

**TOWN OF
SOUTHWEST RANCHES, FLORIDA**

Comprehensive Annual Financial Report



Fiscal Year Ended September 30, 2019

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SOUTHWEST RANCHES, FLORIDA
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2019**



*2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Tara Darlene Canhos*

Prepared by Finance Department

Martin D. Sherwood, CPA, CGMA, CGFO
Town Financial Administrator

Richard E. Strum
Controller

TOWN OF SOUTHWEST RANCHES

MOTTO:

“PRESERVING OUR RURAL LIFESTYLE”

VISION STATEMENT:

“WE EMBRACE OUR UNIQUE NATURE AND WE CONTINUALLY STRIVE TO ENHANCE THE QUALITY OF LIFE IN OUR TOWN”

MISSION STATEMENT:

“THE TOWN OF SOUTHWEST RANCHES IS COMMITTED TO PROMOTING AND PROTECTING THE RURAL LIFESTYLE OF OUR RESIDENTS WHILE PRESERVING THE NATURAL ENVIRONMENT”



2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Lauren Lombardi

Town of Southwest Ranches, Florida

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Town of Southwest Ranches, Florida

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INTRODUCTORY SECTION



2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest Winner
Submitted by: Cassie Aguiar



Town of Southwest Ranches
13400 Griffin Road
Southwest Ranches, FL 33330-2628

(954) 434-0008 Town Hall
(954) 434-1490 Fax

March 6, 2020

To the Honorable Mayor, Vice Mayor, Town Council, and the Citizens of the Town of Southwest Ranches, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Southwest Ranches, Florida (the Town), for the fiscal year ended September 30, 2019. Although Florida Statutes requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements, the Government Finance Officers' Association (GFOA) recommends that local governments publish same within six months. Therefore, in addition to meeting legal requirements, the report represents the Town's continued strong support of full financial disclosure in the timeliest of manner. This philosophy is reflected by the informative financial analysis provided by the Town's Finance & Budget Department and the exhibits and statistical tables included herein. The financial statements have been audited by Keefe McCullough, Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Town in conformity with generally accepted accounting principles (GAAP).

The CAFR's role is to assist in making policy decisions and to assist in providing accountability and transparency 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 Town 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 Town. 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 Town; and that all disclosures necessary to enable the reader to gain an understanding of the Town's financial activity have been included.

As previously mentioned, Keefe McCullough CPA, independent auditors, have issued unmodified opinions on the Town of Southwest Ranches financial statements for the fiscal year ended September 30, 2019. The independent auditors' report is located at the front of the financial section of this report. The Town's financial statements have been prepared in conformity with GAAP as promulgated by the Governmental Accounting Standards Board (GASB). The Town's Management Discussion and Analysis document (the MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

ACCOUNTING AND INTERNAL CONTROLS

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town 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:

- The cost of a control should not exceed the benefits likely to be derived; and
- The valuation of costs and benefits requires estimates and judgments by management.

PROFILE OF THE GOVERNMENT

The Town comprises approximately thirteen (13) square miles, with a 2018 census population estimate of 7,981 and is located in the southwest portion of Broward County, a major metropolitan area. The Town motto since its establishment is "Preserving our Rural Lifestyle" but is located between the three major urban cities: Davie (population estimate of 106,558), Pembroke Pines (population estimate of 172,374) and Weston (population estimate of 71,210). The neighboring cities provide a wealth of attractions, business and amenities for use by the residents of the Town. Accordingly, the residents benefit from this close association with these urban neighbors because the Town does not need to provide for these services.

The Town was incorporated on June 6, 2000. The Town's current Charter was amended by the citizens on November 4, 2003, on November 7, 2006, on November 2, 2010 and on November 6, 2018. The Town operates under the Council-Administrator form of government where the Mayor and four Council Members must live in residential districts, are elected at large and appoint a Town Administrator and Town Financial Administrator. The Town Council establishes policy for the operation of the government, enacts ordinances for the safety, welfare, and orderly interaction of the citizens of the Town, adopts a millage rate and annual budget, appoints the Town Attorney and Town Clerk, as well as members to various advisory boards, agencies, and authorities within the Town, and engages the independent auditor.

The financial reporting entity (the Town of Southwest Ranches) includes all funds of the primary government (i.e., the Town of Southwest Ranches as legally defined), as well as all its component units. Component units are legally separate entities for which the Town of Southwest Ranches is financially accountable or the nature and significance of the relationship between the Town and the entity is such that exclusion would cause the Town's financial statements to be misleading or incomplete.

The Town has identified one component unit: The Southwest Ranches Volunteer Fire-Rescue, Inc. is reported as a blended component unit of the Town and its governing body is comprised of the members of the Town Council. Additional information can be found in Note 1 of the notes to the basic financial statements.

SERVICES PROVIDED

The Town contracts for all major Town services including police, fire, emergency medical services, building inspections, code compliance, planning & zoning, information technology and solid waste & recycling. The Town also has employees to administer all contracts, grants, and daily operations of the Town as well as provide basic municipal services including parks, recreation, and general government services.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment. Despite the economic conditions and impact of Hurricane Irma on September 10, 2017, the Town has maintained its strong financial position through prudent planning and fiscal actions to reduce or contain costs.

The Town has real estate sales and values with an increase as most other governments in Florida and in the nation; however, the Town has a better than average business cycle than other communities due to the composition of its economy. Specifically, the Town primarily consists of an affluent residential housing stock of 2,610 units with a minimum one-acre and larger, single family estates.

In 2018, the Town experienced a 5.85% increase in total taxable assessed value and a 3.63% increase in 2019. Accordingly, the 2019 total taxable assessed values exceed the 2018 former record highest total taxable assessed valuation.

The Town has made it a policy to establish reserves to offset unanticipated expenses and ensure that a funding source exists in the event of a setback in the continuation of positive economic conditions. The General Fund has an unassigned fund balance equal to 30.8% of the adopted FY 2020 General Fund operating budget.

On a long-term financial perspective, the Town has identified all capital asset and infrastructure projects under a five-year capital improvement plan (CIP). This five-year CIP serves as a quick reference for a project timeline and identifies current and future funding requirements. Commencing in FY 2015, the Town implemented a Transportation Surface and Drainage Ongoing Rehabilitation (TSDOR) program with the goal of preserving and extending the life of the Town's paved streets. The TSDOR program addresses improvements for every Town road over a 25+ year period. Eight capital projects, including TSDOR have been fully or partially funded during the fiscal year 2019 budget process.

In the 2020 Session, the Florida Legislature is considering reducing or eliminating local business and communication service taxes as well as pushing additional costs down to local governments as unfunded mandates. The Town 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 Town's ability to maintain and/or improve services to residents.

The Town adheres to several financial policies that impact daily operations and the current period's financial statements. The Town's budgetary and financial policies provide the basic framework for the overall fiscal management of the Town. The following policies were used in the development of current activities.

Revenue Policy:

The Town maintains a diversified revenue system to avoid reliance on property taxes. Charges for services are being provided at full cost recovery for services for individual users. One-time revenue will never be used for ongoing operating costs.

Debt Policy:

The Town has no General Obligation debt outstanding and believes that debt is a necessary and integral part of conducting its operations on a financially sound and equitable basis to all taxpayers. The Town reviews as well as evaluates its existing obligations and future borrowing needs regularly. During 2018, due to primarily vegetative debris collection and removal impact from Hurricane Irma on September 10, 2017, \$3.7 million of the Town's new \$10.0 million variable rate emergency line of credit was activated with collateralization provided from anticipated future reimbursement from Federal (FEMA) and State (FDEM) regulatory authorities. During FY 2019, \$1.9 million in total was received from both FEMA and FDEM and was appropriately utilized to pay down the outstanding balance to \$1.8 million. In 2016, the Town obtained financing for the purchase of \$8,100,000 in public purpose Land at a 3.25% interest rate and practically simultaneously retired \$1,640,000 of Series 2001 debt which carried a 5% interest rate utilizing general fund unassigned fund balance. In 2015, the Town obtained financing for the purchase of a \$206,500 Commercial Chassis Volunteer Fire Pumper vehicle while, during 2013, the Town refinanced a portion of its 2001 debt at a lower interest rate resulting in receiving over \$300,000 in present value cash savings for parks, recreation and open spaces capital improvements. The Town also borrowed \$439,139 and \$360,860 in 2010 and 2012, respectively from a line of credit subsequently converted to a fixed note, to fund roadway and drainage improvements. Finally, the Town entered into a \$2,500,000 note with a financial institution for the purpose of refunding an existing pooled commercial loan and to fund the move to a new permanent Town Hall building during 2012. These fixed rate loans, except for the retired Series 2001, are still outstanding at September 30, 2019.

LONG-TERM FINANCIAL PLANNING

The Town Council has adopted a five-year Capital Improvement Program (CIP) to guide in the development of the annual capital budget as well as assist in its associated operating maintenance to achieve the long-term goal of a financially sound Town. The CIP is prepared and presented to the Town Council as part of the annual budget and update process in accordance with a comprehensive plan. The projects represent the Town's plan for infrastructure improvements for the next five years. The approved CIP also includes funding for Public Safety, Transportation, Drainage, and Parks, Recreation and Open Space.

AWARDS

The Town has applied for and was awarded the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) of the United States and Canada for the Town's first ever CAFR in 2003 and again in 2005, and 2007 through 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

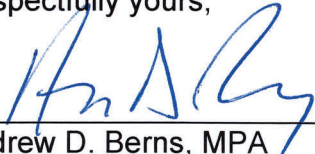
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance & Budget Department including Rich Strum, Venessa Redman, Gina Lawrence and the Town's independent audit firm, Keefe McCullough, CPA. We wish to also recognize staff for their efforts and support in planning and conducting the financial operations of the Town in a responsible and progressive manner as well as for their timely contributions to this report.

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

Respectfully yours,



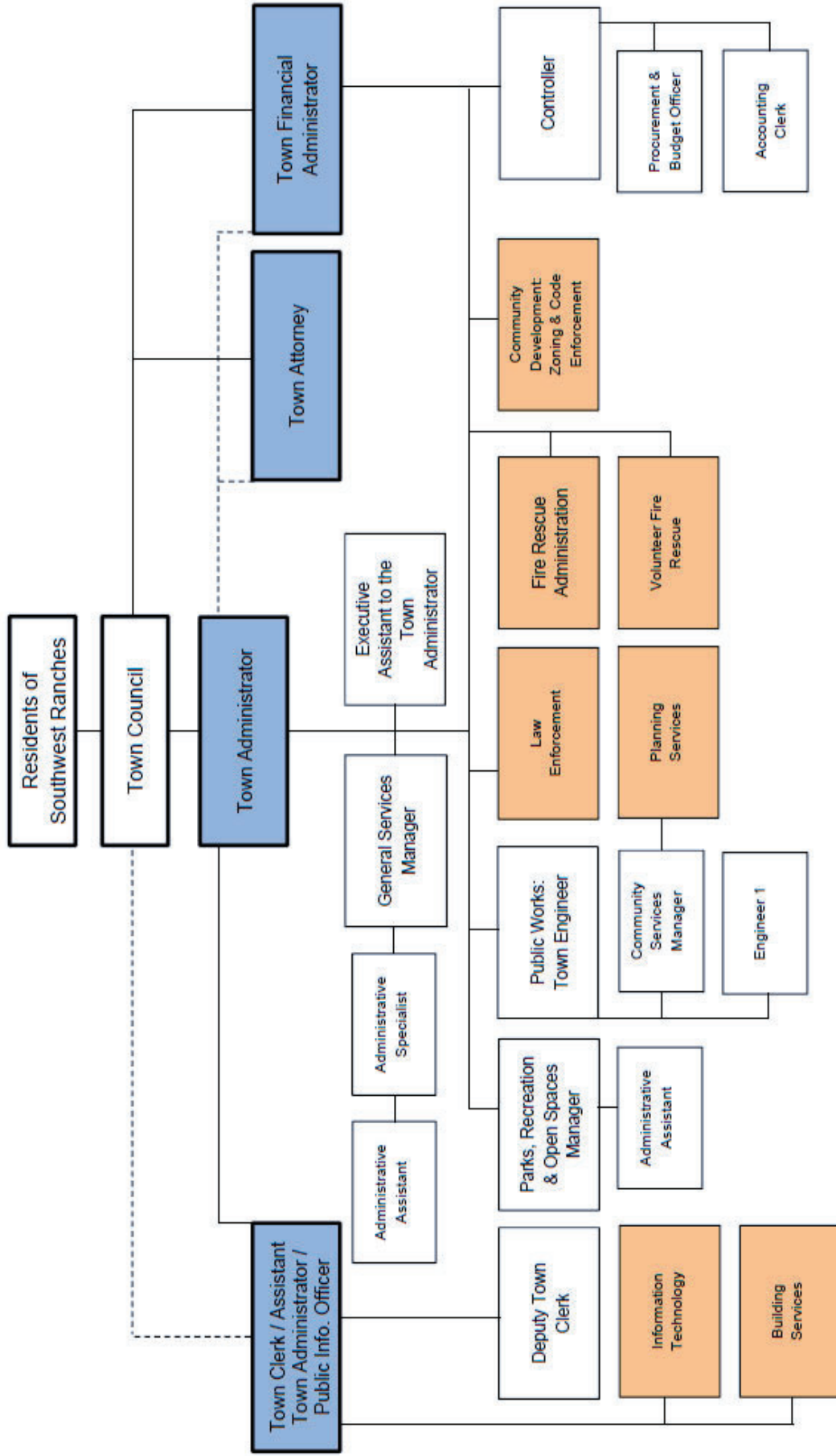
Andrew D. Berns, MPA
Town Administrator



Martin D. Sherwood, CPA, CGFM, CGFO
Town Financial Administrator



TOWN OF SOUTHWEST RANCHES ORGANIZATIONAL CHART Fiscal Year 2018\2019



Positions appointed by the Town Council
 Contracted Services
 Indirect Relationship

Town of Southwest Ranches, Florida
Council/Administrator Form of Government
List of Principal Officials
as of September 30, 2019

Town Charter approved by a majority of qualified voters of the Town on June 6, 2000



DOUG MCKAY
Mayor



GARY JABLONSKI
Vice Mayor



BOB HARTMANN
Council Member



DENISE SCHROEDER
Council Member



VACANT
Council Member

TOWN ADMINISTRATOR
Andrew D. Berns, MPA

ASSISTANT TOWN ADMINISTRATOR / TOWN CLERK
Russell C. Muñiz, MBA, MPA, MMC

TOWN ATTORNEY
Keith Poliakoff, Esq.

TOWN FINANCIAL ADMINISTRATOR
Martin D. Sherwood, CPA, CGMA, CGFO

INDEPENDENT AUDITORS
Keefe McCullough & Co, LLP
Certified Public Accountants



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Southwest Ranches
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: *Leonor Delgado*

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Ranches, Florida, (the "Town") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Ranches, Florida, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on the pages 4-14 and 42-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Town of Southwest Ranches, Florida

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 6, 2020

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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Within this section of the comprehensive annual financial report for the Town of Southwest Ranches (the Town), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2019. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2019 FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$57,059,705 (total net position) as of September 30, 2019.
- Total net position increased \$5,798,583 primarily as a result of the impact of revenues recorded for reimbursement relating to Hurricane Irma of \$4,024,633 and is comprised of the following:
 - (1) Net investment in capital assets of \$49,695,775 includes property and equipment, net of accumulated depreciation and related debt.
 - (2) Net position of \$1,305,241 is restricted by constraints imposed on the Town in the amount of \$710,632 for transportation, \$342,672 and \$38,525 for fire control and the volunteer fire department, for building \$204,859, and \$8,553 for public safety, respectively, all from outside the Town such as grantors, laws, or regulations.
 - (3) The Town's total debt decreased \$2,545,122 (net) to a total of \$12,010,076 due to a reduction in total emergency line of credit outstanding of \$1,969,527 and normal amortization of \$575,595. Total debt includes loans, notes payable as well as an emergency line of credit.
 - (4) Unrestricted net position consists of \$6,058,689 that may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$6,877,389 at September 30, 2019. This compares to the prior year total ending fund balance of \$5,410,394 showing an increase of \$1,466,995 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3,939,370 or 32% of total General Fund expenditures and net transfers for 2019. The unrestricted fund balance for the General Fund was \$3,960,923 or 32% of total General Fund expenditures and net transfers for 2019.
- Overall, the Town maintains a healthy financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all the Town's assets, deferred outflows, and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Town's infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, community services and development, parks and recreation, transportation, interest and other fiscal charges, and finally, emergency services (as a result of impact from Hurricane Irma).

The government-wide financial statements are presented on pages 15 and 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17 and 19 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town's proprietary fund (Solid Waste Fund) is classified as an enterprise fund. The enterprise fund essentially encompasses the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 21 - 23 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 24 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Budgetary comparison schedules are included as required supplementary information for the General Fund and the Transportation Fund. Budgetary comparison schedules for all other governmental funds can be found in the supplementary information section of this report. These schedules demonstrate compliance with the Town's adopted and final revised budget.

Supplementary Information

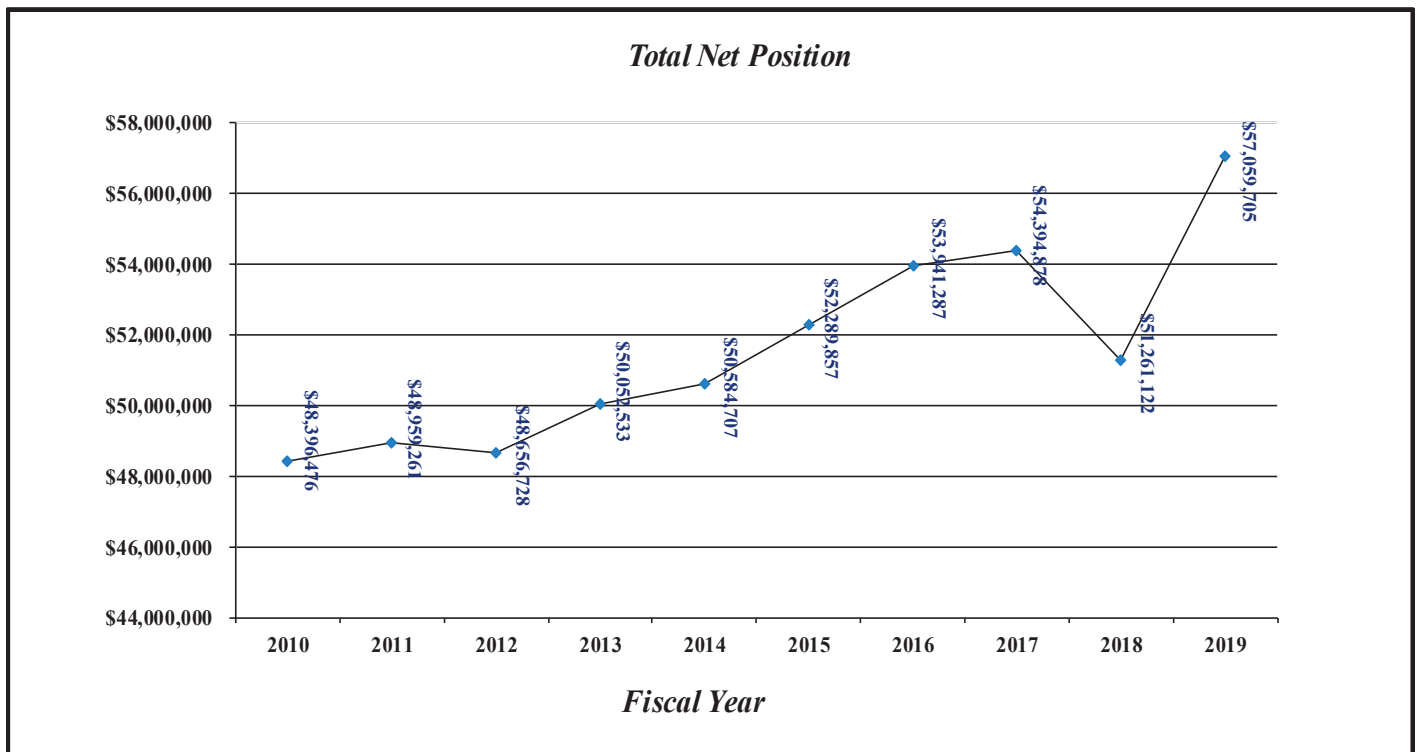
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 45.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year-end is \$57,059,705. The following table provides a summary of the Town's net position:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current assets	\$ 7,221,379	\$ 5,787,457	\$ 2,499,063	\$ 424,328	\$ 9,720,442	\$ 6,211,785
Non-current assets:						
Other	359,210	359,210	-	-	359,210	359,210
Capital assets	59,909,601	60,233,477	-	-	59,909,601	60,233,477
Total assets	<u>67,490,190</u>	<u>66,380,144</u>	<u>2,499,063</u>	<u>424,328</u>	<u>69,989,253</u>	<u>66,804,472</u>
Deferred Outflows of Resources:						
Deferred amount on refunding	34,552	40,310	-	-	34,552	40,310
Liabilities:						
Current liabilities	827,448	760,479	126,576	267,983	954,024	1,028,462
Long-term liabilities	10,248,378	10,899,343	1,761,698	3,655,855	12,010,076	14,555,198
Total liabilities	<u>11,075,826</u>	<u>11,659,822</u>	<u>1,888,274</u>	<u>3,923,838</u>	<u>12,964,100</u>	<u>15,583,660</u>
Net position:						
Net investment in capital assets	49,695,775	49,262,430	-	-	49,695,775	49,262,430
Restricted (deficit)	1,305,241	1,444,305	-	-	1,305,241	1,444,305
Unrestricted (deficit)	5,447,900	4,053,897	610,789	(3,499,510)	6,058,689	554,387
Total net position	<u>\$ 56,448,916</u>	<u>\$ 54,760,632</u>	<u>\$ 610,789</u>	<u>\$ (3,499,510)</u>	<u>\$ 57,059,705</u>	<u>\$ 51,261,122</u>

The following chart reports the Town's total net position balances from fiscal year 2010-2019.



