

TOWN OF
SOUTHWEST RANCHES, FLORIDA



**Comprehensive Annual
Financial Report**

Fiscal Year Ended
September 30, 2013



**TOWN OF
SOUTHWEST RANCHES, FLORIDA
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2013**



Prepared by Finance Department

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

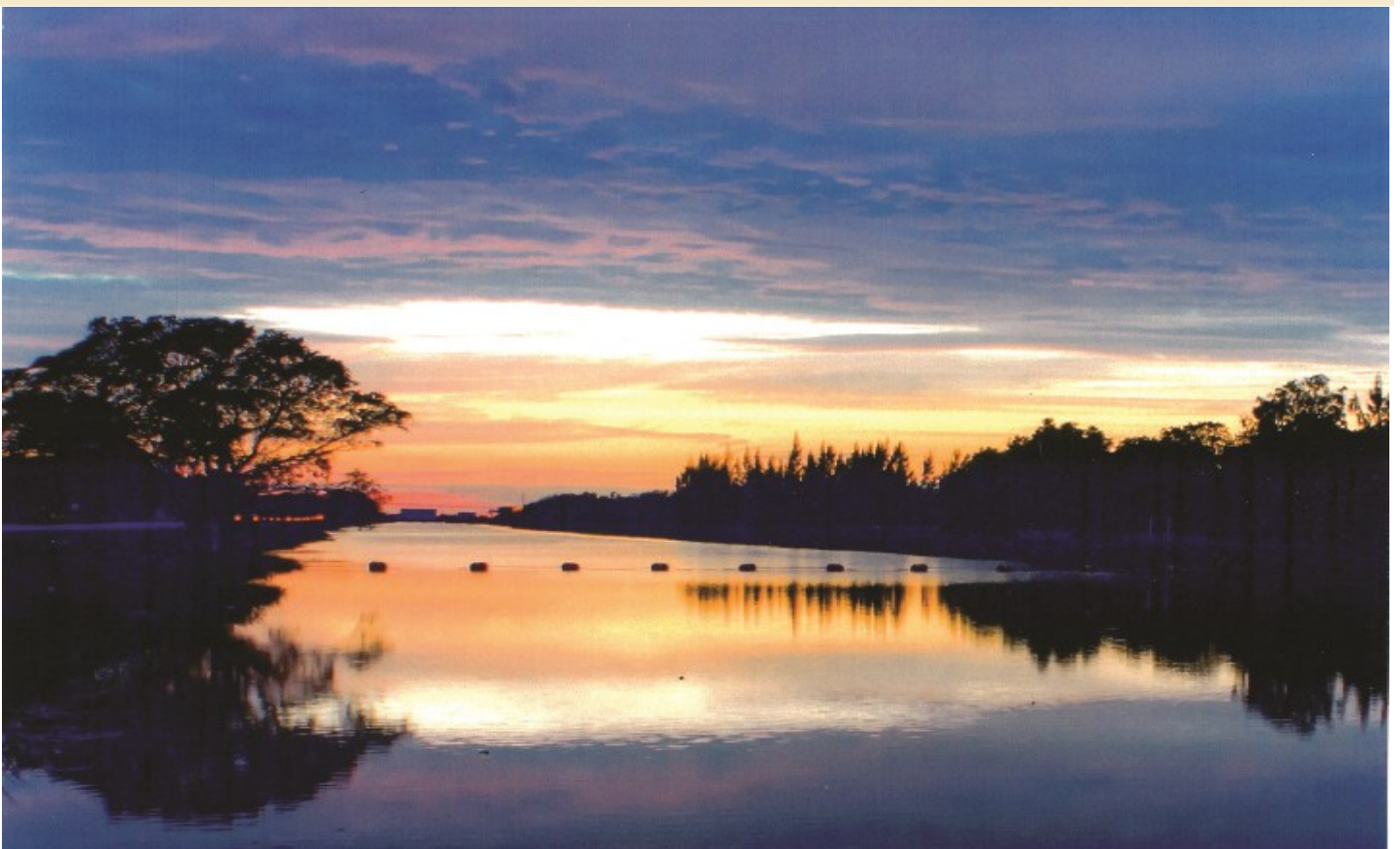
Peter C. Brill
Controller

“THE VISION OF THE TOWN
OF SOUTHWEST RANCHES IS TO
ENHANCE AND PRESERVE THE UNIQUE RURAL CHARACTER OF ITS COMMUNITY.

THE TOWN SHALL PROMOTE,
MAINTAIN AND PROTECT ITS
AGRICULTURAL, RESIDENTIAL AND EQUESTRIAN LIFESTYLES,
SENSITIVE TO THE NATURAL
ENVIRONMENT.

MOTTO

“PRESERVING OUR RURAL LIFESTYLE”



2013 Town of Southwest Ranches Rural Public Arts Advisory Board Photo Contest
Submitted by: Bob Hartmann

TOWN OF SOUTHWEST RANCHES, FLORIDA

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TOWN OF SOUTHWEST RANCHES, FLORIDA

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INTRODUCTORY SECTION



2013 Town of Southwest Ranches Rural Public Arts Advisory Board Photo Contest
Submitted by: Linda Bryan



Town of Southwest Ranches

13400 Griffin Road
Southwest Ranches, FL 33330-2628

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

Town Council
Jeff Nelson, Mayor
Gary Jablonski, Vice Mayor
Steve Breitreuz, Council Member
Freddy Fisikelli, Council Member
Doug McKay, Council Member

Andy Berns, Town Administrator
Keith M. Poliakoff, Town Attorney
Erika Gonzalez-Santamaria, CMC, Town Clerk
Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

March 14, 2014

To the Honorable Mayor and 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, 2013. 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 presents the Town's 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 Department and the exhibits and statistical tables included herein.

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.

Marcum LLP, independent auditors, has issued an unmodified opinion on the Town of Southwest Ranch's financial statements for the fiscal year ended September 30, 2013. 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 generally accepted accounting principles 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 the 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 2012 census population estimate of 7,601 and is located in the southwest portion of Broward County, a major metropolitan area. The Town is located between the three major urban cities, Davie (population estimate of 95,489), Pembroke Pines (population estimate of 160,306) and Weston (population estimate of 67,641). The neighboring cities provide a wealth of attractions and business for use by the residents of the Town. The residents benefit from this close association with the 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 and on November 2, 2010. 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 an 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 of 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 was 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 composed 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 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, the Town has maintained its strong financial position through prudent planning and fiscal actions to reduce or contain costs.

The Town has rebounded from a weak economy and real estate sales and values have seen an uptick as most other governments in Florida and in the nation; however, the Town has weathered this business cycle better than other communities due to the composition of its economy. Specifically, the Town primarily consists of an affluent residential housing stock of minimum one-acre and larger, single family estates.

In 2012, the Town experienced a less than 1% increase in taxable assessed value and a 2.0% increase in 2013. However, the 2013 taxable assessed values are still below the 2009 taxable assessed valuation causing financial stress to the Town.

The Town has made it a policy to establish reserve funds to offset unanticipated expenditures and ensure that a funding source exists in the event of a setback in the continuation of recently positive economic conditions. The General Fund has an unassigned fund balance equal to 38.2% of the 2013 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. Accordingly, nine projects have been fully or partially funded during the fiscal year 2014 budget process.

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 reviews and evaluates its existing obligations and future borrowing needs regularly. The Town, when necessary, will only issue debt for capital improvement projects. 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 and recreation capital improvements. The Town also borrowed \$439,139 and \$360,860 in 2010 and 2012, respectively from a line of credit 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 loans are still outstanding at September 30, 2013.

AWARDS

The Town has applied for and was awarded the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental 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 2012. 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 2013 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

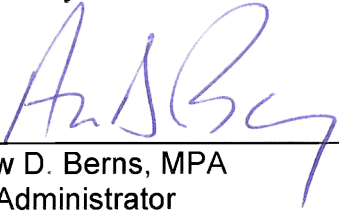
ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the Finance Department. The unconditional cooperation of the other departments and their respective staff is also greatly appreciated and deserving of thanks for understanding the importance of the financial status of this Town and as such, worked diligently to provide quality service within our financial means. We also

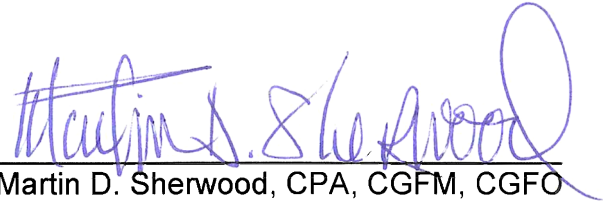
wish to extend our appreciation to the auditing firm of Marcum LLP for their professional approach and high standards in conducting the audit of the Town's basic financial statements and related note disclosures as well as their assistance in the preparation of this CAFR.

Finally, credit also must be given to the Mayor and the Town Council for their leadership and unfailing support for maintaining the highest standards of professionalism in the management of the Town of Southwest Ranches finances.

Respectfully submitted,



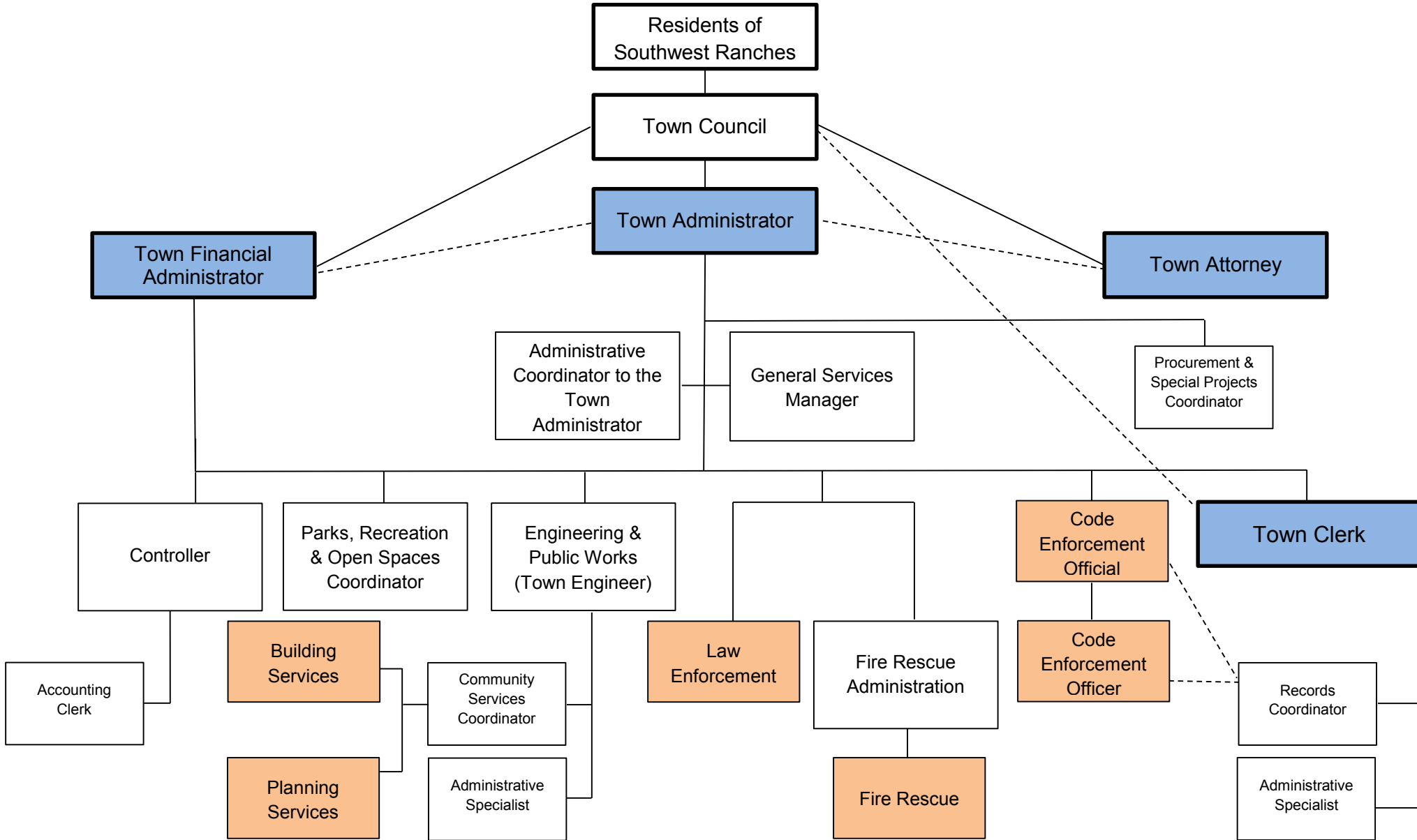
Andrew D. Berns, MPA
Town Administrator



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



TOWN OF SOUTHWEST RANCHES ORGANIZATIONAL CHART Fiscal Year Ended September 30, 2013



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, 2013

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



JEFF NELSON
Mayor



STEVE BREITKREUZ
Vice Mayor



DOUG MCKAY
Council Member



FREDDY FISIKELLI
Council Member



GARY JABLONSKI
Council Member

TOWN ADMINISTRATOR
Andrew D. Berns, MPA

TOWN ATTORNEY
Keith Poliakoff, Esq.
Arnstein & Lehr, LLP

TOWN CLERK
Erika Gonzalez-Santamaria, CMC

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

INDEPENDENT AUDITORS
Marcum 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, 2012

Executive Director/CEO

FINANCIAL SECTION



2013 Town of Southwest Ranches Rural Public Arts Advisory Board Photo Contest
Submitted by: Chezney Stevens

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' 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 fiscal year ended September 30, 2013 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Ranches, Florida as of September 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3–11 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.

