund are for the purchase of capital assets, which are not recovered through normal user fees and to partially offset operating costs in Information Technology Fund. The transfer into the non-major Enterprise funds is for capital projects and maintenance of the Cemetery Fund.

13. Self-Insurance Programs

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. Under this program the City has established three programs, Workers Compensation, Employees' Health and General and Automobile Liability.

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The City is fully self-insured for workers' compensation, general liability, automobile liability, employment liability, police professional liability and errors and omissions. In addition, the City purchases an excess policy at a self-insured retention of \$400,000 for workers' compensation and \$250,000 for general liability losses. The City purchases commercial insurance for property damage up to \$103,000,000, after deductibles ranging from \$50,000 to \$1,000,000. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years. The City has entered into a contract with CIGNA to provide for employee health insurance utilizing a minimum premium policy that provides certain limits on health insurance claim amounts that the City is ultimately responsible for and establishes certain reserve amounts.

All funds of the City participate in the program and make payments to the Self-Insurance Fund, based on actuarial estimates of amounts needed to pay prior and current year claims. The claims liability of \$8,755,674 reported in the Fund at September 30, 2011 is based on the requirements of GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A discount rate of 3% is assumed.

The City's estimated liability for self-insured losses for general liability and workers' compensation was determined by an independent actuarial valuation performed as of September 30, 2011. Liabilities include an amount for claims incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for self-insured losses are based on estimates and the ultimate settlement of the claims may differ from the amounts recorded. The estimated liability at September 30, 2010 and 2011 is as follows:

| <u>Type</u> | <u>Liability at September 30, 2010</u> | <u>Liability at September 30, 2011</u> | <u>Due Within One Year</u> |
|----------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------|
| Workers Compensation | \$ 4,041,000 | \$ 4,433,000 | \$ 1,125,000 |
| General and Automobile Liability | 3,982,000 | 2,860,000 | 664,000 |
| Health Insurance | <u>1,420,338</u> | <u>1,462,674</u> | <u>1,462,674</u> |
| Total | <u>\$ 9,443,338</u> | <u>\$ 8,755,674</u> | <u>\$ 3,251,674</u> |

Changes in the estimated liability for the fiscal years ended September 30, 2010 and 2011 are as follows:

| | <u>Liability October 1</u> | <u>Claims and Changes in Estimates</u> | <u>Claim Payments</u> | <u>Liability September 30</u> |
|------|--------------------------------|------------------------------------------------|---------------------------|-----------------------------------|
| 2010 | \$11,056,679 | \$ 9,399,065 | \$11,012,406 | \$9,443,338 |
| 2011 | \$ 9,443,338 | \$10,184,412 | \$10,872,076 | \$8,755,674 |

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14. Contingent Liabilities

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 not any significant contingent liabilities relating to these grants.

The City is a defendant in various lawsuits at September 30, 2011. The estimated liability for probable losses, as a result of the lawsuits, was determined based on advice from legal counsel after giving consideration for insurance coverage and, in certain instances, the Florida statutory limitations of governmental liability, and is included in the estimated liability for self-insured claims in the internal service fund (see Note 13). Although the ultimate outcome of these lawsuits is not presently determinable, it is the opinion of management, based on advice from legal counsel, that the amount of losses resulting from the above litigation in excess of the amount accrued as of September 30, 2011, would not have a material adverse effect on the financial position of the City.

15. Boca Raton Community Redevelopment Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2011:

| | <u>Deposits</u> | <u>Withdrawals</u> |
|--------------------------------|-----------------|--------------------|
| Source of deposits: | | |
| Tax increment revenues | \$8,948,102 | |
| Lease revenues | 1,236,280 | |
| Investment income | 55,385 | |
| Other | 221,799 | |
| Purpose of withdrawals: | | |
| Debt service – principal | | \$5,575,000 |
| Debt service – interest | | 958,747 |
| Salaries and benefits | | 326,364 |
| Professional services | | 242,017 |
| Advertising | | 1,422 |
| Reimbursement for debt service | | 2,500,000 |
| Industry development | | 2,417,297 |
| Other contractual services | | 6,669 |
| Insurance premiums | | 9,000 |
| IT technology | | 2,000 |
| Dues and subscriptions | | 1,994 |
| Miscellaneous | | 3,656 |
| | \$10,461,566 | \$12,044,166 |

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

16. Subsequent Events

On September 27, 2011 the City of Boca Raton partially refunded two General Obligation Bonds and closed on the bonds on October 25, 2011 as follows:

| | <u>G.O. Fire Bonds</u> | <u>G.O. Library Bonds</u> |
|-------------------------------|------------------------|---------------------------|
| Amount of 2011 bonds | \$ 9,525,000 | \$ 6,060,000 |
| Amount of 2003 bonds refunded | \$10,680,000 | \$ 5,930,000 |
| Interest rate range | 2.00% - 4.50% | 2.00% - 4.50% |
| Present value savings | 1,122,297 | 369,437 |
| True interest cost | 1.90% | 1.98% |





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CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(dollar amount in thousands)
(Unaudited)

| Actuarial Valuation Date <u>October 1</u> | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) <u>Entry Age</u> | (b-a) Unfunded AAL <u>(UAAL)</u> | (a/b) Funded Ratio | (c) Annual Covered <u>Payroll</u> | (b-a)/c UAAL as a Percentage of Covered <u>Payroll</u> |
|---------------------------------------------------|-------------------------------------|-----------------------------------------------------------------|----------------------------------------|--------------------------|-----------------------------------------|--------------------------------------------------------------------|
| General Employees' Pension Plan | | | | | | |
| 2006 | \$149,013 | \$136,935 | \$(12,078) | 108.82% | \$30,415 | -39.71% |
| 2007 | 155,901 | 145,647 | (10,254) | 107.04% | 30,935 | -33.15% |
| 2008 | 156,186 | 150,363 | (5,823) | 103.87% | 32,119 | -18.13% |
| 2009 | 155,671 | 162,631 | 6,960 | 95.72% | 32,811 | 21.21% |
| 2010 | 155,042 | 169,663 | 14,621 | 91.38% | 32,166 | 45.45% |
| 2011 | 150,589 | 177,691 | 27,102 | 84.75% | 29,915 | 90.59% |
| Police and Firefighters' Retirement System | | | | | | |
| 2006 | \$184,595 | \$209,487 | \$24,892 | 88.10% | \$24,194 | 102.90% |
| 2007 | 197,932 | 231,789 | 33,857 | 85.40% | 24,891 | 136.00% |
| 2008 | 203,745 | 252,988 | 49,243 | 80.54% | 28,637 | 171.95% |
| 2009 | 204,965 | 274,735 | 69,770 | 74.60% | 29,767 | 234.39% |
| 2010 | 208,497 | 296,742 | 88,245 | 70.30% | 29,499 | 299.10% |
| 2011 | 205,429 | 327,580 | 122,151 | 62.70% | 28,591 | 427.20% |
| Executive Employees' Retirement Plan | | | | | | |
| 2006 | \$11,172 | \$15,179 | \$4,006 | 73.61% | \$3,884 | 103.16% |
| 2007 | 13,888 | 17,704 | 3,816 | 78.44% | 4,184 | 91.21% |
| 2008 | 15,850 | 21,482 | 5,632 | 73.78% | 4,822 | 116.80% |
| 2009 | 17,480 | 25,146 | 7,665 | 69.52% | 5,060 | 151.50% |
| 2010 | 19,059 | 26,918 | 7,895 | 70.80% | 4,897 | 160.49% |
| 2011 | 20,538 | 30,797 | 10,259 | 66.69% | 4,745 | 216.18% |

**CITY OF BOCA RATON, FLORIDA
OTHER POST EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(dollar amount in thousands)
(Unaudited)**

| <u>Actuarial Valuation Date</u> | (a) <u>Actuarial Value of Assets</u> | (b) <u>Actuarial Accrued Liability (AAL) Entry Age</u> | (b-a) <u>Unfunded AAL (UAAL)</u> | (a/b) <u>Funded Ratio</u> | (c) <u>Annual Covered Payroll</u> | (b-a)/c <u>UAAL as a Percentage of Covered Payroll</u> |
|-------------------------------------|---------------------------------------------|-------------------------------------------------------------------|-----------------------------------------|----------------------------------|------------------------------------------|-----------------------------------------------------------------------|
| October 1, 2007 | - | \$6,204 | \$(6,204) | 0.00% | \$51,009 | 12.16% |
| October 1, 2008 | - | 6,620 | (6,620) | 0.00% | 52,379 | 12.64% |
| October 1, 2009 | - | 4,779 | (4,779) | 0.00% | 51,801 | 9.23% |
| October 1, 2010 | - | 5,078 | (5,078) | 0.00% | 48,839 | 10.40% |

The above schedule reflects data for only four years since this is the fourth year of GASB Statement No. 45 implementation.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
(dollar amount in thousands)**

Executive Employees' Retirement Plan*

| <u>Fiscal Year Ended September 30,</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|--------------------------------------------|---------------------------------------------|-----------------------------------|
| 2006 | \$ 681 | 158% |
| 2007 | 683 | 114% |
| 2008 | 694 | 122% |
| 2009 | 680 | 132% |
| 2010 | 910 | 99% |
| 2011 | 1,039 | 104% |

* The Schedule of Employer Contributions is listed only for the Executive Employees' Retirement Plan as separate financial statements are issued for the General Employees' Pension Plan and the Police and Firefighters' Retirement System.

**CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|-------------------------------|--------------------|-----------------|---------------|-----------------------------------------------------------|
| REVENUES | | | | |
| PROPERTY TAXES | \$ 42,967,700 | \$ 42,967,700 | \$ 43,401,835 | \$ 434,135 |
| EXCISE TAXES | | | | |
| Utility | 17,148,000 | 17,148,000 | 16,775,872 | (372,128) |
| Total excise taxes | 17,148,000 | 17,148,000 | 16,775,872 | (372,128) |
| FRANCHISE TAXES | | | | |
| Electrical | 11,000,000 | 11,000,000 | 10,335,277 | (664,723) |
| Television | 1,150,000 | 1,150,000 | 1,110,124 | (39,876) |
| Natural gas | 225,000 | 225,000 | 142,374 | (82,626) |
| Solid waste | 800,000 | 800,000 | 893,969 | 93,969 |
| Total franchise taxes | 13,175,000 | 13,175,000 | 12,481,744 | (693,256) |
| INSURANCE PREMIUM TAXES | | 2,676,100 | 2,676,071 | (29) |
| Total taxes | 73,290,700 | 75,966,800 | 75,335,522 | (631,278) |
| LICENSES AND PERMITS | | | | |
| Local business taxes | 1,330,000 | 1,330,000 | 1,501,132 | 171,132 |
| Beverage licenses | 110,000 | 110,000 | 119,124 | 9,124 |
| Building permits | 4,800,000 | 4,800,000 | 5,980,350 | 1,180,350 |
| Plumbing permits | 225,000 | 225,000 | 40,629 | (184,371) |
| Electrical permits | 700,000 | 700,000 | 189,356 | (510,644) |
| Paving permits | 10,000 | 10,000 | 12,330 | 2,330 |
| Mechanical permits | 225,000 | 225,000 | 38,393 | (186,607) |
| Other | 951,800 | 951,800 | 816,145 | (135,655) |
| Total licenses and permits | 8,351,800 | 8,351,800 | 8,697,459 | 345,659 |
| INTERGOVERNMENTAL | | | | |
| Federal grants | | | | |
| State revenue sharing | 8,079,500 | 8,079,500 | 8,059,490 | (20,010) |
| Palm Beach County | 2,925,000 | 2,925,000 | 2,945,454 | 20,454 |
| Beach tax district | 1,525,000 | 1,645,000 | 1,604,256 | (40,744) |
| Total intergovernmental | 12,529,500 | 12,649,500 | 12,609,200 | (40,300) |
| CHARGES FOR SERVICES | | | | |
| Physical environment | 157,500 | 157,500 | 213,776 | 56,276 |
| Planning and zoning fees | 274,000 | 274,000 | 447,057 | 173,057 |
| Fire services | 7,281,100 | 7,281,100 | 7,241,033 | (40,067) |
| Police services | 425,000 | 445,000 | 323,855 | (121,145) |
| Library | 297,000 | 297,000 | 247,770 | (49,230) |
| Recreation services | 2,150,300 | 2,030,300 | 2,389,335 | 359,035 |
| Amphitheater services | | | 56,282 | 56,282 |
| Parking | | | 62,097 | 62,097 |
| Administrative service charge | 6,577,700 | 6,577,700 | 6,562,919 | (14,781) |
| Other | 180,000 | 180,000 | 267,059 | 87,059 |
| Total charges for services | 17,342,600 | 17,242,600 | 17,811,183 | 568,583 |
| FINES AND FORFEITURES | 2,431,600 | 2,431,600 | 1,067,136 | (1,364,464) |
| INVESTMENT EARNINGS | 1,600,000 | 1,600,000 | 462,588 | (1,137,412) |
| MISCELLANEOUS | 50,000 | 50,000 | 70,236 | 20,236 |
| Total revenues | 115,596,200 | 118,292,300 | 116,053,324 | (2,238,976) |
| EXPENDITURES | | | | |
| Current: | | | | |
| GENERAL GOVERNMENT | | | | |
| City council | 324,200 | 344,200 | 326,577 | 17,623 |
| City manager | | | | |
| Administration | 1,114,600 | 1,229,600 | 1,228,293 | 1,307 |
| City clerk | 872,400 | 872,400 | 704,167 | 168,233 |
| Board and committees | 90,800 | 90,800 | 79,016 | 11,784 |
| Human resources | 945,900 | 950,900 | 952,160 | (1,260) |
| Cultural arts | 967,300 | 853,300 | 494,526 | 358,774 |
| Total city manager | 3,991,000 | 3,997,000 | 3,458,162 | 538,838 |

See accompanying note to required supplementary information

(Continued)

**CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|---------------------------------|--------------------|-----------------|------------|-----------------------------------------------------------|
| Financial services | | | | |
| Administration | \$ 595,700 | \$ 629,300 | \$ 604,465 | \$ 24,835 |
| Accounting | 280,400 | 270,400 | 250,423 | 19,977 |
| Treasury | 188,700 | 188,700 | 180,939 | 7,761 |
| Accounts payable | 227,100 | 228,100 | 228,905 | (805) |
| Purchasing | 725,000 | 729,600 | 702,241 | 27,359 |
| Risk management | 146,800 | 154,800 | 153,092 | 1,708 |
| Office of management and budget | 371,100 | 371,100 | 358,546 | 12,554 |
| Parking | 320,800 | 312,800 | 213,934 | 98,866 |
| Total financial services | 2,855,600 | 2,884,800 | 2,692,545 | 192,255 |
| City attorney | 1,041,900 | 1,041,900 | 1,039,854 | 2,046 |
| Development services | | | | |
| Administration | 339,600 | 339,600 | 290,040 | 49,560 |
| Code compliance/ licensing | 3,671,100 | 3,937,800 | 3,841,943 | 95,857 |
| Planning and zoning | 1,217,600 | 1,268,000 | 1,024,392 | 243,608 |
| Total development services | 5,228,300 | 5,545,400 | 5,156,375 | 389,025 |
| Other non-departmental services | 5,661,700 | 8,370,800 | 6,973,587 | 1,397,213 |
| Total general government | 19,102,700 | 22,184,100 | 19,647,100 | 2,537,000 |
| PUBLIC SAFETY | | | | |
| Law enforcement | | | | |
| Chief's office | | | | |
| Communications/dispatch | 2,020,500 | 2,320,500 | 2,233,267 | 87,233 |
| Community services | 10,371,000 | 10,557,000 | 10,455,986 | 101,014 |
| Bureau of field services | 22,521,700 | 23,534,000 | 23,394,280 | 139,720 |
| Total law enforcement | 34,913,200 | 36,411,500 | 36,083,533 | 327,967 |
| Fire rescue services | | | | |
| Administration | 2,600,700 | 2,753,100 | 2,785,257 | (32,157) |
| Logistics and support | 2,885,700 | 2,894,900 | 2,819,762 | 75,138 |
| Fire operations | 27,633,200 | 27,871,400 | 27,691,916 | 179,484 |
| Fire and life safety | 1,573,500 | 1,573,500 | 1,552,495 | 21,005 |
| Total fire rescue services | 34,693,100 | 35,092,900 | 34,849,430 | 243,470 |
| Total public safety | 69,606,300 | 71,504,400 | 70,932,963 | 571,437 |
| PHYSICAL ENVIRONMENT | | | | |
| Administration | 1,006,900 | 1,207,600 | 1,109,800 | 97,800 |
| Dredge | 458,200 | 459,900 | 394,080 | 65,820 |
| Facilities management | 3,108,200 | 3,207,800 | 2,699,670 | 508,130 |
| Total physical environment | 4,573,300 | 4,875,300 | 4,203,550 | 671,750 |
| TRANSPORTATION | | | | |
| Streets | 960,100 | 945,100 | 863,206 | 81,894 |
| Traffic/ special projects | 3,510,700 | 3,632,200 | 3,225,013 | 407,187 |
| Engineering-survey | 402,900 | 417,900 | 417,115 | 785 |
| Engineering-design | 600,000 | 600,000 | 590,790 | 9,210 |
| Total transportation | 5,473,700 | 5,595,200 | 5,096,124 | 499,076 |

See accompanying note to required supplementary information

(Continued)

CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|---------------------------------------------------|-----------------------|-----------------------|----------------------|-----------------------------------------------------------|
| PARKS AND RECREATION | | | | |
| Administration | \$ 2,123,100 | \$ 2,135,700 | \$ 2,104,913 | \$ 30,787 |
| Library | 3,685,500 | 3,695,500 | 3,661,450 | 34,050 |
| Community center | 590,200 | 633,900 | 568,346 | 65,554 |
| Train depot | 40,900 | 40,900 | 37,716 | 3,184 |
| Camp programs | 688,100 | 688,100 | 660,200 | 27,900 |
| Youth activities center | 43,700 | | | |
| Athletics | 451,500 | 482,700 | 420,318 | 62,382 |
| Skateboard park | 58,800 | 59,300 | 48,893 | 10,407 |
| Special programs | 565,300 | 565,300 | 497,001 | 68,299 |
| Aquatics | 230,900 | 230,900 | 215,482 | 15,418 |
| Tennis center | 235,800 | 235,800 | 205,611 | 30,189 |
| Special interest activity | 481,400 | 492,700 | 428,005 | 64,695 |
| Ocean rescue | 1,635,900 | 1,635,900 | 1,614,835 | 21,065 |
| Parks District I | 1,646,500 | 1,647,900 | 1,492,989 | 154,911 |
| Parks District II | 2,587,300 | 2,599,800 | 2,518,044 | 81,756 |
| Mizner Park | 775,400 | 775,400 | 712,777 | 62,623 |
| Park rangers | 251,200 | 251,200 | 224,674 | 26,526 |
| Irrigation | 839,300 | 839,300 | 850,882 | (11,582) |
| Conservation | 123,700 | 255,000 | 216,706 | 38,294 |
| Total parks and recreation | <u>17,054,500</u> | <u>17,265,300</u> | <u>16,478,842</u> | <u>786,458</u> |
| | | | | |
| Total expenditures | <u>115,810,500</u> | <u>121,424,300</u> | <u>116,358,579</u> | <u>5,065,721</u> |
| | | | | |
| Excess (deficiency) of revenues over expenditures | <u>(214,300)</u> | <u>(3,132,000)</u> | <u>(305,255)</u> | <u>2,826,745</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in: | | | | |
| Downtown Infrastructure Fund | 20,000 | 20,000 | 20,000 | |
| Five Year Capital Improvement Fund | 1,000,000 | 1,000,000 | 1,000,000 | |
| Total transfers in | <u>1,020,000</u> | <u>1,020,000</u> | <u>1,020,000</u> | |
| Transfers out: | | | | |
| Five Year Capital Improvement Fund | (1,024,100) | (1,024,100) | | 1,024,100 |
| Information Technology Fund | (1,500) | (1,500) | (1,500) | |
| Fleet Management Fund | (866,000) | (866,000) | (866,000) | |
| Sanitation Fund | (200,000) | (200,000) | (200,000) | |
| Total transfers out | <u>(2,091,600)</u> | <u>(2,091,600)</u> | <u>(1,067,500)</u> | <u>1,024,100</u> |
| | | | | |
| Total other financing uses | <u>(1,071,600)</u> | <u>(1,071,600)</u> | <u>(47,500)</u> | <u>1,024,100</u> |
| | | | | |
| Net change in fund balance | <u>\$ (1,285,900)</u> | <u>\$ (4,203,600)</u> | <u>(352,755)</u> | <u>\$ 3,850,845</u> |
| | | | | |
| Fund balance - beginning | | | <u>46,924,539</u> | |
| | | | | |
| Fund balance - ending | | | <u>\$ 46,571,784</u> | |

See accompanying note to required supplementary information

CITY OF BOCA RATON, FLORIDA
COMMUNITY DEVELOPMENT AGENCY- MIZNER PARK REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 6,593,700 | \$ 6,593,700 | \$ 8,948,102 | \$ 2,354,402 |
| Charges for services | 1,180,000 | 1,180,000 | 1,236,280 | 56,280 |
| Investment earnings | 31,000 | 31,000 | 18,414 | (12,586) |
| Total revenues | <u>7,804,700</u> | <u>7,804,700</u> | <u>10,202,796</u> | <u>2,398,096</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 2,500,000 | 2,500,000 | 2,500,000 | |
| Total expenditures | <u>2,500,000</u> | <u>2,500,000</u> | <u>2,500,000</u> | |
| Excess (deficiency) of revenues over expenditures | <u>5,304,700</u> | <u>5,304,700</u> | <u>7,702,796</u> | <u>2,398,096</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (6,807,200) | (6,807,200) | (6,807,200) | |
| Total other financing uses | <u>(6,807,200)</u> | <u>(6,807,200)</u> | <u>(6,807,200)</u> | |
| Net change in fund balance | <u>\$ (1,502,500)</u> | <u>\$ (1,502,500)</u> | 895,596 | <u>\$ 2,398,096</u> |
| Fund balance - beginning | | | <u>587,995</u> | |
| Fund balance - ending | | | <u>\$ 1,483,591</u> | |

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA
 BEACH AND PARK OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|---------------------------------------------------|----------------------------|-------------------------|-----------------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 14,940,700 | \$ 17,570,500 | \$ 13,091,906 | \$ (4,478,594) |
| Charges for services | 2,376,400 | 2,381,800 | 2,241,190 | (140,610) |
| Donations in lieu of land | | | 150 | 150 |
| Total revenues | <u>17,317,100</u> | <u>19,952,300</u> | <u>15,333,246</u> | <u>(4,619,054)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and recreation | <u>17,292,500</u> | <u>19,927,700</u> | <u>15,308,646</u> | <u>4,619,054</u> |
| Total expenditures | <u>17,292,500</u> | <u>19,927,700</u> | <u>15,308,646</u> | <u>4,619,054</u> |
| Excess (deficiency) of revenues over expenditures | <u>24,600</u> | <u>24,600</u> | <u>24,600</u> | |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(24,600)</u> | <u>(24,600)</u> | <u>(24,600)</u> | |
| Total other financing uses | <u>(24,600)</u> | <u>(24,600)</u> | <u>(24,600)</u> | |
| Net change in fund balance | <u>\$</u> | <u>\$</u> | | <u>\$</u> |
| Fund balance - beginning | | | <u> </u> | |
| Fund balance - ending | | | <u>\$</u> | |

See accompanying note to required supplementary information

CITY OF BOCA RATON, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2011

Stewardship, Compliance and Accountability

A. Budgetary Information

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements, which govern the City's operations. Annual budgets have been legally adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for the General Fund, Special Revenue Funds (except the General Trust Fund), Debt Service Funds and Capital Projects Funds. Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year end encumbrances.

The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that increase the total expenditures of any department or fund must be approved by the City Council. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department (by fund) level. All necessary supplemental appropriations are adopted by the City Council as part of a quarterly budget review process and are included in the "Final Budget" columns on the schedule of revenues, expenditures and changes in fund balance – budget and actual.





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Major Governmental Fund

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Five-Year Capital Improvement Program Fund -- To account for various building, park and street construction projects. Financing is provided by general tax revenue, bond proceeds, excise tax and interest income.



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**CITY OF BOCA RATON, FLORIDA
FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|----------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 6,066,000 | \$ 6,066,000 | \$ 6,071,925 | \$ 5,925 |
| Intergovernmental | 1,126,400 | 1,126,500 | 2,489,440 | 1,362,940 |
| Donations in lieu of land | 5,157,100 | 5,157,100 | 173,923 | (4,983,177) |
| Investment earnings | 275,000 | 275,000 | 204,776 | (70,224) |
| Miscellaneous | | 90,200 | | (90,200) |
| Total revenues | <u>12,624,500</u> | <u>12,714,800</u> | <u>8,940,064</u> | <u>(3,774,736)</u> |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| General | 759,000 | 759,000 | 233,836 | 525,164 |
| Public safety | 3,954,800 | 4,289,200 | 781,119 | 3,508,081 |
| Transportation | 4,460,600 | 7,057,000 | 3,412,231 | 3,644,769 |
| Community development | 5,000,000 | 5,000,000 | | 5,000,000 |
| Parks | 3,352,100 | 4,171,700 | 1,180,165 | 2,991,535 |
| Total expenditures | <u>17,526,500</u> | <u>21,276,900</u> | <u>5,607,351</u> | <u>15,669,549</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,902,000)</u> | <u>(8,562,100)</u> | <u>3,332,713</u> | <u>11,894,813</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,024,100 | 1,024,100 | | (1,024,100) |
| Transfers out | <u>(3,952,800)</u> | <u>(3,952,800)</u> | <u>(3,952,800)</u> | |
| Total other financing uses | <u>(2,928,700)</u> | <u>(2,928,700)</u> | <u>(3,952,800)</u> | <u>(1,024,100)</u> |
| Net change in fund balance | <u>\$ (7,830,700)</u> | <u>\$ (11,490,800)</u> | <u>(620,087)</u> | <u>\$ 10,870,713</u> |
| Fund balance - beginning | | | <u>25,223,342</u> | |
| Fund balance - ending | | | <u>\$ 24,603,255</u> | |



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Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant Program Fund -- To account for revenue from a grant agreement between the City and the U.S. Department of Housing and Urban Development (HUD) and expenditures for qualified neighborhood revitalization. The program includes expenditures for housing rehabilitation, clearance of housing and relocation of families, the construction of new, low and moderate income housing units, and public improvements to the neighborhood.

Housing Assistance Trust Fund -- To account for funds received from the State Housing Initiatives Partnership for the purpose of providing affordable housing in the City.

Law Enforcement Trust Fund -- To account for funds received from State and Federal forfeitures.

Transportation Fund -- To account for local option gas tax restricted for roadway program expenditures.

Right of Way Beautification Fund -- To account for excise tax levied specifically for the comprehensive median beautification program established in 1984.

Mizner Park Lock Box Fund -- To account for the 1.5% increase in excise tax specifically for the repayment of the Mizner Park Tax Increment Revenue Bonds in the event that pledged revenues are insufficient to meet the debt service requirements.

Community Redevelopment Agency Operating Fund -- To account for the general operations of the Community Redevelopment Agency, which encourages development in the downtown area.

General Trust Fund -- To account for moneys received as donations, which have been restricted to expenditures for specified purposes.

Grant Funds -- To account for revenues and expenditures of specific state and federally funded grants.

PERMANENT FUND

Perpetual Care Fund -- To account for moneys received for the purpose of providing perpetual care for the City's cemetery and mausoleum.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

City Debt Service Fund -- To account for the payment of principal and interest, and fiscal charges on the City's general obligation bonds which are payable from ad valorem taxes; and the City's revenue bonds and notes payable which are payable from non ad valorem revenues.

Community Redevelopment Agency Debt Service Fund -- To account for the payment of principal and interest and fiscal charges of the Community Redevelopment Agency's tax increment revenue bonds (Mizner Park) which are payable from tax increment revenues and land lease revenues.

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 and trust funds.

Right of Way Acquisition Fund -- To account for the cost of acquiring right of way property. Revenue is provided from land sales proceeds and interest income.

Park Land Dedication Fund -- To account for the cost of buying and constructing park developments. Financing is being provided by donations from developers as required by City ordinance.

Downtown Land Dedication Fund -- To account for the cost of buying and constructing park developments in the downtown area. Financing is being provided by donations from developers in the downtown as required by City ordinance.

Downtown Infrastructure Fund -- To account for the financing and implementation of the downtown infrastructure program.

Environmentally Sensitive Lands Fund -- To account for the acquisition, preservation, protection and maintenance of environmentally sensitive lands in the City. Financing is being provided by general obligation bonds.

Library Improvements Fund -- To account for the construction, renovation and furnishing of the City of Boca Raton's Libraries.



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**CITY OF BOCA RATON, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

| | Special Revenue Funds | Permanent Fund | Debt Service Funds | Capital Projects Funds | Total Non-Major Governmental Funds |
|------------------------------------------|-----------------------------|---------------------|--------------------------|------------------------------|---------------------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 10,501,704 | | \$ 2,594,705 | \$ 9,236,123 | \$ 22,332,532 |
| Investments | 7,425,600 | | 1,969,792 | 7,011,680 | 16,407,072 |
| Receivables, net: | | | | | |
| Assessments | | | | 282,427 | 282,427 |
| Interest | 17,256 | | 3,822 | 17,399 | 38,477 |
| Due from other governmental units | 873,053 | | | | 873,053 |
| Restricted: | | | | | |
| Cash and cash equivalents | 286,414 | \$ 3,082,941 | | | 3,369,355 |
| Investments | 217,433 | 2,340,439 | | | 2,557,872 |
| Interest receivable on investments | 521 | 5,641 | | | 6,162 |
| Accounts receivable | | 12,016 | | | 12,016 |
| Total assets | <u>\$ 19,321,981</u> | <u>\$ 5,441,037</u> | <u>\$ 4,568,319</u> | <u>\$ 16,547,629</u> | <u>\$ 45,878,966</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 633,212 | | \$ 2,976 | \$ 253,734 | \$ 889,922 |
| Retainage payable | 42,290 | | | 2,410 | 44,700 |
| Performance bonds and escrow funds | 526,459 | \$ 4,000 | 164,900 | | 695,359 |
| Due to other funds | 384,816 | | | | 384,816 |
| Unearned revenue | 69,141 | | | | 69,141 |
| Total liabilities | <u>1,655,918</u> | <u>4,000</u> | <u>167,876</u> | <u>256,144</u> | <u>2,083,938</u> |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| Debt service | 6,131,099 | | 4,400,443 | | 10,531,542 |
| Housing | 158,367 | | | | 158,367 |
| Law enforcement | 1,292,272 | | | | 1,292,272 |
| Transportation | 7,485,740 | | | | 7,485,740 |
| Right of way beautification | 1,292,970 | | | | 1,292,970 |
| Downtown | 1,302,548 | | | 858,104 | 2,160,652 |
| Land dedication | | | | 1,646,177 | 1,646,177 |
| Library | | | | 10,436,884 | 10,436,884 |
| Committed to: | | | | | |
| Parking | 3,067 | | | | 3,067 |
| Right of way acquisition | | | | 2,283,644 | 2,283,644 |
| Assigned to: | | | | | |
| Environmentally sensitive lands | | | | 1,066,676 | 1,066,676 |
| Non-spendable: | | | | | |
| Perpetual care, cemetery | | 1,950,188 | | | 1,950,188 |
| Perpetual care, mausoleum | | 3,486,849 | | | 3,486,849 |
| Total fund balances | <u>17,666,063</u> | <u>5,437,037</u> | <u>4,400,443</u> | <u>16,291,485</u> | <u>43,795,028</u> |
| Total liabilities and fund balances | <u>\$ 19,321,981</u> | <u>\$ 5,441,037</u> | <u>\$ 4,568,319</u> | <u>\$ 16,547,629</u> | <u>\$ 45,878,966</u> |

CITY OF BOCA RATON, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | Special Revenue Funds | Permanent Fund | Debt Service Funds | Capital Projects Funds | Total Non-Major Governmental Funds |
|---------------------------------------------------|--------------------------------------|---------------------------|-----------------------------------|---------------------------------------|-------------------------------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 4,273,824 | | \$ 6,083,201 | | \$ 10,357,025 |
| Intergovernmental | 1,432,021 | | | | 1,432,021 |
| Charges for services | 221,799 | \$ 114,386 | | | 336,185 |
| Fines and forfeitures | 292,892 | | | | 292,892 |
| Special assessments | | | | \$ 1,199,953 | 1,199,953 |
| Donations in lieu of land | 23,910 | | | 488,884 | 512,794 |
| Investment earnings | 152,960 | 44,907 | 36,640 | 157,761 | 392,268 |
| Miscellaneous | 18,770 | | | | 18,770 |
| Total revenues | <u>6,416,176</u> | <u>159,293</u> | <u>6,119,841</u> | <u>1,846,598</u> | <u>14,541,908</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Law enforcement | 425,317 | | | | 425,317 |
| Transportation | 2,458,410 | | | | 2,458,410 |
| Community development | 3,407,758 | | | | 3,407,758 |
| Parks and recreation | 3,848,379 | | | | 3,848,379 |
| Capital outlay | | | | 3,227,708 | 3,227,708 |
| Debt service: | | | | | |
| Principal | | | 11,075,000 | | 11,075,000 |
| Interest | | | 3,405,937 | | 3,405,937 |
| Total expenditures | <u>10,139,864</u> | | <u>14,480,937</u> | <u>3,227,708</u> | <u>27,848,509</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,723,688)</u> | <u>159,293</u> | <u>(8,361,096)</u> | <u>(1,381,110)</u> | <u>(13,306,601)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 104,800 | | 8,613,600 | | 8,718,400 |
| Transfers out | (20,300) | (459,400) | | (1,239,300) | (1,719,000) |
| Total other financing sources (uses) | <u>84,500</u> | <u>(459,400)</u> | <u>8,613,600</u> | <u>(1,239,300)</u> | <u>6,999,400</u> |
| Net change in fund balances | (3,639,188) | (300,107) | 252,504 | (2,620,410) | (6,307,201) |
| Fund balances - beginning | <u>21,305,251</u> | <u>5,737,144</u> | <u>4,147,939</u> | <u>18,911,895</u> | <u>50,102,229</u> |
| Fund balances - ending | <u>\$ 17,666,063</u> | <u>\$ 5,437,037</u> | <u>\$ 4,400,443</u> | <u>\$ 16,291,485</u> | <u>\$ 43,795,028</u> |

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

| | Community Development Block Grant Program Fund | SHIP Housing Assistance Trust Fund | Law Enforcement Trust Fund | Transpor- tation Fund |
|------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|--------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | | \$ 223,057 | \$ 936,322 | \$ 4,194,191 |
| Investments | | 4,452 | 365,798 | 3,184,705 |
| Receivables, net: | | | | |
| Interest | | | 856 | 7,618 |
| Due from other governmental units | \$ 91,312 | | 2,387 | 292,151 |
| Restricted: | | | | |
| Cash and cash equivalents | | | | |
| Investments | | | | |
| Interest receivable on investments | | | | |
| Total assets | <u>\$ 91,312</u> | <u>\$ 227,509</u> | <u>\$ 1,305,363</u> | <u>\$ 7,678,665</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 63,555 | \$ 1 | \$ 13,091 | \$ 164,275 |
| Retainage payable | | | | 28,650 |
| Performance bonds and escrow funds | | | | |
| Due to other funds | 27,757 | | | |
| Unearned revenue | | 69,141 | | |
| Total liabilities | <u>91,312</u> | <u>69,142</u> | <u>13,091</u> | <u>192,925</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Debt service | | | | |
| Housing | | 158,367 | | |
| Law enforcement | | | 1,292,272 | |
| Transportation | | | | 7,485,740 |
| Right of way beautification | | | | |
| Downtown | | | | |
| Committed to: | | | | |
| Parking | | | | |
| Total fund balances | | <u>158,367</u> | <u>1,292,272</u> | <u>7,485,740</u> |
| Total liabilities and fund balances | <u>\$ 91,312</u> | <u>\$ 227,509</u> | <u>\$ 1,305,363</u> | <u>\$ 7,678,665</u> |

| Right of Way Beautification Fund | Mizner Park Lock Box Fund | Community Redevelopment Agency Operating Fund | General Trust Fund | Grant Funds | Total Nonmajor Special Revenue Funds |
|-------------------------------------------------|----------------------------------------------|------------------------------------------------------------------|-------------------------------|------------------------|-----------------------------------------------------|
| \$ 806,739 | \$ 3,481,648 | \$ 859,747 | | | \$ 10,501,704 |
| 612,444 | 2,643,122 | 615,079 | | | 7,425,600 |
| 1,525 | 6,329 | 928 | | | 17,256 |
| 12,634 | | | | \$ 474,569 | 873,053 |
| | | | \$ 286,414 | | 286,414 |
| | | | 217,433 | | 217,433 |
| | | | 521 | | 521 |
| <u>\$ 1,433,342</u> | <u>\$ 6,131,099</u> | <u>\$ 1,475,754</u> | <u>\$ 504,368</u> | <u>\$ 474,569</u> | <u>\$ 19,321,981</u> |
| \$ 140,372 | | \$ 146,347 | | \$ 105,571 | \$ 633,212 |
| | | 1,701 | | 11,939 | 42,290 |
| | | 22,091 | \$ 504,368 | | 526,459 |
| | | | | 357,059 | 384,816 |
| | | | | | 69,141 |
| <u>140,372</u> | <u></u> | <u>170,139</u> | <u>504,368</u> | <u>474,569</u> | <u>1,655,918</u> |
| | \$ 6,131,099 | | | | 6,131,099 |
| | | | | | 158,367 |
| | | | | | 1,292,272 |
| 1,292,970 | | | | | 7,485,740 |
| | | 1,302,548 | | | 1,292,970 |
| | | | | | 1,302,548 |
| | | 3,067 | | | 3,067 |
| <u>1,292,970</u> | <u>6,131,099</u> | <u>1,305,615</u> | <u></u> | <u></u> | <u>17,666,063</u> |
| <u>\$ 1,433,342</u> | <u>\$ 6,131,099</u> | <u>\$ 1,475,754</u> | <u>\$ 504,368</u> | <u>\$ 474,569</u> | <u>\$ 19,321,981</u> |