Note over the last ten years, the total net positions have increased \$8,663,229 even with a fiscal year 2018 impact of a major Hurricane.

Current assets in governmental activities and business-type activities increased in fiscal year September 30, 2019. Cash, investments and receivables for governmental activities and business-type activities increased \$1,432,353 and \$2,074,735, respectively.

The Town continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 8.7 to 1 as compared to 7.6 to 1 at September 30, 2018. The current ratio for business-type activities is 19.7 to 1 as compared to 1.6 to 1 at September 30, 2018. Overall, the total current ratio at September 30, 2019 increased to 10.2 to 1 as compared to 6.0 to 1 at September 30, 2018. The increase was primarily due to an increase in receivables recorded as a result of revenue recognition finally realized in FY 2019 from Hurricane Irma debris collection, disposal as well as monitoring payments expended during fiscal years 2017 and 2018.

The Town reported a positive balance in net position for both governmental and business-type activities. During 2019, changes in net position increased \$1,688,284 and \$4,110,299 for governmental activities and business-type activities, respectively. The latter is primarily due to reimbursements for the impact from Hurricane Irma. Accordingly, the Town's overall financial position is healthy at fiscal year-end 2019 and it remains stable within a positive economy overall.

Note that approximately 88.8% of the governmental activities' total assets are tied up in capital assets. The Town uses these capital assets to provide services to its citizens. The business-type activities do not have capital assets. By combining governmental activities with business-type activities, the Town has invested approximately 85.6% of its total assets in capital assets, as presented in the government-wide statement of net position.

The following table provides a summary of the Town's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Percentage of Total
	2019	2018	2019	2018	2019	2018	2019
Revenues:							
Program:							
Charges for services	\$ 3,992,689	\$ 3,582,482	\$ 1,795,973	\$ 1,309,516	\$ 5,788,662	\$ 4,891,998	29.5%
Solid waste emergency services	-	-	3,949,263	-	3,949,263	-	20.1%
Operating grants and contributions	124,974	58,116	-	-	124,974	58,116	0.6%
Capital grants and contributions	157,173	450,950	-	-	157,173	450,950	0.8%
General:							
Ad valorem taxes	6,549,630	5,847,614	-	-	6,549,630	5,847,614	33.4%
Other taxes	1,877,100	1,880,669	-	-	1,877,100	1,880,669	9.6%
Intergovernmental	830,865	824,180	-	-	830,865	824,180	4.2%
Investment earnings	170,060	102,685	21,248	8,951	191,308	111,636	1.0%
Miscellaneous	148,308	2,430	130	-	148,438	2,430	0.8%
Total revenues	<u>13,850,799</u>	<u>12,749,126</u>	<u>5,766,614</u>	<u>1,318,467</u>	<u>19,617,413</u>	<u>14,067,593</u>	<u>100.0%</u>
Program Expenses:							
General government	2,190,153	2,904,188	-	-	2,190,153	2,904,188	15.8%
Public safety	6,417,516	6,428,569	-	-	6,417,516	6,428,569	46.4%
Community services and development	1,451,377	1,258,271	-	-	1,451,377	1,258,271	10.5%
Parks and recreation	668,951	638,991	-	-	668,951	638,991	4.8%
Transportation	1,132,102	553,546	-	-	1,132,102	553,546	8.2%
Emergency services	4,244	51,742	126,668	3,699,068	130,912	3,750,810	0.9%
Interest and other fiscal charges	439,232	353,162	-	-	439,232	353,162	3.2%
Solid waste	-	-	1,388,587	1,313,812	1,388,587	1,313,812	10.0%
Total expenses	<u>12,303,575</u>	<u>12,188,469</u>	<u>1,515,255</u>	<u>5,012,880</u>	<u>13,818,830</u>	<u>17,201,349</u>	<u>100.0%</u>
Changes in net position before transfers	1,547,224	560,657	4,251,359	(3,694,413)	5,798,583	(3,133,756)	
Transfers	141,060	225,765	(141,060)	(225,765)	-	-	
Changes in net position	1,688,284	786,422	4,110,299	(3,920,178)	5,798,583	(3,133,756)	
Beginning net position (deficit)	<u>54,760,632</u>	<u>53,974,210</u>	<u>(3,499,510)</u>	<u>420,668</u>	<u>51,261,122</u>	<u>54,394,878</u>	
Ending net position (deficit)	<u>\$ 56,448,916</u>	<u>\$ 54,760,632</u>	<u>\$ 610,789</u>	<u>\$ (3,499,510)</u>	<u>\$ 57,059,705</u>	<u>\$ 51,261,122</u>	

Governmental Activity Revenues

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 47.3% of the Town's total governmental revenues as compared to 45.9% in fiscal year 2018. Other taxes, which includes franchise and utility taxes, provided 13.6% and 14.8% of the Town's total governmental revenues for fiscal years 2019 and 2018, respectively. Additionally, because of the Town's healthy financial position, we have been able to earn \$170,060 in investment earnings to support governmental activities.

Note that program revenues covered 34.7% of governmental operating expenditures as compared to 33.6% in fiscal year 2018. This means that the government's taxpayers and the Town's other general revenues normally fund 65.3% of the governmental activities, primarily from property taxes, other taxes and unrestricted intergovernmental revenue. As a result, the general economy has a major impact on the Town's revenue streams.

Governmental Activity Expenses

The following table presents the cost of each of the Town's services, including the net costs (i.e., total cost less program revenues generated by the activities). The net costs illustrate the financial burden that is placed on the Town's taxpayers by each of these services.

Governmental Activities				
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	\$ 2,190,153	17.8%	\$ (2,190,153)	27.3%
Public safety	6,417,516	52.2%	(3,731,284)	46.5%
Community services and development	1,451,377	11.8%	(105,526)	1.3%
Parks and recreation	668,951	5.4%	(658,741)	8.2%
Transportation	1,132,102	9.2%	(974,929)	12.1%
Emergency services	4,244	0.0%	71,126	-0.9%
Interest and other fiscal charges	<u>439,232</u>	<u>3.6%</u>	<u>(439,232)</u>	<u>5.5%</u>
Total	<u>\$ 12,303,575</u>	<u>100.0%</u>	<u>\$ (8,028,739)</u>	<u>100.0%</u>

The public safety expenses total gross about 52% while net of program revenues total almost 46% of costs. The public safety function generated \$2,636,628 in user charges and \$49,604 in operating grant revenues, which offsets program costs. The community services and development expenditures total gross of 11.8% while net of program revenues total 1.3%. The community services and development function generated \$1,345,851 in user charges, primarily from building permits, planning/zoning, engineering and fire review fees of \$1,336,373. The transportation expenses total gross of 9.2% while net of program revenues total -12.1%. The transportation function, which includes the fifth year of TSDOR capital improvements, was aided by capital grant revenues of \$157,173 which also offsets capital program costs. A Hurricane Dorian threat entailed protective emergency service expenses total gross of 0.03% while net of operating program Hurricane Irma FEMA and FDEM reimbursements of \$75,370 total -0.9% of costs. Other total cost and net costs do not differ substantially by percentage or by dollars for each service.

Business-Type Activities

The Town reports one major enterprise fund, Solid Waste.

Total operating revenues increased \$486,457 or 37.2% due to Town Council no longer subsidizing new higher contractual service rates to its residential users as well as management conservatively including the maximum upside of a potential "true-up" which, ultimately, was successfully negotiated down. Intergovernmental, no-capital grants, comprising the realization and reimbursement for prior year Hurricane Irma expenditures increased \$3,949,263. Total operating expenses and all Hurricane Irma emergency services related expenses decreased \$3,497,625 or 70% due to slightly higher contractual and recycling costs of \$74,775 offset by a \$3,572,400 reduction in and completion of all Hurricane Irma debris collection, disposal and monitoring expenses as compared to the prior year. The current year emergency line of credit interest totaled \$117,253 and will continue to accrue until full reimbursement is received from federal (FEMA) and state (Florida Department of Emergency Management) authorities. Other operating expenses decreased by \$1,164 in fiscal year 2019 as compared to fiscal year 2018 due to lower professional fees.

In total, the year-to-year change in operating income increased \$4,000,219 and net position increased \$8,030,477, respectively.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$6,877,389 compared to \$5,410,394 at September 30, 2018.

The total governmental revenues exceeded expenditures by \$1,325,935.

The General Fund revenues exceeded its expenditures by \$3,196,797 as compared to \$2,094,132 for fiscal year 2018. Transfers in from Solid Waste of \$258,313 as well as transfers to other funds totaling \$2,384,897 offset this excess. The details of the General Fund's financial operations are discussed below.

Governmental funds report total fund balance of \$6,877,389. Of this year-end total, \$1,305,241 is legally restricted for: transportation (\$710,632); fire control including volunteer fire operations (\$381,197); public safety (\$8,553); and building (\$204,859). \$1,002,396 is committed to various projects: capital projects (\$478,528); transportation (\$522,639); and tree preservation (\$1,229). \$236,740 is assigned for the following purposes - debt service (\$124,143); and capital projects (\$112,597). \$393,642 is considered non-spendable and \$3,939,370 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show an increase of \$1,466,995 or 27.1% increase over the prior year.

Major Governmental Funds

The Town reports three major governmental funds, the General Fund, Transportation Fund and the Capital Projects Fund.

General Fund - The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance of \$4,899,464 increased by \$1,070,213 or 27.9% as compared to a decrease of (\$79,586) or (2.0%) in 2018. The ending unassigned fund balance is considered more than adequate, representing the equivalent of 38.4% of annual expenditures. This percentage compares to 27.9% at September 30, 2018.

Ad valorem (property) taxes increased \$702,016 or 12.0%. This increase relates to an increase in the taxable value of property as the combined operating and transportation surface and drainage ongoing rehabilitation (TSDOR) capital program millage rate increased from the prior year. However, in total, all tax revenues were \$664,268 or 9.4% above those of 2018. Licenses and permits were \$170,794 or 14.5% higher than the 2018 amount due to increased building and zoning permitting activity.

Overall, total General Fund expenditures increased \$277,984 or 2.8% above the fiscal year 2018 level. The most significant changes, by department, from fiscal year 2018 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, finance, and non-departmental departments were \$147,939 lower the 2018 amount primarily due to decreased litigation activity.

In total, public safety costs were up \$233,168 or 4.0% above the 2018 amount. This increase is due to a 4.5% annual contract escalator with the Town of Davie offset .5% by a total decrease in Southwest Ranches Volunteer Fire department expenses, including stipend payments.

Community services and development which consists of building, planning, code & zoning, and public works increased \$193,106 or 15.4% above those of 2018 primarily due to the aforementioned increased building, zoning permitting activity and application fee volume, resulting in significantly higher contractual service costs.

The 2019 parks and recreation amounts were \$4,776 lower than the 2018 amount of \$391,142. The major portion of this decrease is the full year impact from a lower grounds' maintenance frequency implemented at the end of FY 2019. Additionally, it shall be noted that a decrease occurred even with one new Town park facility (Gary A. Poliakoff/Founders' Park) operational for the entire FY 2019.

New for 2019, Hurricane Dorian emergency services expenditures totaled \$4,244 resulting from preparation and protective safety measures were incurred. Fortunately, this Hurricane did not ultimately strike or financially impact the Town.

In this fiscal year, the General Fund transferred \$2,384,897 to other funds, which included \$904,938 to the Transportation Fund, \$241,095 to the Capital Projects Fund, \$1,055,972 to the Debt Service Fund, and \$182,892 to the Volunteer Fire Department Fund (a component unit). The Solid Waste Fund transferred \$258,313 to the General Fund.

Transportation Fund – This fund accounts for the Town's share of the state gasoline and local option gas taxes, which are restricted to transportation purposes, a state transportation appropriation grant, and an on-going long-term transportation surface and drainage ongoing rehabilitation (TSDOR) capital program. In fiscal year 2019, revenue of \$335,067 of intergovernmental revenue was earned as compared to \$592,731 in fiscal year 2018 primarily related to a decrease in a state transportation appropriation grant. \$451,249 was expended on roadways including engineering, signage repairs and replacements and related personnel costs during 2019 and, \$466,567 on capital outlay comprising of: drainage improvements (\$299,244); and, TSDOR (\$167,323). The total legally restricted and committed in total transportation fund balance at fiscal year-end 2019 was \$710,632 and \$879,579, respectively.

Capital Projects Fund - This fund is primarily financed from transfers from the General Fund, as indicated above. There was no private source capital outlay donations as compared to 2018, a \$35,600 or 100% decrease.

During fiscal year 2019, this fund spent \$158,199 on capital outlay, which includes:

- Buildings/Fire Control Modular safety improvements \$147,667
- Infrastructure improvements for Country Estates Park \$8,997
- Infrastructure improvements for Frontier Trails Park \$1,535

Restricted fund balance was \$7,611 pertaining to fire control. Committed and assigned fund balance was \$101,264 (primarily for Frontier Trails Park) and \$112,597, respectively. The total capital project fund balance at fiscal year-end 2019 was \$221,472.

Proprietary Fund

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the Town's enterprise fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's budget was amended in this fiscal year to reflect Departmental line item reclassifications and new Town Council initiatives.

Fines and forfeitures exceeded the final budget by \$151,889 or 76.4% as a result of higher traffic court revenue (approximately \$49,000) as well as code enforcement and lien recoveries received (approximately \$103,000) than anticipated. Charges for services revenues exceeded the final budget by \$103,935 or approximately 4.7%. This increase is primarily the result of unanticipated higher parks and recreation impact fees as well as special fire protection assessments received. Investment income revenue exceeded the final budget by \$71,672 due to an unanticipated higher interest rate environment. All other revenue sources were generally consistent with the adopted budget. Overall, we ultimately recognized \$438,964 or 103.4% of the revenue budget.

On the expenditure side, the Town's actual expenditures for each department or function were less than budgeted due to conservative budgeting and where noted below except for those pertaining to Hurricane Dorian protective emergency services (\$4,244), for its obvious reason. By function, general governmental was \$458,786 or 17.9% below the budget primarily due to lower than anticipated litigation in the amount of \$299,903, total public safety was \$99,436 or 1.6% below the budget, community services and development was \$18,275 or 1.2% below the budget, parks and recreation was \$13,547 or 3.4% below the budget and capital outlay was \$35,003 or 15.8% below the budget primarily due to lower than anticipated fire well costs (\$22,415).

Overall, the total General Fund budget was underspent by \$620,803 or 5.7% specifically due to the above, aforementioned items and lower general government operating expenditures including property insurance and contractual services, and lower than anticipated public safety, including volunteer fire services costs. Tight Departmental Director expenditure controls and monitoring throughout also contributed to the underspending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental activities as of September 30, 2019, was \$59,909,601. The change in this net investment was a 0.5% decrease for governmental activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

	Capital Assets	
	Governmental Activities	
	2019	2018
Non-depreciable assets:		
Land	\$ 42,341,811	\$ 42,341,811
Construction in progress	1,786,806	2,530,121
Total non-depreciable	<u>44,128,617</u>	<u>44,871,932</u>
Depreciable assets:		
Infrastructure	24,532,754	23,316,776
Improvements other than buildings	5,278,971	5,269,974
Buildings and building improvements	3,653,649	3,505,983
Furniture and equipment	1,883,520	1,712,727
Total depreciable assets	35,348,894	33,805,460
Less: accumulated depreciation	<u>19,567,910</u>	<u>18,443,915</u>
Net book value - depreciable assets	<u>15,780,984</u>	<u>15,361,545</u>
Percentage depreciated	<u>55%</u>	<u>55%</u>
Total Capital Asset Net Book Value	<u>\$ 59,909,601</u>	<u>\$ 60,233,477</u>

At September 30, 2019, the depreciable capital assets for governmental activities were 55% depreciated. This compares to the 55% at September 30, 2018.

For governmental activities, the majority of the increase (decrease) of the balance of all non-depreciable and depreciable asset accounts relates to the following projects:

- TSDOR Construction-in-progress (net) (\$543,846)
- Frontier Trails Park Construction-in-progress \$1,535
- Drainage Projects Construction-in-progress (net) (\$168,251)
- Entranceway Signage Construction-in-progress (\$32,753)
- TSDOR Infrastructure \$708,013
- Drainage Infrastructure \$467,495
- SW 127th, SW 128th, SW 130th, SW 56th Striping Infrastructure \$3,157
- Griffin Rd & Bonaventure, Sheridan & 148th Entranceway Signage Infrastructure \$32,753
- Fire Well #40 & #132 Infrastructure \$4,560
- Country Estates Park Fencing Improvements other than buildings \$8,997
- Public Safety Modular Building Improvements \$147,666
- Town Hall Furniture and equipment (net) \$13,952
- Public Safety-Fire Furniture and equipment \$156,841

Debt

The Town reports its emergency line of credit within both its governmental and business-type activity for 9/30/2018 and for business-type activity only existing at 9/30/2019. The series 2016 land acquisition note payable, series 2013 and 2011 revenue refunding notes payable as well as an equipment and other loan payable with financial institutions are in governmental activities only. Overall, the Town of Southwest Ranches lowered its total debt by \$2,545,122 or 17.5% during the current year. More detailed information on long-term debt activity to the relevant disclosures in the notes to the financial statements are found on pages 36-39. The following table reports long-term debt balances at September 30, 2019 and 2018:

Outstanding Long-Term Debt		
	2019	2018
Governmental Activities:		
TD Note Payable, 2016	\$ 7,750,000	\$ 7,750,000
TD Note Payable, 2013	1,525,400	1,724,500
TD Note Payable, 2011	623,229	888,201
TD Note Payable, Rosenbauer	110,761	136,746
Centennial Loan Payable	238,988	324,526
TD Emergency Line of Credit	-	75,370
Sub-Total	<u>10,248,378</u>	<u>10,899,343</u>
Business-type Activities:		
TD Emergency Line of Credit	<u>1,761,698</u>	<u>3,655,855</u>
Grand Total	<u>\$ 12,010,076</u>	<u>\$ 14,555,198</u>

The Town provides an optional single-employer defined benefit post-employment health care plan to eligible employees. The Town does not make contributions to the Plan on behalf of retirees. In accordance with GASB Statement No. 75, the Town has evaluated and determined that it is not necessary to record the total OPEB liability of \$51,927 as it is insignificant to the Town.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE TOWN

The State of Florida, by constitution, does not have a state personal income tax, and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (towns and cities, counties, school boards) primarily rely on property and an array of permitted other taxes (utility taxes, franchise fees and local business taxes) as well as intergovernmental revenues for their governmental activities. For business-type activities and certain governmental activities (building/construction services and parks, recreation and open space programs), the user pays a related fee or charge associated with the service.

As of September 2019 and 2018, the unemployment rate for Broward County residents was 2.8%, and compares favorably to the State's unemployment rate of 3.2% and 3.5% for September 2019 and 2018, respectively. The Town's residents would expect to have a lower unemployment rate than is reported for the county. Inflationary trends in the region continue to also compare favorably to national indices, which is a positive sign. In addition, according to the U.S. Census Bureau (2014-2018), the Town's median household income of \$104,083 compares favorably to the Nation's and State's as well as the County's median household income of \$60,293, \$53,267, and \$57,333, respectively.

In the 2019–2020 adopted budget, we continue operating in a conservative economic environment. There are indications of a continued marginal increase in housing values and related taxable values due to new residential development, improvements and rehabilitation. Additionally, inflationary trends in the region compare more favorably to national indices.

Some of the key elements affecting the fiscal year 2019-2020 budget include:

- Relatively modest change in taxable values but expected to ellipse the 2019 record all-time highest.
- Continuance of a relatively low interest yield environment.
- Crude oil prices remain stable.
- Modest growth rates of building construction and rehabilitation.
- Small decline but movement toward stabilization in State of Florida shared revenues, especially from gas taxes.

All of these factors result in many budget challenges in fiscal year 2019-2020 and beyond. Additionally, the Town carefully monitors Florida Legislative initiatives and their future impact on the Town's ability to function at its present level.

The millage rate for fiscal year 2020 was lowered to the roll-back rate of 4.6564, representing the Town's regular operating of 4.2125 plus .4439 to provide for the sixth year of a major transportation related capital improvement project (TSDOR) as compared to 4.4969 plus .3342 for TSDOR for fiscal year 2019 totaling 4.8311 resulting in an anticipated net revenue reduction of (\$245,733). Additionally, during the current fiscal year, unassigned General Fund fund balance increased \$1,149,186 to \$3,939,370. Also, the Town of Southwest Ranches has appropriated \$73,000 of restricted fund balance for spending in the 2019-2020 fiscal year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability and transparency. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Town Financial Administrator, Town of Southwest Ranches, 13400 Griffin Road, Southwest Ranches, Florida 33330-2628.