Supplementary and 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 combining and individual nonmajor fund financial statements, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2014 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, Florida
March 14, 2014

**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, 2013. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2013 FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$50,052,533 (net position) as of September 30, 2013.
- Total net position increased \$1,395,805 and is comprised of the following:
 - (1) Net investment in capital assets of \$44,642,297 include property and equipment, net of accumulated depreciation, and the deferred amount on refunding, reduced for outstanding debt.
 - (2) Net position of \$370,921 is restricted by constraints imposed from the Town and from outside the Town, such as from grantors, laws, or regulations, in the amount of \$312,740 for transportation, \$47,248 for the volunteer fire department, and \$10,933 for public safety.
 - (3) Unrestricted net position consists of \$5,039,315 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 \$5,014,207 at September 30, 2013. This compares to the prior year total ending fund balance of \$3,989,967 showing an increase of \$1,024,240 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3,458,623, or 41% of total General Fund expenditures and transfers. The unrestricted fund balance for the General fund was \$3,979,501 or 47% of total General Fund expenditures and transfers.
- Overall, the Town continues to maintain a strong 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 comprehensive annual financial 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 of the Town's assets plus deferred outflows of resources 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, parks and recreation and transportation.

The government-wide financial statements are presented on pages 13 and 14 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 15 - 18 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 is classified as an enterprise fund (Solid Waste). The enterprise fund essentially encompass the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 19 - 21 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 22 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

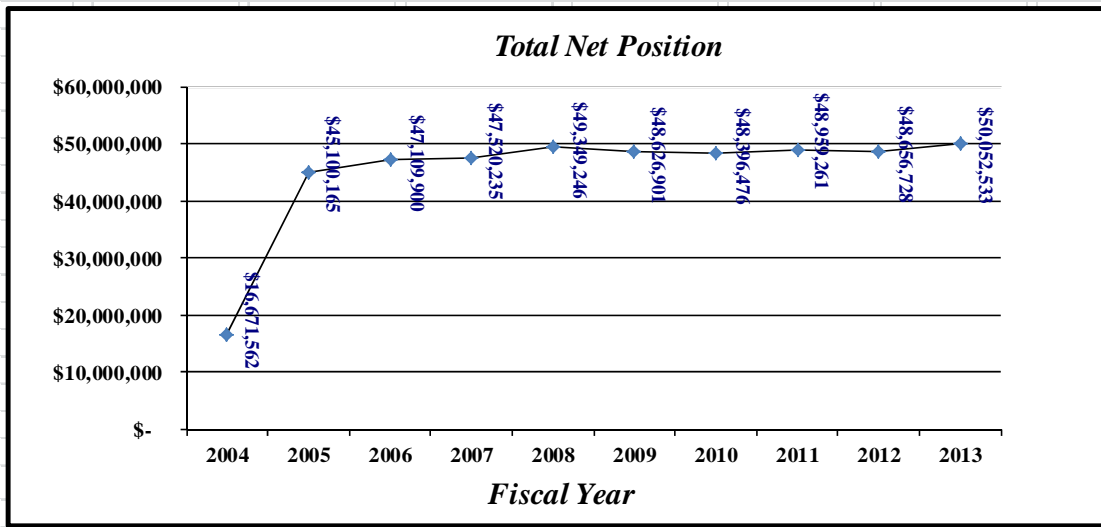
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 47.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year-end is \$50,052,533. The following table provides a summary of the Town's net position:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current assets	\$ 4,872,279	\$ 4,430,512	\$ 464,224	\$ 417,976	\$ 5,336,503	\$ 4,848,488
Non-current assets:						
Other	497,720	41,514	-	-	497,720	41,514
Capital assets	51,764,270	51,647,806	-	-	51,764,270	51,647,806
Total assets	57,134,269	56,119,832	464,224	417,976	57,598,493	56,537,808
Deferred Outflows of Resources:						
Deferred amount on refunding	69,100	-	-	-	69,100	-
Liabilities:						
Current liabilities	902,391	965,111	69,114	114,827	971,505	1,079,938
Long-term liabilities	6,643,555	6,801,142	-	-	6,643,555	6,801,142
Total liabilities	7,545,946	7,766,253	69,114	114,827	7,615,060	7,881,080
Net position:						
Net investment in capital assets	44,642,297	44,421,400	-	-	44,642,297	44,421,400
Restricted	370,921	582,907	-	-	370,921	582,907
Unrestricted	4,644,205	3,349,272	395,110	303,149	5,039,315	3,652,421
Total net position	\$ 49,657,423	\$ 48,353,579	\$ 395,110	\$ 303,149	\$ 50,052,533	\$ 48,656,728

The following chart reports the Town's total net position balances from fiscal year 2004-2013.



Note over the last ten years, the total net position has increased by \$33,380,971. The major increase in fiscal year 2005 relates to the retroactive reporting of infrastructure.

Current assets in governmental activities and business-type activities increased in fiscal year September 30, 2013. Cash for governmental activities and business-type activities increased \$807,415 and \$46,412, 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 5.4 to 1 as compared to 4.6 to 1 at September 30, 2012. The current ratio for business-type activities is 6.7 to 1 as compared to 3.6 to 1 at September 30, 2012. Overall, the total current ratio at September 30, 2013 improved to 5.5 to 1 as compared to 4.5 to 1 at September 30, 2012. The increase was primarily due to a partial refinance of \$2.4 million of Series 2001 revenue bonds with the Florida Municipal Loan Council (FMLC) that generated \$320,700 in current cash from present value interest savings with another financial institution and without increasing long-term liabilities during fiscal year end 2013.

The Town reported positive balances in net position for both governmental and business-type activities. During 2013, net position increased \$1,303,844 and \$91,961 for governmental activities and business-type activities, respectively. The Town's overall financial position improved during fiscal year 2013. The Town remains in a strong financial position within an overall improving economy.

Note that approximately 90.6% 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 89.9% 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	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program:						
Charges for services	\$ 3,022,246	\$ 2,593,205	\$ 1,097,252	\$ 1,539,737	\$ 4,119,498	\$ 4,132,942
Operating grants and contributions	35,683	48,197	113,914	-	149,597	48,197
Capital grants and contributions	382,033	181,015	-	-	382,033	181,015
General:						
Ad valorem taxes	4,146,677	4,105,338	-	-	4,146,677	4,105,338
Other taxes	1,719,015	1,686,512	-	-	1,719,015	1,686,512
Intergovernmental	720,491	689,697	-	-	720,491	689,697
Investment earnings	17,725	30,789	564	2,121	18,289	32,910
Transfers	174,492	128,701	(174,492)	(128,701)	-	-
Miscellaneous	134,736	97,064	21,445	-	156,181	97,064
Total revenues	10,353,098	9,560,518	1,058,683	1,413,157	11,411,781	10,973,675
Program Expenses:						
General government	1,837,205	1,897,921	-	-	1,837,205	1,897,921
Public safety	4,971,275	5,136,515	-	-	4,971,275	5,136,515
Parks and recreation	497,374	419,249	-	-	497,374	419,249
Transportation	744,296	730,440	-	-	744,296	730,440
Community services	719,489	887,750	-	-	719,489	887,750
Interest and other debt service costs	279,615	299,696	-	-	279,615	299,696
Solid waste	-	-	966,722	1,401,456	966,722	1,401,456
Total expenses	9,049,254	9,371,571	966,722	1,401,456	10,015,976	10,773,027
Changes in net position	1,303,844	188,947	91,961	11,701	1,395,805	200,648
Beginning net position	48,353,579	48,667,813	303,149	291,448	48,656,728	48,959,261
Prior Period Adjustment	-	(503,181)	-	-	-	(503,181)
Beginning net position - as restated	\$ 48,353,579	\$ 48,164,632	\$ 303,149	\$ 291,448	\$ 48,656,728	\$ 48,456,080
Ending net position	\$ 49,657,423	\$ 48,353,579	\$ 395,110	\$ 303,149	\$ 50,052,533	\$ 48,656,728

Governmental Activity Revenues

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 40.1% of the Town's total revenues as compared to 42.9% in fiscal year 2012. Other taxes, which includes franchise and utility taxes provided 16.6% and 17.6% of the Town's total revenues for fiscal year 2013 and 2012, respectively. Because of the Town's healthy financial position, we have been able to earn \$17,725 in investment earnings to support governmental activities.

Note that program revenues covered 38.0% of governmental operating expenditures as compared to 30.1% in fiscal year 2012. This means that the government's taxpayers and the Town's other general revenues normally fund 62.0% 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	1,837,205	20.3%	\$ 1,800,069	32.1%
Public safety	4,971,275	54.9%	2,861,303	51.0%
Community services	719,489	8.0%	(465,780)	-8.3%
Parks and recreation	497,374	5.5%	397,374	7.1%
Transportation	744,296	8.2%	736,711	13.1%
Interest and other debt service costs	279,615	3.1%	279,615	5.0%
Total	\$ 9,049,254	100.0%	\$ 5,609,292	100.0%

The public safety expenditures total gross almost 55% while net of program revenues total 51% of costs. The public safety function generated \$1,836,977 in user charges and \$272,995 in grant revenues, which offsets program costs. The community services expenditures total gross of 8.0% while net of program revenues total -8.3%. The community services function generated \$1,185,269 in user charges, primarily from fines and forfeitures of \$741,077, resulting in a negative program cost (and therefore a revenue positive situation). 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 decreased \$421,040 or 27.4% while operating expenses decreased \$434,734 or 31.0%.

Specifically, contractual and recycling expenses decreased \$423,470 due to a change in solid and bulk waste as well as recycling providers resulting in a lower cost of service and which also impacted revenues since most of the savings was passed through to customers in the form of lower rates. Recycling expenses of \$113,914, pertaining to the distribution of new recycling carts, were 100% reimbursed by a recycling grant. Other operating expenses decreased \$11,264 in fiscal year 2013 as compared to fiscal year 2012. Much of this decrease relates to a decrease in professional fees and studies that were charged in fiscal year 2012.

In total, the operating income increased \$13,694. The total increase in net position was \$91,961.

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 \$5,014,207 compared to \$3,989,967 at September 30, 2012.

The total governmental revenues exceeded expenditures by \$1,024,240.

The General Fund revenues exceeded its expenditures by \$2,165,907. Transfers in from Solid Waste of \$174,492 and transfers to other funds totaling \$1,236,152 offset this excess. The details of the general fund's financial operations are discussed below.

Governmental funds report total fund balance of \$5,014,207. Of this year-end total, \$370,921 is legally restricted for transportation, volunteer fire operations, and public safety. \$73,312 is committed to various projects. \$599,755 is assigned to the following purposes; debt service \$15,069 and capital projects \$584,686. \$511,596 is considered non-spendable and \$3,458,623 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show an increase of \$1,024,240 or 25.7% 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 increased by \$1,104,247 or 38.3% as compared to an 11.1% increase in 2012. The ending unassigned fund balance is considered very adequate, representing the equivalent of 46.5% of annual expenditures. This percentage compares to 32.1% at September 30, 2012.

Ad valorem (property) taxes increased \$41,339 or 1.0%. This increase relates to a slight increase in the taxable value of property, with no offsetting millage rate increase from the prior year. However, in total, all tax revenues were \$73,842, or 1.3%, above those of 2012. Fines and forfeitures were \$741,077 or 232.3% over the 2012 amount primarily due to legal recoveries, including two real property foreclosures, totaling \$526,401.