CITY OF BOCA RATON, FLORIDA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | Community Development Block Grant Program Fund | SHIP Housing Assistance Trust Fund | Law Enforcement Trust Fund | Transportation Fund |
|---------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|--------------------------------|
| REVENUES | | | | |
| Taxes | | | | \$ 1,908,137 |
| Intergovernmental | \$ 223,339 | | \$ 66,006 | |
| Charges for services | | | 292,892 | |
| Fines and forfeitures | | | | |
| Donations in lieu of land | | | | |
| Investment earnings | | \$ 1,234 | 9,643 | 59,157 |
| Miscellaneous | 5,361 | | | |
| Total revenues | <u>228,700</u> | <u>1,234</u> | <u>368,541</u> | <u>1,967,294</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | | | | |
| Law enforcement | | | 407,552 | |
| Transportation | | | | 1,633,906 |
| Community development | 228,700 | 168,639 | | |
| Parks and recreation | | | | |
| Total expenditures | <u>228,700</u> | <u>168,639</u> | <u>407,552</u> | <u>1,633,906</u> |
| Excess (deficiency) of revenues over expenditures | | <u>(167,405)</u> | <u>(39,011)</u> | <u>333,388</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Total other financing sources (uses) | | | | |
| Net change in fund balances | | (167,405) | (39,011) | 333,388 |
| Fund balances - beginning | | <u>325,772</u> | <u>1,331,283</u> | <u>7,152,352</u> |
| Fund balances - ending | <u>\$</u> | <u>\$ 158,367</u> | <u>\$ 1,292,272</u> | <u>\$ 7,485,740</u> |

| Right of Way Beautification Fund | Mizner Park Lock Box Fund | Community Redevelopment Agency Operating Fund | General Trust Fund | Grant Funds | Total Nonmajor Special Revenue Funds |
|-------------------------------------------------|----------------------------------------------|------------------------------------------------------------------|-------------------------------|------------------------|-----------------------------------------------------|
| \$ 2,365,687 | | | | | \$ 4,273,824 |
| | | \$ 221,799 | | \$ 1,142,676 | 1,432,021 |
| | | | | | 221,799 |
| 23,910 | | | | | 292,892 |
| 12,561 | \$ 50,159 | 20,206 | | | 23,910 |
| 3,409 | | 10,000 | | | 152,960 |
| <u>2,405,567</u> | <u>50,159</u> | <u>252,005</u> | | <u>1,142,676</u> | <u>18,770</u> |
| | | | | | |
| | | | | 17,765 | 425,317 |
| | | | | 824,504 | 2,458,410 |
| | | 3,010,419 | | | 3,407,758 |
| <u>3,547,972</u> | | | | <u>300,407</u> | <u>3,848,379</u> |
| <u>3,547,972</u> | | <u>3,010,419</u> | | <u>1,142,676</u> | <u>10,139,864</u> |
| | | | | | |
| <u>(1,142,405)</u> | <u>50,159</u> | <u>(2,758,414)</u> | | | <u>(3,723,688)</u> |
| | | | | | |
| | | 104,800 | | | 104,800 |
| <u>(20,300)</u> | | | | | <u>(20,300)</u> |
| <u>(20,300)</u> | | <u>104,800</u> | | | <u>84,500</u> |
| | | | | | |
| <u>(1,162,705)</u> | <u>50,159</u> | <u>(2,653,614)</u> | | | <u>(3,639,188)</u> |
| | | | | | |
| <u>2,455,675</u> | <u>6,080,940</u> | <u>3,959,229</u> | | | <u>21,305,251</u> |
| | | | | | |
| <u>\$ 1,292,970</u> | <u>\$ 6,131,099</u> | <u>\$ 1,305,615</u> | <u>\$</u> | <u>\$</u> | <u>\$ 17,666,063</u> |

**CITY OF BOCA RATON, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|----------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 1,038,000 | \$ 1,038,000 | \$ 223,339 | \$ (814,661) |
| Miscellaneous | | | 5,361 | 5,361 |
| Total revenues | <u>1,038,000</u> | <u>1,038,000</u> | <u>228,700</u> | <u>(809,300)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development: | | | | |
| CDBG Entitlement | 1,038,000 | 1,038,000 | 228,700 | 809,300 |
| Total expenditures | <u>1,038,000</u> | <u>1,038,000</u> | <u>228,700</u> | <u>809,300</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$</u> | <u>\$</u> | | <u>\$</u> |
| Fund balance - beginning | | | _____ | |
| Fund balance - ending | | | <u>\$</u> | |

**CITY OF BOCA RATON, FLORIDA
HOUSING ASSISTANCE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 12,000 | \$ 12,000 | | \$ (12,000) |
| Investment earnings | 25,000 | 25,000 | \$ 1,234 | (23,766) |
| Miscellaneous | 25,000 | 25,000 | | (25,000) |
| Total revenues | <u>62,000</u> | <u>62,000</u> | <u>1,234</u> | <u>(60,766)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 461,400 | 461,400 | 168,639 | 292,761 |
| Total expenditures | <u>461,400</u> | <u>461,400</u> | <u>168,639</u> | <u>292,761</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (399,400)</u> | <u>\$ (399,400)</u> | (167,405) | <u>\$ 231,995</u> |
| Fund balance - beginning | | | <u>325,772</u> | |
| Fund balance - ending | | | <u>\$ 158,367</u> | |

**CITY OF BOCA RATON, FLORIDA
LAW ENFORCEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 150,000 | \$ 150,000 | \$ 66,006 | \$ (83,994) |
| Fines and forfeitures | 300,000 | 302,000 | 292,892 | (9,108) |
| Investment earnings | 50,000 | 50,000 | 9,643 | (40,357) |
| Total revenues | <u>500,000</u> | <u>502,000</u> | <u>368,541</u> | <u>(133,459)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Law enforcement | 895,800 | 897,800 | 407,552 | 490,248 |
| Total expenditures | <u>895,800</u> | <u>897,800</u> | <u>407,552</u> | <u>490,248</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (395,800)</u> | <u>\$ (395,800)</u> | (39,011) | <u>\$ 356,789</u> |
| Fund balance - beginning | | | <u>1,331,283</u> | |
| Fund balance - ending | | | <u>\$ 1,292,272</u> | |

**CITY OF BOCA RATON, FLORIDA
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|------------------------------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 2,044,400 | \$ 2,044,400 | \$ 1,908,137 | \$ (136,263) |
| Investment earnings | 100,000 | 100,000 | 59,157 | (40,843) |
| Total revenues | <u>2,144,400</u> | <u>2,144,400</u> | <u>1,967,294</u> | <u>(177,106)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | 4,786,000 | 6,399,200 | 1,633,906 | 4,765,294 |
| Total expenditures | <u>4,786,000</u> | <u>6,399,200</u> | <u>1,633,906</u> | <u>4,765,294</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,641,600)</u> | <u>(4,254,800)</u> | 333,388 | 4,588,188 |
| Net change in fund balance | <u>\$ (2,641,600)</u> | <u>\$ (4,254,800)</u> | 333,388 | <u>\$ 4,588,188</u> |
| Fund balance - beginning | | | <u>7,152,352</u> | |
| Fund balance - ending | | | <u>\$ 7,485,740</u> | |

CITY OF BOCA RATON, FLORIDA
RIGHT-OF-WAY BEAUTIFICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 2,435,500 | \$ 2,435,500 | \$ 2,365,687 | \$ (69,813) |
| Donations in lieu of land | 25,000 | 25,000 | 23,910 | (1,090) |
| Investment earnings | 45,800 | 45,800 | 12,561 | (33,239) |
| Miscellaneous | | | 3,409 | 3,409 |
| Total revenues | <u>2,506,300</u> | <u>2,506,300</u> | <u>2,405,567</u> | <u>(100,733)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and recreation | <u>3,987,900</u> | <u>4,017,900</u> | <u>3,547,972</u> | <u>469,928</u> |
| Total expenditures | <u>3,987,900</u> | <u>4,017,900</u> | <u>3,547,972</u> | <u>469,928</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,481,600)</u> | <u>(1,511,600)</u> | <u>(1,142,405)</u> | <u>369,195</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(20,300)</u> | <u>(20,300)</u> | <u>(20,300)</u> | |
| Total other financing uses | <u>(20,300)</u> | <u>(20,300)</u> | <u>(20,300)</u> | |
| Net change in fund balance | <u>\$ (1,501,900)</u> | <u>\$ (1,531,900)</u> | <u>(1,162,705)</u> | <u>\$ 369,195</u> |
| Fund balance - beginning | | | <u>2,455,675</u> | |
| Fund balance - ending | | | <u>\$ 1,292,970</u> | |

**CITY OF BOCA RATON, FLORIDA
MIZNER PARK LOCK BOX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Investment earnings | \$ 75,000 | \$ 75,000 | \$ 50,159 | \$ (24,841) |
| Total revenues | <u>75,000</u> | <u>75,000</u> | <u>50,159</u> | <u>(24,841)</u> |
| EXPENDITURES | | | | |
| Excess (deficiency) of revenues over expenditures | <u>\$ 75,000</u> | <u>\$ 75,000</u> | 50,159 | <u>\$ (24,841)</u> |
| Fund balance - beginning | | | <u>6,080,940</u> | |
| Fund balance - ending | | | <u>\$ 6,131,099</u> | |

CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 623,000 | \$ 623,000 | \$ 221,799 | \$ (401,201) |
| Investment earnings | 1,500 | 1,500 | 20,206 | 18,706 |
| Miscellaneous | | | 10,000 | 10,000 |
| Total revenues | <u>624,500</u> | <u>624,500</u> | <u>252,005</u> | <u>(372,495)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 797,900 | 3,850,700 | 3,010,419 | 840,281 |
| Total expenditures | <u>797,900</u> | <u>3,850,700</u> | <u>3,010,419</u> | <u>840,281</u> |
| Excess (deficiency) of revenues over expenditures | <u>(173,400)</u> | <u>(3,226,200)</u> | <u>(2,758,414)</u> | <u>467,786</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 104,800 | 104,800 | 104,800 | |
| Total other financing sources | <u>104,800</u> | <u>104,800</u> | <u>104,800</u> | |
| Net change in fund balance | <u>\$ (68,600)</u> | <u>\$ (3,121,400)</u> | <u>(2,653,614)</u> | <u>\$ 467,786</u> |
| Fund balance - beginning | | | <u>3,959,229</u> | |
| Fund balance - ending | | | <u>\$ 1,305,615</u> | |

**CITY OF BOCA RATON, FLORIDA
PERPETUAL CARE PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive / (Negative) |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 137,200 | \$ 137,200 | \$ 114,386 | \$ (22,814) |
| Investment earnings | 244,100 | 244,100 | 44,907 | (199,193) |
| Total revenues | <u>381,300</u> | <u>381,300</u> | <u>159,293</u> | <u>(222,007)</u> |
| EXPENDITURES | | | | |
| Excess (deficiency) of revenues over expenditures | <u>381,300</u> | <u>381,300</u> | <u>159,293</u> | <u>(222,007)</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(459,400)</u> | <u>(459,400)</u> | <u>(459,400)</u> | |
| Total other financing uses | <u>(459,400)</u> | <u>(459,400)</u> | <u>(459,400)</u> | |
| Net change in fund balance | <u>\$ (78,100)</u> | <u>\$ (78,100)</u> | <u>(300,107)</u> | <u>\$ (222,007)</u> |
| Fund balance - beginning | | | <u>5,737,144</u> | |
| Fund balance - ending | | | <u>\$ 5,437,037</u> | |



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**CITY OF BOCA RATON, FLORIDA
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

| | City Debt Service Fund | Community Redevelopment Agency Debt Service Fund | Total Non-major Debt Service Funds |
|------------------------------------------|---------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 616,477 | \$ 1,978,228 | \$ 2,594,705 |
| Investments | 468,003 | 1,501,789 | 1,969,792 |
| Receivables, net: | | | |
| Interest | 792 | 3,030 | 3,822 |
| Total assets | <u>\$ 1,085,272</u> | <u>\$ 3,483,047</u> | <u>\$ 4,568,319</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 2,976 | | \$ 2,976 |
| Performance bonds and escrow funds | 164,900 | | 164,900 |
| Total liabilities | <u>167,876</u> | | <u>167,876</u> |
| Fund balances: | | | |
| Restricted for: | | | |
| Debt service | \$ 917,396 | \$ 3,483,047 | 4,400,443 |
| Total fund balances | <u>917,396</u> | <u>3,483,047</u> | <u>4,400,443</u> |
| Total liabilities and fund balances | <u>\$ 1,085,272</u> | <u>\$ 3,483,047</u> | <u>\$ 4,568,319</u> |

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR DEBT SERVICE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | City Debt Service Fund | Community Redevelopment Agency Debt Service Fund | Total Non-major Debt Service Funds |
|---------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------|
| REVENUES | | | |
| Taxes | \$ 6,083,201 | | \$ 6,083,201 |
| Investment earnings | 19,874 | \$ 16,766 | 36,640 |
| Total revenues | <u>6,103,075</u> | <u>16,766</u> | <u>6,119,841</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 5,500,000 | 5,575,000 | 11,075,000 |
| Interest | 2,447,190 | 958,747 | 3,405,937 |
| Total expenditures | <u>7,947,190</u> | <u>6,533,747</u> | <u>14,480,937</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,844,115)</u> | <u>(6,516,981)</u> | <u>(8,361,096)</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 1,911,200 | 6,702,400 | 8,613,600 |
| Total other financing sources | <u>1,911,200</u> | <u>6,702,400</u> | <u>8,613,600</u> |
| Net change in fund balances | 67,085 | 185,419 | 252,504 |
| Fund balances - beginning | <u>850,311</u> | <u>3,297,628</u> | <u>4,147,939</u> |
| Fund balances - ending | <u>\$ 917,396</u> | <u>\$ 3,483,047</u> | <u>\$ 4,400,443</u> |

CITY OF BOCA RATON, FLORIDA
CITY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|--------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 6,074,200 | \$ 6,074,200 | \$ 6,083,201 | \$ 9,001 |
| Investment earnings | 40,000 | 40,000 | 19,874 | (20,126) |
| Total revenues | <u>6,114,200</u> | <u>6,114,200</u> | <u>6,103,075</u> | <u>(11,125)</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 5,500,000 | 5,500,000 | 5,500,000 | |
| Interest | 2,535,100 | 2,535,900 | 2,447,190 | 88,710 |
| Total expenditures | <u>8,035,100</u> | <u>8,035,900</u> | <u>7,947,190</u> | <u>88,710</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,920,900)</u> | <u>(1,921,700)</u> | <u>(1,844,115)</u> | <u>77,585</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>1,911,200</u> | <u>1,911,200</u> | <u>1,911,200</u> | |
| Total other financing sources | <u>1,911,200</u> | <u>1,911,200</u> | <u>1,911,200</u> | |
| Net change in fund balance | <u>\$ (9,700)</u> | <u>\$ (10,500)</u> | 67,085 | <u>\$ 77,585</u> |
| Fund balance - beginning | | | <u>850,311</u> | |
| Fund balance - ending | | | <u>\$ 917,396</u> | |

CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Investment earnings | \$ 43,000 | \$ 43,000 | \$ 16,766 | \$ (26,234) |
| Total revenues | <u>43,000</u> | <u>43,000</u> | <u>16,766</u> | <u>(26,234)</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 5,575,000 | 5,575,000 | 5,575,000 | |
| Interest | 962,000 | 962,000 | 958,747 | 3,253 |
| Total expenditures | <u>6,537,000</u> | <u>6,537,000</u> | <u>6,533,747</u> | <u>3,253</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,494,000)</u> | <u>(6,494,000)</u> | <u>(6,516,981)</u> | <u>(22,981)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 6,702,400 | 6,702,400 | 6,702,400 | |
| Total other financing sources | <u>6,702,400</u> | <u>6,702,400</u> | <u>6,702,400</u> | |
| Net change in fund balance | <u>\$ 208,400</u> | <u>\$ 208,400</u> | 185,419 | <u>\$ (22,981)</u> |
| Fund balance - beginning | | | <u>3,297,628</u> | |
| Fund balance - ending | | | <u>\$ 3,483,047</u> | |