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BASIC FINANCIAL STATEMENTS

**These basic financial statements contain Government-wide Financial Statements,
Fund Financial Statements, Notes to Basic Financial Statements
and Required Supplementary Information**

Town of Southwest Ranches, Florida
Statement of Net Position
September 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 4,644,079	\$ 422,957	\$ 5,067,036
Investments	1,877,072	-	1,877,072
Receivables	324,686	21,000	345,686
Intergovernmental receivables	341,110	2,055,106	2,396,216
Prepaid items	34,432	-	34,432
Assets held for resale	359,210	-	359,210
Capital assets not being depreciated	44,128,617	-	44,128,617
Capital assets being depreciated	<u>15,780,984</u>	<u>-</u>	<u>15,780,984</u>
Total Assets	<u>67,490,190</u>	<u>2,499,063</u>	<u>69,989,253</u>
Deferred Outflows of Resources			
Deferred charge on refunding	<u>34,552</u>	<u>-</u>	<u>34,552</u>
Liabilities			
Accounts payable and accrued liabilities	702,600	126,576	829,176
Accrued interest payable	124,248	-	124,248
Unearned revenues	600	-	600
Noncurrent liabilities:			
Due within one year	588,621	-	588,621
Due in more than one year	<u>9,659,757</u>	<u>1,761,698</u>	<u>11,421,455</u>
Total Liabilities	<u>11,075,826</u>	<u>1,888,274</u>	<u>12,964,100</u>
Net Position			
Net investment in capital assets	49,695,775	-	49,695,775
Restricted for:			
Transportation	710,632	-	710,632
Fire control and rescue services	381,197	-	381,197
Public safety	8,553	-	8,553
Building	204,859	-	204,859
Unrestricted	<u>5,447,900</u>	<u>610,789</u>	<u>6,058,689</u>
Total Net Position	<u>\$ 56,448,916</u>	<u>\$ 610,789</u>	<u>\$ 57,059,705</u>

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

Town of Southwest Ranches, Florida
Statement of Activities
For the Fiscal Year Ended September 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities						
General government	\$ 2,190,153	\$ -	\$ -	\$ (2,190,153)	\$ -	\$ (2,190,153)
Public safety	6,417,516	49,604	-	(3,731,284)	-	(3,731,284)
Community services and development	1,451,377	-	-	(105,526)	-	(105,526)
Parks and recreation	668,951	-	-	(658,741)	-	(658,741)
Transportation	1,132,102	-	157,173	(974,929)	-	(974,929)
Emergency services	4,244	75,370	-	71,126	-	71,126
Interest and fiscal charges	439,232	-	-	(439,232)	-	(439,232)
Total Governmental Activities	12,303,575	124,974	157,173	(8,028,739)	-	(8,028,739)
Business-type Activities						
Solid waste	1,388,587	-	-	-	407,386	407,386
Solid waste emergency services	126,668	3,949,263	-	-	3,822,595	3,822,595
Total Business-type Activities	1,515,255	3,949,263	-	-	4,229,981	4,229,981
Total Primary Government	\$ 13,818,830	\$ 4,074,237	\$ 157,173	(8,028,739)	4,229,981	(3,798,758)
General Revenues						
Ad valorem taxes				6,549,630	-	6,549,630
Franchise fees based on gross receipts				676,184	-	676,184
Unrestricted intergovernmental revenue				830,865	-	830,865
Utility taxes				1,200,916	-	1,200,916
Unrestricted investment earnings				170,060	21,248	191,308
Miscellaneous				148,308	130	148,438
Transfers				141,060	(141,060)	-
Total General Revenues and Transfers				9,717,023	(119,682)	9,597,341
Change in Net Position				1,688,284	4,110,299	5,798,583
Net Position (Deficit) - Beginning of Year				54,760,632	(3,499,510)	51,261,122
Net Position - End of Year				\$ 56,448,916	\$ 610,789	\$ 57,059,705

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

Town of Southwest Ranches, Florida
Balance Sheet - Governmental Funds
September 30, 2019

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 2,574,997	\$ 1,518,023	\$ 366,492	\$ 184,567	\$ 4,644,079
Investments	1,877,072	-	-	-	1,877,072
Receivables	324,686	-	-	-	324,686
Intergovernmental receivables	140,930	200,180	-	-	341,110
Due from other funds	570	-	-	-	570
Prepaid items	30,858	-	-	3,574	34,432
Assets held for resale	<u>359,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,210</u>
Total Assets	<u>\$ 5,308,323</u>	<u>\$ 1,718,203</u>	<u>\$ 366,492</u>	<u>\$ 188,141</u>	<u>\$ 7,581,159</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 408,259	\$ 127,992	\$ 145,020	\$ 21,329	\$ 702,600
Due to other funds	-	-	-	570	570
Unearned revenues	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600</u>
Total Liabilities	<u>408,859</u>	<u>127,992</u>	<u>145,020</u>	<u>21,899</u>	<u>703,770</u>
Fund Balances					
Non-spendable:					
Prepaid items	30,858	-	-	3,574	34,432
Assets held for resale	359,210	-	-	-	359,210
Restricted for:					
Transportation	-	710,632	-	-	710,632
Fire control and rescue services	335,061	-	7,611	38,525	381,197
Public safety	8,553	-	-	-	8,553
Building	204,859	-	-	-	204,859
Committed for:					
Capital projects	20,324	356,940	101,264	-	478,528
Transportation	-	522,639	-	-	522,639
Tree preservation	1,229	-	-	-	1,229
Assigned for:					
Debt service	-	-	-	124,143	124,143
Capital projects	-	-	112,597	-	112,597
Unassigned	<u>3,939,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,939,370</u>
Total Fund Balances	<u>4,899,464</u>	<u>1,590,211</u>	<u>221,472</u>	<u>166,242</u>	<u>6,877,389</u>
Total Liabilities and Fund Balances	<u>\$ 5,308,323</u>	<u>\$ 1,718,203</u>	<u>\$ 366,492</u>	<u>\$ 188,141</u>	<u>\$ 7,581,159</u>

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

Town of Southwest Ranches, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2019

**Amounts Reported for Governmental Activities in the
Statement of Net Position (Page 15) are Different Because:**

Fund Balances - Total Governmental Funds (Page 17)	\$	6,877,389
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	\$	79,477,511	
Accumulated depreciation		<u>(19,567,910)</u>	59,909,601

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

Long-term debt	\$	(10,248,378)	
Accrued interest payable		(124,248)	
Deferred charge on refunding (amortized as interest expense)		<u>34,552</u>	<u>(10,338,074)</u>

Net Position of Governmental Activities (Page 15)	\$	<u><u>56,448,916</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

Town of Southwest Ranches, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2019

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 6,549,630	\$ -	\$ -	\$ -	\$ 6,549,630
Utility taxes	1,200,916	-	-	-	1,200,916
Franchise fees	676,184	-	-	-	676,184
Licenses and permits	1,345,851	-	-	-	1,345,851
Intergovernmental	764,681	335,067	-	-	1,099,748
Charges for services	2,322,379	-	-	-	2,322,379
Fines and forfeitures	350,639	-	-	-	350,639
Investment income	133,979	28,214	5,709	2,158	170,060
Miscellaneous	122,128	-	-	13,264	135,392
Total Revenues	13,466,387	363,281	5,709	15,422	13,850,799
Expenditures					
Current:					
General government	2,105,598	-	-	-	2,105,598
Public safety:					
Law enforcement	2,722,974	-	-	-	2,722,974
Fire control and rescue services	3,412,236	-	-	194,862	3,607,098
Total public safety	6,135,210	-	-	194,862	6,330,072
Community services and development	1,451,377	-	-	-	1,451,377
Parks and recreation	386,366	-	-	-	386,366
Transportation	-	451,249	-	-	451,249
Emergency services	4,244	-	-	-	4,244
Capital outlay	186,795	466,567	158,199	-	811,561
Debt service:					
Principal	-	-	-	650,965	650,965
Interest and fiscal charges	-	-	-	333,432	333,432
Total Expenditures	10,269,590	917,816	158,199	1,179,259	12,524,864
Excess (deficiency) of revenues over expenditures	3,196,797	(554,535)	(152,490)	(1,163,837)	1,325,935
Other Financing Sources (Uses)					
Transfers in	258,313	904,938	241,095	1,238,864	2,643,210
Transfers out	(2,384,897)	-	-	(117,253)	(2,502,150)
Total Other Financing Sources (Uses)	(2,126,584)	904,938	241,095	1,121,611	141,060
Change in Fund Balances	1,070,213	350,403	88,605	(42,226)	1,466,995
Fund Balances - Beginning of Year	3,829,251	1,239,808	132,867	208,468	5,410,394
Fund Balances - End of Year	\$ 4,899,464	\$ 1,590,211	\$ 221,472	\$ 166,242	\$ 6,877,389

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

Town of Southwest Ranches, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2019

Amounts Reported for Governmental Activities in the Statement of Activities (Page 16) are Different Because:

Net changes in fund balance - total governmental funds (Page 19) \$ 1,466,995

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

Expenditures for capital outlay	\$ 811,561	
Less: current year provision for depreciation expense	<u>(1,135,437)</u>	(323,876)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts (other than direct issuance costs) are deferred and amortized in the statement of activities.

This detail of the difference is as follows:

Repayment of principal	650,965
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Amortization of deferred amount on refunding	(5,758)
Change in accrued interest payable	<u>(100,042)</u>

Change in Net Position of Governmental Activities (Page 16)	\$ <u><u>1,688,284</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

Town of Southwest Ranches, Florida
Statement of Net Position - Proprietary Fund
September 30, 2019

	<u>Solid Waste Fund</u>
Assets	
Current Assets	
Cash	\$ 422,957
Accounts receivable	21,000
Intergovernmental receivables	<u>2,055,106</u>
Total Assets	<u>2,499,063</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued liabilities	<u>126,576</u>
Noncurrent Liabilities	
Emergency line of credit	<u>1,761,698</u>
Total Liabilities	<u>1,888,274</u>
Net Position	
Unrestricted	<u>610,789</u>
Total Net Position	<u>\$ 610,789</u>

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

Town of Southwest Ranches, Florida
Statement of Revenues, Expenses and Change in Net Position - Proprietary Fund
For the Fiscal Year Ended September 30, 2019

	Solid Waste Fund
Operating Revenues	
Charges for services	\$ 1,795,973
Miscellaneous	130
	1,796,103
Total Operating Revenues	1,796,103
Operating Expenses	
Contractual services	1,284,534
Recycling	102,946
Emergency services	9,415
Other	1,107
	1,398,002
Total Operating Expenses	1,398,002
Operating Income	398,101
Nonoperating Revenues (Expenses)	
Intergovernmental, non-capital grants	3,949,263
Investment income	21,248
Emergency line of credit interest expense	(117,253)
	3,853,258
Total Nonoperating Revenues (Expenses)	3,853,258
Income Before Transfers	4,251,359
Transfers:	
Transfers in	117,253
Transfers out	(258,313)
	(141,060)
Total net transfers	(141,060)
Change in Net Position	4,110,299
Net Position (Deficit) - Beginning of Year	(3,499,510)
Net Position - End of Year	\$ 610,789

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

Town of Southwest Ranches, Florida
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended September 30, 2019

	Solid Waste Fund
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 1,808,103
Cash paid to suppliers	<u>(1,514,841)</u>
Net Cash Provided by Operating Activities	<u>293,262</u>
Cash Flows from Non-Capital Financing Activities	
Proceeds from grants, non-capital	1,894,157
Payment on emergency line of credit	(1,894,157)
Emergency line of credit interest paid	(141,821)
Transfers out	(258,313)
Transfers in	<u>117,253</u>
Net Cash Used in Non-Capital Financing Activities	<u>(282,881)</u>
Cash Flows from Investing Activities	
Interest received	<u>21,248</u>
Net Increase in Cash	31,629
Cash - Beginning	<u>391,328</u>
Cash - Ending	<u>\$ 422,957</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ <u>398,101</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in accounts receivable	12,000
Decrease in accounts payable and accrued liabilities	<u>(116,839)</u>
Total adjustments	<u>(104,839)</u>
Net Cash Provided by Operating Activities	<u>\$ 293,262</u>

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

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**NOTES TO BASIC
FINANCIAL STATEMENTS**

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the Town of Southwest Ranches, Florida's (the Town) significant accounting policies is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements.

The Town is an instrumentality of the State of Florida, incorporated in accordance with House Bill No. 1777 on June 6, 2000, to carry on a centralized government. The Town Council, which is comprised of four elected Council members and the elected Mayor, is responsible for legislative and fiscal control of the Town. The Town is governed under a Council/Administrator form of government. A Town Administrator is appointed by the Council and is responsible for administrative and fiscal control of the resources of the Town maintained in the funds.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental 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 Town's accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The accompanying financial statements present the Town and its component unit, the Southwest Ranches Volunteer Fire-Rescue, Inc. (the Department).

The Department became a blended component unit of the Town of Southwest Ranches on January 28, 2010 when the members of the Town Council became the Board of Directors of the Department. The Department is a legally separate, tax-exempt, 501(c)(4) organization that provides for the protection of human and animal life and property against fire, disaster, natural catastrophe or other calamity within the Town limits of Southwest Ranches. The Town is financially responsible (benefit/burden) and has operational responsibility for the Department. There are no separately issued financial statements for this component unit.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the Town and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the Town is reported separately from a legally separate component unit for which the Town is financially accountable.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days from the end of the current fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise fees, utility taxes, charges for services, intergovernmental revenues and interest associated with the current fiscal period are all considered to be measurable and available and have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred and eligibility requirements imposed by the provider have been met. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available when cash is received by the Town.

The reporting practices of the proprietary fund type closely parallel comparable commercial financial reporting, which recognize revenue when earned and expenses when incurred (the accrual basis) including, in the case of the enterprise fund, depreciation on its exhaustible capital assets, if any. Earned, but unbilled service receivables, if any, would be accrued as revenue in the enterprise fund.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The Town reports the following major governmental funds:

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

The *Transportation Fund* accounts for the receipt of the Town's portion of the state revenue sharing of the gasoline and local option gas taxes which are restricted for transportation related expenditures.

The *Capital Projects Fund* is used to account for the capital projects of the Town which have received the approval of the Town Council. Transfers from the general and other funds are made to this fund to cover such expenditures.

The Town reports the following major proprietary fund:

The *Solid Waste Fund* (an enterprise fund) accounts for the operation of the Town's solid waste collection, disposal, and recycling services.

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 Town's solid waste functions and various other functions of the Town, if applicable. Elimination of these charges would distort the direct costs and program revenues reported 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 contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as *program revenues*. The general revenues include all taxes whose purpose has not been restricted to a specific program.

Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for the proprietary fund include the costs of sales and services, administrative expenses and depreciation on capital assets, as applicable. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. DEPOSITS AND INVESTMENTS

The Town utilizes a pooled cash account for cash of all Town funds other than those that are required to be physically segregated. The pooled cash account concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The pooled cash system utilizes a single checking account for Town receipts and all disbursements including payroll.

Investments are in the Florida PRIME administered by the State Board of Administration. The Town's investments in the Florida PRIME are stated at amortized cost.

E. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

F. CAPITAL ASSETS

Capital assets, which include land, construction in progress, infrastructure assets, improvements other than buildings, buildings and building improvements, and furniture and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on 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.

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

Assets	Years
Infrastructure	10-40
Improvements other than buildings	10-40
Buildings and building improvements	10-50
Furniture and equipment	3-20

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. IMPAIRMENT OF LONG-LIVED ASSETS

The Town records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

H. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund type 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 position. Bond premiums and discounts, if applicable, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issue costs are expensed at issuance. Bonds payable are reported net of the applicable premiums and discounts.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the year of issuance. The face amount of debt issued is reported as another financing source. Premiums received on debt issuance are reported as another financing source while discounts on debt issuances are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, and principal payments, are reported as debt service expenditures.

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has no amounts reported in this category in the current year.

J. UNEARNED REVENUE

Unearned revenue represents increases in assets prior to the eligibility criteria being met for recognition of revenue.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FUND BALANCE

The Town follows the criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The Town's accounting and financial policies are used to interpret the nature and/or requirements of the funds and their corresponding classification of nonspendable, restricted, committed, assigned or unassigned.

The following are the fund balance classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for the specific purposes determined by a formal action (ordinance or resolution) of the Town Council, the Town's highest level of decision-making authority. Ordinances and resolutions constitute the most binding constraints and are deemed equally binding and enforceable within the Town. Commitments may be changed or lifted only by the Town Council taking the same formal action (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Intent is established by the Town Administrator and Town Financial Administrator who have the discretionary authority as charter officers of the Town and to which the Council has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. There is no formal policy which has been established by Council delegating this authority. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Town itself.

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

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. NET POSITION

Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds is categorized as net investment in capital assets, reduced by depreciation and any outstanding debt incurred to acquire, construct and improve those assets and deferred inflows and outflows of resources related to debt, and excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws and regulations of other governments) or imposed by law through constitutional provisions enabling legislation.

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

M. FLOW ASSUMPTIONS

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any other components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

N. 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 the reported amounts of assets, deferred inflows/outflows, 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 may differ from management’s estimates.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

The Town maintains a cash pool that is available for use by all funds. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State of Florida, State Treasurer to hold public funds. Under the Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or banking institution eligible collateral of the depository. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Since the Town uses only authorized public depositories, all funds deposited with financial institutions are FDIC insured and/or are fully collateralized and treated as insured.

INVESTMENTS

The Town is authorized to invest in direct obligations of the U.S. Treasury, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and the Local Government Surplus Funds Trust Fund, or any other intergovernmental investment pool authorized by Florida Statutes, including the Florida PRIME administered by the State Board of Administration. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. Florida PRIME invests in a pool of investments whereby the Town owns a share of the respective pool, not the underlying securities. GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* establishing criteria for an external investment pool to qualify to report at amortized cost. Florida PRIME is reported at amortized cost.

The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

The Town had the following investments as of September 30, 2019:

Investments	<u>Value</u>	<u>Weighted Average Maturity</u>
Florida PRIME	\$ <u><u>1,877,072</u></u>	37 days

INTEREST RATE RISK

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates nor do they have any investments that are subject to interest rate risk.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

CREDIT RISK

The Town does not have a written investment policy and, therefore, follows Florida Statute 218.415(17). The Town invests surplus funds in the State Board of Administration Investment Pool. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

CONCENTRATION OF CREDIT RISK

Disclosure is required when the percentage of investments is 5% or more of total investments. At September 30, 2019, the Town only invests in an external investment pool, the Florida PRIME.

INVESTMENT POOLS AND POOL PARTICIPANTS

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

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

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 3 – PROPERTY TAXES

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Broward County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2019.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Broward County Property Appraiser, who incorporates the Town’s millage into the total tax levy, which includes the County, County School Board and other agencies tax requirements. The millage rate assessed by the Town for the fiscal year ended September 30, 2019 was 4.8311 mills (operating millage was 4.4969 and TSDOR millage 0.3342)

NOTE 4 - RECEIVABLES

Receivables as of September 30, 2019 for the Town’s funds are as follows:

		Taxes and Fees
General Fund	\$	324,686
Solid Waste Fund		21,000
Total Receivables	\$	345,686

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 258,313	\$ 2,384,897
Transportation Fund	904,938	-
Capital Projects Fund	241,095	-
Volunteer Fire Department Fund	182,892	-
Debt Service Fund	1,055,972	117,253
Solid Waste Fund	<u>117,253</u>	<u>258,313</u>
Total Interfund Transfers	\$ <u>2,760,463</u>	\$ <u>2,760,463</u>

General Fund Transfers In consisted of \$258,313 from the Town’s Solid Waste Fund providing an annual subsidy to the General Fund for administrative, finance and contractual compliance management and legal expenses, while \$117,253 from the Debt Service Fund to the Solid Waste Fund relates to the emergency line of credit interest.

General Fund Transfers Out consisted of \$904,938 to the Transportation Fund to fund capital projects including the Transportation and Surface Drainage On-Going Rehabilitation (TSDOR) and operating needs; \$241,095 to the Capital Projects Fund to primarily fund capital projects pertaining to the Town Public Safety Modular complex and infrastructure at Frontier Trail Park; \$182,892 to the Volunteer Fire Department Fund to fund volunteer fire operations; and \$1,055,972 to the Debt Service Fund as debt service principal and interest payments become due in accordance with debt service arrangements.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 6 – CAPITAL ASSETS

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

	Balance October 1, 2018	Increases	Decreases	Transfers	Balance September 30, 2019
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 42,341,811	\$ -	\$ -	\$ -	\$ 42,341,811
Construction in progress	<u>2,530,121</u>	<u>224,302</u>	<u>-</u>	<u>(967,617)</u>	<u>1,786,806</u>
Total capital assets, not being depreciated	<u>44,871,932</u>	<u>224,302</u>	<u>-</u>	<u>(967,617)</u>	<u>44,128,617</u>
Capital assets, being depreciated:					
Infrastructure	23,316,776	248,361	-	967,617	24,532,754
Improvements other than buildings	5,269,974	8,997	-	-	5,278,971
Buildings and building improvements	3,505,983	147,666	-	-	3,653,649
Furniture and equipment	<u>1,712,727</u>	<u>182,235</u>	<u>(11,442)</u>	<u>-</u>	<u>1,883,520</u>
Total capital assets being depreciated	<u>33,805,460</u>	<u>587,259</u>	<u>(11,442)</u>	<u>967,617</u>	<u>35,348,894</u>
Total capital assets	<u>78,677,392</u>	<u>811,561</u>	<u>(11,442)</u>	<u>-</u>	<u>79,477,511</u>
Less: accumulated depreciation for:					
Infrastructure	13,689,969	691,209	-	-	14,381,178
Improvements other than buildings	3,281,823	240,619	-	-	3,522,442
Buildings and building improvements	352,483	70,015	-	-	422,498
Furniture and equipment	<u>1,119,640</u>	<u>133,594</u>	<u>(11,442)</u>	<u>-</u>	<u>1,241,792</u>
Total accumulated depreciation	<u>18,443,915</u>	<u>1,135,437</u>	<u>(11,442)</u>	<u>-</u>	<u>19,567,910</u>
Total capital assets, being depreciated, net	<u>15,361,545</u>	<u>(548,178)</u>	<u>-</u>	<u>967,617</u>	<u>15,780,984</u>
Governmental activities					
Capital assets, net	<u>\$ 60,233,477</u>	<u>\$ (323,876)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,909,601</u>

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

General Government	\$ 84,555
Public Safety	87,444
Parks and Recreation	282,585
Transportation	<u>680,853</u>
Total Depreciation - Governmental Activities	<u>\$ 1,135,437</u>

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Town for the fiscal year ended September 30, 2019.