Total General Fund expenditures decreased \$325,699 or 4.2% below the fiscal year 2012 level. The most significant changes, by department, from fiscal year 2012 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, and finance departments were \$41,471 less than the 2012 amount.

In total, public safety costs were down \$224,051 or 4.4% below the 2012 amount. This decrease is due to a reduction in the amount of police overtime required (\$117,864 or 2.3% in total), as well as favorable contract negotiations with a new fire protection/EMS service provider (\$106,187 or 2.1% in total).

The 2013 community services expenditures were \$168,261 or 19.0% below 2012. This decrease relates to lower code enforcement costs of \$70,469 as well as lower permits and application fees for building, planning/zoning and engineering in the amount of \$97,792. The 2013 parks and recreation amounts were \$45,541 above the 2012 amount of \$177,921. The major portion of this increase relates to tree maintenance of \$14,907, contractual services maintenance of \$12,112, grounds maintenance of \$11,256 and personnel costs of \$7,266.

In this fiscal year, the General Fund transferred \$1,236,152 to other funds, which included \$735,938 to the Debt Service Fund, \$249,217 to the Volunteer Fire Department Fund (a component unit), \$137,497 to the Capital Projects Fund, and \$113,500 to the Transportation Fund. The Solid Waste Fund transferred \$174,492 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. In fiscal year 2013, revenue of \$174,863 of intergovernmental revenue was earned as compared to \$210,462 in fiscal year 2012. \$229,809 was expended on roadways in 2013 and \$263,702 on capital outlay for drainage improvements; \$62,702, roadway improvements and paving, \$182,878, including striping/markers and guardrails \$18,122. The total legally restricted transportation fund balance at fiscal year-end 2013 was \$312,740.

Capital Projects Fund - This fund is primarily financed from transfers from the General Fund, as indicated above, and Debt Service loan refinance proceeds of \$320,700. Additionally, intergovernmental revenue, consisting of capital grants, increased \$182,162 or 19.8% from the prior year to \$349,397 due to higher capital grants and contributions.

During fiscal year 2013, this fund spent \$25,000 on transportation costs and \$670,193 on capital outlay, which includes:

- Machinery and Equipment for Public Safety \$124,397
- Machinery and Equipment for Emergency and Disaster Relief purposes \$125,000
- Building Improvements for Town Hall/Public Safety \$108,047
- Infrastructure for Parks and Open Spaces \$206,120
- Machinery and Equipment for Parks and Open Spaces \$106,629

Assigned fund balance totaled \$584,686 while committed fund balance totaled \$60,376. The total capital projects fund balance at fiscal year-end 2013 was \$645,062.

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 funds.

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.

Property taxes and utility taxes exceeded the final budget by \$56,896 or 1.4% and \$119,447 or 11.6%, respectively. The property tax increase relates to fewer taxpayers taking advantage of pre-payment discounts and settlements received from the Value Adjustment Board. Higher utility taxes resulted primarily from the receipt of multi-year propane gas tax collections due to audits initiated by the finance department. Additionally, fines and forfeitures and miscellaneous revenues exceeded the final budget by \$478,609 or 182.3% and \$56,586 or 71.0%, respectively. The fines and forfeitures increase relates to the unanticipated foreclosure of two real properties while the miscellaneous increase relates to the unanticipated receipt of a preliminary final distribution from the Broward County Resource Recovery Board. Intergovernmental revenues were \$38,401 or 6.4% below the final budget. This decrease relates to lower than anticipated federal grant – public safety receipts which correspondently was offset by lower federal grant – public safety expenditures. All other revenue sources were consistent with the adopted budget. Overall, the Town ultimately recognized 107% of the revenue budget.

On the expenditure side, the Town's actual expenditures for each department were less than budgeted due to conservative budgeting. By function, general governmental were \$179,249 or 9.1% below the budget, public safety were \$159,185 or 3.4% below the budget, community service were \$72,790 or 9.2% below the budget, parks and recreation were \$8,911 or 3.8% below the budget and capital outlay were \$62,337 or 31.8% below the budget.

Overall, the total General Fund budget was underspent by \$482,472 or 6.1% due to tight Departmental Director expenditure controls and timing in capital outlay commencement.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's net investment in capital assets for governmental activities as of September 30, 2013, was \$51,764,270. The change in this net investment was an approximate 1/48th of 1% increase 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	
	2013	2012
Non-depreciable assets:		
Land	\$ 34,075,870	\$ 34,045,677
Construction in progress	2,168,255	3,464,730
Total non-depreciable	<u>36,244,125</u>	<u>37,510,407</u>
Depreciable assets:		
Infrastructure	20,606,369	19,642,886
Improvements other than buildings	4,178,434	3,567,012
Buildings & Bldg Improvements	2,769,661	2,539,184
Furniture and equipment	1,436,993	984,364
Total depreciable assets	28,991,457	26,733,446
Less: accumulated depreciation	<u>13,471,312</u>	<u>12,596,047</u>
Net book value - depreciable assets	<u>15,520,145</u>	<u>14,137,399</u>
Percentage depreciated	<u>46%</u>	<u>47%</u>
Total Capital Asset Net Book Value	<u>\$ 51,764,270</u>	<u>\$ 51,647,806</u>

At September 30, 2013, the depreciable capital assets for governmental activities were 46% depreciated. This compares to the 47% at September 30, 2012.

For governmental activities, the majority of the increase (decrease) of the balance of construction-in-progress and the related land and all of the depreciable asset accounts, relates to the following projects:

- Town Hall Construction-in-progress (\$153,273)
- Town Hall Building improvements \$230,477
- Town Hall Furniture and equipment \$222,028
- Public Safety Furniture and equipment \$136,079
- Fishing Hole Park Equipment \$106,629
- Fishing Hole Park Construction-in-progress (\$405,302)
- Fishing Hole Park Improvements \$611,422
- Calusa Corners Construction-in-progress (\$30,193)
- Calusa Corners Land \$30,193
- Public Safety Infrastructure-Fire Wells \$25,000
- Drainage Construction-in-progress (331,740)
- Drainage Infrastructure-SW 210 Project \$38,421
- Drainage Infrastructure-Townwide \$224,733
- Drainage Infrastructure-52 street culvert \$55,067
- Drainage Infrastructure-SW 70 place \$10,000

- Guardrail Infrastructure-Townwide \$5,040
- Guardrail Infrastructure-SW 130 street \$13,082
- Road Resurfacing Construction-in-progress (\$375,968)
- Road Resurfacing Infrastructure-Townwide \$515,456
- Road Striping Infrastructure-SW 185 &186 \$5,656
- Road Striping Infrastructure-Stirling & Mustang \$27,734

Town Hall computer and communications equipment were disposed during fiscal year 2013 representing the \$45,221 decrease in the furniture and equipment account.

Debt

The Town reports the series 2001 revenue bonds issued through the Florida Municipal Loan Council was partially refinanced to a new twelve-year, series 2013 revenue refunding note payable as well as series 2011 revenue refunding note and loan payable with financial institutions, and a capital lease. The following table reports long-term debt balances at September 30, 2013 and 2012:

	Outstanding Long-term Debt			
	Governmental Activities			
	2013		2012	
FMLC Loan Payable	\$ 1,640,000	**	\$ 4,030,000	**
TD note payable	2,659,800		-	
TD note payable	2,110,125		2,335,175	
CBB loan payable	704,261		766,019	
Capital lease	32,529		47,638	
	<u>\$ 7,146,715</u>		<u>\$ 7,178,832</u>	

**Totals herein include total principal amount outstanding for the FMLC loan payable. During the year, the Town wrote off miscellaneous costs associated with debt in the amount of \$90,160. See Note 7 for additional information about the Town's long-term debt.

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 2013, the unemployment rate for Broward County residents was 5.4%, comparing favorably to the State's unemployment rate of 6.8%. The Town's residents would expect to have a lower unemployment rate than is reported for the county. Inflationary trends in the region also compare favorably to national indices, which is a positive sign. In addition, according to the U.S. Census Bureau (2008-2012), the Town's median household income of \$105,230 compares favorably to the State's median household income of \$47,309.

In the 2013–2014 adopted budget, we continue operating in a cautious economic environment. There are some indications of a marginal increase in housing values and related taxable values. Additionally, inflationary trends in the region compare favorably to national indices.

Some of the key elements affecting the fiscal year 2013-2014 budget include:

- Relatively no change in taxable values
- Continuance of an extremely low interest yield environment
- Crude oil prices may assert some inflationary pressures
- Slow growth rates of building construction and rehabilitation
- A marginal decline in the State of Florida shared revenues, especially from gas taxes

All of these factors result in many budget challenges in fiscal year 2013-2014 and beyond. Additionally, the Town is carefully monitoring Florida Legislative initiatives and their future impact on the Town's ability to function at its present level.

The millage rate for fiscal year 2014 was increased to the Towns' historical rate of 3.9404 as compared to 3.9042 for fiscal year 2013 resulting in an anticipated positive net revenue change of \$38,582.

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 requests for additional information should be addressed to the Town Financial Administrator, Town of Southwest Ranches, 13400 Griffin Road, Southwest Ranches, Florida 33330-2628.

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, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,333,487	\$ 462,938	\$ 4,796,425
Investments	39,330	--	39,330
Receivables	255,450	1,286	256,736
Receivable, intergovernmental	215,136	--	215,136
Prepaid items	28,876	--	28,876
Deposits	15,000	--	15,000
Assets held for resale	482,720	--	482,720
Capital assets not being depreciated	36,244,125	--	36,244,125
Capital assets being depreciated, net	15,520,145	--	15,520,145
Total Assets	<u>57,134,269</u>	<u>464,224</u>	<u>57,598,493</u>
Deferred Outflows of Resources			
Deferred amount on refunding	<u>69,100</u>	<u>--</u>	<u>69,100</u>
Liabilities			
Accounts payable and other accrued liabilities	347,767	69,114	416,881
Accrued interest payable	43,439	--	43,439
Unearned revenues	8,025	--	8,025
Noncurrent liabilities:			
Due within one year	503,160	--	503,160
Due in more than one year	6,643,555	--	6,643,555
Total Liabilities	<u>7,545,946</u>	<u>69,114</u>	<u>7,615,060</u>
Net Position			
Net investment in capital assets	44,642,297	--	44,642,297
Restricted for:			
Transportation	312,740	--	312,740
Volunteer fire services	47,248	--	47,248
Public safety	10,933	--	10,933
Unrestricted	4,644,205	395,110	5,039,315
Total Net Position	<u>\$49,657,423</u>	<u>\$ 395,110</u>	<u>\$50,052,533</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	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	\$ 1,837,205	\$ --	\$ 4,500	\$ 32,636	\$ (1,800,069)	\$ --	\$ (1,800,069)
Public safety	4,971,275	1,836,977	23,598	249,397	(2,861,303)	--	(2,861,303)
Community services	719,489	1,185,269	--	--	465,780	--	465,780
Parks and recreation	497,374	--	--	100,000	(397,374)	--	(397,374)
Transportation	744,296	--	7,585	--	(736,711)	--	(736,711)
Interest	279,615	--	--	--	(279,615)	--	(279,615)
Total Governmental Activities	9,049,254	3,022,246	35,683	382,033	(5,609,292)	--	(5,609,292)
Business-type Activities							
Solid waste	966,722	1,097,252	113,914	--	--	244,444	244,444
Total Primary Government	\$ 10,015,976	\$ 4,119,498	\$ 149,597	\$ 382,033	(5,609,292)	244,444	(5,364,848)
General Revenues							
Ad valorem taxes					4,146,677	--	4,146,677
Franchise fees based on gross receipts					571,399	--	571,399
Unrestricted intergovernmental revenue					720,491	--	720,491
Utility taxes					1,147,616	--	1,147,616
Unrestricted investment income					17,725	564	18,289
Miscellaneous					134,736	21,445	156,181
Transfers					174,492	(174,492)	--
Total General Revenues and Transfers					6,913,136	(152,483)	6,760,653
Change in Net Position					1,303,844	91,961	1,395,805
Net Position - Beginning of Year					48,353,579	303,149	48,656,728
Net Position - End of Year					\$ 49,657,423	\$ 395,110	\$ 50,052,533