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

| | Right of Way Acquisition Program Fund | Park Land Dedication Fund | Downtown Land Dedication Fund | Downtown Infrastructure Fund |
|------------------------------------------|------------------------------------------------------|------------------------------------------|--------------------------------------------------|---------------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,296,806 | \$ 347,624 | \$ 587,201 | \$ 377,213 |
| Investments | 984,481 | 263,902 | 445,779 | 286,364 |
| Receivables, net: | | | | |
| Assessments | | | | 282,427 |
| Interest | 2,357 | 604 | 1,067 | 1,315 |
| Total assets | <u>\$ 2,283,644</u> | <u>\$ 612,130</u> | <u>\$ 1,034,047</u> | <u>\$ 947,319</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | | | | \$ 86,805 |
| Retainage payable | | | | 2,410 |
| Total liabilities | | | | <u>89,215</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Downtown | | | | 858,104 |
| Land dedication | | \$ 612,130 | \$ 1,034,047 | |
| Library | | | | |
| Committed to: | | | | |
| Right of way acquisition | \$ 2,283,644 | | | |
| Assigned to: | | | | |
| Environmentally sensitive lands | | | | |
| Total fund balances | <u>2,283,644</u> | <u>612,130</u> | <u>1,034,047</u> | <u>858,104</u> |
| Total liabilities and fund balances | <u>\$ 2,283,644</u> | <u>\$ 612,130</u> | <u>\$ 1,034,047</u> | <u>\$ 947,319</u> |

| Environmentally Sensitive Lands Fund | Library Improvements Fund | Total Non-Major Capital Projects Funds |
|---------------------------------------------|----------------------------------|-----------------------------------------------|
| \$ 605,730 | \$ 6,021,549 | \$ 9,236,123 |
| 459,845 | 4,571,309 | 7,011,680 |
| | | 282,427 |
| 1,101 | 10,955 | 17,399 |
| <u>\$ 1,066,676</u> | <u>\$ 10,603,813</u> | <u>\$ 16,547,629</u> |
| | \$ 166,929 | \$ 253,734 |
| | | 2,410 |
| | <u>166,929</u> | <u>256,144</u> |
| | | 858,104 |
| | | 1,646,177 |
| | 10,436,884 | 10,436,884 |
| | | 2,283,644 |
| <u>\$ 1,066,676</u> | | <u>1,066,676</u> |
| <u>1,066,676</u> | <u>10,436,884</u> | <u>16,291,485</u> |
| <u>\$ 1,066,676</u> | <u>\$ 10,603,813</u> | <u>\$ 16,547,629</u> |

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Right of Way Acquisition Program Fund</u> | <u>Park Land Dedication Fund</u> | <u>Downtown Land Dedication Fund</u> | <u>Downtown Infrastructure Fund</u> |
|---------------------------------------------------|------------------------------------------------------|------------------------------------------|--------------------------------------------------|---------------------------------------------|
| REVENUES | | | | |
| Special assessments | | | | \$ 1,199,953 |
| Donations in lieu of land | | \$ 488,884 | | |
| Investment earnings | \$ 18,706 | 600 | \$ 8,510 | 21,186 |
| Total revenues | <u>18,706</u> | <u>489,484</u> | <u>8,510</u> | <u>1,221,139</u> |
| EXPENDITURES | | | | |
| Capital outlay | | | | 2,933,798 |
| Total expenditures | | | | <u>2,933,798</u> |
| Excess (deficiency) of revenues over expenditures | <u>18,706</u> | <u>489,484</u> | <u>8,510</u> | <u>(1,712,659)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | | | | (1,239,300) |
| Total other financing sources (uses) | | | | <u>(1,239,300)</u> |
| Net change in fund balances | 18,706 | 489,484 | 8,510 | (2,951,959) |
| Fund balances - beginning | <u>2,264,938</u> | <u>122,646</u> | <u>1,025,537</u> | <u>3,810,063</u> |
| Fund balances - ending | <u>\$ 2,283,644</u> | <u>\$ 612,130</u> | <u>\$ 1,034,047</u> | <u>\$ 858,104</u> |

| Environmentally Sensitive Lands Fund | Library Improvements Fund | Total Nonmajor Capital Project Funds |
|---------------------------------------------|----------------------------------|---------------------------------------------|
| | | \$ 1,199,953 |
| | | 488,884 |
| \$ 10,397 | \$ 98,362 | 157,761 |
| <u>10,397</u> | <u>98,362</u> | <u>1,846,598</u> |
| | 293,910 | 3,227,708 |
| | <u>293,910</u> | <u>3,227,708</u> |
| 10,397 | (195,548) | (1,381,110) |
| | | (1,239,300) |
| | | <u>(1,239,300)</u> |
| 10,397 | (195,548) | (2,620,410) |
| 1,056,279 | 10,632,432 | 18,911,895 |
| <u>\$ 1,066,676</u> | <u>\$ 10,436,884</u> | <u>\$ 16,291,485</u> |

CITY OF BOCA RATON, FLORIDA
RIGHT-OF-WAY ACQUISITION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Investment earnings | \$ 40,000 | \$ 40,000 | \$ 18,706 | \$ (21,294) |
| Total revenues | <u>40,000</u> | <u>40,000</u> | <u>18,706</u> | <u>(21,294)</u> |
| EXPENDITURES | | | | |
| Excess (deficiency) of revenues over expenditures | <u>\$ 40,000</u> | <u>\$ 40,000</u> | 18,706 | <u>\$ (21,294)</u> |
| Fund balance - beginning | | | <u>2,264,938</u> | |
| Fund balance - ending | | | <u>\$ 2,283,644</u> | |

**CITY OF BOCA RATON, FLORIDA
 PARK LAND DEDICATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Donations in lieu of land | \$ 200,000 | \$ 200,000 | \$ 488,884 | \$ 288,884 |
| Investment earnings | 22,000 | 22,000 | 600 | (21,400) |
| Total revenues | <u>222,000</u> | <u>222,000</u> | <u>489,484</u> | <u>267,484</u> |
| EXPENDITURES | | | | |
| Excess (deficiency) of revenues over expenditures | <u>\$ 222,000</u> | <u>\$ 222,000</u> | 489,484 | <u>\$ 267,484</u> |
| Fund balance - beginning | | | <u>122,646</u> | |
| Fund balance - ending | | | <u>\$ 612,130</u> | |

**CITY OF BOCA RATON, FLORIDA
DOWNTOWN LAND DEDICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Investment earnings | \$ 16,000 | \$ 16,000 | \$ 8,510 | \$ (7,490) |
| Total revenues | <u>16,000</u> | <u>16,000</u> | <u>8,510</u> | <u>(7,490)</u> |
| EXPENDITURES | | | | |
| Excess (deficiency) of revenues over expenditures | <u>\$ 16,000</u> | <u>\$ 16,000</u> | 8,510 | <u>\$ (7,490)</u> |
| Fund balance - beginning | | | <u>1,025,537</u> | |
| Fund balance - ending | | | <u>\$ 1,034,047</u> | |

**CITY OF BOCA RATON, FLORIDA
DOWNTOWN INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|--------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Special assessments | \$ 1,173,200 | \$ 1,173,200 | \$ 1,199,953 | \$ 26,753 |
| Investment earnings | 12,000 | 12,000 | 21,186 | 9,186 |
| Total revenues | <u>1,185,200</u> | <u>1,185,200</u> | <u>1,221,139</u> | <u>35,939</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>517,500</u> | <u>3,405,700</u> | <u>2,933,798</u> | <u>471,902</u> |
| Total expenditures | <u>517,500</u> | <u>3,405,700</u> | <u>2,933,798</u> | <u>471,902</u> |
| Excess (deficiency) of revenues over expenditures | <u>667,700</u> | <u>(2,220,500)</u> | <u>(1,712,659)</u> | <u>507,841</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(1,239,300)</u> | <u>(1,239,300)</u> | <u>(1,239,300)</u> | |
| Total other financing uses | <u>(1,239,300)</u> | <u>(1,239,300)</u> | <u>(1,239,300)</u> | |
| Net change in fund balance | <u>\$ (571,600)</u> | <u>\$ (3,459,800)</u> | <u>(2,951,959)</u> | <u>\$ 507,841</u> |
| Fund balance - beginning | | | <u>3,810,063</u> | |
| Fund balance - ending | | | <u>\$ 858,104</u> | |

**CITY OF BOCA RATON, FLORIDA
ENVIRONMENTALLY SENSITIVE LANDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Investment earnings | \$ 22,000 | \$ 22,000 | \$ 10,397 | \$ (11,603) |
| Total revenues | <u>22,000</u> | <u>22,000</u> | <u>10,397</u> | <u>(11,603)</u> |
| EXPENDITURES | | | | |
| Capital outlay | 100,000 | 100,000 | | 100,000 |
| Total expenditures | <u>100,000</u> | <u>100,000</u> | | <u>100,000</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (78,000)</u> | <u>\$ (78,000)</u> | 10,397 | <u>\$ 88,397</u> |
| Fund balance - beginning | | | <u>1,056,279</u> | |
| Fund balance - ending | | | <u>\$ 1,066,676</u> | |

**CITY OF BOCA RATON, FLORIDA
LIBRARY IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive / (Negative)</u> |
|---------------------------------------------------|----------------------------|-------------------------|----------------------|---------------------------------------------------------------------|
| REVENUES | | | | |
| Investment earnings | \$ 8,800 | \$ 8,800 | \$ 98,362 | \$ 89,562 |
| Total revenues | <u>8,800</u> | <u>8,800</u> | <u>98,362</u> | <u>89,562</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>9,647,200</u> | <u>9,743,300</u> | <u>293,910</u> | <u>9,449,390</u> |
| Total expenditures | <u>9,647,200</u> | <u>9,743,300</u> | <u>293,910</u> | <u>9,449,390</u> |
| Excess (deficiency) of revenues over expenditures | <u>(9,638,400)</u> | <u>(9,734,500)</u> | <u>(195,548)</u> | <u>9,538,952</u> |
| Net change in fund balance | <u>\$ (9,638,400)</u> | <u>\$ (9,734,500)</u> | <u>(195,548)</u> | <u>\$ 9,538,952</u> |
| Fund balance - beginning | | | <u>10,632,432</u> | |
| Fund balance - ending | | | <u>\$ 10,436,884</u> | |



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Non-Major Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods or services to the general public are financed or recovered primarily through user charges.

Cemetery Fund -- To account for the operation of the City's cemetery and mausoleum.

Golf Course Fund -- To account for the operation of the City's golf courses.

Stormwater Utility Fund -- To account for the provision of stormwater maintenance and capital improvements to the residents of the City.

Sanitation Fund -- To account for the provision of solid waste services and capital assets used to provide the services to the residents of the City.



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**CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

| | Cemetery Mausoleum Fund | Golf Course Fund | Stormwater Utility Fund | Sanitation Fund | Total Non-Major Enterprise Funds |
|-----------------------------------------------------------|----------------------------------------|---------------------------------|----------------------------------------|----------------------------|-----------------------------------------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 236,318 | \$ 125,315 | \$ 3,805,381 | \$ 1,996,284 | \$ 6,163,298 |
| Investments | 179,403 | 93,178 | 2,888,887 | 1,488,857 | 4,650,325 |
| Interest receivable on investments | 417 | 334 | 7,116 | 3,612 | 11,479 |
| Accounts receivable (net of allowance for uncollectibles) | 6,008 | | 262,101 | 1,260,099 | 1,528,208 |
| Due from other governmental units | | 116,162 | | | 116,162 |
| Inventories | 59,613 | | | | 59,613 |
| Other assets | | 5,099 | | | 5,099 |
| Total current assets | <u>481,759</u> | <u>340,088</u> | <u>6,963,485</u> | <u>4,748,852</u> | <u>12,534,184</u> |
| Noncurrent assets | | | | | |
| Capital assets: | | | | | |
| Land | 118,000 | 468,735 | | | 586,735 |
| Buildings | 1,488,761 | 770,900 | | | 2,259,661 |
| Golf course improvements | | 3,660,473 | | | 3,660,473 |
| Cemetery lot improvements | 477,867 | | | | 477,867 |
| Stormwater utility improvements | | | 14,312,792 | | 14,312,792 |
| Equipment | 152,447 | 1,360,950 | 1,347,964 | 4,747,538 | 7,608,899 |
| Construction in progress | | | 1,526,911 | | 1,526,911 |
| Less accumulated depreciation | (1,264,942) | (2,671,330) | (3,573,843) | (1,461,611) | (8,971,726) |
| Total capital assets (net of accumulated depreciation) | <u>972,133</u> | <u>3,589,728</u> | <u>13,613,824</u> | <u>3,285,927</u> | <u>21,461,612</u> |
| Total noncurrent assets | <u>972,133</u> | <u>3,589,728</u> | <u>13,613,824</u> | <u>3,285,927</u> | <u>21,461,612</u> |
| Total assets | <u>1,453,892</u> | <u>3,929,816</u> | <u>20,577,309</u> | <u>8,034,779</u> | <u>33,995,796</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued liabilities | 17,919 | 123,392 | 325,856 | 740,164 | 1,207,331 |
| Compensated absences | 2,296 | 21,780 | 13,226 | 40,871 | 78,173 |
| Retainage payable | | | 63,203 | | 63,203 |
| Performance bonds and escrow funds | | 1,000 | | | 1,000 |
| Unearned revenue | | 8,063 | | | 8,063 |
| Total current liabilities | <u>20,215</u> | <u>154,235</u> | <u>402,285</u> | <u>781,035</u> | <u>1,357,770</u> |
| Non-current liabilities: | | | | | |
| Compensated absences | 20,668 | 196,018 | 119,045 | 367,840 | 703,571 |
| Net OPEB obligation | 4,889 | 23,466 | 10,902 | 50,844 | 90,101 |
| Total noncurrent liabilities | <u>25,557</u> | <u>219,484</u> | <u>129,947</u> | <u>418,684</u> | <u>793,672</u> |
| Total liabilities | <u>45,772</u> | <u>373,719</u> | <u>532,232</u> | <u>1,199,719</u> | <u>2,151,442</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 972,133 | 3,589,728 | 13,613,824 | 3,285,927 | 21,461,612 |
| Unrestricted | 435,987 | (33,631) | 6,431,253 | 3,549,133 | 10,382,742 |
| Total net assets | <u>\$ 1,408,120</u> | <u>\$ 3,556,097</u> | <u>\$ 20,045,077</u> | <u>\$ 6,835,060</u> | <u>\$ 31,844,354</u> |

CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Cemetery Mausoleum Fund | Golf Course Fund | Stormwater Utility Fund | Sanitation Fund | Total Non-Major Enterprise Funds |
|-----------------------------------------|----------------------------------------|---------------------------------|----------------------------------------|----------------------------|-----------------------------------------------------|
| OPERATING REVENUES | | | | | |
| Charges for sales and services | \$ 178,557 | \$ 2,178,816 | \$ 2,174,882 | \$ 6,423,061 | \$ 10,955,316 |
| Other | 111 | 93,304 | | | 93,415 |
| Total operating revenues | <u>178,668</u> | <u>2,272,120</u> | <u>2,174,882</u> | <u>6,423,061</u> | <u>11,048,731</u> |
| OPERATING EXPENSES | | | | | |
| Personal services | 339,473 | 1,720,429 | 802,936 | 2,937,682 | 5,800,520 |
| Materials and supplies | 16,712 | 327,861 | 2,527 | 321,013 | 668,113 |
| Other services and charges | 241,098 | 813,773 | 617,864 | 2,655,645 | 4,328,380 |
| Depreciation of capital assets | 61,211 | 211,150 | 599,820 | 596,707 | 1,468,888 |
| Total operating expenses | <u>658,494</u> | <u>3,073,213</u> | <u>2,023,147</u> | <u>6,511,047</u> | <u>12,265,901</u> |
| Operating income (loss) | <u>(479,826)</u> | <u>(801,093)</u> | <u>151,735</u> | <u>(87,986)</u> | <u>(1,217,170)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings | 3,191 | 2,724 | 61,554 | 25,735 | 93,204 |
| Gain on disposal of capital assets | | 7,664 | | 69,289 | 76,953 |
| Total nonoperating revenues (expenses) | <u>3,191</u> | <u>10,388</u> | <u>61,554</u> | <u>95,024</u> | <u>170,157</u> |
| Income (loss) before transfers | (476,635) | (790,705) | 213,289 | 7,038 | (1,047,013) |
| Transfers in | 459,400 | | | 200,000 | 659,400 |
| Transfers out | | (8,100) | | (11,000) | (19,100) |
| Capital contributions | | 284,971 | | 169,123 | 454,094 |
| Change in net assets | (17,235) | (513,834) | 213,289 | 365,161 | 47,381 |
| Net assets - beginning | <u>1,425,355</u> | <u>4,069,931</u> | <u>19,831,788</u> | <u>6,469,899</u> | <u>31,796,973</u> |
| Net assets - ending | <u>\$ 1,408,120</u> | <u>\$ 3,556,097</u> | <u>\$ 20,045,077</u> | <u>\$ 6,835,060</u> | <u>\$ 31,844,354</u> |

CITY OF BOCA RATON, FLORIDA
Combining Statement of Cash Flows
Non-Major Enterprise Funds
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Cemetery Mausoleum Fund | Golf Course Fund | Stormwater Utility Fund | Sanitation Fund | Total Non-Major Enterprise Funds |
|----------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|-------------------------------|---------------------|-------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 181,522 | \$ 2,267,448 | \$ 2,186,626 | \$ 5,938,032 | \$ 10,573,628 |
| Payments to suppliers | (258,266) | (1,124,785) | (317,219) | (2,659,686) | (4,359,956) |
| Payments to employees | (343,937) | (1,717,229) | (783,072) | (2,900,124) | (5,744,362) |
| Net cash provided by (used in) operating activities | (420,681) | (574,566) | 1,086,335 | 378,222 | 469,310 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers in | 459,400 | | | 200,000 | 659,400 |
| Transfers out | | (8,100) | | (11,000) | (19,100) |
| Net cash provided by (used in) noncapital financing activities | 459,400 | (8,100) | | 189,000 | 640,300 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| System development charges | | 284,971 | | | 284,971 |
| Acquisition of capital assets | | (56,461) | (1,803,452) | (826,584) | (2,686,497) |
| Proceeds from sale of capital assets | | 7,664 | | 147,179 | 154,843 |
| Net cash provided by (used in) capital and related financing activities | | 236,174 | (1,803,452) | (679,405) | (2,246,683) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 4,539 | 9,764 | 83,085 | 33,530 | 130,918 |
| Sale of investments | 199,622 | 297,217 | 3,926,253 | 1,908,773 | 6,331,865 |
| Purchase of investments | (179,403) | (93,178) | (2,888,887) | (1,488,857) | (4,650,325) |
| Net cash provided by (used in) investing activities | 24,758 | 213,803 | 1,120,451 | 453,446 | 1,812,458 |
| Net increase (decrease) in cash and cash equivalents | 63,477 | (132,689) | 403,334 | 341,263 | 675,385 |
| Cash and cash equivalents Beginning of year | 172,841 | 258,004 | 3,402,047 | 1,655,021 | 5,487,913 |
| End of year, including restricted cash and cash equivalents | \$ 236,318 | \$ 125,315 | \$ 3,805,381 | \$ 1,996,284 | \$ 6,163,298 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ (479,826) | \$ (801,093) | \$ 151,735 | \$ (87,986) | \$ (1,217,170) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | 61,211 | 211,150 | 599,820 | 596,707 | 1,468,888 |
| Change in assets and liabilities | | | | | |
| (Increase) decrease in accounts receivable | 2,854 | | 11,744 | (485,029) | (470,431) |
| (Increase) decrease in due from other governmental units | | (5,672) | | | (5,672) |
| (Increase) decrease in inventories | 778 | | | | 778 |
| (Increase) decrease in other assets | | 2,823 | | | 2,823 |
| Increase (decrease) in accounts payable and accrued liabilities | 1,780 | 17,655 | 247,039 | 318,793 | 585,267 |
| Increase (decrease) in retainage payable | | | 62,067 | | 62,067 |
| Increase (decrease) in performance bonds and escrow funds | | 1,000 | | | 1,000 |
| Increase (decrease) in OPEB obligations | 1,089 | 5,223 | 2,617 | 10,559 | 19,488 |
| Total adjustments | 59,145 | 226,527 | 934,600 | 466,208 | 1,686,480 |
| Net cash provided by (used in) operating activities | \$ (420,681) | \$ (574,566) | \$ 1,086,335 | \$ 378,222 | \$ 469,310 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | |
| Unrealized gains/(losses) on investments | \$ (508) | \$ (264) | \$ (8,173) | \$ (4,212) | \$ (13,156) |



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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.