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
Governmental Activities:					
<i>Notes from Direct Borrowing and Private Placements:</i>					
Note Payable Series 2013	\$ 1,724,500	\$ -	\$ (199,100)	\$ 1,525,400	\$ 200,500
Note Payable Series 2011	888,201	-	(264,972)	623,229	272,281
Note Payable Series 2016	7,750,000	-	-	7,750,000	-
Rosenbauer Payable	136,746	-	(25,985)	110,761	26,650
Loan Payable (Centennial/CBB)	324,526	-	(85,538)	238,988	89,190
Emergency LOC Series 2018	75,370	-	(75,370)	-	-
Total Governmental Activities	\$ 10,899,343	\$ -	\$ (650,965)	\$ 10,248,378	\$ 588,621
	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
Business-type Activities:					
<i>Notes from Direct Borrowing and Private Placements:</i>					
Emergency LOC Series 2018	\$ 3,655,855	\$ -	\$ (1,894,157)	\$ 1,761,698	\$ -
Total Business-type Activities	\$ 3,655,855	\$ -	\$ (1,894,157)	\$ 1,761,698	\$ -

REVENUE REFUNDING NOTE, SERIES 2013

On June 1, 2013 the Town entered in to a \$2,659,800 note with a financial institution for the purpose of refunding a portion of the Town's Florida Municipal Loan Council Revenue Bonds, Series 2001A and to finance the cost of certain capital projects. The note requires annual payments of principal and semi-annual payments of interest beginning November 1, 2013 and matures on November 1, 2025. The note bears interest on the outstanding principal amount thereof at a rate of 2.39% calculated on the basis of twelve 30-day months and a 360-day year. As security for loan repayment, the Town covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

The annual requirements to pay principal and interest on this obligation as of September 30, 2019 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2020	\$ 200,500	\$ 34,061	\$ 234,561
2021	207,100	29,191	236,291
2022	213,300	24,167	237,467
2023	218,900	19,002	237,902
2024	224,000	14,468	238,468
2025-2026	461,600	12,623	474,223
Total	\$ 1,525,400	\$ 133,512	\$ 1,658,912

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

REVENUE REFUNDING NOTE, SERIES 2011

On December 1, 2011 the Town entered in to a \$2,500,000 note with a financial institution for the purpose of refunding the Town’s pooled commercial paper loan with the Florida Local Government Finance Commission (FLGFC). The note requires quarterly payments of principal and interest beginning March 1, 2012 and matures on December 1, 2021. The note bears interest on the outstanding principal amount thereof at a fixed rate of 2.73% per annum calculated on a 30/360-day count basis. The Town has pledged non-ad valorem revenues to secure payment of the principal and interest of the note.

The annual requirements to pay principal and interest on this obligation as of September 30, 2019 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2020	\$ 272,281	\$ 14,242	\$ 286,523
2021	279,791	6,733	286,524
2022	<u>71,157</u>	<u>485</u>	<u>71,642</u>
Total	\$ <u>623,229</u>	\$ <u>21,460</u>	\$ <u>644,689</u>

IMPROVEMENT REVENUE NOTE, SERIES 2016

On March 31, 2016, the Town entered in to a \$7,750,000 note with a financial institution for the acquisition of 24.4373 acres of vacant land. The note requires semi-annual payments of interest beginning November 1, 2016 and semi-annual payments of principal beginning November 1, 2021. The note bears interest at a rate of 3.25% annually and matures on March 31, 2036, unless the financial institution imposes a call option 90 days prior to May 1, 2031.

The annual requirements to pay principal and interest on this obligation as of September 30, 2019 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2020	\$ -	\$ 251,875	\$ 251,875
2021	-	251,875	251,875
2022	516,666	247,677	764,343
2023	516,666	230,885	747,551
2024	516,666	214,094	730,760
2025-2029	2,583,330	818,594	3,401,924
2030-2034	2,583,330	398,802	2,982,132
2035-2036	<u>1,033,342</u>	<u>41,979</u>	<u>1,075,321</u>
Total	\$ <u>7,750,000</u>	\$ <u>2,455,781</u>	\$ <u>10,205,781</u>

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The Series 2013, 2011 and 2016 arrangements discussed previously include other financial provisions as follows: 1) a 6% late charge on overdue payments in excess of fifteen days; 2) events of defaults such as violation of covenants, payment defaults, bankruptcy, insolvency, and uncured final non-appealable judgements may declare any unpaid principal and interest (acceleration of maturity) due immediately and bearing a default rate equal to the interest rate on the Note at the time of such default plus an additional spread ranging from 4% to 6% but never to exceed the maximum rate permitted by law; and 3) an anti-dilution test of 1.30X and 1.50X as defined in the respective debt agreements – See the Debt Service Anti-Dilution Coverage table in the Statistical Section of this report.

ROSENBAUER PAYABLE

On July 15, 2015, the Town entered into a financing arrangement for the acquisition of a Rosenbauer Pumper Apparatus for the Volunteer Fire Department in the amount of \$206,500. The loan calls for annual interest and principal payments at a fixed rate of 2.56% and the loan matures on June 11, 2023.

The agreement provides that the lender is listed as the lienholder on the subject equipment, to the extent allowed by law. The Town is required to make bona-fide best efforts to include all annual required payments in its annual budget. If the Town fails to appropriate funding to meet the required payments, the equipment must be returned to the lender, at the expense of the Town, and the agreement shall then terminate upon the last day of the fiscal year for which funds were appropriated.

The annual requirements to pay principal and interest on this obligation as of September 30, 2019 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2020	\$ 26,650	\$ 2,836	\$ 29,486
2021	27,332	2,153	29,485
2022	28,032	1,454	29,486
2023	<u>28,747</u>	<u>736</u>	<u>29,483</u>
Total	\$ <u>110,761</u>	\$ <u>7,179</u>	\$ <u>117,940</u>

LOAN PAYABLE

On April 7, 2010, the Town originally entered into a line of credit agreement with a financial institution in an amount not to exceed \$2,000,000 for the purpose of financing road improvements and drainage projects in the Town. The loan called for monthly interest payments at 2.75% during the draw period. The principal amount outstanding at the end of the draw period shall be payable monthly, beginning May 7, 2012 in equal payments of principal and interest at 3.95% through April 7, 2022. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the loan.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 7 – LONG-TERM DEBT (CONTINUED)

In the event the Town fails to pay principal and interest when due on the loan or any other loan or obligation for the repayment of money; declare bankruptcy or insolvency; fails to correct any covenants, conditions or arrangements of this note and such default continues for 30 days after written notice requiring to be remedied; the holder of the note may proceed to protect and enforce its rights as allowed by law.

The annual requirements to pay principal and interest on this obligation as of September 30, 2019 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2020	\$ 89,190	\$ 7,777	\$ 96,967
2021	92,778	4,190	96,968
2022	<u>57,020</u>	<u>730</u>	<u>57,750</u>
Total	\$ <u>238,988</u>	\$ <u>12,697</u>	\$ <u>251,685</u>

EMERGENCY LINE OF CREDIT - 2018

On May 23, 2018, the Town entered into a revolving line of credit agreement with a financial institution in an amount not to exceed \$10,000,000 for the purpose of expenditures for extraordinary, nonrecurring items the Town desires or needs to undertake subsequent to and as a result of a natural, technological or civil emergencies. The line of credit bears a variable interest rate calculated at 80.25% of the prime rate less 125 basis points (3.21% as of September 30, 2019). Payments of accrued interest are due on the first day of each February, May, August and November, beginning on November 1, 2018, based on the amount drawn and repaid by the Town from time to time. The outstanding principal of this Line of Credit and any accrued and unpaid interest is payable on the maturity date unless renewed. The maturity date of the line of credit is May 23, 2023. The Town had an outstanding and available balance of \$1,761,698 and \$ 8,238,302, respectively, at September 30, 2019.

The Town covenants to budget from legally available non-ad valorem revenues in each fiscal year sufficient funds to pay principal and interest on the note. The line of credit is secured by an irrevocable lien on revenues from FEMA and State proceeds, which shall be used to pay down the outstanding balance within 30 days of receipt. This note may be extended by the lender, at its sole discretion, for additional periods, each to not exceed five years. At such time, the Town is responsible for an extension fee of \$ 25,000 plus legal fees associated with the renewal. The lender, at its sole discretion, shall have the option to require the Town to prepay the loan in full on November 22, 2021 (the call date).

In addition, this arrangement includes other financial provisions as follows: 1) a 6% late charge on overdue payments in excess of fifteen days; and 2) events of defaults such as violation of covenants, payment defaults, bankruptcy, insolvency, and certain uncured final non-appealable judgements may declare any unpaid principal and interest (acceleration of maturity) due immediately and bearing a default rate equal to prime rate plus 6% but never to exceed the maximum rate permitted by law.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Town carries commercial insurance. There were no reductions in insurance coverage from coverage requirements in the prior year. Settled claims did not exceed coverage requirements for each of the past three years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

INTERLOCAL AGREEMENT FOR PUBLIC SAFETY SERVICES

In June 2017, the Town entered into an agreement with the Town of Davie for public safety services, including emergency medical, fire protection, fire and life safety, and police service effective October 1, 2017 through September 30, 2022. The Town paid approximately \$6,050,000 under this agreement for the fiscal year ended September 30, 2019.

AGREEMENT FOR PLANS REVIEW AND BUILDING INSPECTION SERVICES

In 2012, the Town entered a service agreement through March 2015 for plan review and building inspection services. The agreement was extended on April 12, 2018 for thirty-six months, with extensions to be approved by the Town and contractor. The amount of compensation is based on rates and schedules set forth in the agreement with a maximum percentage of 75% of actual revenue received by the Town. For the fiscal year ended September 30, 2019, the Town paid approximately \$840,000 for these services.

AGREEMENT FOR PLANNING SERVICES

In 2014, the Town entered into a renegotiated agreement with a consultant to provide planning, zoning and land use services on an hourly rate fee structure. This agreement, which was set to expire September 30, 2017, was extended through September 30, 2020 and is renewable upon the consent of both parties. For the fiscal year ended September 30, 2019, the Town paid approximately \$93,000 for these services.

AGREEMENT FOR CODE COMPLIANCE AND ZONING SERVICES

The Town entered into a service agreement with a provider for the provision of code compliance and zoning, including services, as the Code Compliance Official. This agreement is in effect through September 2022. Either party may terminate this agreement upon providing 90 days written notice. For the fiscal year ended September 30, 2019, the Town paid approximately \$256,000 for code compliance and zoning services.

LITIGATION

From time to time, the Town is a defendant in various suits and claims incidental to its operations. Although the outcome of such litigation is not presently determinable, it is the opinion of the Town attorney and Town management that resolution of such matters, if any, will not have a material adverse effect on the financial position and results of operations of the Town.

Town of Southwest Ranches, Florida
Notes to Basic Financial Statements
For the Fiscal Year Ended September 30, 2019

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

GRANTS AND AWARDS

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, would not have a material adverse effect on the financial position of the Town.

NOTE 10 – DEFINED CONTRIBUTION PLAN

All regular full-time employees are eligible to be covered by the Town's 401(a) Plan (the Plan), a defined contribution pension plan, administered by an independent agent, ICMA Retirement Corporation, and authorized by resolution effective March 27, 2014. The Town's policy is to fund the annual pension costs in each department during the annual budget process.

Under the Plan, the Town matches, and therefore contributes, up to 5% or 10% (as a percentage of employees' regular wages) of the employees' annual elective contribution to an ICMA 457 Plan (see Note 11) for both General and Management personnel, respectively. Each personnel group receives a 20% graduated vesting over various periods of time by completing one through five years of full-time employment. Additionally, age 62, with 5 years of service, is the earliest age that personnel may elect to receive retirement benefits upon separation of service.

Under the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. There was a total of 13 employees for both personnel groups participating under the Plan throughout fiscal year 2019. The assets of the Plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the Town's basic financial statements. For the fiscal year ended September 30, 2019, the employer pension expense was approximately \$78,000.

NOTE 11 – DEFERRED COMPENSATION PLAN

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

NOTE 12 – DATE OF MANAGEMENT REVIEW

The Town's management has evaluated subsequent events through March 6, 2020, the date which the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION



2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Stephanie Morris

Town of Southwest Ranches, Florida
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 6,506,538	\$ 6,506,538	\$ 6,549,630	\$ 43,092
Utility taxes	1,211,390	1,194,905	1,200,916	6,011
Franchise fees	675,998	675,998	676,184	186
Licenses and permits	742,328	1,326,610	1,345,851	19,241
Intergovernmental	609,933	721,643	764,681	43,038
Charges for services	2,208,877	2,218,444	2,322,379	103,935
Fines and forfeitures	205,000	198,750	350,639	151,889
Investment income	62,307	62,307	133,979	71,672
Miscellaneous	98,028	122,228	122,128	(100)
Total Revenues	<u>12,320,399</u>	<u>13,027,423</u>	<u>13,466,387</u>	<u>438,964</u>
Expenditures				
Current:				
General government	2,516,296	2,564,384	2,105,598	458,786
Public safety:				
Law enforcement	2,792,391	2,792,391	2,722,974	69,417
Fire control	3,440,459	3,442,255	3,412,236	30,019
Total public safety	<u>6,232,850</u>	<u>6,234,646</u>	<u>6,135,210</u>	<u>99,436</u>
Community services and development	1,052,697	1,469,652	1,451,377	18,275
Parks and recreation	399,913	399,913	386,366	13,547
Emergency services	-	-	4,244	(4,244)
Capital outlay	183,545	221,798	186,795	35,003
Total Expenditures	<u>10,385,301</u>	<u>10,890,393</u>	<u>10,269,590</u>	<u>620,803</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,935,098</u>	<u>2,137,030</u>	<u>3,196,797</u>	<u>1,059,767</u>
Other Financing Sources (Uses)				
Transfers in	258,313	258,313	258,313	-
Transfers out	(2,353,411)	(2,395,343)	(2,384,897)	10,446
Total Other Financing Sources (Uses)	<u>(2,095,098)</u>	<u>(2,137,030)</u>	<u>(2,126,584)</u>	<u>10,446</u>
Change in Fund Balance	<u>\$ (160,000)</u>	<u>\$ -</u>	<u>\$ 1,070,213</u>	<u>\$ 1,070,213</u>
Appropriated Beginning Fund Balance	<u>\$ 160,000</u>	<u>\$ -</u>		

Town of Southwest Ranches, Florida
Required Supplementary Information
Budgetary Comparison Schedule - Transportation Fund
For the Fiscal Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 668,453	\$ 740,778	\$ 335,067	\$ (405,711)
Investment income	<u>1,000</u>	<u>1,000</u>	<u>28,214</u>	<u>27,214</u>
Total Revenues	<u>669,453</u>	<u>741,778</u>	<u>363,281</u>	<u>(378,497)</u>
Expenditures				
Current:				
Transportation	474,304	474,304	451,249	23,055
Capital outlay	<u>1,124,250</u>	<u>1,486,745</u>	<u>466,567</u>	<u>1,020,178</u>
Total Expenditures	<u>1,598,554</u>	<u>1,961,049</u>	<u>917,816</u>	<u>1,043,233</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(929,101)</u>	<u>(1,219,271)</u>	<u>(554,535)</u>	<u>664,736</u>
Other Financing Sources				
Transfers in	<u>869,101</u>	<u>904,938</u>	<u>904,938</u>	<u>-</u>
Total Other Financing Sources	<u>869,101</u>	<u>904,938</u>	<u>904,938</u>	<u>-</u>
Change in Fund Balance	<u>\$ (60,000)</u>	<u>\$ (314,333)</u>	<u>\$ 350,403</u>	<u>\$ 664,736</u>
Appropriated Beginning Fund Balance	<u>\$ 60,000</u>	<u>\$ 314,333</u>		

Town of Southwest Ranches, Florida
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Fiscal Year Ended September 30, 2019

The Town follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements.

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

- a. Prior to September 1, the Town Administrator submits to the Town Council a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Upon request of the Town Administrator or Town Financial Administrator, the Town Council, in the form of a resolution, may amend the budget, make changes between funds or from a reserve, and increase or decrease a fund. The Town Administrator or Town Financial Administrator may make changes within a department. Therefore, the legal level of control is at the department level. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.
- e. Annual appropriated budgets are adopted for the General Fund, the Transportation Fund, the Capital Projects Fund and the Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America.
- f. The reported budgetary data represents the final approved budgets after amendments (supplemental appropriations) adopted by the Town Council. The Volunteer Fire Department Fund's budget is not legally adopted by the Town Council.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

Town of Southwest Ranches, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 60,424	\$ 124,143	\$ 184,567
Prepaid items	<u>3,574</u>	<u>-</u>	<u>3,574</u>
Total Assets	<u>\$ 63,998</u>	<u>\$ 124,143</u>	<u>\$ 188,141</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 21,329	\$ -	\$ 21,329
Due to other funds	<u>570</u>	<u>-</u>	<u>570</u>
Total Liabilities	<u>21,899</u>	<u>-</u>	<u>21,899</u>
Fund Balances			
Non-spendable:			
Prepaid items	3,574	-	3,574
Restricted for:			
Fire control and rescue services	38,525	-	38,525
Assigned for:			
Debt service	<u>-</u>	<u>124,143</u>	<u>124,143</u>
Total Fund Balances	<u>42,099</u>	<u>124,143</u>	<u>166,242</u>
Total Liabilities and Fund Balances	<u>\$ 63,998</u>	<u>\$ 124,143</u>	<u>\$ 188,141</u>

Town of Southwest Ranches, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2019

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Investment income	\$ 1,156	\$ 1,002	\$ 2,158
Miscellaneous	13,264	-	13,264
Total Revenues	<u>14,420</u>	<u>1,002</u>	<u>15,422</u>
Expenditures			
Current:			
Fire and rescue services	194,862	-	194,862
Debt service:			
Principal	-	650,965	650,965
Interest and fiscal charges	-	333,432	333,432
Total Expenditures	<u>194,862</u>	<u>984,397</u>	<u>1,179,259</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(180,442)</u>	<u>(983,395)</u>	<u>(1,163,837)</u>
Other Financing Sources (Uses)			
Transfers in	182,892	1,055,972	1,238,864
Transfers out	-	(117,253)	(117,253)
Total Other Financing Sources (Uses)	<u>182,892</u>	<u>938,719</u>	<u>1,121,611</u>
Change in Fund Balances	2,450	(44,676)	(42,226)
Fund Balances - Beginning	<u>39,649</u>	<u>168,819</u>	<u>208,468</u>
Fund Balances - Ending	\$ <u><u>42,099</u></u>	\$ <u><u>124,143</u></u>	\$ <u><u>166,242</u></u>

Town of Southwest Ranches, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ -	\$ 1,002	\$ 1,002
Total Revenues	<u>-</u>	<u>-</u>	<u>1,002</u>	<u>1,002</u>
Expenditures				
Debt service:				
Principal	575,798	651,168	650,965	203
Interest and fiscal charges	<u>334,786</u>	<u>334,786</u>	<u>333,432</u>	<u>1,354</u>
Total Expenditures	<u>910,584</u>	<u>985,954</u>	<u>984,397</u>	<u>1,557</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(910,584)</u>	<u>(985,954)</u>	<u>(983,395)</u>	<u>2,559</u>
Other Financing Sources (Uses)				
Transfers in	1,055,972	1,055,972	1,055,972	-
Transfers out	<u>(145,388)</u>	<u>(145,388)</u>	<u>(117,253)</u>	<u>28,135</u>
Total Other Financing Sources (Uses)	<u>910,584</u>	<u>910,584</u>	<u>938,719</u>	<u>28,135</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ (75,370)</u>	<u>\$ (44,676)</u>	<u>\$ 30,694</u>
Appropriated Beginning Fund Balance	<u>\$ -</u>	<u>\$ 75,370</u>		

Town of Southwest Ranches, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Fiscal Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ -	\$ 5,709	\$ 5,709
Total Revenues	<u>-</u>	<u>-</u>	<u>5,709</u>	<u>5,709</u>
Expenditures				
Capital outlay	<u>240,000</u>	<u>298,075</u>	<u>158,199</u>	<u>139,876</u>
Total Expenditures	<u>240,000</u>	<u>298,075</u>	<u>158,199</u>	<u>139,876</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(240,000)</u>	<u>(298,075)</u>	<u>(152,490)</u>	<u>145,585</u>
Other Financing Sources				
Transfers in	<u>235,000</u>	<u>241,095</u>	<u>241,095</u>	<u>-</u>
Total Other Financing Sources	<u>235,000</u>	<u>241,095</u>	<u>241,095</u>	<u>-</u>
Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (56,980)</u>	<u>\$ 88,605</u>	<u>\$ 145,585</u>
Appropriated Beginning Fund Balance	<u>\$ 5,000</u>	<u>\$ 56,980</u>		

STATISTICAL SECTION



2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Christine Martinez

Town of Southwest Ranches, Florida
Introduction to Statistical Section (Unaudited)
For the Fiscal Year Ended September 30, 2019

This part of Town of Southwest Ranches' comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents

Page

Financial Trends

These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.