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,288,616	\$ 393,366	\$ 576,588	\$ 74,917	\$ 4,333,487
Investments	39,330	--	--	--	39,330
Receivables	255,450	--	--	--	255,450
Intergovernmental receivable	101,044	14,092	100,000	--	215,136
Prepaid items	25,222	--	--	3,654	28,876
Deposits	--	--	15,000	--	15,000
Assets held for resale	482,720	--	--	--	482,720
Total Assets	\$ 4,192,382	\$ 407,458	\$ 691,588	\$ 78,571	\$ 5,369,999
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	200,923	87,718	46,526	12,600	347,767
Unearned revenues	1,025	7,000	--	--	8,025
Total Liabilities	201,948	94,718	46,526	12,600	355,792
Fund Balances					
Non-spendable:					
Prepaid items	25,222	--	--	3,654	28,876
Assets held for resale	482,720	--	--	--	482,720
Restricted for:					
Transportation	--	312,740	--	--	312,740
Volunteer fire services	--	--	--	47,248	47,248
Public safety	10,933	--	--	--	10,933
Committed for:					
Tree preservation	3,086	--	--	--	3,086
Capital projects	9,850	--	60,376	--	70,226
Transportation	--	--	--	--	--
Assigned for:					
Debt service	--	--	--	15,069	15,069
Capital projects	--	--	584,686	--	584,686
Unassigned	3,458,623	--	--	--	3,458,623
Total Fund Balances	3,990,434	312,740	645,062	65,971	5,014,207
Total Liabilities and Fund Balances	\$ 4,192,382	\$ 407,458	\$ 691,588	\$ 78,571	\$ 5,369,999

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2013

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

Fund Balances - Total Governmental Funds
(Page 17) \$ 5,014,207

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

Capital assets	\$ 65,235,582	
Accumulated depreciation	<u>(13,471,312)</u>	51,764,270

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

Accrued interest payable	(43,439)	
Notes and loans payable	(7,114,186)	
Capital lease payable	(32,529)	
Deferred amount on refunding	<u>69,100</u>	<u>(7,121,054)</u>

Net Position of Governmental Activities (Page 15) \$ 49,657,423

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$4,146,677	\$ --	\$ --	\$ --	\$ 4,146,677
Utility taxes	1,147,616	--	--	--	1,147,616
Franchise fees	571,399	--	--	--	571,399
Licenses and permits	517,697	--	--	--	517,697
Intergovernmental	560,442	174,863	349,397	16,369	1,101,071
Charges for services	1,763,472	--	--	--	1,763,472
Fines and forfeitures	741,077	--	--	--	741,077
Investment income	16,767	433	443	82	17,725
Miscellaneous	136,286	--	32,636	2,950	171,872
Total Revenues	<u>9,601,433</u>	<u>175,296</u>	<u>382,476</u>	<u>19,401</u>	<u>10,178,606</u>
Expenditures					
Current:					
General government	1,796,001	--	--	--	1,796,001
Public safety:					
Law enforcement	1,991,740	--	--	--	1,991,740
Fire control	2,571,124	--	--	258,972	2,830,096
Total public safety	<u>4,562,864</u>	<u>--</u>	<u>--</u>	<u>258,972</u>	<u>4,821,836</u>
Community services	719,489	--	--	--	719,489
Parks and recreation	223,462	--	--	--	223,462
Transportation	--	229,809	25,000	--	254,809
Capital outlay	133,710	263,702	670,193	2,900	1,070,505
Debt service:					
Principal	--	--	--	2,691,917	2,691,917
Interest	--	--	--	290,939	290,939
Issuance costs	--	--	5,039	114,661	119,700
Total Expenditures	<u>7,435,526</u>	<u>493,511</u>	<u>700,232</u>	<u>3,359,389</u>	<u>11,988,658</u>
Excess (deficiency) of revenues over expenditures	<u>2,165,907</u>	<u>(318,215)</u>	<u>(317,756)</u>	<u>(3,339,988)</u>	<u>(1,810,052)</u>
Other Financing Sources (Uses)					
Loan proceeds	--	--	320,700	--	320,700
Refunding note issued	--	--	-	2,339,100	2,339,100
Transfers in	174,492	113,500	137,497	985,155	1,410,644
Transfers out	<u>(1,236,152)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,236,152)</u>
Total Other Financing Sources (Uses)	<u>(1,061,660)</u>	<u>113,500</u>	<u>458,197</u>	<u>3,324,255</u>	<u>2,834,292</u>
Net Change in Fund Balances	1,104,247	(204,715)	140,441	(15,733)	1,024,240
Fund Balances - Beginning	<u>2,886,187</u>	<u>517,455</u>	<u>504,621</u>	<u>81,704</u>	<u>3,989,967</u>
Fund Balances - Ending	<u>\$3,990,434</u>	<u>\$ 312,740</u>	<u>\$645,062</u>	<u>\$ 65,971</u>	<u>\$ 5,014,207</u>

The accompanying notes are an integral part of these financial 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, 2013

**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) \$ 1,024,240

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	\$ 1,070,505	
Less: current year provision for depreciation expense	<u>(954,041)</u>	116,464

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 are deferred and amortized
in the statement of activities. This detail of the difference
is as follows:

Loan proceeds	(320,700)	
Refunding note proceeds	(2,339,100)	
Repayment of principal	421,917	
Principal redeemed on refunded bonds	2,270,000	
Write-off of miscellaneous costs associated with debt	<u>90,160</u>	122,277

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:

Accrued interest payable	<u>40,863</u>
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Change in Net Position of Governmental Activities (Page 16) \$ 1,303,844

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF NET POSITION - PROPRIETARY FUND

SEPTEMBER 30, 2013

	<u>Solid Waste Fund</u>
Assets	
Current Assets	
Cash	\$ 462,938
Receivables	<u>1,286</u>
Total Assets	<u>464,224</u>
Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued liabilities	<u>69,114</u>
Total Liabilities	69,114
Net Position	
Unrestricted	<u>395,110</u>
Total Net Position	<u>\$ 395,110</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION - PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Solid Waste Fund</u>
Operating Revenues	
Charges for services	\$ 1,097,252
Other operating revenues	<u>21,445</u>
Total Operating Revenues	<u>1,118,697</u>
Operating Expenses	
Contractual services	782,522
Recycling expenses	161,930
Other operating expenses	<u>22,270</u>
Total Operating Expenses	<u>966,722</u>
Operating Income	151,975
Nonoperating Revenues	
Investment income	564
Recycling grant	<u>113,914</u>
Income before transfers	266,453
Transfer out	<u>(174,492)</u>
Change in Net Position	91,961
Net Position - Beginning of Year	<u>303,149</u>
Net Position - End of Year	<u><u>\$ 395,110</u></u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Solid Waste Fund
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 1,097,416
Cash received from other operating activities	21,445
Cash paid to suppliers	<u>(1,012,435)</u>
Net Cash Provided by Operating Activities	<u>106,426</u>
Cash Flows from Non-Capital Financing Activities	
Cash received from recycling grant	113,914
Transfer out	<u>(174,492)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>(60,578)</u>
Cash Flows from Investing Activities	
Interest received	<u>564</u>
Net Increase in Cash	46,412
Cash - Beginning	<u>416,526</u>
Cash - Ending	<u><u>\$ 462,938</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	<u>\$ 151,975</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in receivables	164
Decrease in accounts payable and other accrued liabilities	<u>(45,713)</u>
Total adjustments	<u>(45,549)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 106,426</u></u>

The accompanying notes are an integral part of these financial 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, 2013

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 composed of four Council elected 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. A Town Financial Administrator is appointed by the Council and is responsible for financial control of the resources of the Town.

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, an entity for which the Town is considered to be financially accountable. The Town is financially accountable if the Town Council appoints a voting majority of an organization's governing body and the Town is able to impose its will on that organization, or the Town has a financial benefit/burden relationship with the organization. Blended component units are, in substance, part of the Town's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Town.

The Southwest Ranches Volunteer Fire-Rescue, Inc. (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, 501c(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. There are no separately issued financial statements for this component unit.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of the nonfiduciary 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 certain legally separate component units for which the Town is financially accountable.

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 major individual enterprise funds 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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 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 types 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.

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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 total 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 proprietary funds 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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then, unrestricted resources as they are needed.

D. IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS WITH IMPACT ON THE FINANCIAL STATEMENTS

The Town implemented the following GASB Statements during the fiscal year ended September 30, 2013:

GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of financial position.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS WITH IMPACT ON THE FINANCIAL STATEMENTS (CONTINUED)

GASB Statement No. 65 Items Previously Reported as Assets and Liabilities.

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

This statement incorporates into GASB literature certain accounting and financial reporting guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements which does not conflict with GASB pronouncements.

E. 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 single checking account for Town receipts and all disbursements including payroll.

The Town's cash and cash equivalents are considered to be cash and short-term investments with original maturities of three months or less from the date of acquisition. The Town's cash and cash equivalents include cash on hand, demand deposits, and investments with Florida PRIME administered by the State Board of Administration. Fund B which is also administered by the State Board of Administration is classified as an investment.

The Town's investments in the Florida PRIME are stated at the value of the pool shares (2a-7 like pool), which is fair value. Fund B is a fluctuating NAV pool and is reported based on the fair value factor.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

G. CAPITAL ASSETS

Capital assets, which include land, construction in progress, intangible and infrastructure assets, improvements other than buildings, buildings, furniture and equipment, and building improvements, 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 estimated fair market 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	10-20
Buildings	50
Furniture and equipment	5-20
Building improvements	5

H. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable premiums and discounts.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. LONG-TERM OBLIGATIONS (CONTINUED)

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 other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, 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 government 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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has no amounts reported in this category in the current year.

J. UNEARNED REVENUE

Unearned revenue represents increases in assets prior to eligibility criteria being met.

K. FUND EQUITY

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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FUND EQUITY (CONTINUED)

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, 2013

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 are 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, 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 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 fund balance to have been depleted before using any of the 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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from management's estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

During the year, the Town's pooled cash was held in qualified public depositories. 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 obligations of the U.S. Treasury, its agencies, instrumentalities and the Florida PRIME and the Fund B Surplus Funds Trust Fund 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 and Fund B are both 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 and Fund B. The Florida PRIME is not a registrant with the

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2013, the fair value factor for Fund B was \$1.13262284 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

The Town had the following investments as of September 30, 2013:

	Fair Value	Weighted Average Maturity
Investments		
Florida PRIME	\$ 566,476	44 days
Fund B	<u>39,330</u>	4.04 years
Total Investments - Town	<u>\$ 605,806</u>	

Florida PRIME is presented as cash and cash equivalents in the financial statements.

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.

CREDIT RISK

The Town has no established investment policy other than authorization by the Town Council to invest surplus funds in the State Board of Administration Investment Pool. Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The Fund B is not rated by a nationally recognized statistical rating organization.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 2 – POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

Disclosure is required when the percentage is 5% or more in any one issuer. At September 30, 2013, the Town only invests in an external investment pool and therefore not subject to concentration of credit risk.

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, 2013.

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 year ended September 30, 2013 was 3.9042 mills (\$3.9042 per \$1,000 of taxable assessed valuation).

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 4 - RECEIVABLES

Receivables as of September 30, 2013 for the Town's funds are as follows:

	Taxes and Fees
General Fund	\$ 255,450
Solid Waste Fund	<u>1,286</u>
Total Receivables	<u><u>\$ 256,736</u></u>

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2013 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 174,492	\$ 1,236,152
Transportation Fund	113,500	--
Capital Projects Fund	137,497	--
Volunteer Fire Department Fund	249,217	--
Debt Service Fund	735,938	--
Solid Waste Fund	<u>--</u>	<u>174,492</u>
Total Interfund Transfers	<u><u>\$ 1,410,644</u></u>	<u><u>\$ 1,410,644</u></u>

General Fund Transfers In consisted entirely of \$174,492 from the Town's Solid Waste fund providing cost reimbursement to recover general fund administrative, finance and contractual compliance management, as well as legal services.