Fleet Management -- To account for the cost of operating a maintenance facility for automotive equipment used by other City departments, and administering the City fleet.

Information Technology -- To account for the cost of operating a computer facility used by other City departments.

Self-Insurance Programs -- To account for the cost of providing health and workers' compensation insurance coverage to all City employees, and the City's general liability self-insurance program.



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**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

| | Fleet Management Fund | Information Technology Fund | Self- Insurance Programs Fund | Total Internal Service Funds |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 7,570,452 | \$ 2,578,309 | \$ 11,288,890 | \$ 21,437,651 |
| Investments | 5,766,159 | 1,957,346 | 8,437,959 | 16,161,464 |
| Interest receivable on investments | 13,532 | 4,647 | 19,716 | 37,895 |
| Accounts receivable (net of allowance for uncollectibles) | 2,770 | 300 | | 3,070 |
| Inventories | 558,324 | | | 558,324 |
| Other assets | | 17,600 | 1,979 | 19,579 |
| Total current assets | <u>13,911,237</u> | <u>4,558,202</u> | <u>19,748,544</u> | <u>38,217,983</u> |
| Capital Assets: | | | | |
| Buildings | 1,313,785 | | | 1,313,785 |
| Equipment | 14,624,067 | 3,113,609 | | 17,737,676 |
| Construction in progress | | 124,345 | | 124,345 |
| | <u>15,937,852</u> | <u>3,237,954</u> | | <u>19,175,806</u> |
| Less accumulated depreciation | (9,640,523) | (1,922,974) | | (11,563,497) |
| Intangible assets | 63,869 | 1,174,868 | | 1,238,737 |
| Less accumulated amortization | (63,869) | (966,485) | | (1,030,354) |
| Total capital assets (net of accumulated depreciation/amortization) | <u>6,297,329</u> | <u>1,523,363</u> | | <u>7,820,692</u> |
| Total assets | <u>20,208,566</u> | <u>6,081,565</u> | <u>19,748,544</u> | <u>46,038,675</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 67,493 | 185,802 | 97,390 | 350,685 |
| Compensated absences | 6,905 | 26,091 | 5,406 | 38,402 |
| Estimated liability for self-insurance losses | | | 3,251,674 | 3,251,674 |
| Total current liabilities | <u>74,398</u> | <u>211,893</u> | <u>3,354,470</u> | <u>3,640,761</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | 62,143 | 234,823 | 48,653 | 345,619 |
| Net OPEB obligation | 11,733 | 23,466 | 4,205 | 39,404 |
| Estimated liability for self-insurance losses | | | 5,504,000 | 5,504,000 |
| Total noncurrent liabilities | <u>73,876</u> | <u>258,289</u> | <u>5,556,858</u> | <u>5,889,023</u> |
| Total liabilities | <u>148,274</u> | <u>470,182</u> | <u>8,911,328</u> | <u>9,529,784</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 6,297,329 | 1,523,363 | | 7,820,692 |
| Unrestricted | 13,762,963 | 4,088,020 | 10,837,216 | 28,688,199 |
| Total net assets | <u>\$ 20,060,292</u> | <u>\$ 5,611,383</u> | <u>\$ 10,837,216</u> | <u>\$ 36,508,891</u> |

**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

| | Fleet Management Fund | Information Technology Fund | Self- Insurance Programs Fund | Total Internal Service Funds |
|-----------------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services: | | | | |
| Fleet management | \$ 2,678,642 | | | \$ 2,678,642 |
| Management information processing | | \$ 3,505,379 | | 3,505,379 |
| Insurance premiums | | | \$ 15,975,173 | 15,975,173 |
| Total operating revenues | <u>2,678,642</u> | <u>3,505,379</u> | <u>15,975,173</u> | <u>22,159,194</u> |
| OPERATING EXPENSES | | | | |
| Personal services | 813,980 | 2,407,892 | 383,687 | 3,605,559 |
| Materials and supplies | 41,619 | 58,146 | 4,656 | 104,421 |
| Other services and charges | 381,095 | 2,323,802 | 2,305,748 | 5,010,645 |
| Insurance claims | | | 10,184,412 | 10,184,412 |
| Depreciation of capital assets | 1,352,835 | 228,675 | | 1,581,510 |
| Total operating expenses | <u>2,589,529</u> | <u>5,018,515</u> | <u>12,878,503</u> | <u>20,486,547</u> |
| Operating income (loss) | <u>89,113</u> | <u>(1,513,136)</u> | <u>3,096,670</u> | <u>1,672,647</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment earnings | 107,645 | 39,253 | 153,312 | 300,210 |
| Gain on disposal of capital assets | 98,000 | 2,826 | | 100,826 |
| Insurance recovery | | | 108,389 | 108,389 |
| Total nonoperating revenues (expenses) | <u>205,645</u> | <u>42,079</u> | <u>261,701</u> | <u>509,425</u> |
| Net income (loss) before transfers | 294,758 | (1,471,057) | 3,358,371 | 2,182,072 |
| Transfers in | <u>1,878,000</u> | <u>1,403,900</u> | | <u>3,281,900</u> |
| Change in net assets | <u>2,172,758</u> | <u>(67,157)</u> | <u>3,358,371</u> | <u>5,463,972</u> |
| Net assets - beginning | <u>17,887,534</u> | <u>5,678,540</u> | <u>7,478,845</u> | <u>31,044,919</u> |
| Net assets - ending | <u>\$ 20,060,292</u> | <u>\$ 5,611,383</u> | <u>\$ 10,837,216</u> | <u>\$ 36,508,891</u> |

CITY OF BOCA RATON, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Fleet Management Fund | Information Technology Fund | Insurance Programs Fund | Total Internal Service Funds |
|----------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 2,675,872 | \$ 3,505,079 | \$ 20,683,562 | \$ 26,864,513 |
| Payments to suppliers | (745,475) | (2,660,979) | (2,749,685) | (6,156,139) |
| Payments to employees | (792,903) | (2,380,382) | (372,540) | (3,545,825) |
| Claims paid | | | (10,872,076) | (10,872,076) |
| Net cash provided by (used in) operating activities | <u>1,137,494</u> | <u>(1,536,282)</u> | <u>6,689,261</u> | <u>6,290,473</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | 1,878,000 | 1,403,900 | | 3,281,900 |
| Net cash provided by (used in) noncapital financing activities | <u>1,878,000</u> | <u>1,403,900</u> | | <u>3,281,900</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | (1,084,188) | (757,479) | | (1,841,667) |
| Proceeds from sale of capital assets | 98,000 | 2,826 | | 100,826 |
| Net cash provided by (used in) capital and related financing activities | <u>(986,188)</u> | <u>(754,653)</u> | | <u>(1,740,841)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 140,205 | 56,135 | 188,302 | 384,642 |
| Sale of investments | 5,979,685 | 2,875,148 | 6,767,225 | 15,622,058 |
| Purchase of investments | (5,766,159) | (1,957,346) | (8,437,959) | (16,161,464) |
| Net cash provided by (used in) investing activities | <u>353,731</u> | <u>973,937</u> | <u>(1,482,432)</u> | <u>(154,764)</u> |
| Net increase (decrease) in cash and cash equivalents | 2,383,037 | 86,902 | 5,206,829 | 7,676,768 |
| Cash and cash equivalents Beginning of year | 5,187,415 | 2,491,407 | 6,082,061 | 13,760,883 |
| End of year, including restricted cash and cash equivalents | <u>\$ 7,570,452</u> | <u>\$ 2,578,309</u> | <u>\$ 11,288,890</u> | <u>\$ 21,437,651</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 89,113 | \$ (1,513,136) | \$ 3,096,670 | \$ 1,672,647 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 1,352,835 | 228,675 | | 1,581,510 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | (2,770) | (300) | 4,708,389 | 4,705,319 |
| (Increase) decrease in inventories | (108,200) | | | (108,200) |
| (Increase) decrease in other assets | | (17,600) | (411) | (18,011) |
| Increase (decrease) in accounts payable and accrued liabilities | (210,460) | (254,742) | (437,809) | (903,011) |
| Increase (decrease) in compensated absences | 14,364 | 14,077 | 9,149 | 37,590 |
| Increase (decrease) in OPEB obligations | 2,612 | 6,744 | 937 | 10,293 |
| Increase (decrease) in self-insured liabilities | | | (687,664) | (687,664) |
| Total adjustments | <u>1,048,381</u> | <u>(23,146)</u> | <u>3,592,591</u> | <u>4,617,826</u> |
| Net cash provided by (used in) operating activities | <u>\$ 1,137,494</u> | <u>\$ (1,536,282)</u> | <u>\$ 6,689,261</u> | <u>\$ 6,290,473</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| Unrealized losses on investments | \$ (16,312) | \$ (5,537) | \$ (23,871) | \$ (45,720) |



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Pension Funds

Pension Funds account for financial operations and condition of the City's three pension plans.

General Employees' Pension Plan, Police and Firefighters' Retirement System and Executive Employees' Retirement Plan -- To account for the accumulation of resources to be used for the retirement benefit payments to the City's employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.



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CITY OF BOCA RATON, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
SEPTEMBER 30, 2011

| | Police and Firefighters' Retirement System | General Employees' Pension Plan | Executive Employees' Retirement Plan | Total |
|--------------------------------------|---------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------|-----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 5,580,206 | \$ 2,670,633 | \$ 702,417 | \$ 8,953,256 |
| Investments: | | | | |
| Corporate bonds and debentures | 18,312,573 | 24,463,575 | | 42,776,148 |
| U.S. government securities | 17,752,048 | 31,297,032 | | 49,049,080 |
| Common stock | 82,607,040 | 59,486,083 | | 142,093,123 |
| Real estate | 17,748,246 | 7,323,674 | | 25,071,920 |
| Commingled funds | 65,062,887 | 26,790,317 | | 91,853,204 |
| Florida Municipal Pension Trust Fund | | | 17,756,983 | 17,756,983 |
| Total investments | <u>201,482,794</u> | <u>149,360,681</u> | <u>17,756,983</u> | <u>368,600,458</u> |
| Receivables: | | | | |
| Interest and dividends | 388,317 | 480,182 | | 868,499 |
| Unsettled trades | 1,188,375 | 510,560 | | 1,698,935 |
| Total receivables | <u>1,576,692</u> | <u>990,742</u> | | <u>2,567,434</u> |
| Other assets | 30,817 | 561,734 | | 592,551 |
| Total assets | <u>208,670,509</u> | <u>153,583,790</u> | <u>18,459,400</u> | <u>380,713,699</u> |
| LIABILITIES | | | | |
| Accounts payable | 283,369 | 175,537 | 22,457 | 481,363 |
| Unsettled trades | 1,204,602 | 928,836 | | 2,133,438 |
| Total liabilities | <u>1,487,971</u> | <u>1,104,373</u> | <u>22,457</u> | <u>2,614,801</u> |
| NET ASSETS | | | | |
| Held in trust for pension benefits | <u>\$ 207,182,538</u> | <u>\$ 152,479,417</u> | <u>\$ 18,436,943</u> | <u>\$ 378,098,898</u> |

CITY OF BOCA RATON, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

| | Police and Firefighters' Retirement System | General Employees' Pension Plan | Executive Employees' Retirement Plan | Total |
|------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------|-----------------------|
| ADDITIONS | | | | |
| Contributions: | | | | |
| City | \$ 8,614,508 | \$ 3,333,945 | \$ 1,083,506 | \$ 13,031,959 |
| State | 2,676,070 | | | 2,676,070 |
| Employee Pension Plan | 2,810,410 | 2,818,560 | 675,173 | 6,304,143 |
| | | | 262,364 | 262,364 |
| Total contributions | <u>14,100,988</u> | <u>6,152,505</u> | <u>2,021,043</u> | <u>22,274,536</u> |
| Investment income: | | | | |
| Interest earnings, net | 1,731,635 | 2,698,871 | 39,285 | 4,469,791 |
| Dividends | 2,897,246 | 1,416,885 | | 4,314,131 |
| Net depreciation in fair value of investments | (3,261,965) | (4,092,940) | | (7,354,905) |
| Other investment income | 32,665 | 25 | | 32,690 |
| Investment expense | (1,059,509) | (708,721) | (30,647) | (1,798,877) |
| Total investment income | <u>340,072</u> | <u>(685,880)</u> | <u>8,638</u> | <u>(337,170)</u> |
| Total additions | <u>14,441,060</u> | <u>5,466,625</u> | <u>2,029,681</u> | <u>21,937,366</u> |
| DEDUCTIONS | | | | |
| Benefits paid: | | | | |
| Retirement | 7,630,861 | 5,915,055 | 656,190 | 14,202,106 |
| Disability | 1,057,479 | 534,436 | | 1,591,915 |
| Death | 465,161 | 138,281 | | 603,442 |
| Deferred retirement option plan | 1,893,821 | 333,870 | 234,979 | 2,462,670 |
| Termination refunds | 49,584 | 299,805 | | 349,389 |
| Administrative expenses | 466,375 | 364,775 | 25,697 | 856,847 |
| Transfer to other pension plan | | 262,364 | | 262,364 |
| Total deductions | <u>11,563,281</u> | <u>7,848,586</u> | <u>916,866</u> | <u>20,328,733</u> |
| Change in net assets | 2,877,779 | (2,381,961) | 1,112,815 | 1,608,633 |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | | | | |
| Net assets - beginning | 204,304,759 | 154,861,378 | 17,324,128 | 376,490,265 |
| Net assets - ending | <u>\$ 207,182,538</u> | <u>\$ 152,479,417</u> | <u>\$ 18,436,943</u> | <u>\$ 378,098,898</u> |

STATISTICAL SECTION

This part of the City of Boca Raton comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial position.

Contents **Page**

Financial Trends **128**

The information presented in this section is intended to assist users in understanding and assessing how a government’s financial position has changed over time.

Revenue Capacity **136**

This section is intended to assist users in understanding and assessing the factors affecting a government’s ability to generate its own-source revenue.

Debt Capacity **141**

The information presented in this section is intended to assist users in understanding and assessing a government’s debt burden and its ability to issue additional debt.

Demographic and Economic Information **148**

This section is intended (1) to assist users in understanding the socio-economic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating Information **150**

This section is intended to provide contextual information about a government’s operations and resources to assist readers in using financial statement information to understand and assess a government’s economic condition.