49-65

Revenue Capacity

These tables contain information that may assist the reader in assessing the Town's most significant local revenue source, the property taxes.

66-72

Debt Capacity

These tables contain information that may assist the reader in analyzing the affordability of the Town's current levels of outstanding debt and the Town's ability to issue debt in the future.

73-75

Demographic and Economic Information

These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Town operates and (2) to provide information that facilitates comparisons of financial statement information over time and among towns.

76-78

Operating Information

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.

79-80

Data Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year.

Town of Southwest Ranches, Florida
Changes in Net Position - Governmental Activities (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
General government	\$ 1,624,918	\$ 1,750,991	\$ 1,897,921	\$ 1,837,205	\$ 1,885,010	\$ 1,943,608	\$ 2,074,739	\$ 2,736,901	\$ 2,904,188	\$ 2,190,153
Public safety	6,207,667	5,293,993	5,136,515	4,971,275	5,688,914	5,363,076	5,372,525	5,471,550	6,428,569	6,417,516
Community services and development	1,313,271	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647	1,258,271	1,451,377
Parks and recreation	387,510	310,369	419,249	497,374	482,289	825,673	672,817	656,412	638,991	668,951
Transportation	751,754	725,093	730,440	744,296	767,872	641,501	907,415	592,730	553,546	1,132,102
Emergency services ¹									51,742	4,244
Interest and fiscal changes	286,467	258,608	299,696	279,615	240,636	188,650	237,838	383,975	353,162	439,232
Total Expenses	10,571,587	9,135,911	9,371,571	9,049,254	9,842,022	9,821,564	10,285,662	10,778,215	12,188,469	12,303,575
Program Revenues:										
Changes for services:										
General government	155,437	134,717	109,180	-	-	-	-	-	-	-
Public safety	1,527,184	1,613,117	1,848,333	1,836,977	2,031,296	2,140,874	2,013,942	2,133,982	2,396,108	2,636,628
Community services and development	801,244	788,347	635,692	1,185,269	1,001,627	975,302	1,121,522	759,959	1,175,057	1,345,851
Parks and recreation	-	-	-	-	-	-	11,047	10,197	11,317	10,210
Operating grants and contributions	269,781	96,606	48,197	35,683	28,003	13,049	22,694	18,842	58,116	124,974
Capital grants and contributions	280,521	59,162	181,015	382,033	161,293	328,924	649,412	343,013	450,950	157,173
Total Program Revenues	3,034,167	2,691,949	2,822,417	3,439,962	3,222,219	3,458,149	3,818,617	3,265,993	4,091,548	4,274,836
Net (Expense) Revenue	(7,537,420)	(6,443,962)	(6,549,154)	(5,609,292)	(6,619,803)	(6,363,415)	(6,467,045)	(7,512,222)	(8,096,921)	(8,028,739)
General Revenues:										
Taxes:										
Ad valorem taxes	4,574,566	4,303,700	4,105,338	4,146,677	4,245,717	4,788,463	5,106,037	5,495,085	5,847,614	6,549,630
Utility taxes	1,094,070	1,079,094	1,092,624	1,147,616	1,169,184	1,212,320	1,226,602	1,234,734	1,238,664	1,200,916
Franchise fees based on gross receipts	571,443	620,532	593,888	571,399	616,539	621,659	614,039	643,968	642,005	676,184
Unrestricted intergovernmental revenues	547,048	790,831	689,697	720,491	734,438	771,930	777,914	777,213	824,180	830,865
Unrestricted investment earnings	90,149	25,786	30,789	17,725	5,598	19,660	20,640	48,853	102,685	170,060
Miscellaneous	68,173	139,911	97,064	134,736	94,659	89,589	91,794	129,202	2,430	148,308
Total General Revenues	6,945,449	6,959,854	6,609,400	6,738,644	6,866,155	7,503,621	7,837,026	8,329,055	8,657,578	9,575,963
Net Transfers	-	-	128,701	174,492	183,327	168,833	185,828	205,427	225,765	141,060
Total General Revenues, Net of Transfers	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454	8,022,854	8,534,482	8,883,343	9,717,023
Change in Net Position	\$(591,971)	\$515,892	\$188,947	\$1,303,844	\$429,679	\$1,309,039	\$1,555,809	\$1,022,260	\$786,422	\$1,688,284

Notes:

¹ Emergency services comprise expenditures resulting from Hurricanes Irma and Dorian for FY 2018 and 2019, respectively.

The Town implemented GASB Statement No. 63 during the fiscal year ended September 30, 2013 and utilized the new terminology for all years presented.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
General government	15.4%	19.2%	20.3%	20.3%	19.2%	19.8%	20.2%	25.4%	23.8%	17.8%
Public safety	58.7%	57.9%	54.8%	54.9%	57.8%	54.6%	52.2%	50.8%	52.7%	52.2%
Community services and development	12.4%	8.7%	9.5%	8.0%	7.9%	8.7%	9.9%	8.7%	10.3%	11.8%
Parks and recreation	3.7%	3.4%	4.5%	5.5%	4.9%	8.4%	6.5%	6.1%	5.2%	5.4%
Transportation	7.1%	7.9%	7.8%	8.2%	7.8%	6.5%	8.8%	5.5%	4.5%	9.2%
Emergency services ¹	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%
Interest and fiscal charges	2.7%	2.8%	3.2%	3.1%	2.4%	1.9%	2.3%	3.6%	2.9%	3.6%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Charges for services:										
General government	5.1%	5.0%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public safety	50.3%	59.9%	65.5%	53.4%	63.0%	61.9%	52.7%	65.3%	58.6%	61.7%
Community services and development	26.4%	29.3%	22.5%	34.5%	31.1%	28.2%	29.4%	23.3%	28.7%	31.5%
Parks and recreation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%	0.2%
Operating grants and contributions	8.9%	3.6%	1.7%	1.0%	0.9%	0.4%	0.6%	0.6%	1.4%	2.9%
Capital grants and contributions	9.2%	2.2%	6.4%	11.1%	5.0%	9.5%	17.0%	10.5%	11.0%	3.7%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Taxes:										
Ad valorem taxes	65.9%	61.8%	62.1%	61.5%	61.8%	63.8%	65.2%	66.0%	67.5%	68.4%
Utility taxes	15.8%	15.5%	16.5%	17.0%	17.0%	16.2%	15.7%	14.8%	14.3%	12.5%
Franchise fees based on gross receipts	8.2%	8.9%	9.0%	8.5%	9.0%	8.3%	7.8%	7.7%	7.4%	7.1%
Unrestricted intergovernmental revenues	7.9%	11.4%	10.4%	10.7%	10.7%	10.3%	9.9%	9.3%	9.5%	8.7%
Unrestricted investment earnings	1.3%	0.4%	0.5%	0.3%	0.1%	0.3%	0.3%	0.6%	1.2%	1.8%
Miscellaneous	1.0%	2.0%	1.5%	2.0%	1.4%	1.2%	1.2%	1.6%	0.0%	1.5%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ Emergency services comprise expenditures resulting from Hurricanes Irma and Dorian for FY 2018 and 2019, respectively.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Net Position – Business-type Activities (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Solid waste	\$ 1,417,368	\$ 1,582,463	\$ 1,401,456	\$ 966,722	\$ 781,764	\$ 761,680	\$ 776,993	\$ 782,436	\$ 1,313,812	\$ 1,388,587
Solid waste emergency services ¹	-	-	-	-	-	-	-	655,340	3,699,068	126,668
	<u>1,417,368</u>	<u>1,582,463</u>	<u>1,401,456</u>	<u>966,722</u>	<u>781,764</u>	<u>761,680</u>	<u>776,993</u>	<u>1,437,776</u>	<u>5,012,880</u>	<u>1,515,255</u>
Program Revenues:										
Charges for services:										
Solid waste	1,651,805	1,620,856	1,539,737	1,097,252	1,050,476	1,045,547	1,053,295	1,064,311	1,309,516	1,795,973
Operating grants and contributions	-	-	-	113,914	-	-	-	-	-	3,949,263
	<u>1,651,805</u>	<u>1,620,856</u>	<u>1,539,737</u>	<u>1,211,166</u>	<u>1,050,476</u>	<u>1,045,547</u>	<u>1,053,295</u>	<u>1,064,311</u>	<u>1,309,516</u>	<u>5,745,236</u>
Net Revenue (Loss)	<u>234,437</u>	<u>38,393</u>	<u>138,281</u>	<u>244,444</u>	<u>268,712</u>	<u>283,867</u>	<u>276,302</u>	<u>(373,465)</u>	<u>(3,703,364)</u>	<u>4,229,981</u>
General Revenues:										
Investment earnings	10,118	8,500	2,121	564	476	1,498	5,147	10,223	8,951	21,248
Miscellaneous	-	-	-	21,445	16,634	279,579	-	-	-	130
	<u>10,118</u>	<u>8,500</u>	<u>2,121</u>	<u>22,009</u>	<u>17,110</u>	<u>281,077</u>	<u>5,147</u>	<u>10,223</u>	<u>8,951</u>	<u>21,378</u>
Income (Expense) Before Transfers	<u>244,555</u>	<u>46,893</u>	<u>140,402</u>	<u>266,453</u>	<u>285,822</u>	<u>564,944</u>	<u>281,449</u>	<u>(363,242)</u>	<u>(3,694,413)</u>	<u>4,251,359</u>
Net Transfers	-	-	(128,701)	(174,492)	(183,327)	(168,833)	(185,828)	(205,427)	(225,765)	(141,060)
Change in Net Position	<u>\$ 244,555</u>	<u>\$ 46,893</u>	<u>\$ 11,701</u>	<u>\$ 91,961</u>	<u>\$ 102,495</u>	<u>\$ 396,111</u>	<u>\$ 95,621</u>	<u>\$ (568,669)</u>	<u>\$ (3,920,178)</u>	<u>\$ 4,110,299</u>

Notes:

¹ Solid waste emergency services comprise expenditures resulting from Hurricane Irma for FY's 2017 and 2018, and Hurricane Dorian for FY 2019.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Total Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities ¹	\$ 10,571,587	\$ 9,135,911	\$ 9,371,571	\$ 9,049,254	\$ 9,842,022	\$ 9,821,564	\$ 10,285,662	\$ 10,778,215	\$ 12,188,469	\$ 12,303,575
Business-type activities ²	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680	776,993	1,437,776	5,012,880	1,515,255
Total Expenses	11,988,955	10,718,374	10,773,027	10,015,976	10,623,786	10,583,244	11,062,655	12,215,991	17,201,349	13,818,830
Program Revenues:										
Governmental activities ¹	3,034,167	2,691,949	2,822,417	3,439,962	3,222,219	3,458,149	3,818,617	3,265,993	4,091,548	4,274,836
Business-type activities ²	1,651,805	1,620,856	1,539,737	1,211,166	1,050,476	1,045,547	1,053,295	1,064,311	1,309,516	5,745,236
Total Program Revenues	4,685,972	4,312,805	4,362,154	4,651,128	4,272,695	4,503,696	4,871,912	4,330,304	5,401,064	10,020,072
Net (Expense) Revenue	(7,302,983)	(6,405,569)	(6,410,873)	(5,364,848)	(6,351,091)	(6,079,548)	(6,190,743)	(7,885,687)	(11,800,285)	(3,798,758)
General Revenues and Transfers:										
Governmental activities ¹	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454	8,022,854	8,534,482	8,883,343	9,717,023
Business-type activities ²	10,118	8,500	(126,580)	(152,483)	(166,217)	112,244	(180,681)	(195,204)	(216,814)	(119,682)
Total General Revenues and Transfers	6,955,567	6,968,354	6,611,521	6,760,653	6,883,265	7,784,698	7,842,173	8,339,278	8,666,529	9,597,341
Change in Net Position	\$ (347,416)	\$ 562,785	\$ 200,648	\$ 1,395,805	\$ 532,174	\$ 1,705,150	\$ 1,651,430	\$ 453,591	\$ (3,133,756)	\$ 5,798,583

Notes:¹ See Exhibit I² See Exhibit III

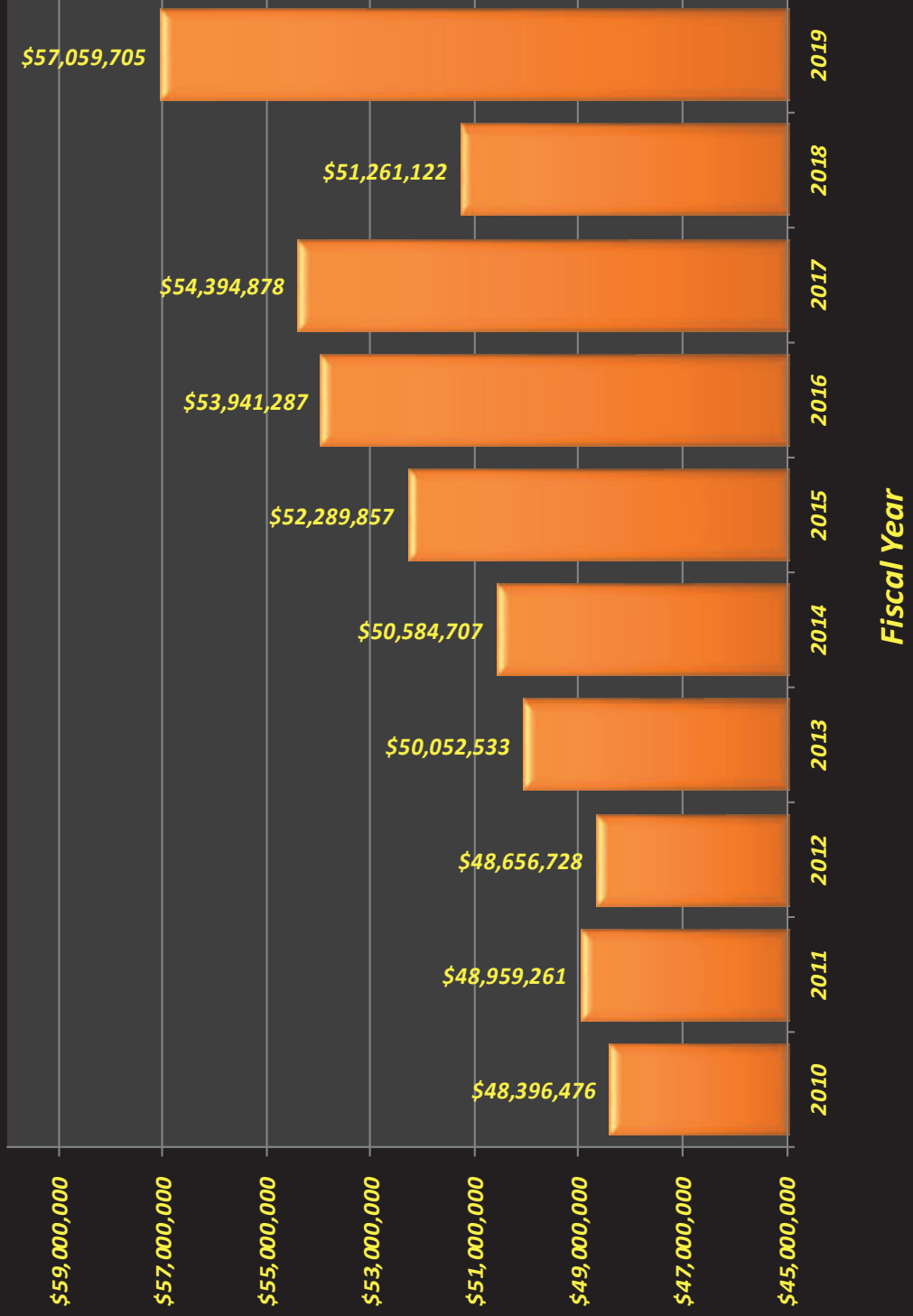
Town of Southwest Ranches, Florida
Government-wide Net Position by Category¹ (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	As of September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 44,607,660	\$ 44,892,153	\$ 44,421,400	\$ 44,642,297	\$ 44,619,097	\$ 45,134,927	\$ 48,086,199	\$ 48,346,598	\$ 49,262,430	\$ 49,695,775
Restricted	728,064	736,555	582,907	370,921	599,649	935,161	1,349,124	1,378,035	1,444,305	1,305,241
Unrestricted	2,816,197	3,039,105	3,349,272	4,644,205	4,868,356	5,326,053	3,516,627	4,249,577	4,053,897	5,447,900
Subtotal Governmental Activities Net Position	48,151,921	48,667,813	48,353,579	49,657,423	50,087,102	51,396,141	52,951,950	53,974,210	54,760,632	56,448,916
Business-type Activities:										
Unrestricted	244,555	291,448	303,149	395,110	497,605	893,716	989,337	420,668	(3,499,510)	610,789
Primary Government:										
Net investment in capital assets	44,607,660	44,892,153	44,421,400	44,642,297	44,619,097	45,134,927	48,086,199	48,346,598	49,262,430	49,695,775
Restricted	728,064	736,555	582,907	370,921	599,649	935,161	1,349,124	1,378,035	1,444,305	1,305,241
Unrestricted	3,060,752	3,330,553	3,652,421	5,039,315	5,365,961	6,219,769	4,505,964	4,670,245	554,387	6,058,689
Total Primary Government Net Position	\$ 48,396,476	\$ 48,959,261	\$ 48,656,728	\$ 50,052,533	\$ 50,584,707	\$ 52,289,857	\$ 53,941,287	\$ 54,394,878	\$ 51,261,122	\$ 57,059,705

Notes:

¹ Accounting standards require that net assets be reported in three components in the financial statements: net investment in capital assets; restricted and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Florida or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation.

Town of Southwest Ranches, Florida
Chart-Total Government-wide Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)



Town of Southwest Ranches, Florida
General Governmental Revenues by Source (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

For the Fiscal Year Ended September 30,

Revenue Source	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxes	\$ 6,240,079	\$ 6,003,326	\$ 5,791,850	\$ 5,865,692	\$ 6,031,460	\$ 6,622,442	\$ 6,946,678	\$ 7,373,787	\$ 7,728,283	\$ 8,426,730
Licenses and permits	499,056	482,382	521,830	517,697	604,935	757,924	939,212	759,959	1,175,057	1,345,851
Intergovernmental	1,072,350	942,937	918,909	1,101,071	897,234	1,100,854	1,393,326	1,086,397	1,239,530	1,099,748
Charges for services	1,527,184	1,613,117	1,848,333	1,763,472	1,939,651	1,984,906	1,912,887	1,920,617	2,204,001	2,322,379
Fines and forfeitures	72,892	75,076	109,180	741,077	488,337	373,346	302,296	213,365	212,231	350,639
Physical and economic charges	325,775	309,627	113,862	-	-	-	-	-	-	-
Investment income	90,149	25,786	30,789	17,725	5,598	19,660	20,640	48,853	102,685	170,060
Miscellaneous	152,132	198,346	97,064	171,872	178,460	102,638	140,603	192,070	87,339	135,392
Total Revenues	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606	\$ 10,145,675	\$ 10,961,770	\$ 11,655,642	\$ 11,595,048	\$ 12,749,126	\$ 13,850,799
% Change from Prior Year	6.1%	-3.3%	-2.3%	7.9%	-0.3%	8.0%	6.3%	-0.5%	10.0%	8.6%
Percentage of Total										
Taxes	62.5%	62.2%	61.4%	57.6%	59.4%	60.4%	59.6%	63.6%	60.6%	60.8%
Licenses and permits	5.0%	5.0%	5.5%	5.1%	6.0%	6.9%	8.1%	6.6%	9.2%	9.7%
Intergovernmental	10.7%	9.8%	9.7%	10.8%	8.8%	10.0%	12.0%	9.4%	9.7%	7.9%
Charges for services	15.3%	16.7%	19.6%	17.3%	19.1%	18.1%	16.4%	16.6%	17.3%	16.8%
Fines and forfeitures	0.7%	0.8%	1.2%	7.3%	4.8%	3.4%	2.6%	1.8%	1.7%	2.5%
Physical and economic charges	3.3%	3.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment income	0.9%	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%	0.4%	0.8%	1.2%
Miscellaneous	1.5%	2.1%	1.0%	1.7%	1.8%	0.9%	1.2%	1.7%	0.7%	1.0%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
 Chart-Total General Governmental Revenues (Unaudited)
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