General Fund Transfers Out consisted of \$113,500 to the Transportation Fund to fund drainage and paving infrastructure improvements; \$137,497 to the Capital Projects Fund to fund capital projects primarily pertaining to the fishing hole park project at Country Estates; \$249,217 to the Volunteer Fire Department Fund (component unit) to fund volunteer fire operations; and \$735,938 to the Debt Service Fund as debt service principal and interest payments become due in accordance with debt service covenants.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Net Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$34,045,677	\$ --	\$ --	\$ 30,193	\$ 34,075,870
Construction in progress	3,464,730	--	--	(1,296,475)	2,168,255
Total capital assets, not being depreciated	<u>37,510,407</u>	<u>--</u>	<u>--</u>	<u>(1,266,282)</u>	<u>36,244,125</u>
Capital assets, being depreciated:					
Infrastructure	19,642,886	288,702	(33,555)	708,336	20,606,369
Improvements other than buildings	3,567,012	206,120	--	405,302	4,178,434
Buildings and building improvements	2,539,184	108,047	--	122,430	2,769,661
Furniture and equipment	984,364	467,636	(45,221)	30,214	1,436,993
Total capital assets being depreciated	<u>26,733,446</u>	<u>1,070,505</u>	<u>(78,776)</u>	<u>1,266,282</u>	<u>28,991,457</u>
Total capital assets	<u>64,243,853</u>	<u>1,070,505</u>	<u>(78,776)</u>	<u>--</u>	<u>65,235,582</u>
Less: accumulated depreciation for:					
Infrastructure	10,253,956	511,241	(33,555)	--	10,731,642
Improvements other than buildings	1,691,740	255,881	--	--	1,947,621
Buildings and building improvements	109,872	44,147	--	--	154,019
Furniture and equipment	540,479	142,772	(45,221)	--	638,030
Total accumulated depreciation	<u>12,596,047</u>	<u>954,041</u>	<u>(78,776)</u>	<u>--</u>	<u>13,471,312</u>
Total capital assets, being depreciated, net	<u>14,137,399</u>	<u>116,464</u>	<u>--</u>	<u>1,266,282</u>	<u>15,520,145</u>
Governmental Activities					
Capital Assets, Net	<u>\$51,647,806</u>	<u>\$ 116,464</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 51,764,270</u>

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

General government	\$ 41,203
Public safety	149,440
Transportation	489,486
Parks and recreation	<u>273,912</u>
Total Depreciation - Governmental Activities	<u><u>\$ 954,041</u></u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2013.

	Beginning Balance as Previously Stated	Restatement for GASB 65	Beginning Balance as Restated	Additions	Reductions	Ending Balance	Due Within One Year
FMLC Loan Payable	\$ 4,030,000	\$ --	\$ 4,030,000	\$ --	\$ (2,390,000)	\$ 1,640,000	\$ --
Unamortized premium	47,574	(47,574)	--	--	--	--	--
Note Payable	--	--	--	2,659,800	--	2,659,800	184,700
Note Payable	2,335,175	--	2,335,175	--	(225,050)	2,110,125	231,271
Loan Payable	766,019	--	766,019	--	(61,758)	704,261	71,136
Capital Lease Payable	47,638	--	47,638	--	(15,109)	32,529	16,053
Total	<u>\$ 7,226,406</u>	<u>\$ (47,574)</u>	<u>\$ 7,178,832</u>	<u>\$ 2,659,800</u>	<u>\$ (2,691,917)</u>	<u>\$ 7,146,715</u>	<u>\$ 503,160</u>

FLORIDA MUNICIPAL LOAN COUNCIL

In 2001, the Town entered into a loan agreement with the Florida Municipal Loan Council (FMLC) funded from proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2001A (the Bonds) for a total of \$5,099,752 (\$4,985,000 par amount of the Bonds plus a \$114,752 reoffering premium). Proceeds of the loan were used for the payoff of outstanding obligations, acquisition of certain parks and recreational land and construction of improvements and recreational facilities. 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. During 2013, the Town was in compliance with this covenant.

On June 1, 2013 the Town entered in to a loan with a financial institution for the purpose of refunding a portion of the Bonds. The amended loan requirements for the unrefunded portion of the Bonds are as follows: semi-annual payments of interest at fixed rates due in May and November of each fiscal year, beginning on November 1, 2013 through November 1, 2026; annual principal payments of varying amounts due in November of each fiscal year, beginning on November 1, 2026 through November 1, 2031; and semi-annual payments of interest at varying rates due in May and November of each fiscal year, beginning on May 1, 2027 through November 1, 2031.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual requirements to pay principal and interest on this obligation as of September 30, 2013 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2014	\$ --	\$ 82,000	\$ 82,000
2015	--	82,000	82,000
2016	--	82,000	82,000
2017	--	82,000	82,000
2018	--	82,000	82,000
2019-2023	--	410,000	410,000
2024-2028	495,000	385,625	880,625
2029-2033	<u>1,145,000</u>	<u>117,875</u>	<u>1,262,875</u>
Total	<u>\$1,640,000</u>	<u>\$1,323,500</u>	<u>\$2,963,500</u>

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. 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. The Town has pledged non-ad valorem revenue to secure payment of the principal and interest of the note. The economic gain related to this transaction, calculated on a present value basis, totals approximately \$319,300 and a cash flow savings of \$372,312. 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. During 2013, the Town was in compliance with this covenant.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 7 – LONG-TERM DEBT (CONTINUED)

REVENUE REFUNDING NOTE, SERIES 2013 (CONTINUED)

The annual requirements to pay principal and interest on this obligation as of September 30, 2013 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2014	\$ 184,700	\$ 51,297	\$ 235,997
2015	182,200	56,978	239,178
2016	184,400	52,597	236,997
2017	191,200	48,108	239,308
2018	192,800	43,520	236,320
2019-2023	1,038,900	145,256	1,184,156
2024-2028	685,600	24,791	710,391
Total	<u>\$2,659,800</u>	<u>\$422,547</u>	<u>\$3,082,347</u>

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 revenue to secure payment of the principal and interest of the note.

Fiscal Year Ending September 30,	Principal	Interest	Total
2014	\$ 231,271	\$ 55,252	\$ 286,523
2015	237,649	48,873	286,522
2016	244,204	42,319	286,523
2017	250,939	35,583	286,522
2018	257,860	28,662	286,523
2019-2023	888,202	43,011	931,213
Total	<u>\$2,110,125</u>	<u>\$253,700</u>	<u>\$2,363,825</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 7 – LONG-TERM DEBT (CONTINUED)

LOAN PAYABLE

On April 7, 2010, the Town 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 calls 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. The balance outstanding on the loan at September 30, 2013 was \$704,261. The amortization schedule herein represents the total debt service to be paid under this loan agreement. The annual requirements to pay principal and interest on this obligation as of September 30, 2013 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2014	\$ 71,136	\$ 25,831	\$ 96,967
2015	73,998	22,970	96,968
2016	76,974	19,993	96,967
2017	80,070	16,897	96,967
2018	82,442	14,525	96,967
2019-2022	<u>319,641</u>	<u>23,859</u>	<u>343,500</u>
Total	<u>\$704,261</u>	<u>\$124,075</u>	<u>\$828,336</u>

EMERGENCY LINE OF CREDIT

On June 20, 2013, the Town entered into a revolving line of credit agreement with a financial institution in an amount not to exceed \$4,500,000 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 emergency. Monthly interest payments at a variable rate equal to the prime rate less 0.25% will be due on any draws. The outstanding principal of the note plus any accrued and unpaid interest shall be due on June 30, 2018. 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 note. There were no draws on the line of credit during the fiscal year ended September 30, 2013.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 8 – LEASES

CAPITAL LEASE

In 2007, the Town entered into a lease agreement for financing the acquisition of a 1995 Pierce Quantum Custom Pumper for the Volunteer Fire Department in the amount of \$124,000. The Town is leasing the vehicle in order to sublease to the Volunteer Fire Department at \$10 per year. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

Asset Acquired Under the Capital Lease

Machinery and equipment	\$ 124,000
Accumulated depreciation	<u>(84,733)</u>
	<u>\$ 39,267</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013 were as follows:

Fiscal Year Ending September 30,	Amount
2014	\$ 18,122
2015	<u>18,122</u>
Total minimum lease payments	36,244
Less: interest portion	<u>3,715</u>
Present Value of Future Minimum Lease Payments	<u>\$ 32,529</u>

NOTE 9 – 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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 10 – COMMITMENTS AND CONTINGENCIES

AGREEMENT WITH BROWARD COUNTY FOR LOCAL POLICE PATROL SERVICES

In 2007, the Town entered into an agreement with the Broward County Sheriff's Office (BSO) for local police patrol services through September 30, 2011. This contract was extended through January 2014 (see Note 12). The Town incurred expenditures of \$1,991,740 for police services under this contract for the fiscal year ended September 30, 2013. Under the terms of the current agreement, the following year will not increase more than 5% over the total budgeted costs for the same items in the preceding year.

INTERLOCAL AGREEMENT FOR DELIVERY OF EMERGENCY MEDICAL AND FIRE PROTECTION SERVICES

In 2011, the Town entered into an agreement with the City of Pembroke Pines (Pembroke Pines) to provide emergency medical and fire protection services to the Town effective October 1, 2011 through September 30, 2015. During 2012, the Town and Pembroke Pines cancelled the agreement in effect and entered into a new agreement with the Town of Davie (Davie) for relatively similar services effective October 1, 2012 through September 30, 2017. The new agreement may be renewed for successive five-year periods upon mutual agreement of both parties and has annual compounded increases of 4%. Either party may cancel the contract with a minimum notice of 365 days after the first four years. The Town paid \$2,388,000 under this agreement for the fiscal year ended September 30, 2013.

AGREEMENT FOR PLANS REVIEW AND BUILDING INSPECTION SERVICES

The Town extended a service agreement with a provider through March 1, 2015 for plan review and building inspection services. 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, 2013, the Town paid \$264,635 for these services.

AGREEMENT FOR PLANNING AND ZONING SERVICES

In 2010, the Town entered into a renegotiated agreement with a consultant to provide planning and zoning services on a full cost recovery fee structure. This agreement, which was set to expire October 31, 2010, was extended through April 30, 2015. For the fiscal year ended September 30, 2013, the Town paid \$131,574 for these services.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

AGREEMENT FOR CODE COMPLIANCE SERVICES

The Town previously entered into a service agreement with a provider for the provision of code compliance services. The Company will provide code compliance services and act as the Code Compliance Official of the Town. The agreement expires in January 2015. During January 2013, the agreement was modified that effective January 1, 2013, compensation shall not exceed \$125,000. For the fiscal year ended September 30, 2013, the Town paid approximately \$137,300 for these services. Either party may terminate this agreement upon providing 90 days written notice.

LITIGATION

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

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 11 – OTHER POST EMPLOYMENT BENEFITS

The Town follows the standards for *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB). The standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's Statement of Net Position as an increase (or decrease) in the OPEB obligation.

PLAN DESCRIPTION

The Town provides an optional single employer defined benefit postemployment healthcare plan to eligible individuals. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health and dental insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

FUNDING POLICY AND ANNUAL OPEB COST

The Town does not make a contribution to the plan on behalf of retirees. In addition, retirees and their beneficiaries do not pay group rates to the Town's healthcare provider due to the fact that rates for current employees are adjusted based on their age. In accordance with accounting standards, the Town has evaluated and determined that it is not necessary to calculate an offset to the cost of these benefits as an employer contribution, based on implicit rate subsidy since the premiums are adjusted based on age. Therefore, there is no liability to the Town to be recorded.

NOTE 12 – SUBSEQUENT EVENT

On November 19, 2013, the Council authorized police services for the Town to be contracted with the Town of Davie commencing February 1, 2014.