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FINANCIAL TREND INFORMATION

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

CITY OF BOCA RATON, FLORIDA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|---------------------------------------------------|------------------|------------------|------------------|------------------|
| Governmental activities | | | | |
| Investment of capital assets, net of related debt | \$299,437 | \$306,211 | \$307,120 | \$309,601 |
| Restricted | 74,328 | 86,592 | 80,382 | 72,449 |
| Unrestricted | 20,839 | 7,163 | 12,357 | 37,510 |
| Total governmental activities net assets | <u>\$394,604</u> | <u>\$399,966</u> | <u>\$399,859</u> | <u>\$419,560</u> |
| Business-type activities | | | | |
| Investment of capital assets, net of related debt | \$153,328 | \$194,564 | \$193,867 | \$206,169 |
| Restricted | 14,111 | 22,180 | 18,582 | 36,407 |
| Unrestricted | 72,157 | 29,668 | 39,466 | 20,698 |
| Total business-type activities net assets | <u>\$239,596</u> | <u>\$246,412</u> | <u>\$251,915</u> | <u>\$263,274</u> |
| Primary government | | | | |
| Investment of capital assets, net of related debt | \$452,765 | \$500,775 | \$500,987 | \$515,770 |
| Restricted | 88,439 | 108,772 | 98,964 | 108,856 |
| Unrestricted | 92,996 | 36,831 | 51,823 | 58,208 |
| Total primary government net assets | <u>\$634,200</u> | <u>\$646,378</u> | <u>\$651,774</u> | <u>\$682,834</u> |

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$326,164 | \$338,203 | \$346,985 | \$352,077 | \$361,158 | \$369,771 |
| 63,453 | 61,593 | 67,502 | 53,133 | 46,129 | 43,754 |
| 57,236 | 71,151 | 74,446 | 87,842 | 85,292 | 85,239 |
| <u>\$446,853</u> | <u>\$470,947</u> | <u>\$488,933</u> | <u>\$493,052</u> | <u>\$492,579</u> | <u>\$498,764</u> |
| \$213,390 | \$215,571 | \$208,208 | \$210,989 | \$208,818 | \$210,890 |
| 42,145 | 42,792 | 48,930 | 49,295 | 53,378 | 48,500 |
| 16,510 | 19,123 | 22,775 | 35,935 | 45,058 | 53,501 |
| <u>\$272,045</u> | <u>\$277,486</u> | <u>\$279,913</u> | <u>\$296,219</u> | <u>\$307,254</u> | <u>\$312,891</u> |
| \$539,554 | \$553,774 | \$555,193 | \$563,066 | \$569,976 | \$580,661 |
| 105,598 | 104,385 | 116,432 | 102,428 | 99,507 | 92,254 |
| 73,746 | 90,274 | 97,221 | 123,777 | 130,350 | 138,740 |
| <u>\$718,898</u> | <u>\$748,433</u> | <u>\$768,846</u> | <u>\$789,271</u> | <u>\$799,833</u> | <u>\$811,655</u> |

CITY OF BOCA RATON, FLORIDA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 11,408 | \$ 12,583 | \$ 21,086 | \$ 11,881 | \$ 41,508 | \$ 18,484 | \$ 18,999 | \$ 19,099 | \$ 23,023 | \$ 16,977 |
| Law enforcement | 20,956 | 22,195 | 28,073 | 26,012 | 29,487 | 32,122 | 36,406 | 37,225 | 37,585 | 39,979 |
| Fire rescue | 18,115 | 20,889 | 25,204 | 22,776 | 28,390 | 32,792 | 34,955 | 36,104 | 37,856 | 39,140 |
| Physical environment | 9,024 | 8,986 | 13,672 | 5,339 | 3,728 | 9,052 | 10,238 | 4,252 | 7,851 | 4,237 |
| Transportation | 13,040 | 13,784 | 14,439 | 19,698 | 24,905 | 18,441 | 18,817 | 18,650 | 22,196 | 18,536 |
| Community development | 2,505 | 2,116 | 2,240 | 960 | 1,363 | 1,499 | 2,408 | 2,115 | 4,168 | 6,040 |
| Parks and recreation | 27,614 | 29,939 | 29,359 | 31,449 | 35,652 | 35,818 | 36,203 | 37,772 | 34,928 | 28,979 |
| Interest and fiscal charges | 6,510 | 6,026 | 6,531 | 5,520 | 5,389 | 5,921 | 5,554 | 5,148 | 4,834 | 4,793 |
| Total governmental activities expenses | 109,172 | 116,518 | 140,604 | 123,635 | 170,422 | 154,129 | 163,580 | 160,365 | 172,441 | 158,681 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 31,092 | 33,090 | 35,212 | 37,586 | 41,167 | 43,495 | 45,537 | 46,630 | 42,970 | 44,132 |
| Cemetery | 469 | 506 | 538 | 554 | 730 | 655 | 593 | 653 | 635 | 659 |
| Golf course | 2,223 | 2,375 | 2,468 | 2,598 | 2,745 | 2,798 | 2,992 | 3,098 | 3,075 | 3,073 |
| Stormwater utility | 915 | 1,108 | 1,219 | 1,148 | 1,113 | 1,216 | 1,428 | 1,736 | 1,646 | 2,023 |
| Sanitation | | | | | | | | 5,923 | 5,851 | 6,511 |
| Total business-type activities expenses | 34,699 | 37,079 | 39,437 | 41,886 | 45,755 | 48,164 | 50,550 | 58,040 | 54,177 | 56,398 |
| Total primary government expenses | \$ 143,871 | \$ 153,597 | \$ 180,041 | \$ 165,521 | \$ 216,177 | \$ 202,293 | \$ 214,130 | \$ 218,405 | \$ 226,618 | \$ 215,079 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 11,658 | \$ 13,472 | \$ 14,431 | \$ 17,580 | \$ 19,745 | \$ 21,543 | \$ 19,796 | \$ 17,046 | \$ 16,455 | \$ 17,565 |
| Law enforcement | 1,159 | 1,159 | 2,948 | 1,475 | 3,055 | 2,699 | 3,269 | 2,973 | 2,669 | 2,647 |
| Fire rescue | 1,352 | 1,455 | 1,582 | 1,824 | 3,093 | 5,229 | 5,821 | 6,782 | 7,251 | 8,876 |
| Physical environment | 139 | 155 | 157 | 222 | 240 | 219 | 209 | 149 | 198 | 214 |
| Community development | 397 | 380 | 397 | 397 | 397 | 1,577 | 1,605 | 1,697 | 1,585 | 1,695 |
| Parks and recreation | 14,628 | 16,144 | 16,392 | 17,015 | 18,058 | 16,503 | 16,216 | 17,231 | 20,027 | 19,631 |
| Operating grants and contributions | 13,678 | 4,863 | 12,938 | 317 | 26,626 | 3,296 | 8,386 | 4,777 | 13,916 | 5,317 |
| Capital grants and contributions | 3,146 | 488 | 3,531 | 4,854 | 2,205 | 5,406 | 2,169 | 2,980 | 3,326 | 2,720 |
| Total governmental activities program revenues | 46,157 | 38,116 | 52,376 | 43,684 | 73,419 | 56,472 | 57,471 | 53,635 | 65,427 | 58,665 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 33,938 | 36,057 | 37,202 | 37,482 | 39,847 | 39,063 | 41,098 | 49,967 | 47,278 | 48,288 |
| Cemetery | 258 | 296 | 231 | 281 | 205 | 181 | 238 | 159 | 188 | 179 |
| Golf course | 2,206 | 2,373 | 2,348 | 2,410 | 2,670 | 2,872 | 2,824 | 2,687 | 2,120 | 2,272 |
| Stormwater utility | 1,959 | 2,592 | 2,040 | 2,091 | 2,105 | 2,070 | 2,118 | 2,137 | 2,155 | 2,175 |
| Sanitation | | | | | | | | 1,722 | 3,932 | 6,423 |
| Capital grants and contribution | 5,282 | 1,060 | 2,408 | 10,181 | 7,716 | 5,016 | 3,491 | 3,080 | 5,401 | 1,260 |
| Total business-type activities program revenues | 43,643 | 42,378 | 44,229 | 52,445 | 52,543 | 49,202 | 49,769 | 59,752 | 61,074 | 60,597 |
| Total primary government program revenues | \$ 89,800 | \$ 80,494 | \$ 96,605 | \$ 96,129 | \$ 125,962 | \$ 105,674 | \$ 107,240 | \$ 113,387 | \$ 126,501 | \$ 119,262 |

**CITY OF BOCA RATON, FLORIDA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS**

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Net (Expenses) Revenue | | | | | | | | | | |
| Governmental activities | \$ (63,015) | \$ (78,352) | \$ (88,228) | \$ (79,951) | \$ (97,003) | \$ (97,657) | \$ (106,109) | \$ (106,730) | \$ (107,014) | \$ (100,016) |
| Business-type activities | 8,944 | 5,299 | 4,792 | 10,559 | 6,788 | 1,038 | (781) | 1,711 | 6,897 | 4,199 |
| Total primary government net expense | \$ (54,071) | \$ (73,053) | \$ (83,436) | \$ (69,392) | \$ (90,215) | \$ (96,619) | \$ (106,890) | \$ (105,019) | \$ (100,117) | \$ (95,817) |
| General Revenue and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property tax | \$ 36,887 | \$ 39,803 | \$ 43,713 | \$ 49,639 | \$ 59,460 | \$ 68,744 | \$ 65,155 | \$ 61,764 | \$ 57,635 | \$ 54,246 |
| Utility tax | 20,364 | 20,821 | 19,717 | 20,276 | 20,504 | 20,247 | 22,151 | 20,615 | 20,639 | 20,171 |
| Franchise tax | 8,083 | 8,567 | 8,183 | 9,829 | 13,136 | 13,295 | 13,804 | 13,881 | 12,406 | 12,482 |
| Sales tax | 5,304 | 5,319 | 5,763 | 6,180 | 6,695 | 6,284 | 5,906 | 5,224 | 5,262 | 5,430 |
| Gas tax | 2,509 | 2,679 | 2,811 | 2,979 | 2,897 | 2,808 | 2,074 | 1,977 | 1,959 | 1,908 |
| Incremental property tax | 2,652 | 2,767 | 3,320 | 4,911 | 6,147 | 6,771 | 6,309 | 6,751 | 6,659 | 8,948 |
| State shared revenues unrestricted | 1,024 | 1,055 | 1,261 | 1,721 | 1,849 | 1,830 | 2,317 | 2,094 | 2,067 | 2,185 |
| Investment earnings unrestricted | 3,682 | 2,252 | 2,178 | 3,010 | 6,620 | 8,840 | 6,707 | 4,924 | 2,686 | 1,378 |
| Gain (loss) on disposal of capital assets | (63) | - | 174 | 91 | 6,771 | - | 18 | 73 | | 131 |
| Miscellaneous | 214 | 290 | 664 | 741 | 110 | 419 | 15 | 188 | 12 | 42 |
| Transfers | (14,852) | 160 | 337 | 275 | 107 | (1,016) | (361) | (10,158) | (2,784) | (720) |
| Total governmental activities | 65,804 | 83,713 | 88,121 | 99,652 | 124,296 | 128,222 | 124,095 | 107,333 | 106,541 | 106,201 |
| Business-type activities | | | | | | | | | | |
| Investment earnings | 2,916 | 1,692 | 1,003 | 1,081 | 2,076 | 3,361 | 2,808 | 2,495 | 1,702 | 624 |
| Gain (loss) on disposal of capital assets | (311) | (15) | 45 | (5) | 14 | 26 | 39 | 25 | (348) | 94 |
| Transfers | 14,852 | (160) | (337) | (275) | (107) | 1,016 | 361 | 10,158 | 2,784 | 720 |
| Total business-type activities | 17,457 | 1,517 | 711 | 801 | 1,983 | 4,403 | 3,208 | 12,678 | 4,138 | 1,438 |
| Total primary government | \$ 83,261 | \$ 85,230 | \$ 88,832 | \$ 100,453 | \$ 126,279 | \$ 132,625 | \$ 127,303 | \$ 120,011 | \$ 110,679 | \$ 107,639 |
| Changes in net assets | | | | | | | | | | |
| Governmental activities | \$ 2,789 | \$ 5,361 | \$ (107) | \$ 19,701 | \$ 27,293 | \$ 30,565 | \$ 17,986 | \$ 603 | \$ (473) | \$ 6,185 |
| Business-type activities | 26,401 | 6,816 | 5,503 | 11,360 | 8,771 | 5,441 | 2,427 | 14,389 | 11,035 | 5,637 |
| Total primary government | \$ 29,190 | \$ 12,177 | \$ 5,396 | \$ 31,061 | \$ 36,064 | \$ 36,006 | \$ 20,413 | \$ 14,992 | \$ 10,562 | \$ 11,822 |

CITY OF BOCA RATON, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|--------------------------------------|------------------|------------------|------------------|------------------|
| General Fund: | | | | |
| Restricted for: | | | | |
| Army Corp of Engineers | | | | |
| Committed to: | | | | |
| Hurricane/ disaster emergency | \$ 1,200 | \$ 1,200 | \$ 1,200 | \$ 1,200 |
| Mizner Park debt service | 1,633 | 1,633 | 1,633 | 1,633 |
| Retirement system reserve | | | | |
| Assigned to: | | | | |
| Subsequent year's budget | 2,573 | 2,468 | 1,712 | 1,213 |
| Non-spendable: | | | | |
| Inventories | 24 | 28 | 18 | 6 |
| Unassigned | <u>17,040</u> | <u>19,495</u> | <u>15,742</u> | <u>24,416</u> |
| Total general fund | <u>\$ 22,470</u> | <u>\$ 24,824</u> | <u>\$ 20,305</u> | <u>\$ 28,468</u> |
| All Other Governmental Funds: | | | | |
| Restricted for: | | | | |
| Debt service | \$ 10,545 | \$ 10,508 | \$ 10,456 | \$ 9,698 |
| Housing | 242 | 354 | 1,099 | 2,161 |
| Law enforcement | 12,687 | 5,278 | 6,060 | 5,469 |
| Transportation | 4,726 | 5,468 | 6,192 | 6,550 |
| Right of way beautification | 4,061 | 3,947 | 4,181 | 4,223 |
| Downtown | 2,059 | 1,493 | 1,529 | 2,276 |
| Land dedication | 1,448 | 1,448 | 2,355 | 2,028 |
| Library | | 9,658 | 8,175 | 3,612 |
| Committed to: | | | | |
| Parking | | 3 | 3 | 3 |
| Right of way acquisition | 279 | 421 | 922 | 1,672 |
| Assigned to: | | | | |
| Special revenue funds | 400 | 112 | 335 | 403 |
| Capital projects | 17,803 | 30,984 | 24,276 | 23,390 |
| Environmentally sensitive lands | 1,246 | 1,197 | 1,383 | 1,407 |
| Non-spendable: | | | | |
| Perpetual care, cemetery | 2,112 | 2,126 | 2,132 | 2,154 |
| Perpetual care, masoleum | <u>3,850</u> | <u>3,878</u> | <u>3,890</u> | <u>3,976</u> |
| Total all other governmental funds | <u>\$ 61,458</u> | <u>\$ 76,875</u> | <u>\$ 72,988</u> | <u>\$ 69,022</u> |

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2009. Fiscal years 2002-2008 amounts have been restated to conform to the new statement requirements.

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | \$ 170 | \$ 170 |
| \$ 5,200 | \$ 5,200 | \$ 10,600 | \$ 10,600 | 10,600 | 10,600 |
| 1,633 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 |
| | | | 7,500 | 8,500 | 10,500 |
| 3,936 | 11,768 | 3,954 | 3,241 | 1,286 | 1,316 |
| 36 | 29 | 15 | 28 | 19 | 13 |
| <u>27,117</u> | <u>32,010</u> | <u>34,462</u> | <u>26,032</u> | <u>24,717</u> | <u>22,340</u> |
| <u>\$ 37,922</u> | <u>\$ 50,640</u> | <u>\$ 50,664</u> | <u>\$ 49,034</u> | <u>\$ 46,925</u> | <u>\$ 46,572</u> |
| \$ 8,930 | \$ 9,409 | \$ 9,752 | \$ 9,984 | \$ 10,229 | \$ 10,532 |
| 2,707 | 2,085 | 1,015 | 770 | 326 | 158 |
| 1,604 | 1,567 | 1,703 | 1,405 | 1,331 | 1,292 |
| 5,535 | 6,046 | 6,229 | 6,458 | 7,152 | 7,486 |
| 3,795 | 4,297 | 3,741 | 3,137 | 2,456 | 1,293 |
| 3,395 | 4,910 | 5,067 | 7,367 | 8,354 | 3,644 |
| 3,315 | 4,141 | 4,859 | 4,685 | 1,148 | 1,646 |
| 5,457 | 5,581 | 8,262 | 1,107 | 10,633 | 10,437 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 1,854 | 1,913 | 1,989 | 2,228 | 2,265 | 2,284 |
| 501 | 501 | | | | |
| 19,457 | 17,607 | 24,165 | 28,728 | 25,223 | 24,603 |
| 1,452 | 1,262 | 1,225 | 1,040 | 1,056 | 1,067 |
| 2,212 | 2,230 | 2,249 | 2,199 | 2,123 | 1,950 |
| <u>3,965</u> | <u>3,858</u> | <u>3,791</u> | <u>3,618</u> | <u>3,614</u> | <u>3,487</u> |
| <u>\$ 64,182</u> | <u>\$ 65,410</u> | <u>\$ 74,050</u> | <u>\$ 72,729</u> | <u>\$ 75,913</u> | <u>\$ 69,882</u> |

CITY OF BOCA RATON, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|----------------------------------------------------------------|---------------------|----------------------|-----------------------|---------------------|
| Revenues: | | | | |
| Taxes | \$ 70,006,724 | \$ 73,501,670 | \$ 77,716,656 | \$ 86,953,399 |
| Licenses and permits | 4,835,552 | 5,745,727 | 6,362,311 | 8,995,777 |
| Intergovernmental | 33,998,935 | 22,269,726 | 26,417,675 | 35,967,697 |
| Charges of services | 10,982,968 | 12,513,633 | 12,994,162 | 14,165,909 |
| Fines and forfeitures | 1,137,731 | 1,179,266 | 2,927,390 | 1,582,956 |
| Special assessments | 1,093,739 | 1,034,976 | 1,140,183 | 1,136,213 |
| Donations in lieu of land | 603,950 | 347,800 | 1,308,641 | 492,831 |
| Investment earnings | 3,129,226 | 1,930,317 | 1,919,718 | 2,507,933 |
| Miscellaneous | 153,801 | 238,214 | 617,283 | 675,287 |
| Total revenues | <u>125,942,626</u> | <u>118,761,329</u> | <u>131,404,019</u> | <u>152,478,002</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 10,639,614 | 11,554,326 | 16,113,338 | 16,362,303 |
| Law enforcement | 20,517,003 | 28,095,598 | 24,318,777 | 26,729,038 |
| Fire rescue (1) | 17,068,203 | 19,032,957 | 21,142,844 | 23,506,708 |
| Physical environment | 6,135,341 | 6,598,034 | 7,364,592 | 7,713,662 |
| Transportation | 6,532,048 | 5,649,806 | 5,530,363 | 6,493,289 |
| Community development | 2,485,307 | 2,034,350 | 1,765,734 | 1,183,006 |
| Parks and recreation | 24,504,720 | 26,787,208 | 27,314,571 | 28,557,931 |
| Capital outlay | 10,658,677 | 10,977,058 | 17,905,126 | 19,152,244 |
| Debt service: | | | | |
| Principal | 8,525,000 | 9,170,000 | 10,205,000 | 11,420,000 |
| Interest | 6,520,753 | 5,819,165 | 6,532,648 | 5,441,400 |
| Bond issuance costs | 76,430 | 262,515 | | 241,525 |
| Total expenditures | <u>113,663,096</u> | <u>125,981,017</u> | <u>138,192,993</u> | <u>146,801,106</u> |
| Excess (deficiency) of revenues | | | | |
| Over expenditures | <u>12,279,530</u> | <u>(7,219,688)</u> | <u>(6,788,974)</u> | <u>5,676,896</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 16,237,940 | 16,656,808 | 17,377,104 | 16,349,961 |
| Transfers out | (32,688,410) | (18,671,308) | (18,995,404) | (17,651,461) |
| Refunding and new bonds issued | 5,635,000 | 30,260,000 | | 21,720,000 |
| Discount on bonds issued | | (46,911) | | |
| Payment to refunded bond escrow agent | (5,898,765) | (3,208,423) | | (21,898,126) |
| Proceeds from sale of land | 14,046,571 | | | |
| Premium on bonds issued | | | | |
| Total other financing sources (uses) | <u>(2,667,664)</u> | <u>24,990,166</u> | <u>(1,618,300)</u> | <u>(1,479,626)</u> |
| Net change in fund balances | <u>\$ 9,611,866</u> | <u>\$ 17,770,478</u> | <u>\$ (8,407,274)</u> | <u>\$ 4,197,270</u> |
| Debt service as a percentage of Noncapital expenditures | 14.77% | 13.52% | 13.29% | 13.06% |