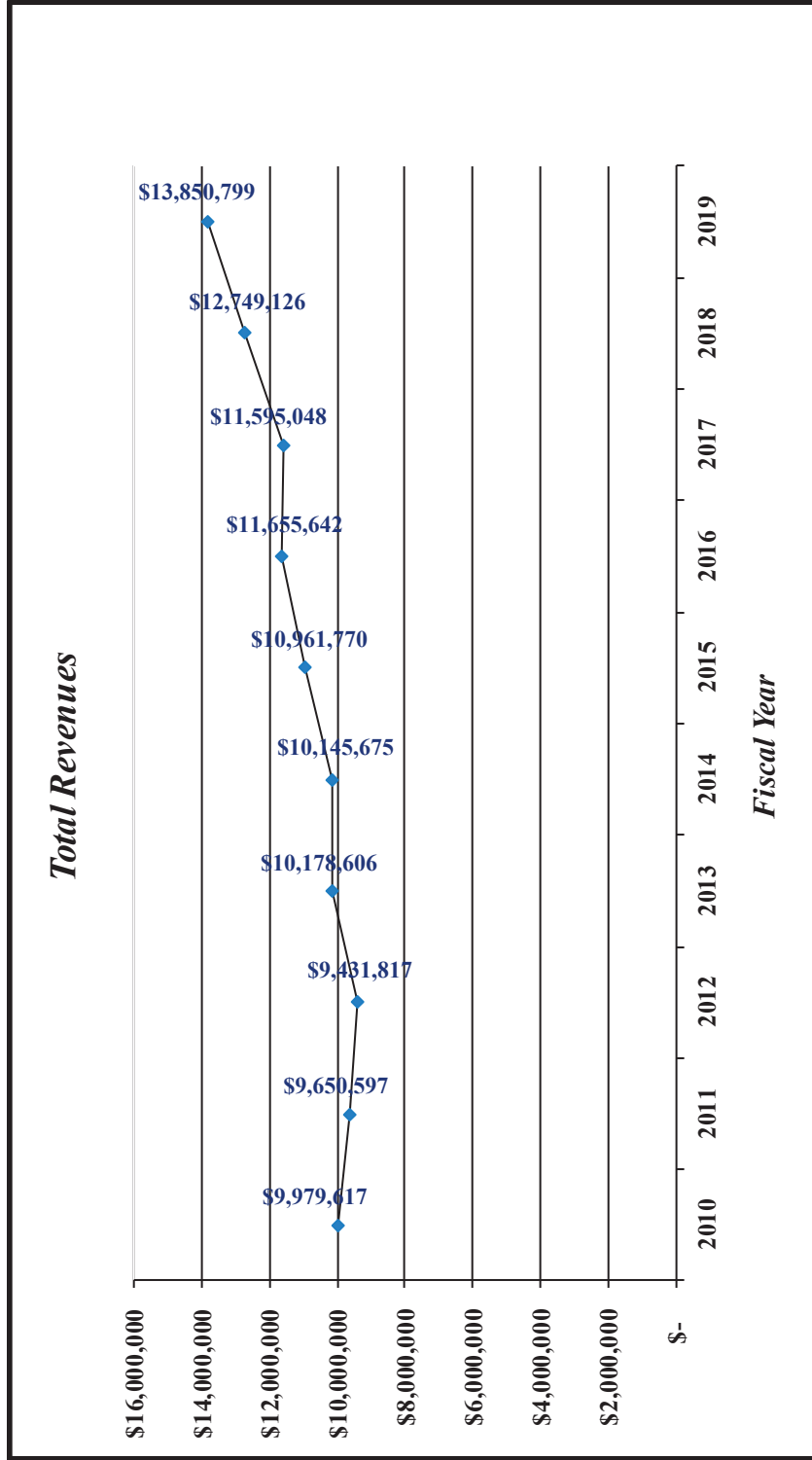


Exhibit VII

Town of Southwest Ranches, Florida
 Tax Revenues by Source - Governmental Funds (Unaudited)
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

For The Fiscal Year Ended September 30,	Amounts				Total
	Property	Utility	Franchise		
2010	\$ 4,574,566	\$ 1,094,070	\$ 571,443	\$	6,240,079
2011	\$ 4,303,700	\$ 1,079,094	\$ 620,532	\$	6,003,326
2012	\$ 4,105,338	\$ 1,092,624	\$ 593,888	\$	5,791,850
2013	\$ 4,146,677	\$ 1,147,616	\$ 571,399	\$	5,865,692
2014	\$ 4,245,717	\$ 1,169,184	\$ 616,559	\$	6,031,460
2015	\$ 4,788,463	\$ 1,212,320	\$ 621,659	\$	6,622,442
2016	\$ 5,106,037	\$ 1,226,602	\$ 614,039	\$	6,946,678
2017	\$ 5,495,085	\$ 1,234,734	\$ 643,968	\$	7,373,787
2018	\$ 5,847,614	\$ 1,238,664	\$ 642,005	\$	7,728,283
2019	\$ 6,549,630	\$ 1,200,916	\$ 676,184	\$	8,426,730

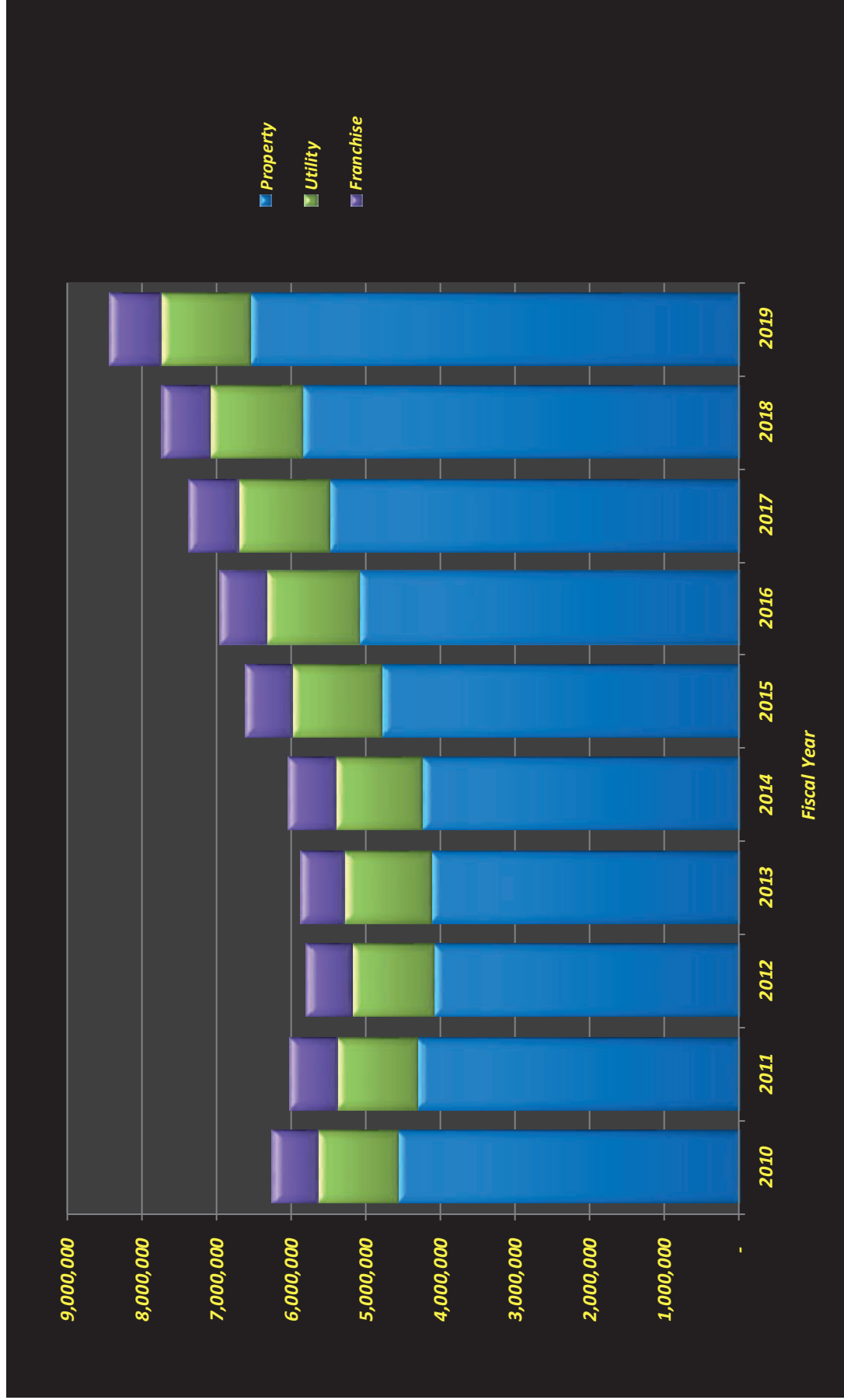
% Change in Dollars
 Over 10 Years

	43.2%	9.8%	18.3%	35.0%
Percentage of Total				
2010	73.3%	17.5%	9.2%	100.0%
2011	71.7%	18.0%	10.3%	100.0%
2012	70.9%	18.9%	10.3%	100.0%
2013	70.7%	19.6%	9.7%	100.0%
2014	70.4%	19.4%	10.2%	100.0%
2015	72.3%	18.3%	9.4%	100.0%
2016	73.5%	17.7%	8.8%	100.0%
2017	74.5%	16.7%	8.7%	100.0%
2018	75.6%	16.0%	8.4%	100.0%
2019	77.6%	14.3%	8.1%	100.0%

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Chart-Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
 (modified accrual basis of accounting)



Town of Southwest Ranches, Florida
General Governmental Expenditures by Function (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current:										
General government	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001	\$ 1,807,017	\$ 1,866,731	\$ 1,994,770	\$ 2,103,392	\$ 2,253,537	\$ 2,105,598
Public safety	5,641,271	5,230,602	5,045,887	4,821,836	5,542,038	5,204,208	5,240,374	5,399,088	6,048,944	6,330,072
Community services and development	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647	1,258,271	1,451,377
Parks and recreation	285,500	142,032	177,921	223,462	195,826	286,489	357,602	403,085	391,142	386,366
Transportation	856,243	301,951	222,031	254,809	239,077	327,491	342,722	439,493	426,294	451,249
Emergency services ²	-	-	-	-	-	-	-	-	51,742	4,244
Total Current	9,295,204	8,207,855	8,171,061	7,815,597	8,561,259	8,543,975	8,955,796	9,281,705	10,429,930	10,728,906
% Change From Prior Year	-10.7%	-11.7%	-0.4%	-4.4%	9.5%	-0.2%	4.8%	3.6%	12.4%	2.9%
Capital Outlay	2,002,944	819,349	959,417	1,070,505	606,880	1,059,565	9,854,607	818,929	1,925,534	811,561
% Change From Prior Year	410.3%	-59.1%	17.1%	11.6%	-43.3%	74.6%	830.1%	-91.7%	135.1%	-57.9%
Debt Service:										
Principal	125,278	132,413	332,506	2,691,917	502,068	509,226	2,164,128	545,808	623,585	650,965
Interest and fiscal charges	291,328	260,900	302,092	410,639	219,162	215,478	235,814	379,352	344,898	333,432
Total Debt Service	416,606	393,313	634,598	3,102,556	721,230	724,704	2,399,942	925,160	968,483	984,397
% Change From Prior Year	5.4%	-5.6%	61.3%	388.9%	-76.8%	0.5%	231.2%	-61.5%	4.7%	1.6%
Ratio of Total Debt Service to Total Non-Capital Expenditures	4.3%	4.6%	7.2%	28.4%	7.8%	7.8%	21.1%	9.1%	8.5%	8.4%
Total Expenditures	\$ 11,714,754	\$ 9,420,517	\$ 9,765,076	\$ 11,988,658	\$ 9,889,369	\$ 10,328,244	\$ 21,210,345	\$ 11,025,794	\$ 13,323,947	\$ 12,524,864
% Change From Prior Year	4.7%	-19.6%	3.7%	22.8%	-17.5%	4.4%	105.4%	-48.0%	20.8%	-6.0%

Notes:

¹ Includes all governmental fund types.

² Emergency services comprise expenditures resulting from Hurricanes Irma and Dorian for FY 2018 and 2019, respectively.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
General Governmental Current Expenditures by Function (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function	For the Fiscal Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current:										
General government	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001	\$ 1,807,017	\$ 1,866,731	\$ 1,994,770	\$ 2,103,392	\$ 2,253,537	\$ 2,105,598
Public safety	5,641,271	5,230,602	5,045,887	4,821,836	5,542,038	5,204,208	5,240,374	5,399,088	6,048,944	6,330,072
Community services and development	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647	1,258,271	1,451,377
Parks and recreation	285,500	142,032	177,921	223,462	195,826	286,489	357,602	403,085	391,142	386,366
Transportation	856,243	301,951	222,031	254,809	239,077	327,491	342,722	439,493	426,294	451,249
Emergency services ²	-	-	-	-	-	-	-	-	51,742	4,244
Total Current	\$ 9,295,204	\$ 8,207,855	\$ 8,171,061	\$ 7,815,597	\$ 8,561,259	\$ 8,543,975	\$ 8,955,796	\$ 9,281,705	\$ 10,429,930	\$ 10,728,906
	Percentage of Total									
Current:										
General government	17.3%	21.2%	22.5%	23.0%	21.1%	21.8%	22.3%	22.7%	21.6%	19.6%
Public safety	60.7%	63.7%	61.8%	61.7%	64.7%	60.9%	58.5%	58.2%	58.0%	59.0%
Community services and development	9.7%	9.7%	10.9%	9.2%	9.1%	10.1%	11.4%	10.1%	12.1%	13.5%
Parks and recreation	3.1%	1.7%	2.2%	2.9%	2.3%	3.4%	4.0%	4.3%	3.8%	3.6%
Transportation	9.2%	3.7%	2.7%	3.3%	2.8%	3.8%	3.8%	4.7%	4.1%	4.2%
Emergency services ²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

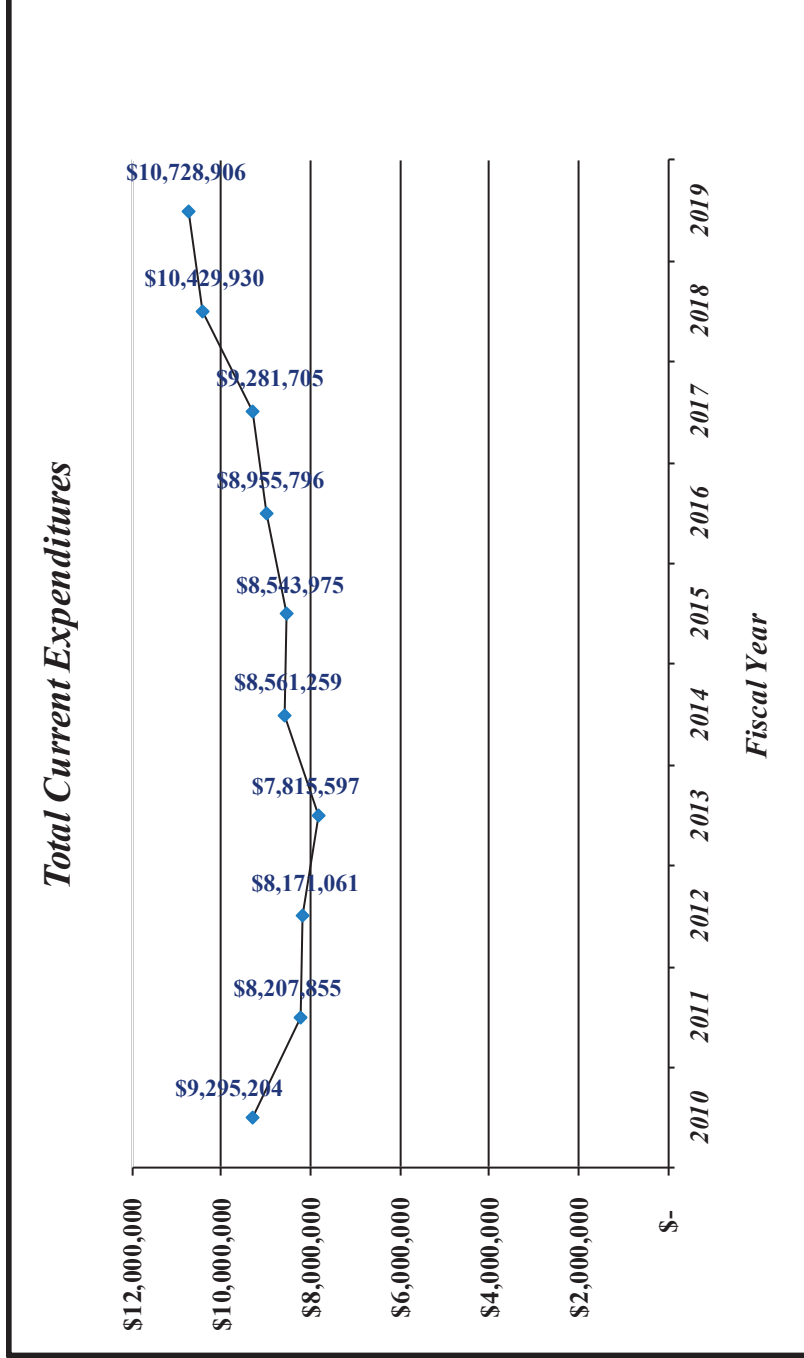
¹ Includes all governmental fund types.

² Emergency services comprise expenditures resulting from Hurricanes Irma and Dorian for FY 2018 and 2019, respectively.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Chart-Total General Governmental Current Expenditures (Unaudited)
 Last Ten Fiscal Years
 (modified accrual basis of accounting)



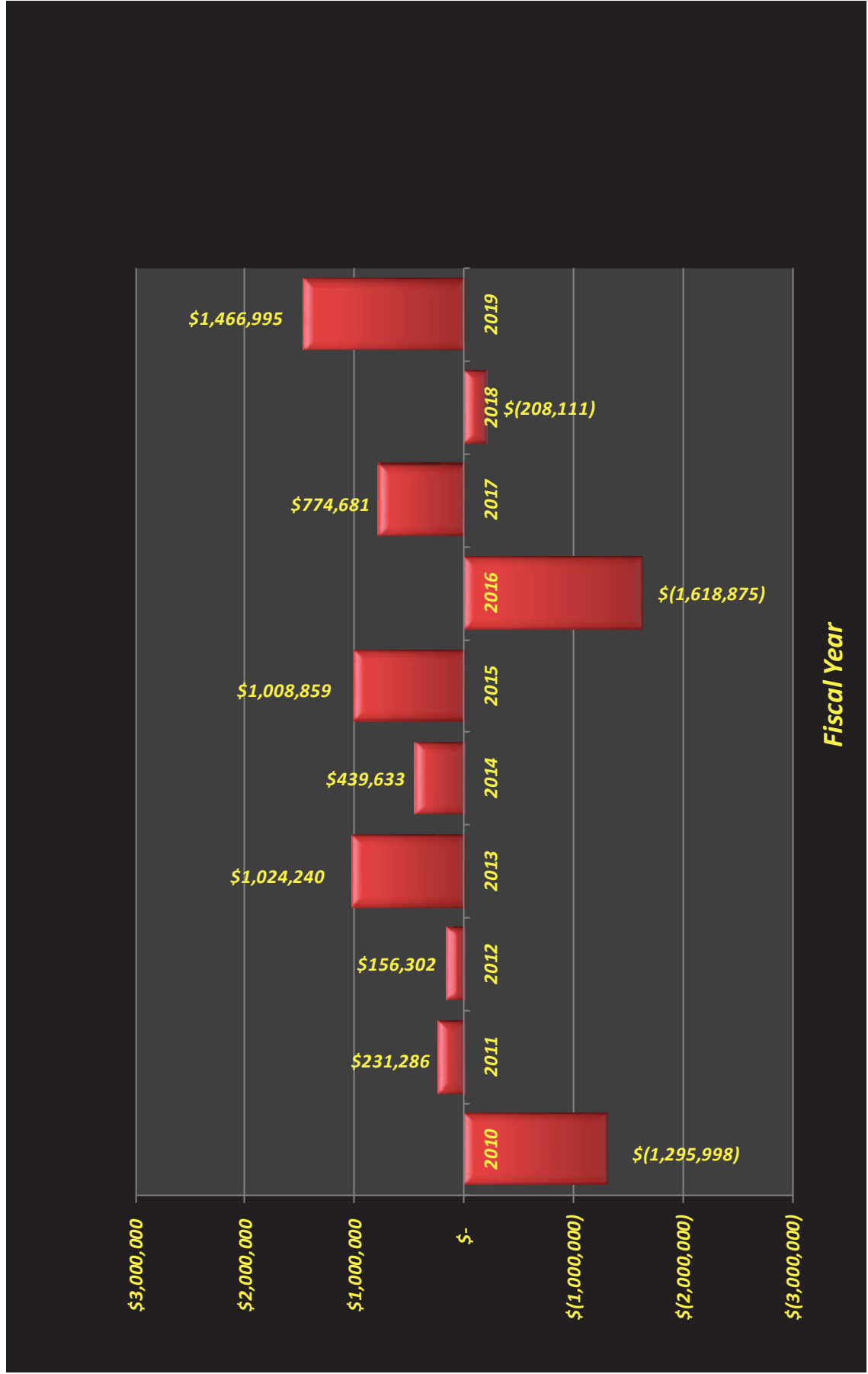
Town of Southwest Ranches, Florida
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606	\$ 10,145,675	\$ 10,961,770	\$ 11,655,642	\$ 11,595,048	\$ 12,749,126	\$ 13,850,799
Total Expenditures	11,714,754	9,420,517	9,765,076	11,988,658	9,889,369	10,328,244	21,210,345	11,025,794	13,323,947	12,524,864
Excess (Deficiency) of Revenues Over Expenditures	(1,735,137)	230,080	(333,259)	(1,810,052)	256,306	633,526	(9,554,703)	569,254	(574,821)	1,325,935
Other Financing Sources (Uses):										
Other items	439,139	1,206	360,860	2,659,800	-	206,500	7,750,000	-	140,945	-
Transfers in	2,946,139	1,175,176	1,394,191	1,410,644	1,557,874	1,938,626	4,287,055	2,346,797	2,697,346	2,643,210
Transfers out	(2,946,139)	(1,175,176)	(1,265,490)	(1,236,152)	(1,374,547)	(1,769,793)	(4,101,227)	(2,141,370)	(2,471,581)	(2,502,150)
Total Other Financing Sources (Uses)	439,139	1,206	489,561	2,834,292	183,327	375,333	7,935,828	205,427	366,710	141,060
Net Change in Fund Balances	\$ (1,295,998)	\$ 231,286	\$ 156,302	\$ 1,024,240	\$ 439,633	\$ 1,008,859	\$ (1,618,875)	\$ 774,681	\$ (208,111)	\$ 1,466,995

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Chart-Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
 (modified accrual basis of accounting)



**Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2010
(modified accrual basis of accounting)**

		September 30, 2010
General Fund:		
Reserved	\$	182,955
Unreserved		<u>1,910,184</u>
Total General Fund	\$	<u>2,093,139</u>
<i>General Fund % Change From Prior Year</i>		<u>4.5%</u>
All Other Governmental Funds:		
Reserved	\$	30,281
Unreserved:		
Special Revenue Funds		680,602
Capital Projects Fund		270,115
Debt Service Fund		<u>528,242</u>
Total All Other Governmental Funds	\$	<u>1,509,240</u>
<i>All Other Governmental Funds % Change From Prior Year</i>		<u>-47.2%</u>
Total Governmental Funds:		
Reserved	\$	213,236
Unreserved		<u>3,389,143</u>
Total Governmental Funds	\$	<u>3,602,379</u>
<i>All Governmental Funds % Change From Prior Year</i>		<u>-25.9%</u>

Notes:

The Town implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions, in Fiscal Year 2011 (See Exhibit XII). The Town did not restate the prior year.