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REQUIRED SUPPLEMENTARY INFORMATION



2013 Town of Southwest Ranches Rural Public Arts Advisory Board Photo Contest
Submitted by: Bob Hartmann

TOWN OF SOUTHWEST RANCHES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 4,074,912	\$ 4,089,781	\$ 4,146,677	\$ 56,896
Utility taxes	1,018,000	1,028,169	1,147,616	119,447
Franchise fees	487,000	565,001	571,399	6,398
Licenses and permits	413,225	521,932	517,697	(4,235)
Intergovernmental	598,843	598,843	560,442	(38,401)
Charges for services	1,786,025	1,786,025	1,763,472	(22,553)
Fines and forfeitures	252,616	262,468	741,077	478,609
Investment income	15,000	15,000	16,767	1,767
Miscellaneous	79,700	79,700	136,286	56,586
Total Revenues	<u>8,725,321</u>	<u>8,946,919</u>	<u>9,601,433</u>	<u>654,514</u>
Expenditures				
Current:				
General government	1,773,901	1,975,250	1,796,001	179,249
Public safety:				
Law enforcement	2,100,000	2,100,000	1,991,740	108,260
Fire control	2,624,628	2,622,049	2,571,124	50,925
Total public safety	<u>4,724,628</u>	<u>4,722,049</u>	<u>4,562,864</u>	<u>159,185</u>
Community services	762,929	792,279	719,489	72,790
Parks, rec & open spaces	211,496	232,373	223,462	8,911
Capital outlay	115,000	196,047	133,710	62,337
Total Expenditures	<u>7,587,954</u>	<u>7,917,998</u>	<u>7,435,526</u>	<u>482,472</u>
Excess of Revenues over Expenditures	<u>1,137,367</u>	<u>1,028,921</u>	<u>2,165,907</u>	<u>1,136,986</u>
Other Financing Sources (Uses)				
Transfers in	174,492	174,492	174,492	--
Transfers out	(1,311,859)	(1,318,859)	(1,236,152)	82,707
Total Other Financing Sources (Uses)	<u>(1,137,367)</u>	<u>(1,144,367)</u>	<u>(1,061,660)</u>	<u>82,707</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ (115,446)</u>	<u>\$ 1,104,247</u>	<u>\$ 1,219,693</u>
Appropriated Beginning Fund Balance	<u>\$ --</u>	<u>\$ 115,446</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 161,326	\$ 161,326	\$ 174,863	\$ 13,537
Investment income	<u>2,500</u>	<u>2,500</u>	<u>433</u>	<u>(2,067)</u>
Total Revenues	<u>163,826</u>	<u>163,826</u>	<u>175,296</u>	<u>11,470</u>
Expenditures				
Current:				
Transportation	243,319	271,349	229,809	41,540
Capital outlay	<u>195,000</u>	<u>329,172</u>	<u>263,702</u>	<u>65,470</u>
Total Expenditures	<u>438,319</u>	<u>600,521</u>	<u>493,511</u>	<u>107,010</u>
Deficiency of Revenues over Expenditures	<u>(274,493)</u>	<u>(436,695)</u>	<u>(318,215)</u>	<u>118,480</u>
Other Financing Sources				
Transfers in	<u>113,500</u>	<u>113,500</u>	<u>113,500</u>	<u>--</u>
Total Other Financing Sources	<u>113,500</u>	<u>113,500</u>	<u>113,500</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ (160,993)</u>	<u>\$ (323,195)</u>	<u>\$ (204,715)</u>	<u>\$ 118,480</u>
Appropriated Beginning Fund Balance	<u>\$ 160,993</u>	<u>\$ 323,195</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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, 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 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 (a special revenue fund), Debt Service Fund and Capital Project Fund on a basis consistent with accounting principles generally accepted in the United States of America except for capital outlay and debt service which are not budgeted.
- f. The reported budgetary data represents the final approved budgets after amendments (supplemental appropriations) 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, 2013

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 59,848	\$ 15,069	\$ 74,917
Prepaid items	<u>3,654</u>	<u>--</u>	<u>3,654</u>
Total Assets	<u>\$ 63,502</u>	<u>\$ 15,069</u>	<u>\$ 78,571</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	<u>12,600</u>	<u>--</u>	<u>12,600</u>
Total Liabilities	<u>12,600</u>	<u>--</u>	<u>12,600</u>
Fund Balances			
Non-spendable:			
Prepaid items	3,654	--	3,654
Restricted for:			
Volunteer fire department	47,248	--	47,248
Assigned for:			
Debt service	<u>--</u>	<u>15,069</u>	<u>15,069</u>
Total Fund Balances	<u>50,902</u>	<u>15,069</u>	<u>65,971</u>
Total Liabilities and Fund Balances	<u>\$ 63,502</u>	<u>\$ 15,069</u>	<u>\$ 78,571</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, 2013

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 16,369	\$ --	\$ 16,369
Investment income	82	--	82
Miscellaneous	<u>2,950</u>	<u>--</u>	<u>2,950</u>
Total Revenues	<u>19,401</u>	<u>--</u>	<u>19,401</u>
Expenditures			
Fire and rescue services	258,972	--	258,972
Capital outlay	2,900	--	2,900
Debt service:			
Principal	--	2,691,917	2,691,917
Interest	--	290,939	290,939
Issuance costs	<u>--</u>	<u>114,661</u>	<u>114,661</u>
Total Expenditures	<u>261,872</u>	<u>3,097,517</u>	<u>3,359,389</u>
Deficiency of Revenues Over Expenditures	<u>(242,471)</u>	<u>(3,097,517)</u>	<u>(3,339,988)</u>
Other Financing Sources			
Refunding note proceeds	--	2,339,100	2,339,100
Transfers in	<u>249,217</u>	<u>735,938</u>	<u>985,155</u>
Net Change in Fund Balances	6,746	(22,479)	(15,733)
Fund Balances - Beginning	<u>44,156</u>	<u>37,548</u>	<u>81,704</u>
Fund Balances - Ending	<u>\$ 50,902</u>	<u>\$ 15,069</u>	<u>\$ 65,971</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ --	\$ --	\$ --	\$ --
Expenditures				
Debt service:				
Principal	428,026	428,026	2,691,917	(2,263,891)
Interest	295,912	295,912	290,939	4,973
Issuance costs	<u>10,000</u>	<u>47,000</u>	<u>114,661</u>	<u>(67,661)</u>
Total Expenditures	<u>733,938</u>	<u>770,938</u>	<u>3,097,517</u>	<u>(2,326,579)</u>
Deficiency of Revenues over Expenditures	<u>(733,938)</u>	<u>(770,938)</u>	<u>(3,097,517)</u>	<u>(2,326,579)</u>
Other Financing Sources				
Transfers in	<u>728,938</u>	<u>735,938</u>	<u>735,938</u>	<u>--</u>
Total Other Financing Sources	<u>728,938</u>	<u>735,938</u>	<u>735,938</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ (5,000)</u>	<u>\$ (35,000)</u>	<u>\$(2,361,579)</u>	<u>\$(2,326,579)</u>
Appropriated Beginning Fund Balance	<u>\$ 5,000</u>	<u>\$ 35,000</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 197,500	\$ 419,500	\$ 349,397	\$ (70,103)
Investment income	--	--	443	443
Miscellaneous	--	--	32,636	32,636
Total Revenues	<u>197,500</u>	<u>419,500</u>	<u>382,476</u>	<u>(37,024)</u>
Expenditures				
Miscellaneous	--	25,000	25,000	--
Capital outlay	572,211	898,961	670,193	228,768
Total Expenditures	<u>572,211</u>	<u>923,961</u>	<u>695,193</u>	<u>228,768</u>
Deficiency of Revenues over Expenditures	<u>(374,711)</u>	<u>(504,461)</u>	<u>(312,717)</u>	<u>191,744</u>
Other Financing Sources				
Loan proceeds	-	-	320,700	(320,700)
Transfers in	137,497	137,497	137,497	--
Total Other Financing Sources	<u>137,497</u>	<u>137,497</u>	<u>458,197</u>	<u>(320,700)</u>
Net Change in Fund Balance	<u>\$ (237,214)</u>	<u>\$ (366,964)</u>	<u>\$ 145,480</u>	<u>\$ (128,956)</u>
Appropriated Beginning Fund Balance	<u>\$ 237,214</u>	<u>\$ 366,964</u>		

STATISTICAL SECTION



2013 Town of Southwest Ranches Rural Public Arts Advisory Board Photo Contest
Submitted by: Chezney Steven

Town of Southwest Ranches, Florida
Introduction to Statistical Section
(Unaudited)

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	<u>Page</u>
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.	53-69
Revenue Capacity These tables contain information that may assist the reader in assessing the Town's most significant local revenue source, the property taxes.	70-76
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.	77-79
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.	80-82
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.	83-84

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,									
	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012	2013
Expenses:										
General government	\$ 835,810	\$ 1,783,732	\$ 1,407,916	\$ 1,635,441	\$ 1,516,047	\$ 1,380,331	\$ 1,624,918	\$ 1,750,991	\$ 1,897,921	\$ 1,837,205
Public safety	2,111,633	2,271,390	2,466,655	2,516,793	3,610,699	5,609,400	6,207,667	5,293,993	5,136,515	4,971,275
Community services	1,023,169	1,018,218	1,200,384	1,796,043	2,036,933	1,446,553	1,313,271	796,857	887,750	719,489
Public works	938,493	1,992,753	1,269,187	1,089,096	1,640,272	1,900,861	-	-	-	-
Parks and recreation	132,391	240,120	484,684	430,541	507,966	502,143	387,510	310,369	419,249	497,374
Transportation	-	-	12,107,067	326,384	261,532	253,394	751,754	725,093	730,440	744,296
Nondepartmental	140,085	262,431	29,897	33,204	-	-	-	-	-	-
Interest and other debt service costs	394,403	431,092	632,381	498,034	340,250	280,961	286,467	258,608	299,696	279,615
Total Expenses	5,575,984	7,999,736	19,598,171	8,325,536	9,913,699	11,373,643	10,571,587	9,135,911	9,371,571	9,049,254
Program Revenues:										
Charges for services:										
General government	-	-	239,541	288,755	116,332	142,592	155,437	134,717	109,180	-
Public safety	510,517	513,438	1,006,275	609,733	1,044,649	1,100,308	1,527,184	1,613,117	1,848,333	1,836,977
Community services	354,718	296,036	306,516	860,578	942,262	1,024,625	801,244	788,347	635,692	1,185,269
Parks and recreation	-	-	291,084	133,980	50,925	1,645	-	-	-	-
Public works	588,690	613,610	651,572	628,844	1,296,891	1,303,431	-	-	-	-
Operating grants and contributions	-	1,044,829	10,414,610	188,280	1,899,800	196,192	269,781	96,606	48,197	35,683
Capital grants and contributions	7,967,899	9,932,927	603,445	93,628	116,152	11,342	280,521	59,162	181,015	382,033
Total Program Revenues	9,421,824	12,400,840	13,513,043	2,803,798	5,467,011	3,780,135	3,034,167	2,691,949	2,822,417	3,439,962
Net (Expense) Revenue	3,845,840	4,401,104	(6,085,128)	(5,521,738)	(4,446,688)	(7,593,508)	(7,537,420)	(6,443,962)	(6,549,154)	(5,609,292)
General Revenues:										
Taxes:										
Property taxes	2,122,694	2,503,780	2,969,270	3,488,788	3,920,509	4,527,435	4,574,566	4,303,700	4,105,338	4,146,677
Utility taxes	479,391	496,246	521,151	583,190	589,629	593,394	659,884	1,079,094	1,092,624	1,147,616
Franchise fees based on gross receipts	542,625	667,075	808,273	853,267	1,046,849	1,167,851	1,005,629	620,532	593,888	571,399
Unrestricted intergovernmental revenues	956,848	(261,264)	652,622	583,506	552,210	546,154	547,048	790,831	689,697	720,491
Unrestricted investment earnings	351,386	455,003	227,190	300,938	141,347	53,342	90,149	25,786	30,789	17,725
Miscellaneous	-	-	9,693	132,727	25,159	43,700	68,173	139,911	97,064	134,736
Special item, gain on sale of land held for investment	-	-	2,906,664	-	-	-	-	-	-	-
Extraordinary item, impairment of asset	-	-	-	-	-	(60,676)	-	-	-	-
Total General Revenues	4,452,944	3,860,840	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,609,400	6,738,644
Net Transfers In (Out)	-	-	-	-	-	-	-	-	128,701	174,492
Total General Revenues										
Net Transfers	4,452,944	3,860,840	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136
Change in Net Position	\$ 8,298,784	\$ 8,261,944	\$ 2,009,735	\$ 420,678	\$ 1,829,015	\$ (722,308)	\$ (591,971)	\$ 515,892	\$ 188,947	\$ 1,303,844

Notes:

¹ Transportation include significant expenditures and intergovernmental revenue resulting from hurricanes Katrina and Wilma costs and related federal reimbursement.