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|----|--------------------|----------------------|---------------------|-----------------------|---------------------|-----------------------|
| \$ | 103,838,860 | \$ 114,446,690 | \$ 111,293,350 | \$ 109,395,926 | \$ 102,372,638 | \$ 100,712,574 |
| | 10,872,277 | 14,159,352 | 12,655,903 | 9,330,151 | 9,014,360 | 8,697,459 |
| | 50,222,463 | 24,443,570 | 29,335,294 | 24,916,278 | 38,094,892 | 29,622,567 |
| | 13,960,886 | 15,142,687 | 15,394,414 | 17,534,451 | 18,155,376 | 21,624,838 |
| | 1,893,415 | 1,392,731 | 1,732,861 | 1,650,942 | 1,257,433 | 1,360,028 |
| | 1,177,372 | 1,296,839 | 1,179,630 | 1,194,209 | 1,170,054 | 1,199,953 |
| | 1,511,961 | 5,085,724 | 1,357,337 | 1,123,280 | 1,906,044 | 686,867 |
| | 5,655,785 | 7,411,536 | 5,608,957 | 4,090,555 | 2,238,874 | 1,078,045 |
| | 416,326 | 567,831 | 76,883 | 262,809 | 120,427 | 89,006 |
| | <u>189,549,345</u> | <u>183,946,960</u> | <u>178,634,629</u> | <u>169,498,601</u> | <u>174,330,098</u> | <u>165,071,337</u> |
| | 40,773,094 | 18,156,740 | 20,805,598 | 21,062,541 | 20,337,965 | 19,647,100 |
| | 31,491,852 | 30,693,003 | 32,981,888 | 34,031,382 | 36,031,487 | 36,508,850 |
| | 27,453,323 | 31,811,220 | 31,021,882 | 32,911,346 | 33,982,309 | 34,849,430 |
| | 8,419,532 | 9,060,845 | 9,908,431 | 4,578,883 | 7,828,961 | 4,203,550 |
| | 7,915,676 | 6,876,907 | 7,210,515 | 8,146,766 | 6,324,672 | 7,554,534 |
| | 1,767,880 | 1,680,177 | 2,794,881 | 1,633,645 | 5,262,747 | 5,907,758 |
| | 32,386,018 | 32,871,842 | 32,051,636 | 34,553,264 | 34,951,245 | 35,635,867 |
| | 19,590,262 | 21,759,723 | 16,121,088 | 9,785,389 | 22,157,964 | 8,835,059 |
| | 12,005,000 | 10,685,000 | 10,890,000 | 10,305,000 | 10,790,000 | 11,075,000 |
| | 5,219,097 | 4,766,913 | 4,351,174 | 3,906,558 | 3,370,058 | 3,405,937 |
| | | | | 190,104 | 331,167 | |
| | <u>187,021,734</u> | <u>168,362,370</u> | <u>168,137,093</u> | <u>161,104,878</u> | <u>181,368,575</u> | <u>167,623,085</u> |
| | <u>2,527,611</u> | <u>15,584,590</u> | <u>10,497,536</u> | <u>8,393,723</u> | <u>(7,038,477)</u> | <u>(2,551,748)</u> |
| | 15,691,643 | 19,214,060 | 26,797,253 | 22,680,306 | 14,550,700 | 9,738,400 |
| | (16,173,743) | (22,463,860) | (27,630,753) | (35,223,718) | (19,919,800) | (13,571,100) |
| | | | | 11,205,000 | 12,930,000 | |
| | | | | (11,011,294) | (21,074) | |
| | 2,568,638 | | | 6,460 | 572,248 | |
| | <u>2,086,538</u> | <u>(3,249,800)</u> | <u>(833,500)</u> | <u>(12,343,246)</u> | <u>8,112,074</u> | <u>(3,832,700)</u> |
| \$ | <u>4,614,149</u> | <u>\$ 12,334,790</u> | <u>\$ 9,664,036</u> | <u>\$ (3,949,523)</u> | <u>\$ 1,073,597</u> | <u>\$ (6,384,448)</u> |
| | 10.65% | 10.40% | 9.95% | 9.34% | 8.55% | 8.64% |



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REVENUE CAPACITY INFORMATION

This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

CITY OF BOCA RATON, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

(Unaudited)

| <u>Fiscal Year</u> ⁽²⁾ | <u>Real Property</u> ⁽¹⁾ | <u>Personal Property</u> | <u>Total Assessed Value</u> | <u>Less: Tax-Exempt Property</u> | <u>Total Taxable Assessed Value</u> |
|-----------------------------------|-------------------------------------|--------------------------|-----------------------------|----------------------------------|-------------------------------------|
| 2002 | \$ 12,666,230,142 | 1,058,962,561 | \$ 13,725,192,703 | \$ 2,110,198,363 | \$ 11,614,994,340 |
| 2003 | 13,965,331,038 | 990,594,404 | 14,955,925,442 | 2,418,313,247 | 12,537,612,195 |
| 2004 | 16,485,379,502 | 1,028,175,976 | 17,513,555,478 | 3,075,650,269 | 14,437,905,209 |
| 2005 | 19,845,631,860 | 1,046,702,459 | 20,892,334,319 | 4,268,084,374 | 16,624,249,945 |
| 2006 | 25,094,995,870 | 1,089,287,667 | 26,184,283,537 | 6,252,941,946 | 19,931,341,591 |
| 2007 | 24,749,123,742 | 1,054,962,177 | 25,804,085,919 | 5,395,626,750 | 20,408,459,169 |
| 2008 | 23,342,934,476 | 1,082,067,364 | 24,425,001,840 | 4,800,459,251 | 19,624,542,589 |
| 2009 | 20,454,930,292 | 1,097,843,577 | 21,552,773,869 | 3,560,747,621 | 17,992,026,248 |
| 2010 | 18,401,045,182 | 1,076,333,765 | 19,477,378,947 | 2,868,254,851 | 16,609,124,096 |
| 2011 | 18,387,146,075 | 946,365,118 | 19,333,511,193 | 2,912,409,267 | 16,421,101,926 |

Notes: (1) Except for the Save Our Homes cap noted below, Florida State Law requires all property to be assessed at current fair market value.
The Save Our Homes cap, provides that property qualifying for, and receiving, homestead exemption is assessed at the lower of the annual percentage change in the Consumer Price Index or 3% of the previous year's assessment.

(2) As of December 31st of each year listed.

Estimated Actual Value obtained from the Palm Beach County Appraiser

Source: Palm Beach County Property Appraiser

| <u>Total Direct Tax Rate</u> | <u>Estimated Actual Value</u> | <u>Taxable Assessed Value as a % of Actual Taxable Value</u> |
|----------------------------------|-----------------------------------|----------------------------------------------------------------------|
| 3.54 | 14,380,145,525 | 80.77% |
| 3.62 | 15,619,579,494 | 80.27% |
| 3.55 | 18,267,720,384 | 79.04% |
| 3.71 | 21,856,509,208 | 76.06% |
| 3.59 | 27,332,061,657 | 72.92% |
| 3.31 | 26,952,069,988 | 75.72% |
| 3.31 | 25,653,162,088 | 76.50% |
| 3.34 | 22,731,156,856 | 79.15% |
| 3.41 | 20,594,754,505 | 80.65% |
| 3.51 | 20,464,785,858 | 80.24% |

**CITY OF BOCA RATON, FLORIDA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (1)
(Unaudited)**

| Tax Year | Boca Raton | | | Palm Beach County | | | Schools | | | Other | Total |
|----------|-------------------|--------------|--------------------|-------------------|--------------|------------------|-------------------|--------------|---------------|-------|--------|
| | Operating Millage | Debt Service | Total City Millage | Operating Millage | Debt Service | Total County Tax | Operating Millage | Debt Service | Total Schools | | |
| 2002 | 3.150 | 0.389 | 3.539 | 4.500 | 0.308 | 4.808 | 8.427 | 0.352 | 8.779 | 3.525 | 20.651 |
| 2003 | 3.150 | 0.473 | 3.623 | 4.500 | 0.291 | 4.791 | 8.251 | 0.320 | 8.571 | 3.592 | 20.577 |
| 2004 | 3.150 | 0.405 | 3.555 | 4.500 | 0.268 | 4.768 | 8.158 | 0.274 | 8.432 | 3.496 | 20.250 |
| 2005 | 3.360 | 0.346 | 3.706 | 4.450 | 0.269 | 4.719 | 7.884 | 0.222 | 8.106 | 3.434 | 19.966 |
| 2006 | 3.300 | 0.289 | 3.589 | 4.280 | 0.198 | 4.478 | 7.704 | 0.160 | 7.864 | 3.219 | 19.149 |
| 2007 | 3.020 | 0.286 | 3.306 | 3.781 | 0.200 | 3.981 | 7.356 | 0.000 | 7.356 | 4.095 | 18.738 |
| 2008 | 3.020 | 0.286 | 3.306 | 3.781 | 0.185 | 3.966 | 7.251 | 0.000 | 7.251 | 3.071 | 17.593 |
| 2009 | 3.020 | 0.321 | 3.341 | 4.344 | 0.217 | 4.561 | 7.983 | 0.000 | 7.983 | 3.395 | 19.280 |
| 2010 | 3.020 | 0.386 | 3.406 | 4.750 | 0.246 | 4.996 | 8.154 | 0.000 | 8.154 | 3.544 | 20.100 |
| 2011 | 3.150 | 0.360 | 3.510 | 4.782 | 0.211 | 4.993 | 8.18 | 0.000 | 8.180 | 2.343 | 19.026 |

Source: Palm Beach County Tax Collector

(1) Millage rates are per \$1,000 of assessed valuation.

CITY OF BOCA RATON, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
FOR THE CURRENT CALENDAR YEAR AND NINE YEARS AGO
(Unaudited)

| Taxpayer | 2011* | | | 2002 | | |
|--------------------------------|-------------------------|------|--------------------------------------------|------------------------|------|--------------------------------------------|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Town Center at Boca Raton | \$ 331,800,511 | 1 | 1.84% | | | |
| Panthers BRHC Ltd. Partnership | 153,275,535 | 2 | 0.85% | \$ 156,389,153 | 1 | 1.46% |
| BRE Boca Raton CRA Lessor | 111,162,055 | 3 | 0.62% | | | |
| HUB Properties Trust | 132,780,113 | 4 | 0.74% | | | |
| Boca Raton CRA Lessor | 93,500,000 | 5 | 0.52% | 95,100,000 | 5 | 0.89% |
| Florida Power & Light Co | 93,109,454 | 6 | 0.52% | | | |
| Batmasian James H & | 73,868,835 | 7 | 0.41% | 53,020,169 | | |
| BRE Point Parcel LLC | 61,000,001 | 8 | 0.34% | | | |
| Panthers BRHC LLC | 55,315,686 | 9 | 0.31% | | | |
| WRC Properties Inc | 53,623,622 | 10 | 0.30% | | 10 | 0.00% |
| Total | \$ 1,159,435,812 | | 6.42% | \$ 304,509,322 | | 2.36% |

Source: City of Boca Raton , FL
Palm Beach County Tax Collector System

* 2011 data indicates the most recent information available at the time of statement issuance

CITY OF BOCA RATON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year Ended September 30,</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy</u> | | <u>Collections in subsequent Years</u> | <u>Total Collections To Date</u> | |
|----------------------------------------|-----------------------------------------|-----------------------------------------------------|---------------------------|----------------------------------------|----------------------------------|---------------------------|
| | | <u>Amount (1)</u> | <u>Percentage of Levy</u> | | <u>Amount</u> | <u>Percentage of Levy</u> |
| 2002 | \$ 38,345,443 | \$ 36,693,522 | 95.7% | \$ 18,834 | \$ 36,712,356 | 95.7% |
| 2003 | 41,262,240 | 39,557,646 | 95.9% | (1,082) | 39,556,564 | 95.9% |
| 2004 | 45,472,059 | 43,632,191 | 96.0% | 1,861 | 43,634,052 | 96.0% |
| 2005 | 51,520,961 | 49,514,617 | 96.1% | 3,063 | 49,517,680 | 96.1% |
| 2006 | 61,751,848 | 59,306,133 | 96.0% | 38,793 | 59,344,926 | 96.1% |
| 2007 | 71,525,618 | 68,496,748 | 95.8% | 75,208 | 68,571,956 | 95.9% |
| 2008 | 67,464,124 | 64,951,991 | 96.3% | 81,267 | 65,033,258 | 96.4% |
| 2009 | 64,471,993 | 61,600,885 | 95.5% | 127,750 | 61,728,635 | 95.7% |
| 2010 | 59,403,108 | 57,501,857 | 96.8% | 1,067,309 | 57,501,857 | 96.8% |
| 2011 | 56,200,768 | 54,202,494 | 96.4% | 513,040 | 54,202,491 | 96.4% |

(1) Includes discount taken for early payment of property taxes and current year refunds

Source: Palm Beach County Tax Collector System

DEBT CAPACITY INFORMATION

The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

CITY OF BOCA RATON, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities

| Fiscal Year | General Obligation Bonds | Special Assessment Bonds | Tax Increment Bonds | Revenue Bonds | Loans Payable | Capital Leases |
|-------------|--------------------------------|--------------------------------|---------------------------|------------------|------------------|-------------------|
| 2002 | \$ 36,510,000 | \$ 14,250,000 | \$ 72,891,670 | \$ 8,660,000 | \$ 14,740,000 | |
| 2003 | 61,555,000 | 13,840,000 | 70,196,188 | 6,305,000 | 13,175,000 | |
| 2004 | 58,805,000 | 13,400,000 | 66,858,087 | 4,310,000 | 11,535,000 | |
| 2005 | 57,670,000 | 12,945,000 | 62,696,724 | 2,320,000 | 9,830,000 | |
| 2006 | 54,390,000 | 12,460,000 | 63,877,329 | 220,000 | 8,065,000 | \$ 538,214 |
| 2007 | 50,990,000 | 11,955,000 | 60,153,275 | | 6,235,000 | 424,172 |
| 2008 | 47,455,000 | 11,420,000 | 56,285,041 | | 4,340,000 | 304,271 |
| 2009 | 43,785,000 | 11,205,000 | 52,265,146 | | 3,400,000 | 178,211 |
| 2010 | 49,195,000 | 14,240,000 | 48,091,241 | | 2,435,000 | 45,675 |
| 2011 | 44,960,000 | 13,545,000 | 43,741,269 | | 1,865,000 | |

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

¹ See Demographic and Economic Statistics table for personal income and population data. These ratios are calculated using personal income and population for the prior year.

Business-Type Activities

| | Water & Sewer Revenue Bonds | Capital Leases | Total Primary Government | Percentage of Personal Income¹ | Per Capita¹ |
|----|------------------------------------------------|---------------------------|-----------------------------------------|----------------------------------------------------------|-----------------------------------|
| \$ | 55,945,000 | \$ 92,320 | \$ 203,088,990 | 0.0282% | 2,687 |
| | 54,725,000 | 49,317 | 219,845,505 | 0.0255% | 2,891 |
| | 48,765,000 | | 203,673,087 | 0.0273% | 2,551 |
| | 42,645,000 | | 188,106,724 | 0.0303% | 2,205 |
| | 36,335,000 | | 175,885,543 | 0.0319% | 2,057 |
| | 34,455,000 | | 164,212,447 | 0.0309% | 1,925 |
| | 55,920,000 | | 175,724,312 | 0.0308% | 2,060 |
| | 52,700,000 | | 163,533,357 | 0.0347% | 1,928 |
| | 50,045,000 | | 164,051,916 | 0.0330% | 1,946 |
| | 46,900,000 | | 151,011,269 | 0.0358% | 1,789 |

CITY OF BOCA RATON, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)
(Unaudited)

| Fiscal Year | General Obligation Bonds | Assessed Value of Taxable Property | Percentage of Estimated Actual Taxable Value of Property | Population | Per Capita |
|--------------------|---------------------------------|-------------------------------------------|-----------------------------------------------------------------|-------------------|-------------------|
| 2002 | \$ 36,510 | \$ 10,718,601 | 0.34% | 75,580 | 0.48 |
| 2003 | 61,555 | 11,614,994 | 0.53% | 76,043 | 0.81 |
| 2004 | 58,805 | 12,537,612 | 0.47% | 79,838 | 0.74 |
| 2005 | 57,670 | 14,437,905 | 0.40% | 85,311 | 0.68 |
| 2006 | 54,390 | 16,624,250 | 0.33% | 85,488 | 0.64 |
| 2007 | 50,990 | 19,931,342 | 0.26% | 85,296 | 0.60 |
| 2008 | 47,455 | 20,408,459 | 0.23% | 85,293 | 0.56 |
| 2009 | 43,785 | 19,624,543 | 0.22% | 84,823 | 0.52 |
| 2010 | 49,195 | 17,992,026 | 0.27% | 84,313 | 0.58 |
| 2011 | 44,960 | 16,609,124 | 0.27% | 84,392 | 0.53 |

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

Legal Debt Margin

The current ordinances of the City of Boca Raton do not specify a Legal Debt Margin.

CITY OF BOCA RATON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2011

(Amounts Expressed in Thousands)
(Unaudited)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|------------------------------------------|-------------------------|----------------------------------------|--------------------------------------------|
| OVERLAPPING: | | | |
| Palm Beach County | \$ 226,545 | 13.17% | \$ 29,847 |
| Palm Beach School District | <u>37,215</u> | 13.17% | <u>4,903</u> |
| SUBTOTAL | 263,760 | | 34,750 |
| DIRECT DEBT: | | | |
| Boca Raton | \$ 44,960 | 100.00% | <u>44,960</u> |
| TOTAL DIRECT AND OVERLAPPING DEBT | | | <u><u>\$ 79,710</u></u> |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Boca Raton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR WATER AND SEWER REVENUE BONDS
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>Utility Service Charges</u> | <u>Less: Operating Expenses (1)</u> | <u>Net Available Revenue</u> | <u>Debt Service</u> | | <u>Coverage by Net Revenue Available for Debt Service (2)</u> |
|--------------------|--------------------------------|-------------------------------------|------------------------------|---------------------|-----------------|---------------------------------------------------------------|
| | | | | <u>Principal</u> | <u>Interest</u> | |
| 2002 | \$36,638,994 | \$22,041,261 | \$14,597,733 | \$4,870,000 | \$2,584,285 | 1.96 |
| 2003 | 37,622,100 | 24,426,180 | 13,195,920 | 1,220,000 | 2,201,762 | 3.86 |
| 2004 | 38,071,653 | 26,419,641 | 11,652,012 | 5,960,000 | 2,038,905 | 1.46 |
| 2005 | 39,710,808 | 28,664,421 | 11,046,387 | 6,120,000 | 1,870,245 | 1.38 |
| 2006 | 41,600,339 | 30,573,825 | 11,026,514 | 6,310,000 | 1,682,493 | 1.38 |
| 2007 | 42,034,313 | 32,919,327 | 9,114,986 | 1,880,000 | 1,608,703 | 2.61 |
| 2008 | 43,604,523 | 33,606,413 | 9,998,110 | 1,955,000 | 2,010,842 | 2.52 |
| 2009 | 52,149,868 | 33,586,572 | 18,563,296 | 2,030,000 | 2,146,016 | 4.45 |
| 2010 | 48,766,835 | 30,780,072 | 17,986,763 | 2,655,000 | 1,942,669 | 3.91 |
| 2011 | 48,819,198 | 31,586,702 | 17,232,496 | 3,145,000 | 1,824,430 | 3.47 |

(1) Total expense exclusive of depreciation and debt service on revenue bonds.