Data Source:

Applicable years' comprehensive annual financial report.

**Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2019 and Eight Years Prior
(modified accrual basis of accounting)**

	2011	2012	2013	2014	September 30, 2015	2016	2017	2018	2019
General Fund:									
Nonspendable:									
Prepaid items	\$ 31,432	\$ 207,568	\$ 25,222	\$ 27,058	\$ 28,763	\$ 28,382	\$ 29,569	\$ 30,250	\$ 30,858
Inventory/assets held for resale	138,848	138,848	482,720	482,720	482,720	482,720	482,720	359,210	359,210
Deposits	25,001	-	-	-	-	-	-	-	-
Total nonspendable	195,281	346,416	507,942	509,778	511,483	511,102	512,289	389,460	390,068
Restricted for:									
Fire control and rescue services	-	-	-	128,291	308,982	363,897	484,719	423,679	335,061
Public safety	3,663	6,445	10,933	11,020	12,550	6,470	7,579	7,579	8,553
Town Hall brick program	16,800	18,200	-	-	-	-	-	-	-
Building	-	-	-	-	-	181,033	178,979	196,796	204,859
Total restricted	20,463	24,645	10,933	139,311	321,532	551,400	671,277	628,054	548,473
Committed to:									
Tree preservation	20,877	20,877	3,086	3,086	3,086	-	-	1,229	1,229
Capital projects	-	-	9,850	-	-	-	20,324	20,324	20,324
Total committed	20,877	20,877	12,936	3,086	3,086	-	20,324	21,553	21,553
Unassigned	2,360,778	2,494,249	3,458,623	3,830,892	4,365,118	2,484,910	2,704,947	2,790,184	3,939,370
Total General Fund	\$ 2,597,399	\$ 2,886,187	\$ 3,990,434	\$ 4,483,067	\$ 5,201,219	\$ 3,547,412	\$ 3,908,837	\$ 3,829,251	\$ 4,899,464
<i>General Fund % Change From Prior Year</i>	<u>24.1%</u>	<u>11.1%</u>	<u>38.3%</u>	<u>12.3%</u>	<u>16.0%</u>	<u>-31.8%</u>	<u>10.2%</u>	<u>-2.0%</u>	<u>27.9%</u>
All Other Governmental Funds:									
Nonspendable:									
Prepaid items	\$ 810	\$ 3,349	\$ 3,654	\$ 3,857	\$ 1,574	\$ 2,242	\$ 2,534	\$ 2,613	\$ 3,574
Deposits	15,000	-	-	-	-	-	-	-	-
Total nonspendable	15,810	3,349	3,654	3,857	1,574	2,242	2,534	2,613	3,574
Restricted for:									
Transportation	696,179	517,455	312,740	389,361	331,973	636,587	537,821	758,804	710,632
Fire control and rescue services	40,376	40,807	47,248	70,977	281,656	161,137	168,937	37,036	46,136
Capital projects	-	-	-	-	-	-	-	20,411	-
Total restricted	736,555	558,262	359,988	460,338	613,629	797,724	706,758	816,251	756,768
Committed for:									
Capital projects	-	150,000	60,376	209,053	359,943	149,213	224,661	217,088	458,204
Transportation	-	-	-	-	-	129,678	593,825	291,955	522,639
Total committed	-	150,000	60,376	209,053	359,943	278,891	818,486	509,043	980,843
Assigned to:									
Debt service	164,278	37,548	15,069	28,448	36,534	12,079	25,266	168,819	124,143
Public safety	129,750	-	-	-	-	-	-	-	-
Fire wells	80,000	-	-	-	-	-	-	-	-
Capital projects	109,873	354,621	584,686	269,077	249,800	205,476	156,624	84,417	112,597
Total assigned	483,901	392,169	599,755	297,525	286,334	217,555	181,890	253,236	236,740
Total All Other Governmental Funds	\$ 1,236,266	\$ 1,103,780	\$ 1,023,773	\$ 970,773	\$ 1,261,480	\$ 1,296,412	\$ 1,709,668	\$ 1,581,143	\$ 1,977,925
<i>All Other Governmental Funds % Change From Prior Year</i>	<u>-18.1%</u>	<u>-10.7%</u>	<u>-7.2%</u>	<u>-5.2%</u>	<u>29.9%</u>	<u>2.8%</u>	<u>31.9%</u>	<u>-7.5%</u>	<u>25.1%</u>
Total Governmental Funds	\$ 3,833,665	\$ 3,989,967	\$ 5,014,207	\$ 5,453,840	\$ 6,462,699	\$ 4,843,824	\$ 5,618,505	\$ 5,410,394	\$ 6,877,389
<i>All Governmental Funds % Change From Prior Year</i>	<u>15.1%</u>	<u>4.1%</u>	<u>25.7%</u>	<u>8.8%</u>	<u>18.5%</u>	<u>-25.0%</u>	<u>16.0%</u>	<u>-3.7%</u>	<u>27.1%</u>

Notes:
The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2011. The Town did not restate the prior year.

Data Source:
Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
 Taxable Assessed Value - Real and Personal Property (Unaudited)
 Last Ten Fiscal Years

Fiscal Year	Real Property			Other ¹	Personal Property	Less: Tax Exemptions	Total Taxable Assessed Value	Total Annual Percentage Change	Town Direct Tax Rate ²	Total Estimated Market Value	Total Taxable Assessed Value as a Percentage of Market Value
	Residential Property	Commercial Property	Agricultural Property								
2010	\$ 1,067,522,270	\$ 59,293,720	\$ 124,650,020	\$ 165,161,070	\$ 47,481,047	\$ 261,605,081	\$ 1,202,503,046	-10.48%	3.9400	\$ 2,130,022,287	56.45%
2011	\$ 1,007,447,260	\$ 51,352,070	\$ 128,276,640	\$ 160,690,440	\$ 46,823,972	\$ 268,202,021	\$ 1,126,388,361	-6.33%	3.9404	\$ 2,030,640,740	55.47%
2012	\$ 967,580,110	\$ 44,081,160	\$ 130,689,460	\$ 160,579,690	\$ 45,941,532	\$ 259,862,760	\$ 1,089,009,192	-3.32%	3.9404	\$ 1,779,105,372	61.21%
2013	\$ 973,702,090	\$ 47,545,710	\$ 127,729,960	\$ 159,741,230	\$ 45,560,922	\$ 258,013,175	\$ 1,096,266,737	0.67%	3.9042	\$ 1,723,189,712	63.62%
2014	\$ 1,000,893,470	\$ 46,589,150	\$ 121,841,100	\$ 164,026,390	\$ 45,912,186	\$ 260,832,475	\$ 1,118,429,821	2.02%	3.9404	\$ 1,730,622,616	64.63%
2015	\$ 1,051,905,200	\$ 49,605,590	\$ 113,472,180	\$ 176,639,690	\$ 42,117,640	\$ 253,470,692	\$ 1,180,269,608	5.53%	4.2719	\$ 1,813,245,860	65.09%
2016	\$ 1,115,305,220	\$ 47,143,840	\$ 103,491,530	\$ 185,956,010	\$ 45,036,741	\$ 266,153,221	\$ 1,230,780,120	4.28%	4.3354	\$ 1,880,663,050	65.44%
2017	\$ 1,173,456,760	\$ 49,986,360	\$ 109,225,190	\$ 178,296,050	\$ 48,718,150	\$ 274,686,748	\$ 1,284,995,762	4.40%	4.4629	\$ 2,048,999,020	62.71%
2018	\$ 1,226,324,800	\$ 52,081,760	\$ 120,626,080	\$ 186,344,830	\$ 52,742,316	\$ 277,947,879	\$ 1,360,171,907	5.85%	4.4629	\$ 2,207,484,810	61.62%
2019	\$ 1,275,280,790	\$ 50,405,780	\$ 131,012,770	\$ 184,158,150	\$ 58,308,572	\$ 289,659,456	\$ 1,409,506,606	3.63%	4.8311	\$ 2,284,562,510	61.70%
*	\$ 1,085,941,797	\$ 49,808,514	\$ 121,101,493	\$ 172,159,355	\$ 47,864,308	\$ 267,043,351	\$ 1,209,832,116			\$ 1,962,853,598	61.64%
**	19.5%	-15.0%	5.1%	11.5%	22.8%	10.7%	17.2%				

* Dollar average for ten years.

** Percentage change in dollars over ten years.

Notes:

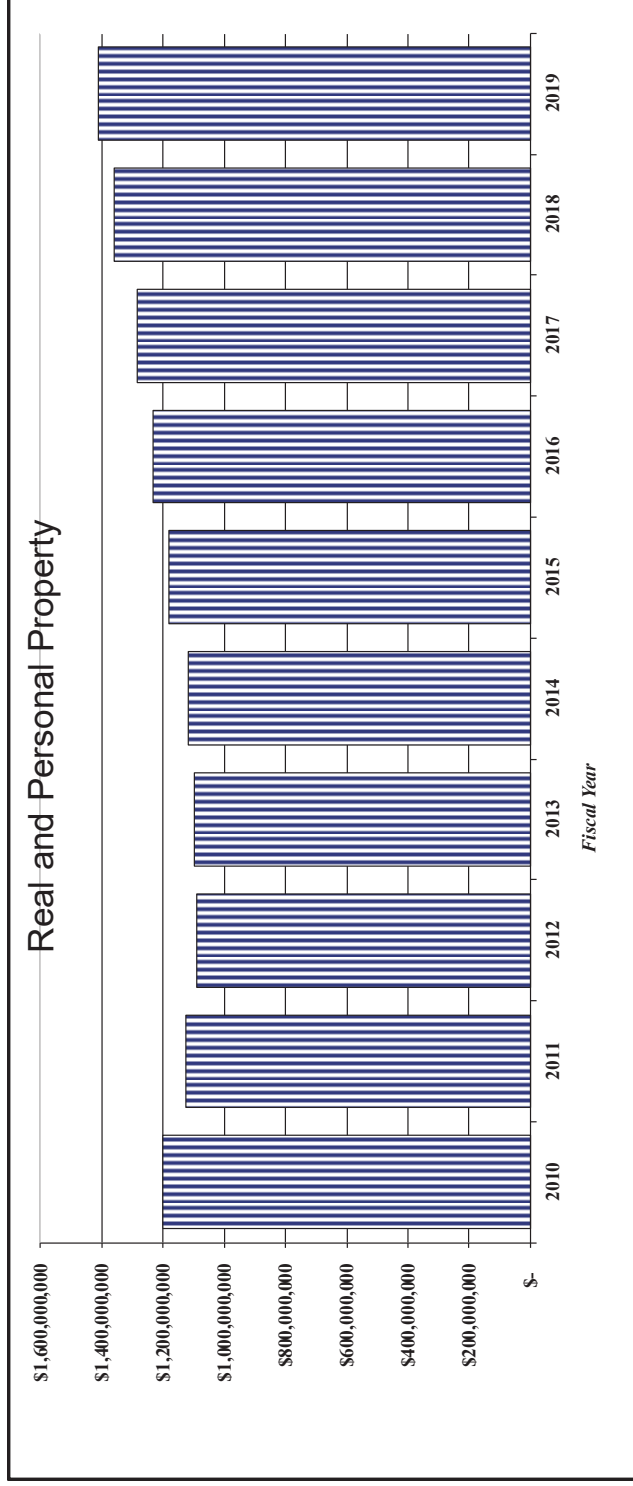
¹ Other includes: industrial, institutional, government, and miscellaneous.

² Tax rates expressed in rate per \$1,000.

Data Source:

Broward County Property Appraiser's Office.

Town of Southwest Ranches, Florida
Chart-Total Taxable Assessed Value (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



**Town of Southwest Ranches, Florida
Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)**

Fiscal Year	Overlapping Rates ¹										Total Direct and Overlapping Millage			
	Town of Southwest Ranches			Broward County			Broward County School Board			South Florida Water Management District				
	Operating Millage	TSDOR Millage ²	Total Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Water Management District		FIN District ³	Children's Services Council	South Broward Hospital District
2010	3.9400	-	3.9400	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.6240	0.0345	0.4243	1.2732	19.1159
2011	3.9404	-	3.9404	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.6240	0.0345	0.4696	1.2732	19.5257
2012	3.9404	-	3.9404	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4363	0.0345	0.4789	0.7500	18.6111
2013	3.9042	-	3.9042	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4289	0.0345	0.4902	0.6000	18.4668
2014	3.9404	-	3.9404	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345	0.4882	0.4000	18.4771
2015	3.9404	0.3315	4.2719	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.3842	0.0345	0.4882	0.1863	18.5261
2016	3.9404	0.3950	4.3354	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	18.3814
2017	4.0579	0.4050	4.4629	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.3307	0.0320	0.4882	0.1615	18.0506
2018	4.1017	0.3612	4.4629	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.3100	0.0320	0.4882	0.1496	17.6511
2019	4.4969	0.3342	4.8311	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029	0.2936	0.0320	0.4882	0.1414	17.8582

Notes:

¹ Overlapping rates are those of governments that overlap the Town's geographic boundaries.

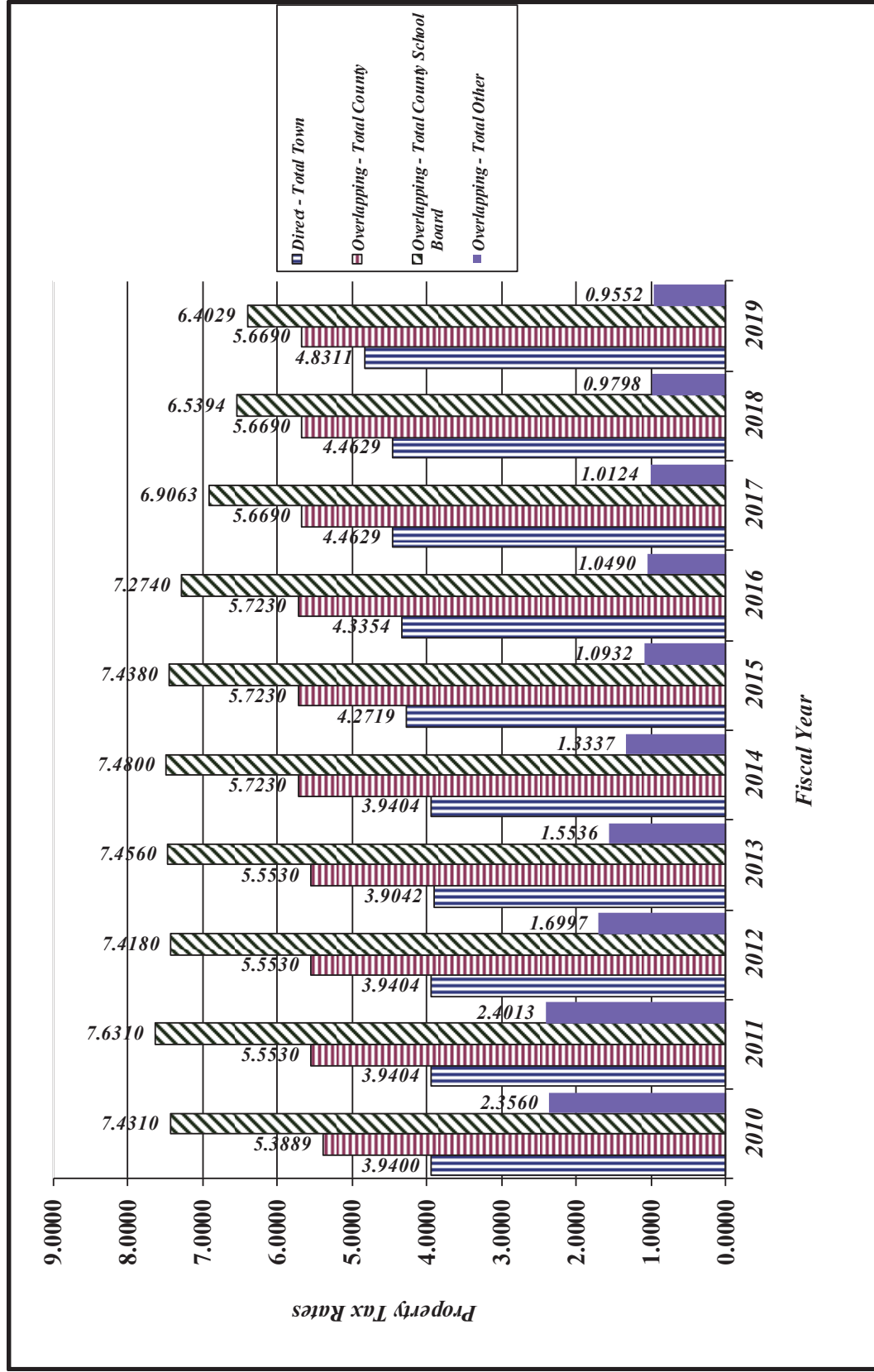
² TSDOR = Transportation Surface and Drainage Ongoing Rehabilitation Capital Improvement Project commenced in FY 2015.

³ Florida Inland Navigational District.

Data Source:

Broward County Property Appraiser Office.

Town of Southwest Ranches, Florida
 Chart-Direct and Overlapping Property Tax Rates (Unaudited)
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed taxable value)



Town of Southwest Ranches, Florida
Total Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Total Taxes Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy ¹		Collections in Subsequent Years ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount Collected	Percentage of Levy
2010	\$ 4,777,532	\$ 4,547,332	95.18%	\$ -	\$ 4,547,332	95.18%
2011	\$ 4,479,936	\$ 4,275,648	95.44%	\$ 61,831	\$ 4,337,479	96.82%
2012	\$ 4,318,983	\$ 4,131,352	95.66%	\$ 124,971	\$ 4,256,323	98.55%
2013	\$ 4,323,515	\$ 4,256,493	98.45%	\$ 64,519	\$ 4,321,012	99.94%
2014	\$ 4,433,004	\$ 4,389,935	99.03%	\$ (9,075)	\$ 4,380,860	98.82%
2015	\$ 5,142,216	\$ 4,964,524	96.54%	\$ 4,778	\$ 4,969,302	96.64%
2016	\$ 5,412,895	\$ 5,285,675	97.65%	\$ 7,547	\$ 5,293,222	97.79%
2017	\$ 5,800,986	\$ 5,687,676	98.05%	\$ 10,308	\$ 5,697,984	98.22%
2018	\$ 6,181,457	\$ 6,045,637	97.80%	\$ 5,858	\$ 6,051,495	97.90%
2019	\$ 6,832,483	\$ 6,783,089	99.28%	\$ -	\$ 6,783,089	99.28%

Notes:

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

² Collections in subsequent years is not available prior to fiscal year 2011.

Data Source:

Broward County Property Appraisal Office.

**Town of Southwest Ranches, Florida
Principal Real Property Taxpayers (Unaudited)
Current Year and Nine Years Prior**

FY 2019		FY 2010					
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value			
Coquina Station LLC	\$ 18,119,260	1	1.34%	US Retail Income Fund	\$ 15,426,720	1	1.34%
Lowes Home Centers, Inc.	10,500,000	2	0.78%	Lowes Home Centers, Inc.	15,394,000	2	1.33%
Landmark Custom Ranches	7,156,540	3	0.53%	Landmark Custom Ranches	7,548,440	3	0.65%
Cubsmart LP	7,015,420	4	0.52%	Raymond and Baidwatte Moses	4,922,800	4	0.43%
Moses, Raymond & Baidwatte	5,916,400	5	0.44%	YSI LLC	4,825,700	5	0.42%
Pintaluga, Eric & Robyn	5,279,450	6	0.39%	Finkel, Nathan & Jacqueline	4,667,360	6	0.40%
Necuze, Gerrardo, & Marcia	4,918,510	7	0.36%	Urdaneta, Luis Felipe	4,336,160	7	0.38%
M-N-C Property Holdings LLC	4,852,040	8	0.36%	MGT Southwest Ranches	3,809,050	8	0.33%
Toll Southeast LP	4,805,930	9	0.36%	Wayne Peta, Gay & Reginald	3,673,720	9	0.32%
Fove East Land Tr Altman	4,400,800	10	0.33%	Levine, Susan	3,639,500	10	0.32%
Total Principal Taxpayers	72,964,350		5.40%	Total Principal Taxpayers	68,243,450		5.91%
All Other Taxpayers	1,278,233,684		94.60%	All Other Taxpayers	1,086,778,549		94.09%
Total Taxable Assessed Value	\$ 1,351,198,034		100.00%	Total Taxable Assessed Value	\$ 1,155,021,999		100.00%

Data Source:
Broward County Records, Taxes and Treasury Division.