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,									
	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012	2013
Expenses:										
General government	15.0%	22.3%	7.2%	19.6%	15.3%	12.1%	15.4%	19.2%	20.3%	20.3%
Public safety	37.9%	28.4%	12.6%	30.2%	36.4%	49.3%	58.7%	57.9%	54.8%	54.9%
Community services	18.3%	12.7%	6.1%	21.6%	20.5%	12.7%	12.4%	8.7%	9.5%	8.0%
Public works	16.8%	24.9%	6.5%	13.1%	16.5%	16.7%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	2.4%	3.0%	2.5%	5.2%	5.1%	4.4%	3.7%	3.4%	4.5%	5.5%
Transportation	0.0%	0.0%	61.8%	3.9%	2.6%	2.2%	7.1%	7.9%	7.8%	8.2%
Nondepartmental	2.5%	3.3%	0.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest and other debt service costs	7.1%	5.4%	3.2%	6.0%	3.4%	2.5%	2.7%	2.9%	3.2%	3.1%
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	0.0%	0.0%	1.8%	10.3%	2.1%	3.8%	5.1%	5.0%	3.9%	0.0%
Public safety	5.4%	4.1%	7.4%	21.7%	19.1%	29.1%	50.3%	59.9%	65.5%	53.4%
Community services	3.8%	2.4%	2.3%	30.7%	17.2%	27.1%	26.4%	29.3%	22.5%	34.5%
Parks and recreation	0.0%	0.0%	2.2%	4.8%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Public works	6.2%	4.9%	4.8%	22.4%	23.7%	34.5%	0.0%	0.0%	0.0%	0.0%
Operating grants and contributions	0.0%	8.4%	77.1%	6.7%	34.8%	5.2%	8.9%	3.6%	1.7%	1.0%
Capital grants and contributions	84.6%	80.1%	4.5%	3.3%	2.1%	0.3%	9.2%	2.2%	6.4%	11.1%
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:										
Property taxes	47.7%	64.9%	36.7%	58.7%	62.5%	65.9%	65.9%	61.8%	62.1%	61.5%
Utility taxes	10.8%	12.9%	6.4%	9.8%	9.4%	8.6%	9.5%	15.5%	16.5%	17.0%
Franchise fees based on gross receipts	12.2%	17.3%	10.0%	14.4%	16.7%	17.0%	14.5%	8.9%	9.0%	8.5%
Unrestricted intergovernmental revenues	21.5%	-6.8%	8.1%	9.8%	8.8%	7.9%	7.9%	11.4%	10.4%	10.7%
Unrestricted investment earnings (losses)	7.9%	11.8%	2.8%	5.1%	2.3%	0.8%	1.3%	0.4%	0.5%	0.3%
Miscellaneous	0.0%	0.0%	0.1%	2.2%	0.4%	0.6%	1.0%	2.5%	1.5%	2.0%
Special item, gain on sale of land held for investment	0.0%	0.0%	35.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Extraordinary item, impairment of asset	0.0%	0.0%	0.0%	0.0%	0.0%	-0.9%	0.0%	0.0%	0.0%	0.0%
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 Transportation include significant expenditures and intergovernmental revenue resulting from hurricanes Katrina and Wilma costs and related federal reimbursement.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Net Position - Business-type Activities
Last Four Fiscal Years ¹
(accrual basis of accounting)

Source	For the Fiscal Year Ended			
	2010	2011	2012	2013
Expenses:				
Solid waste	\$ 1,417,368	\$ 1,582,463	\$ 1,401,456	\$ 966,722
Program Revenues:				
Charges for services:				
Solid waste	1,651,805	1,620,856	1,539,737	1,097,252
Operating grants and contributions				113,914
Net Revenue	234,437	38,393	138,281	244,444
General Revenues:				
Investment earnings	10,118	8,500	2,121	564
Miscellaneous	-	-	-	21,445
Income before Transfers:	244,555	46,893	140,402	266,453
Transfers out	-	-	(128,701)	(174,492)
Change in Net Position	<u>\$ 244,555</u>	<u>\$ 46,893</u>	<u>\$ 11,701</u>	<u>\$ 91,961</u>

Notes:

¹ The Town established the solid waste fund in fiscal year 2010.

Data Source:

Applicable years' comprehensive annual financial report.

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

	For the Fiscal Year Ended September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities ¹	\$ 5,575,984	\$ 7,999,736	\$ 19,598,171	\$ 8,325,536	\$ 9,913,699	\$ 11,373,643	\$ 10,571,587	\$ 9,135,911	\$ 9,371,571	\$ 9,049,254
Business-type activities ²	-	-	-	-	-	-	1,417,368	1,582,463	1,401,456	966,722
Total Expenses	<u>5,575,984</u>	<u>7,999,736</u>	<u>19,598,171</u>	<u>8,325,536</u>	<u>9,913,699</u>	<u>11,373,643</u>	<u>11,988,955</u>	<u>10,718,374</u>	<u>10,773,027</u>	<u>10,015,976</u>
Program Revenues:										
Governmental activities ¹	9,421,824	12,400,840	13,513,043	2,803,798	5,467,011	3,780,135	3,034,167	2,691,949	2,822,417	3,439,962
Business-type activities ²	-	-	-	-	-	-	1,651,805	1,620,856	1,539,737	1,211,166
Total Program Revenues	<u>9,421,824</u>	<u>12,400,840</u>	<u>13,513,043</u>	<u>2,803,798</u>	<u>5,467,011</u>	<u>3,780,135</u>	<u>4,685,972</u>	<u>4,312,805</u>	<u>4,362,154</u>	<u>4,651,128</u>
Net (Expense) Revenue	<u>3,845,840</u>	<u>4,401,104</u>	<u>(6,085,128)</u>	<u>(5,521,738)</u>	<u>(4,446,688)</u>	<u>(7,593,508)</u>	<u>(7,302,983)</u>	<u>(6,405,569)</u>	<u>(6,410,873)</u>	<u>(5,364,848)</u>
General Revenues and Transfers:										
Governmental activities ¹	4,452,944	3,860,840	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136
Business-type activities ²	-	-	-	-	-	-	10,118	8,500	(126,580)	(152,483)
Total General Revenues and Tfrs	<u>4,452,944</u>	<u>3,860,840</u>	<u>8,094,863</u>	<u>5,942,416</u>	<u>6,275,703</u>	<u>6,871,200</u>	<u>6,955,567</u>	<u>6,968,354</u>	<u>6,611,521</u>	<u>6,760,653</u>
Change in Net Position	<u>\$ 8,298,784</u>	<u>\$ 8,261,944</u>	<u>\$ 2,009,735</u>	<u>\$ 420,678</u>	<u>\$ 1,829,015</u>	<u>\$ (722,308)</u>	<u>\$ (347,416)</u>	<u>\$ 562,785</u>	<u>\$ 200,648</u>	<u>\$ 1,395,805</u>

Notes:

¹ See Exhibit I

² See Exhibit III

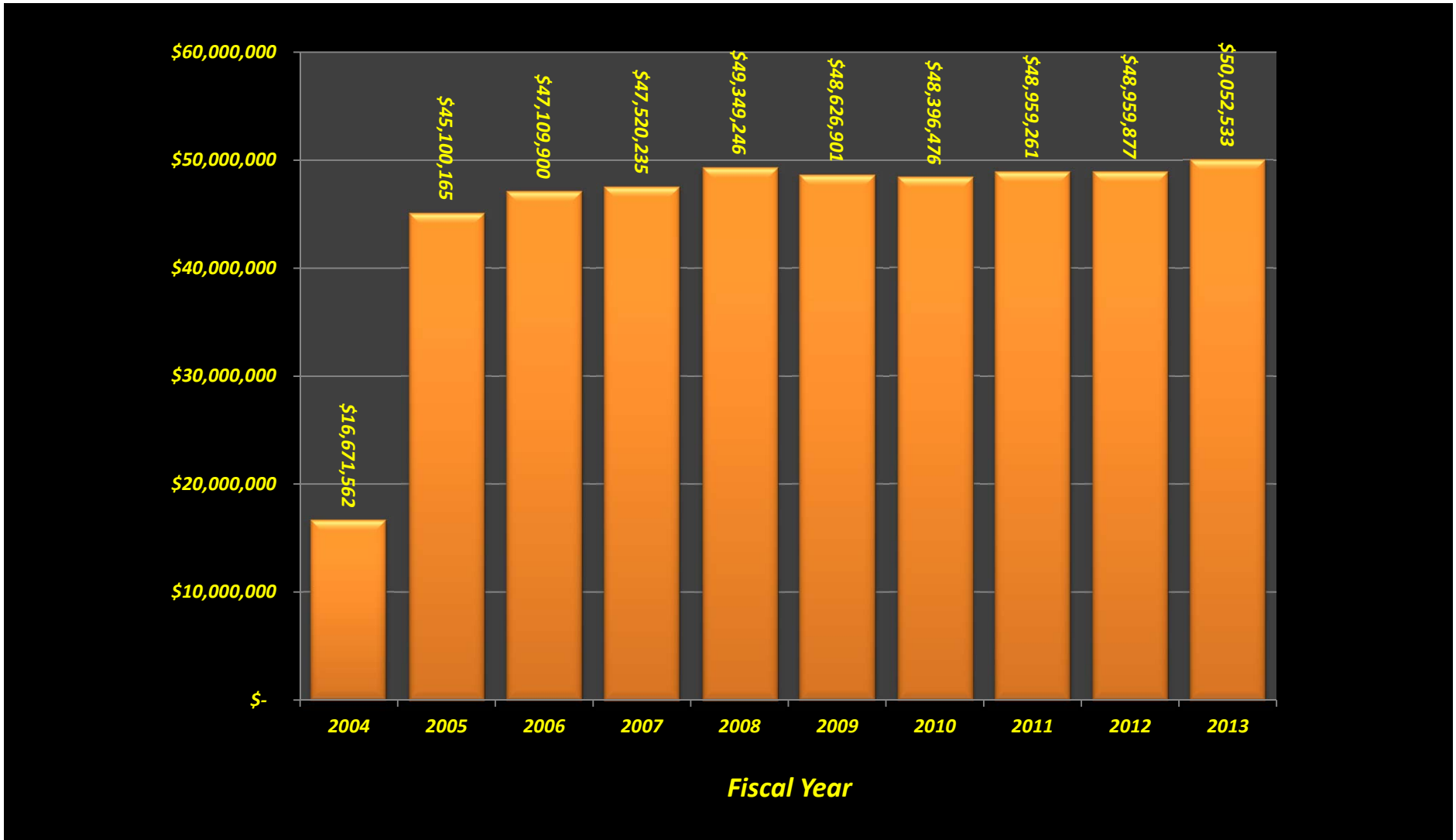
Town of Southwest Ranches, Florida
Government-wide Net Position by Category ¹
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	September 30, 2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 11,367,768	\$ 38,284,247	\$ 40,644,914	\$ 41,185,533	\$ 44,125,155	\$ 43,824,944	\$ 44,607,660	\$ 44,892,153	\$ 44,421,400	\$ 44,642,297
Restricted	180,820	80,406	140,535	99,855	215,354	315,335	728,064	736,555	440,705	370,921
Unrestricted	5,122,974	6,735,512	6,324,451	6,234,847	5,008,737	4,486,622	2,816,197	3,039,105	3,794,623	4,644,205
Subtotal Governmental Activities Net Assets	<u>16,671,562</u>	<u>45,100,165</u>	<u>47,109,900</u>	<u>47,520,235</u>	<u>49,349,246</u>	<u>48,626,901</u>	<u>48,151,921</u>	<u>48,667,813</u>	<u>48,656,728</u>	<u>49,657,423</u>
Business-type Activities										
Unrestricted	-	-	-	-	-	-	244,555	291,448	303,149	395,110
Primary Government										
Net investment in capital assets	11,367,768	38,284,247	40,644,914	41,185,533	44,125,155	43,824,944	44,607,660	44,892,153	44,421,400	44,642,297
Restricted	180,820	80,406	140,535	99,855	215,354	315,335	728,064	736,555	440,705	370,921
Unrestricted	5,122,974	6,735,512	6,324,451	6,234,847	5,008,737	4,486,622	3,060,752	3,330,553	4,097,772	5,039,315
Total Primary Government Net Position	<u>\$ 16,671,562</u>	<u>\$ 45,100,165</u>	<u>\$ 47,109,900</u>	<u>\$ 47,520,235</u>	<u>\$ 49,349,246</u>	<u>\$ 48,626,901</u>	<u>\$ 48,396,476</u>	<u>\$ 48,959,261</u>	<u>\$ 48,959,877</u>	<u>\$ 50,052,533</u>

Notes:

¹Accounting 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 is enacted by the Town. There are no restrictions currently reported as a result of enabling legislation.