(2) 1.10 net revenues test required by the rate covenants applies to the 1999, 2001, 2008 and 2009 bonds.

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR SPECIAL ASSESSMENT BONDS
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>Special Assessment Collections</u> | <u>Debt Service Principal</u> | <u>Debt Service Interest</u> | <u>Coverage by Net Revenue Available for Debt Service</u> |
|--------------------|---------------------------------------|-------------------------------|------------------------------|-----------------------------------------------------------|
| 2002 | \$ 1,118,290 | \$ 385,000 | \$ 671,143 | 1.06 |
| 2003 | 1,049,349 | 410,000 | 651,893 | 0.99 |
| 2004 | 1,139,139 | 440,000 | 631,393 | 1.06 |
| 2005 | 1,360,212 | 455,000 | 613,793 | 1.27 |
| 2006 | 1,518,115 | 485,000 | 596,730 | 1.40 |
| 2007 | 1,156,977 | 505,000 | 577,330 | 1.07 |
| 2008 | 1,179,630 | 535,000 | 557,130 | 1.08 |
| 2009 | 1,194,209 | 565,000 | 535,730 | 1.08 |
| 2010 | 1,170,054 | 670,000 | 400,453 | 1.09 |
| 2011 | 1,199,953 | 695,000 | 524,292 | 0.98 |

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR TAX INCREMENT REVENUE REFUNDING BONDS
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>Lease Revenue</u> | <u>Tax Increment Revenue</u> | <u>City Contribution</u> | <u>Collections</u> | <u>Debt Service</u> | | <u>Coverage by Net Revenue Available for Debt Service</u> |
|--------------------|----------------------|------------------------------|--------------------------|--------------------|----------------------|-----------------|-----------------------------------------------------------|
| | | | | | <u>Principal (1)</u> | <u>Interest</u> | |
| 2002 | \$ 1,180,000 | \$ 2,652,262 | \$ 998,100 | \$ 4,830,362 | \$ 2,020,000 | \$2,549,693 | 1.06 |
| 2003 | 1,180,000 | 2,767,496 | 1,356,600 | 5,304,096 | 2,735,000 | 2,442,824 | 1.02 |
| 2004 | 1,180,000 | 3,320,212 | 1,837,900 | 6,338,112 | 3,380,000 | 2,324,265 | 1.11 |
| 2005 | 1,180,000 | 4,910,628 | 961,100 | 7,051,728 | 4,205,000 | 2,174,255 | 1.11 |
| 2006 | 1,180,000 | 6,146,820 | | 7,326,820 | 4,375,000 | 2,002,655 | 1.15 |
| 2007 | 1,180,000 | 6,771,200 | | 7,951,200 | 4,730,000 | 1,820,555 | 1.21 |
| 2008 | 1,208,198 | 6,308,900 | | 7,517,098 | 4,925,000 | 1,624,993 | 1.15 |
| 2009 | 1,300,511 | 6,750,600 | | 8,051,111 | 5,130,000 | 1,416,300 | 1.23 |
| 2010 | 1,188,119 | 6,658,892 | | 7,847,011 | 5,340,000 | 1,193,760 | 1.20 |
| 2011 | 1,236,280 | 8,948,102 | | 10,184,382 | 5,575,000 | 956,997 | 1.56 |

(1) In October, 1998, the Boca Raton Community Redevelopment Agency Tax Increment Revenue Refunding Bonds, Series 1998 (Mizner Park Project) was used to refinance the CRA's Tax Increment Revenue Bond, Series 1992.

DEMOGRAPHIC AND ECONOMIC INFORMATION

This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

CITY OF BOCA RATON, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | Population² | Personal Income (amounts expressed in thousands)³ | Per Capita Personal Income³ | Median Age³ | Education Level in Years of Schooling¹ | School Enrollment¹ | Unemployment Rate¹ |
|--------------------|-------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------|------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| 2002 | 75,580 | \$ 4,335,420 | 57,362 | 43 | 13 | 9,976 | 6.0% |
| 2003 | 76,043 | 4,269,358 | 56,144 | 43 | 13 | 10,600 | 5.6% |
| 2004 | 79,838 | 4,445,300 | 55,679 | 43 | 13 | 8,838 | 5.0% |
| 2005 | 85,311 | 4,862,130 | 56,993 | 43 | 13 | 8,592 | 4.0% |
| 2006 | 85,488 | 4,800,835 | 56,158 | 43 | 13 | 8,532 | 3.7% |
| 2007 | 85,296 | 4,334,487 | 50,817 | 44 | 13 | 11,574 | 4.8% |
| 2008 | 85,293 | 4,617,507 | 54,137 | 44 | 13 | 11,574 | 6.3% |
| 2009 | 84,823 | 4,811,500 | 56,724 | 45 | 13 | 12,132 | 7.9% |
| 2010 | 84,313 | 4,809,129 | 57,039 | 45 | 13 | 12,529 | 9.1% |
| 2011 | 84,392 | Not Available | Not Available | 45 | 13 | 13,188 | 9.7% |

Source¹: Bureau of Labor Statistics for West Palm Beach-Boca Raton-Boynton Beach, FL Metropolitan Division
2011 School Enrollment Information - www.PBC.org

Source²: 2011 population - Bureau for Economic and Business Research

Source³: Business Development Board of Palm Beach County

**CITY OF BOCA RATON, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

| <u>Employer</u> | <u>2011*</u> | | | <u>2002</u> | | |
|-----------------------------------------------------|----------------------------|-------------|------------------------------------------------|----------------------------|-------------|--------------------------------------------|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment (1)</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Florida Atlantic University | 2,706 | 1 | 2.73% | 3,700 | 1 | N/A |
| Office Depot (Hdqtrs) | 2,250 | 2 | 2.27% | | | |
| Boca Raton Regional Hospital | 2,250 | 3 | 2.27% | 1,800 | 4 | N/A |
| Boca Raton Resort and Club | 1,800 | 4 | 1.81% | 2,380 | 2 | N/A |
| City of Boca Raton | 1,267 | 5 | 1.28% | 1,711 | 5 | N/A |
| National Council of Comp Ins (NCCI) | 800 | 6 | 0.81% | 1,100 | 8 | N/A |
| Prime Management Group Inc | 750 | 7 | 0.76% | | | |
| Tyco International / ADT / SimplexGrinnell (Hdqtrs) | 700 | 8 | 0.71% | | | N/A |
| International Bus. Machines (IBM) | 600 | 9 | 0.60% | 1,100 | 9 | N/A |
| Applie Card Systems | 550 | 10 | 0.55% | 1,800 | 3 | N/A |
| Siemens (and local subsidiaries) | | | | 1,500 | 6 | N/A |
| Rexall Sundown, Inc. | | | | 1,350 | 7 | N/A |
| Bell South Mobility | | | | 400 | 10 | N/A |
| TOTAL | <u>13,673</u> | | <u>13.78%</u> | <u>16,841</u> | | |

Source of 2002 data: 2002 City of Boca Raton CAFR

Source of 2011 data: The employers and Hoover's D&B data from Enterprise Floirda-updated 12/2011.

(1) Total Employment for Boca Raton is 99,256 per the Development Services Department, Multimodal Transportation District (MMTD) 2006 Planning Estimate, August 5, 2008

* 2011 data indicates the most recent information available at the time of statement issuance

OPERATING INFORMATION

This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

CITY OF BOCA RATON, FLORIDA
FULL-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

| Function/Program | Fiscal Years | | | | | | | | | |
|---------------------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| General government | 175 | 177 | 187 | 176 | 204 | 191 | 168 | 167 | 155 | 156 |
| Public safety | | | | | | | | | | |
| Police (a) | | | | | | | | | | |
| Officers | 166 | 169 | 169 | 191 | 198 | 198 | 198 | 198 | 198 | 198 |
| Civilians | 92 | 93 | 91 | 101 | 106 | 106 | 99 | 98 | 97 | 97 |
| Fire (a) | | | | | | | | | | |
| Firefighters and officers | 157 | 161 | 174 | 195 | 207 | 207 | 207 | 207 | 205 | 205 |
| Civilians | 13 | 13 | 13 | 11 | 12 | 12 | 10 | 10 | 10 | 11 |
| Highways and streets | | | | | | | | | | |
| Engineering | 13 | 13 | 13 | 13 | 13 | 12 | 10 | 10 | 9 | 9 |
| Maintenance | 14 | 14 | 13 | 15 | 13 | 18 | 16 | 16 | 17 | 17 |
| Sanitation | 50 | 52 | 51 | 53 | 55 | 55 | 53 | 53 | 52 | 49 |
| Culture and recreation | 270 | 293 | 294 | 307 | 296 | 324 | 300 | 290 | 273 | 285 |
| Water/sewer | 165 | 172 | 172 | 162 | 148 | 169 | 165 | 165 | 165 | 165 |
| Stormwater | 10 | 10 | 10 | 8 | 8 | 9 | 9 | 10 | 11 | 11 |
| Information technology | 21 | 19 | 21 | 22 | 23 | 22 | 21 | 22 | 24 | 24 |
| Motor pool | 10 | 12 | 11 | 13 | 15 | 13 | 13 | 13 | 12 | 12 |
| Golf course | 18 | 21 | 22 | 25 | 23 | 24 | 24 | 24 | 24 | 23 |
| Cemetery | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| TOTAL | 1,179 | 1,225 | 1,246 | 1,297 | 1,326 | 1,365 | 1,298 | 1,288 | 1,257 | 1,267 |

Source: City of Boca Raton Approved Budget Book 2011-2012

(a) Additional police officers and firefighters were hired in 2004 and 2005 due to annexation.

CITY OF BOCA RATON, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Function/Program</u> | <u>Fiscal Years</u> | | | |
|----------------------------------------------------------|---------------------|-------------|-------------|-------------|
| | 2002 | 2003 | 2004 | 2005 |
| Governmental activities: | | | | |
| General government | | | | |
| Bond ratings - G.O. bonds | | | | |
| Moody's | Aaa | Aaa | Aaa | Aaa |
| Standard & Poor's | AAA | AAA | AAA | AAA |
| Fitch | AAA | AAA | AAA | AAA |
| Building permit applications | 8,631 | 8,825 | 8,926 | 10,397 |
| Law enforcement | | | | |
| Physical arrests | 1,259 | 1,242 | 1,967 | 2,092 |
| Parking violations | 3,203 | 2,824 | 3,340 | 3,878 |
| Traffic violations | 17,604 | 16,560 | 18,028 | 22,995 |
| Fire rescue | | | | |
| Number of calls answered | 14,468 | 14,084 | 16,316 | 16,824 |
| Inspections | n/a | n/a | 6,042 | 5,938 |
| Transportation | | | | |
| Streets resurfacing (miles) | 11 | 10 | 0 | 0 |
| Potholes repaired | 401 | 253 | 295 | 201 |
| Potholes repaired (tons) | ** | ** | ** | ** |
| Physical environment | | | | |
| Refuse collection(tons/daily) | 233 | 251 | 248 | 210 |
| Recyclables collected (tons/daily) | 38 | 37 | 35 | 30 |
| Parks & recreation | | | | |
| Athletic field permits issued | n/a | 8,215 | 8,809 | 9,180 |
| Community center admissions | 320,400 | 311,722 | 353,042 | 364,582 |
| Tennis participation | 222,755 | 226,761 | 230,997 | 225,603 |
| Camp programs | 2,314 | 2,260 | 2,173 | 2,264 |
| Aquatics participation programs | 50,341 | 50,300 | 46,142 | 40,606 |
| Business-type activities: | | | | |
| Water | | | | |
| New connections (excl Iris) | 106 | 61 | 61 | 182 |
| Water mains breaks | 271 | 130 | 183 | 132 |
| Average daily consumption (thousands of gallons) | 38,250 | 39,690 | 41,050 | 40,080 |
| Active accounts | 34,714 | 34,800 | 34,874 | 35,110 |
| Sewer | | | | |
| Average daily sewage treatment (thousands of gallons) | 14,881 | 14,336 | 14,350 | 14,960 |
| Active accounts | 31,368 | 31,462 | 31,501 | 31,776 |
| Golf courses | | | | |
| Annual golf permits | 294 | 211 | 187 | 180 |
| Golf participation | 103,833 | 121,709 | 112,436 | 111,712 |

Source: Various City Departments

** The unit quantity for potholes repaired is now tracked in tons instead of each as a unit of production

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------|---------|---------|---------|---------|---------|
| Aaa | Aaa | Aaa | Aaa | Aaa | Aaa |
| AAA | AAA | AAA | AAA | AAA | AAA |
| AAA | AAA | AAA | AAA | AAA | AAA |
| 12,674 | 10,368 | 8,329 | 7,270 | 6,957 | 6,738 |
| 2,036 | 2,250 | 3,165 | 3,049 | 3,324 | 2,948 |
| 2,984 | 2,046 | 4,516 | 2,323 | 2,574 | 1,624 |
| 27,177 | 21,112 | 25,190 | 23,620 | 27,354 | 26,393 |
| 15,762 | 15,993 | 15,548 | 15,013 | 15,550 | 15,762 |
| 6,001 | 6,381 | 6,912 | 6,538 | 7,090 | 7,202 |
| 10 | 9 | 7 | 4 | 10 | 0 |
| 0 | 388 | 112 | 175 | ** | ** |
| ** | ** | ** | ** | 10 | 14 |
| 183 | 134 | 125 | 121 | 143 | 123 |
| 22 | 33 | 19 | 19 | 34 | 19 |
| 7,977 | 9,078 | 9,267 | 8,446 | 8,269 | 8,381 |
| 362,908 | 391,928 | 413,855 | 435,265 | 431,894 | 456,238 |
| 212,422 | 237,553 | 210,794 | 191,245 | 193,444 | 191,877 |
| 2,505 | 2,489 | 2,177 | 2,156 | 2,238 | 3,667 |
| 47,191 | 51,176 | 53,556 | 53,152 | 54,791 | 62,374 |
| 384 | 292 | 97 | 128 | 62 | 86 |
| 76 | 25 | 23 | 23 | 20 | 33 |
| 41,854 | 35,480 | 36,870 | 39,500 | 34,427 | 34,700 |
| 35,499 | 35,804 | 35,921 | 36,040 | 36,081 | 36,200 |
| 14,744 | 13,350 | 13,174 | 12,523 | 13,130 | 12,520 |
| 32,082 | 32,338 | 32,512 | 32,733 | 32,887 | 32,973 |
| 170 | 146 | 126 | 120 | 97 | 80 |
| 119,462 | 130,687 | 125,933 | 124,265 | 96,878 | 105,055 |

CITY OF BOCA RATON, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(Unaudited)

| Function/Program | Fiscal Years | | | | | | | | | |
|------------------------------------------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Governmental activities | | | | | | | | | | |
| Law enforcement | | | | | | | | | | |
| Police stations/substations | 4 | 4 | 4 | 4 | 4 | 2 | 2 | 2 | 2 | 2 |
| Patrol units | 244 | 240 | 250 | 258 | 247 | 210 | 227 | 234 | 230 | 230 |
| Fire rescue | | | | | | | | | | |
| Fire stations | 6 | 6 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Fire rescue units | 26 | 25 | 31 | 32 | 33 | 33 | 33 | 33 | 33 | 33 |
| Physical environment | | | | | | | | | | |
| Sanitation-collection trucks | 39 | 34 | 35 | 34 | 33 | 35 | 35 | 35 | 35 | 35 |
| Transportation | | | | | | | | | | |
| Street (miles) | 251 | 251 | 252 | 252 | 252 | 225 | 219 | 224 | 219 | 219 |
| Street lights | n/a | n/a | n/a | n/a | 384 | 381 | 384 | 384 | 384 | 857 |
| Traffic signals | 99 | 129 | 132 | 133 | 135 | 134 | 135 | 136 | 136 | 136 |
| Lane miles | 506 | 508 | 510 | 510 | 510 | 490 | 484 | 495 | 486 | 486 |
| Parks and recreation | | | | | | | | | | |
| Park acreage | 546 | 547 | 551 | 551 | 551 | 551 | 551 | 551 | 551 | 551 |
| Parks | 24 | 29 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| Swimming pools | 2 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 2 |
| Tennis courts | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Community centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public libraries | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Public beaches (miles) | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 | 2.18 |
| Business-type activities | | | | | | | | | | |
| Water | | | | | | | | | | |
| Water mains(miles) | 540 | 538 | 541 | 545 | 547 | 550 | 535 | 535 | 560 | 546 |
| Fire hydrants | 5,000 | 4,999 | 4,999 | 4,999 | 5,035 | 5,397 | 5,397 | 5,419 | 5,448 | 5,421 |
| Maximum daily capacity (thousands of gallons) | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 339 | 339 | 340 | 342 | 343 | 344 | 480 | 482 | 385 | 512 |
| Maximum daily treatment capacity (thousands of gallons) | 18 | 18 | 18 | 18 | 15 | 18 | 18 | 18 | 18 | 18 |
| Waste water pumping stations | 234 | 232 | 234 | 234 | 238 | 237 | 233 | 238 | 238 | 236 |
| Cemetery | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf courses | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Storm water utilities | | | | | | | | | | |
| Storm sewer(miles) | 49 | 50 | 50 | 51 | 51 | 63 | 63 | 64 | 99 | 99 |

Sources: Various City departments

Note: No capital asset indicators are available for the general government function.