**Town of Southwest Ranches, Florida
Principal Personal Property Taxpayers (Unaudited)
Current Year and Nine Years Prior**

FY 2019		FY 2010		
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer
Florida Power and Light Co.	\$ 44,316,586	1	76.00%	Florida Power and Light Co.
Bellsouth Telecommunications	1,263,299	2	2.17%	Bellsouth Telecommunications
PNC Equipment Finance LLC	973,026	3	1.67%	Lowe's Home Centers
Sprint Spectrum	929,634	4	1.59%	Publix Supermarkets # 619
Comcast	913,306	5	1.57%	Walgreens
Publix Supermarkets # 619	696,358	6	1.19%	FPL Fibernet LLC
Lowe's Home Centers, Inc.	645,084	7	1.11%	Applebees
DraftPro	602,310	8	1.03%	Motiva Enterprises
AT&T Mobility	573,467	9	0.98%	Apple Tree Montessori School
Tom Thumb	424,724	10	0.73%	AT&T Mobility
Total Principal Taxpayers	51,337,794		88.05%	Total Principal Taxpayers
All Other Taxpayers	6,970,778		11.95%	All Other Taxpayers
Total Taxable Assessed Value	\$ 58,308,572		100.00%	Total Taxable Assessed Value
				\$ 30,496,702
				2,895,597
				1,523,292
				589,406
				494,541
				475,266
				457,856
				437,881
				434,882
				408,575
				38,213,998
				9,267,049
				\$ 47,481,047

Data Source:
Broward County Records, Taxes and Treasury Division.

Town of Southwest Ranches, Florida
Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years

September 30,	Florida Municipal Loan Council		Florida Local Government Finance Commission		TD Note Series 2011		TD Note Series 2013		Centennial Loan Payable		Capital Lease		TD Note Payable		TD Note Series 2016		TD LOC Series 2018 SW Fund & Gov't Funds		Percentage of Personal Income (1)	Total Debt Per Capita
	Loan Series 2001	Loans	TD Note Series 2011	Loans	TD Note Series 2013	Loan Payable	Lease	TD Note Payable	Series 2016	SW Fund & Gov't Funds	Total	Per Capita								
2010	\$ 4,306,257	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 452,069	\$ 75,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0105%	\$ 851
2011	\$ 4,194,416	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 443,039	\$ 62,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0108%	\$ 980
2012	\$ 4,077,574	\$ -	\$ 2,335,175	\$ -	\$ -	\$ 766,019	\$ 47,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0092%	\$ 979
2013	\$ 1,640,000	\$ -	\$ 2,110,125	\$ -	\$ 2,659,800	\$ 704,261	\$ 32,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0089%	\$ 966
2014	\$ 1,640,000	\$ -	\$ 1,878,854	\$ -	\$ 2,475,100	\$ 634,217	\$ 16,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0082%	\$ 866
2015	\$ 1,640,000	\$ -	\$ 1,641,204	\$ -	\$ 2,292,900	\$ 561,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0074%	\$ 817
2016	\$ -	\$ -	\$ 1,397,000	\$ -	\$ 2,108,500	\$ 485,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,786	\$ -	\$ 7,750,000	\$ -	\$ -	\$ -	\$ -	0.0137%	\$ 1,519
2017	\$ -	\$ -	\$ 1,146,061	\$ -	\$ 1,917,300	\$ 406,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,082	\$ -	\$ 7,750,000	\$ -	\$ -	\$ -	\$ -	0.0125%	\$ 1,442
2018	\$ -	\$ -	\$ 888,201	\$ -	\$ 1,724,500	\$ 324,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,746	\$ -	\$ 7,750,000	\$ 3,731,225	\$ 14,555,198	\$ -	\$ -	0.0153%	\$ 1,829
2019	\$ -	\$ -	\$ 623,229	\$ -	\$ 1,525,400	\$ 238,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,761	\$ -	\$ 7,750,000	\$ 1,761,698	\$ 12,010,076	\$ -	\$ -	{}	\$ 1,505

Notes:

¹ The percentage of personal income is based on personal income for Broward County since personal income for the Town is not available.

Data Source:

Applicable years' comprehensive annual financial report.

{ } Information not available from County.

Town of Southwest Ranches, Florida
Debt Service Anti-Dilution Coverages (Unaudited)
 (Amounts in thousands)

Fiscal Years 2019, 2018, 2017, 2016, 2015, 2014, 2013 and 2012¹
TD 2018 Emergency Line of Credit, Notes Payable Series 2016, 2013 and 2011
Test of Prior Two Year Average of Non-Advallorom Revenues:

	Average Adjusted Non-Advallorom Revenues	Adjusted Essential Expenditures	Net Non-Advallorom Revenues Available for Debt Service	Total Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	*****/Maximum Additional Bond Test/*****				
								Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2019	\$ 6,520	\$ 2,000	\$ 4,520	\$ 1,026	4.41 %	1.30 %	3.11 %	\$ 1,263	\$ 3,257	3.58 %	1.50 %	2.08 %
2018	\$ 5,897	\$ 2,083	\$ 3,814	\$ 953	4.00 %	1.30 %	2.70 %	\$ 1,386	\$ 2,428	2.75 %	1.50 %	1.25 %
2017	\$ 5,634	\$ 1,936	\$ 3,698	\$ 925	4.00 %	1.30 %	2.70 %	\$ 1,152	\$ 2,546	3.21 %	1.50 %	1.71 %
2016	\$ 5,706	\$ 2,076	\$ 3,630	\$ 724	5.01 %	1.30 %	3.71 %	\$ 1,152	\$ 2,478	3.15 %	1.50 %	1.65 %

TD Notes Payable Series 2013 and 2011 - modified above during FY 2016 pursuant to TD Series 2016 issuance

	Non-Advallorom Revenues Available for Debt Service	Total Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	*****/Maximum Additional Bond Test/*****				
							Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2015	\$ 1,937	\$ 723	\$ 1,214	2.68 %	1.30 %	1.38 %	\$ 734	\$ 1,203	2.64 %	1.50 %	1.14 %
2014	\$ 1,524	\$ 720	\$ 804	2.12 %	1.30 %	0.82 %	\$ 723	\$ 801	2.11 %	1.50 %	0.61 %
2013	\$ 1,842	\$ 712	\$ 1,130	2.59 %	1.30 %	1.29 %	\$ 723	\$ 1,119	2.55 %	1.50 %	1.05 %
2012	\$ 1,315	\$ 609	\$ 706	2.16 %	1.30 %	0.86 %	\$ 723	\$ 592	1.82 %	1.50 %	0.32 %

FMLC Loan Payable Series 2001 - retired during FY 2016

A. Test of Prior Two Year Average of Non-Advallorom Revenues:

	Average Adjusted Non-Advallorom Revenues	Adjusted Essential Expenditures	Net Non-Advallorom Revenues Available for Debt Service	Total Max Annual Debt Service	Debt Service Coverage Ratio	Excess Coverage	*****/Maximum Additional Bond Test/*****					
							Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	
2015	\$ 5,792	\$ 2,488	\$ 3,304	\$ 734	4.50 %	150.00 %	300.12 %					
2014	\$ 5,362	\$ 2,526	\$ 2,836	\$ 723	3.92 %	150.00 %	242.19 %					
2013 ²	\$ 4,970	\$ 2,368	\$ 2,602	\$ 723	3.59 %	150.00 %	209.89 %					

B. Projected Maximum annual debt service does not exceed 20% of Governmental Fund Revenues:

	Two Year Avg			Total Max Annual Debt Service	Debt Service Coverage Percentage	Maximum Allowed Percentage	Excess Percentage
	Net total Governmental Funds Revenue	Debt Service Coverage Percentage	Maximum Allowed Percentage				
2015	\$ 11,376	6.45 %	20.00 %	734	6.45 %	20.00 %	13.55 %
2014	\$ 10,192	7.09 %	20.00 %	723	7.09 %	20.00 %	12.91 %
2013 ²	\$ 9,369	7.72 %	20.00 %	723	7.72 %	20.00 %	12.28 %

Notes:

¹ 2012 is the oldest data readily available.

² 2013 is the oldest data readily available.

Data Source:

Applicable years' comprehensive annual financial reports and appropriate loan documentation.

Town of Southwest Ranches, Florida
Overlapping Governmental Activities Debt (Unaudited)
September 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Underlying Debt</u>
Overlapping Debt^{1, 2}			
Broward County	\$ 164,580,000	0.688379%	\$ 1,132,934
Broward County School Board	1,755,652,000	0.006918%	<u>121,451</u>
Sub-Total Overlapping Debt			1,254,385
Town Direct Debt			<u>10,248,378</u>
Total Direct and Overlapping Debt			<u><u>\$ 11,502,763</u></u>

Notes:

¹ Applicable percentage was estimated by determining the portion of the Town's assessed value that is within the County's geographic boundaries.

Data Source:

² Each specific government.

Town of Southwest Ranches, Florida
Demographic and Economic Statistics (Unaudited)
Last Ten Calendar Years

Calendar Year	Population ¹	(in \$1,000) Total Personal Income ^{2, 3}	Per Capita Personal Income ⁴	Unemployment Rate		
				County ³	State of Florida ⁵	United States ⁶
2010	8,619	\$ 69,752,093	\$ 39,902	10.6%	11.8%	9.5%
2011	7,345	\$ 66,797,269	\$ 38,101	9.3%	10.6%	9.1%
2012	7,385	\$ 78,687,882	\$ 44,429	7.5%	8.1%	7.8%
2013	7,396	\$ 80,525,783	\$ 45,120	5.6%	6.7%	7.3%
2014	7,676	\$ 80,905,552	\$ 44,850	5.2%	6.0%	5.7%
2015	7,761	\$ 85,167,498	\$ 46,607	4.9%	5.3%	5.0%
2016	7,852	\$ 86,987,787	\$ 46,906	4.6%	5.0%	4.9%
2017	7,892	\$ 91,224,860	\$ 48,680	3.3%	3.8%	4.2%
2018	7,958	\$ 95,409,356	\$ 50,269	2.8%	3.5%	3.7%
2019	7,981	\$ {i}	\$ {i}	2.8%	3.2%	3.5%

Notes:

There are no public schools located within the Town.

Data Sources:

¹ Florida Legislative Office of Economic and Demographic Research
2016 per US Census Bureau.

² 2010 and 2011 estimated by management.

³ Broward County comprehensive annual financial reports.

⁴ Broward County total personal income divided by the Broward County population.

⁵ Real Estate Center, <http://recenter.tamu.edu/data/emp/emps/st12.asp>.

⁶ U.S. Department of Labor, Bureau of Labor Statistics, <http://data.bls.gov/cgi-bin/surveymost> & US Census Quick Facts.

{i} Information not available from County

**Town of Southwest Ranches, Florida
Principal Employers (Unaudited)
Current Year and Nine Years Ago**

2019			
Employer	Type of Business	Number of Employees	Rank
Archbishop McCarthy High School	Private School	164	1
Publix Supermarkets	Retail	157	2
Lowe's Home Centers, Inc.	Retail	135	3
Romeus Cuban Restaurant	Restaurant	40	4
McDonald's	Restaurant	35	5
Starbucks Coffee Company	Restaurant	32	6
Walgreens	Retail	24	7
Original Pancake House	Restaurant	22	8
Apple Montessori School	Private School	18	9
R&R Garden Center	Nursery	5	10
Total Principal Employers		632	
2010			
Employer	Type of Business	Number of Employees	Rank
Lowe's Home Centers, Inc.	Retail	130	1
Publix Supermarkets	Retail	110	2
Archbishop McCarthy High School	Private School	78	3
Applebee's Neighborhood Grill	Restaurant	50	4
McDonald's	Restaurant	46	5
Apple Montessori School	Private School	40	6
Romeus Cuban Restaurant	Restaurant	36	7
Original Pancake House	Restaurant	30	8
Starbucks Coffee Company	Restaurant	22	9
Walgreens	Retail	17	10
Total Principal Employers		559	

Data Source:

Town records.

Town of Southwest Ranches, Florida
Town Full-Time Funded Positions by Function/Program (Unaudited)
Last Ten Fiscal Years

<u>Function/program</u>	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Town Commission</i>	5	5	5	5	5	5	5	5	5	5
General Government:										
Town management	6	5	5	3	3	3	3	3	3	3
Community services ¹	10	10	10	14	13	13	15	13	13	13
Total General Government	16	15	15	17	16	16	18	16	16	16
Contracted Employees:										
General government, management services	4	4	4	4	4	4	4	4	4	4
Fire rescue	12	43	43	50	50	44	44	46	46	50
Emergency medical services	9	4	4	15	15	15	15	15	15	15
Police protection	15	15	15	15	16	16	16	16	16	16
Total Contracted Employees	40	66	66	84	85	79	79	81	81	85
Total	61	86	86	106	106	100	102	102	102	106
Percentage Change From Prior Year	7.0%	41.0%	0.0%	23.3%	0.0%	-5.7%	2.0%	0.0%	0.0%	3.9%

Notes:

¹ Community services includes parks and recreation, community development, transportation, executive, clerk and finance departments.

Data Source:

Town of Southwest Ranches Community Services and Finance Departments.

Town of Southwest Ranches, Florida
Operating Statistics by Function/Program (Unaudited) ¹
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT:										
Building Permits Issued ²	321	433	422	403	407	377	531	566	636	609
Building Inspections Conducted:										
CAP Government Services Inc.:	2,798	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Electrical ²	N/A	381	366	440	417	471	472	683	732	1087
Fire ²	N/A	24	19	11	17	19	5	8	29	21
Mechanical ²	N/A	163	126	169	134	246	249	251	201	264
Plumbing ²	N/A	306	300	332	414	538	482	590	527	843
Structural ²	N/A	1283	1457	1410	1526	1818	1624	1965	2282	2824
Zoning ²	N/A	35	7	11	74	75	104	153	213	246
Other ²	N/A	13	2	3	28	24	20	39	109	83
Total building inspections	2,798	2,205	2,277	2,376	2,610	3,191	2,956	3,689	4,093	5,368
Certificates of Use Registrations ³	28	35	23	11	14	2	4	17	1	20
Planning & Zoning Permits Issued ³	-	213	177	153	148	196	230	318	238	317
FIRE:										
Emergency Responses ⁴	779	403	437	685	747	791	912	789	799	648
Station 112 Average Response Time ⁴	-	-	-	5:58	6:13	5:52	5:10	5:17	5:57	6:42
Inspections	55	40	31	98	98	165	84	146	185	202
POLICE: ⁵										
Physical arrests	112	132	77	54	43	43	33	29	33	43
Parking violations	9	2	-	2	-	-	-	3	-	-
Traffic violations	2,192	3,025	1,225	1,011	2,174	2,416	1,773	1,369	1,673	1,824
REFUSE COLLECTION: ⁶										
Residential SW- mo. avg in tons	11.60	10.89	26.45	287.54	262.29	258.71	257.34	344.16	261.58	257.77
Residential Recycling - mo. avg in tons	5.44	7.63	8.51	36.54	51.20	62.98	64.01	67.46	78.41	76.79
Residential Bulk - mo. avg in tons	82.56	78.90	70.11	593.63	698.53	790.07	719.54	1,283.00	707.96	687.68
OTHER PUBLIC WORKS: ⁶										
Street resurfacing (in miles)	6.00	-	0.95	-	-	-	2.28	-	2.95	-
Potholes repaired	400	107	112	88	93	107	222	224	255	183
WATER: ⁷										
New connections	2	1	1	-	1	3	4	3	10	5
Average daily consumption (thousands of gallons)	10.83	13.47	12.02	11.52	10.26	10.66	12.16	13.63	13.26	14.46
Peak monthly consumption (thousands of gallons)	479	556	440	419	428	417	420	483	502	526
General Government Tax Rates:										
Utility Services:										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication Services	-	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Franchises:										
Electric	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Solid Waste (commercial)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Towing	13%	13%	13%	13%	13%	15%	15%	15%	15%	15%

Notes:¹ Information not presented is not available.² Information provided by CAP Government Services Inc.³ Information provided by Code Services Inc.⁴ Information provided by Broward County Sheriff's Office for western portion of Town and information for the eastern portion of the Town not available from the Town of Davie 2010-2011. Information for 2012 provided by Pembroke Pines. Information since 2013 provided by Town of Davie.⁵ Information provided by Town of Davie (2014-Present) and BSO (2010-2013).⁶ Information provided by Town Contractors. 2013 change from daily average to monthly pertaining to refuse collection.⁷ Information provided by City of Sunrise Public Works. The Town's residents obtain their water supply from wells and septic tanks except for certain residents who have privately connected with the City of Sunrise.

Town of Southwest Ranches, Florida
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FIRE:										
Stations ¹	1	1	1	1	1	1	1	1	1	1
Vehicles owned ¹	-	3	3	3	3	3	3	3	3	3
POLICE:										
Stations ¹	-	-	-	-	-	-	-	-	-	-
Patrol units	15	15	15	15	16	16	16	16	16	16
OTHER PUBLIC WORKS:										
Streets (miles)	82	82	82	82	82	82	82	82	82	82
Streetlights ²	13	13	13	13	13	13	13	13	13	13
PARKS AND RECREATION:										
Acreage	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01
Community Center	-	-	-	-	-	1	1	1	1	1
Playgrounds	1	1	1	2	2	2	2	3	3	3
Equestrian ring	2	2	2	2	2	2	2	2	2	2
Picnic pavilion	1	1	1	1	1	2	2	4	4	5
Restroom facilities	1	1	1	1	1	3	3	3	3	3
Nature trails (miles)	1.5	1.5	1.5	1.5	1.5	1.5	5	5	5	5
Multi-use trails (miles)	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35
WATER:										
Water mains (miles) ³	12	12	12	12	12	12	12	12	12	12
Fire wells	283	285	285	285	286	286	286	286	284	284
Fire hydrants ⁴	-	-	-	-	-	-	-	95	95	95
Lakes (acres) ⁵	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) ⁶	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0

Data Sources:

Various Town departments unless otherwise noted.

Notes:

¹ Items not presented, provided by a contractor.

² Only streetlights and traffic signals are on Griffin Road which is owned and maintained by Broward County.

³ Information provided by City of Sunrise Utilities Department. Unable to determine how many miles of water mains have been added since 2005.

⁴ Information provided by Town of Davie Fire Marshall in FY 2017. Fire hydrants owned and maintained by City of Sunrise.

⁵ Information provided by South Broward Drainage District. Unable to obtain information from Central Broward Water Control District.

⁶ Information provided by South Broward Drainage District and Central Broward Water Control District.

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REPORTING SECTION



2019 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Michael Tromans

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

To the Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Ranches, Florida (the "Town"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 6, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, FL
March 6, 2020

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

To the Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

Report on Compliance for Each Major Federal Program

We have audited the Town of Southwest Ranches, Florida (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended September 30, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



KEEFE McCULLOUGH

Fort Lauderdale, FL
March 6, 2020

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

To The Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Town of Southwest Ranches, Florida (the "Town"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 6, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 6, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, FL
March 6, 2020

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

To The Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

We have examined the Town of Southwest Ranches, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management of the Town is responsible for the Town's compliance with the specific requirements. Our responsibility is to express an opinion on the Town's compliance with the specific requirements based on our examination.

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of Members of the Town Council, management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, FL
March 6, 2020

Town of Southwest Ranches, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Federal Agency/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Expenditures	Transfers to Sub-recipients
Federal Awards:				
<u>U.S. Department of Homeland Security:</u>				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2017-FO-06784	\$ 36,340	\$ -
Pass-through State of Florida Division of Emergency Management -				
Disaster Grants - Public Assistance (Irma)	97.036	Z0722	3,813,114	-
Total Expenditures of Federal Awards			\$ 3,849,454	\$ -

See notes to Schedule of Expenditures of Federal Awards.

Town of Southwest Ranches, Florida
Notes to Schedule of Expenditures of Federal Awards
September 30, 2019

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal grant activity of the Town of Southwest Ranches, Florida (the "Town") for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3 - Indirect Cost Rate

The Town did not elect to use the 10% de minimis indirect cost rate.

Note 4 - Contingency

The grant and contract revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies would become a liability of the Town. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the agreements and applicable federal and state laws and other applicable regulations.

Note 5 – Prior Year Expenditures

The Schedule includes financial assistance from the U.S. Department of Homeland Security in the amount \$ 3,813,114 that represents expenditures from the 2017 and 2018 fiscal years.

Town of Southwest Ranches, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements.
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Town of Southwest Ranches, Florida, were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal program for the Town of Southwest Ranches, Florida, expresses an unmodified opinion.
6. There are no audit findings relative to the major federal program for the Town of Southwest Ranches, Florida, reported in Part C of this schedule.
7. The program tested as major program is as follows:

<u>Federal Award Program</u>	<u>CFDA Number</u>
U.S. Department of Homeland Security - Disaster Grants - Public Assistance	97.036

8. The threshold for distinguishing Type A and Type B programs was \$ 750,000.
9. The Town of Southwest Ranches was not determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

No matters were reported.

C. Findings and Questioned Costs - Major Federal Award Programs

No matters were reported.

D. Other Issues

1. A separate management letter was not issued.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to federal programs.
3. No Corrective Action Plan is required because there were no findings reported under the Uniform Guidance.



TOWN OF SOUTHWEST RANCHES, FLORIDA
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