Town of Southwest Ranches, Florida
Chart-Total Government-wide Net Position
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,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue Source	Amounts									
Taxes	\$ 3,144,710	\$ 3,667,101	\$ 4,298,694	\$ 4,925,245	\$ 5,556,986	\$ 6,288,683	\$ 6,240,079	\$ 6,003,326	\$ 5,791,850	\$ 5,865,692
Licenses and permits	354,718	296,036	306,517	860,578	758,289	757,059	499,056	482,382	521,830	517,697
Intergovernmental	956,848	783,565	861,911	769,933	729,245	742,348	522,048	787,169	689,697	683,355
Charges for services	1,065,050	1,098,521	1,126,695	1,138,577	1,044,650	1,100,308	1,527,184	1,613,117	1,848,333	1,763,472
Fines and forfeitures	34,157	28,527	37,095	40,416	39,912	73,595	72,892	75,076	109,180	741,077
Physical and economic charges	-	-	500,000	100,000	-	-	325,775	309,627	113,862	-
Grants	7,637,359	9,932,927	10,458,766	93,628	1,838,916	11,342	550,302	155,768	229,212	417,716
Investment income	46,755	154,437	227,190	300,938	141,347	53,342	90,149	25,786	30,789	17,725
Donated property	-	-	350,000	-	-	-	-	-	-	-
Sale of trees	-	-	291,084	133,980	50,925	1,645	-	-	-	-
Miscellaneous	304,631	300,566	243,290	382,919	285,552	380,263	152,132	198,346	97,064	171,872
Total Revenues	\$ 13,544,228	\$ 16,261,680	\$ 18,701,242	\$ 8,746,214	\$ 10,445,822	\$ 9,408,585	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606
% Change from Prior Year	61.2%	20.1%	15.0%	-53.2%	19.4%	-9.9%	6.1%	-3.3%	-2.3%	7.9%
	Percentage of Total									
Taxes	23.2%	22.6%	23.0%	56.3%	53.2%	66.8%	62.5%	62.2%	61.4%	57.6%
Licenses and permits	2.6%	1.8%	1.6%	9.8%	7.3%	8.0%	5.0%	5.0%	5.5%	5.1%
Intergovernmental	7.1%	4.8%	4.6%	8.8%	7.0%	7.9%	5.2%	8.2%	7.3%	6.7%
Charges for services	7.9%	6.8%	6.0%	13.0%	10.0%	11.7%	15.3%	16.7%	19.6%	17.3%
Fines and forfeitures	0.3%	0.2%	0.2%	0.5%	0.4%	0.8%	0.7%	0.8%	1.2%	7.3%
Physical and economic charges	0.0%	0.0%	2.7%	1.1%	0.0%	0.0%	3.3%	3.2%	1.2%	0.0%
Grants	56.4%	61.1%	55.9%	1.1%	17.6%	0.1%	5.5%	1.6%	2.4%	4.1%
Investment income	0.3%	0.9%	1.2%	3.4%	1.4%	0.6%	0.9%	0.3%	0.3%	0.2%
Donated property	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sale of trees	0.0%	0.0%	1.6%	1.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous	2.2%	1.8%	1.3%	4.4%	2.7%	4.0%	1.5%	2.1%	1.0%	1.7%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

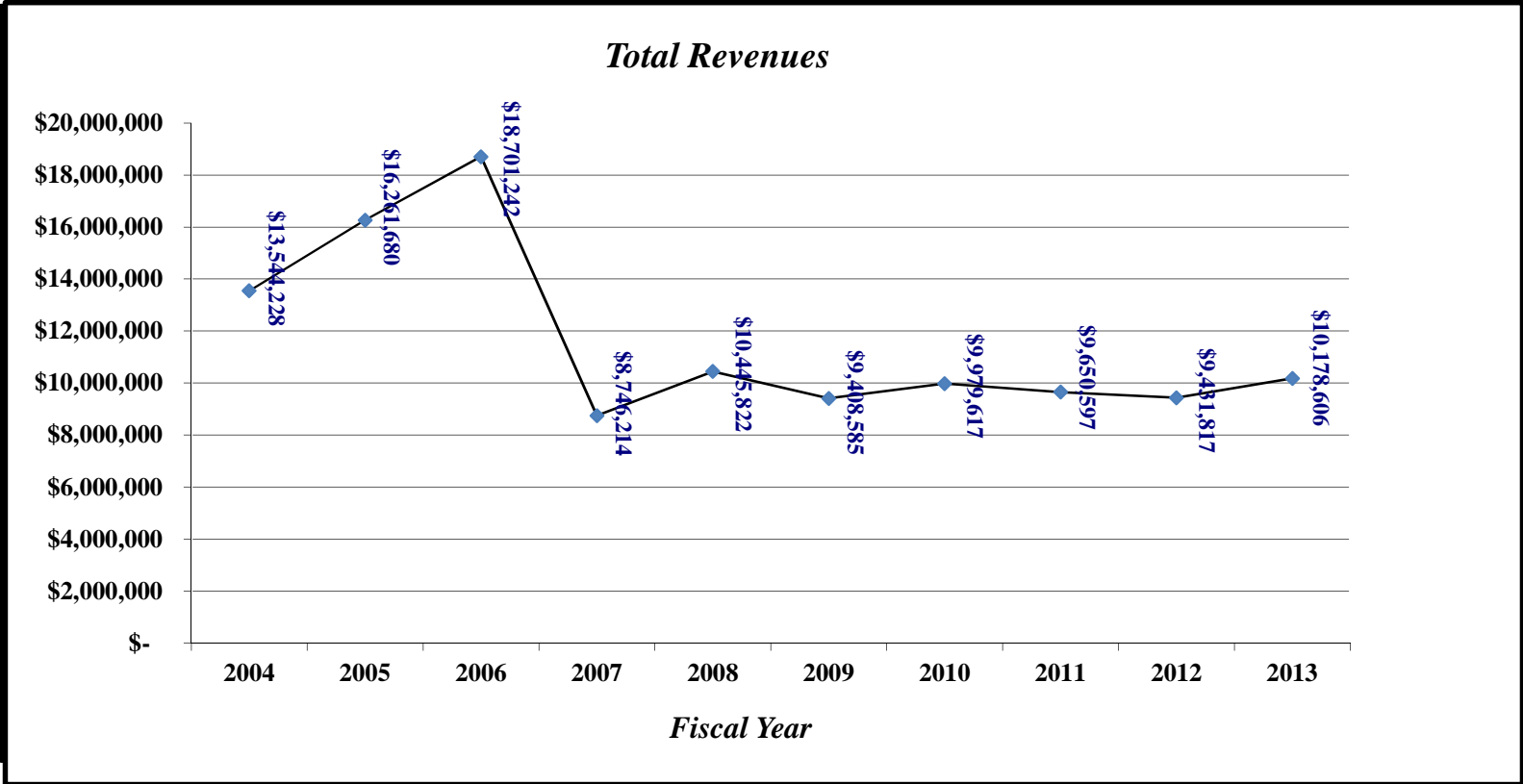
Notes:

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)



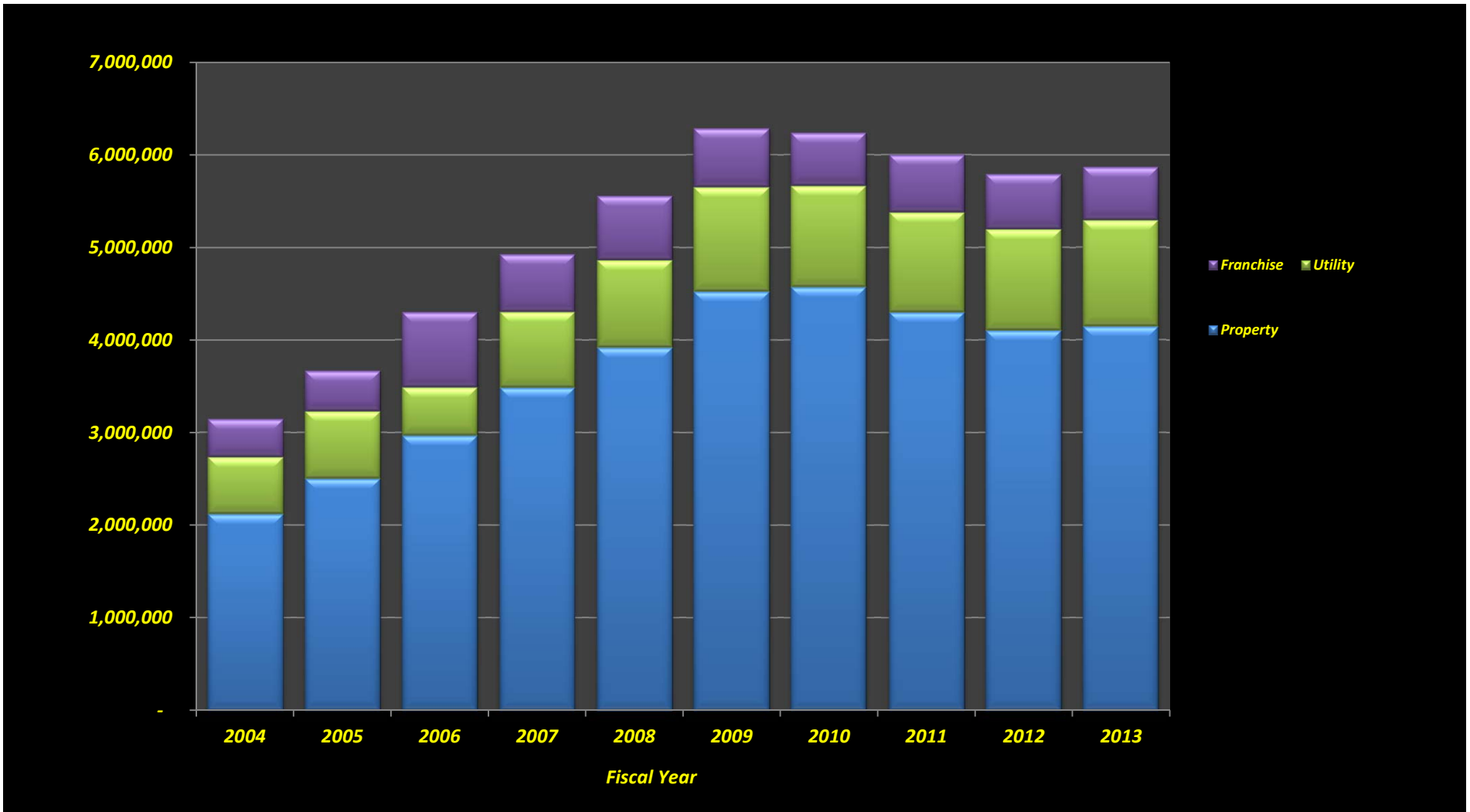
Town of Southwest Ranches, Florida
Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For The Fiscal Year Ended September 30,	Property	Utility	Franchise	Total
Amounts				
2004	2,122,694	613,281	408,735	3,144,710
2005	2,503,780	726,384	436,937	3,667,101
2006	2,969,270	521,151	808,273	4,298,694
2007	3,488,788	817,053	619,404	4,925,245
2008	3,920,509	944,019	692,458	5,556,986
2009	4,527,435	1,126,386	634,862	6,288,683
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
% Change in Dollars Over 10 Years	95.3%	87.1%	39.8%	86.5%
Percentage of Total				
2004	67.5%	19.5%	13.0%	100.0%
2005	68.3%	19.8%	11.9%	100.0%
2006	69.1%	12.1%	18.8%	100.0%
2007	70.8%	16.6%	12.6%	100.0%
2008	70.6%	17.0%	12.5%	100.0%
2009	72.0%	17.9%	10.1%	100.0%
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%

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)

Function	For the Fiscal Year Ended September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Current:										
General government	788,257	\$ 1,274,071	\$ 2,879,193	\$ 2,156,924	\$ 1,487,226	\$ 1,374,958	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001
Public safety	2,111,633	2,271,390	2,463,714	2,513,851	3,595,357	5,579,359	5,641,271	5,230,602	5,045,887	4,821,836
Community services	1,023,169	1,018,218	1,200,384	1,796,043	2,036,933	1,446,553	902,745	796,857	887,750	719,489
Public works	938,493	1,992,753	798,002	613,822	1,164,999	1,425,587	-	-	-	-
Parks and recreation	46,715	83,528	669,365	256,775	333,343	326,710	285,500	142,032	177,921	223,462
Transportation and hurricane-related expenditures	-	-	12,107,067	326,384	261,536	253,394	856,243	301,951	222,031	254,809
Nondepartmental	106,927	202,414	29,897	33,204	-	-	-	-	-	-
Total Current	5,015,194	6,842,374	20,147,622	7,697,003	8,879,394	10,406,561	9,295,204	8,207,855	8,171,061	7,815,597
% Change From Prior Year	20.1%	36.4%	194.5%	-61.8%	15.4%	17.2%	-10.7%	-11.7%	-0.4%	-4.4%
Capital Outlay	9,269,515	10,364,292	1,207,509	408,574	561,314	392,465	2,002,944	819,349	931,866	1,070,505
% Change From Prior Year	573.0%	11.8%	-88.3%	-66.2%	37.4%	-30.1%	410.3%	-59.1%	13.7%	14.9%
Debt Service:										
Principal	7,213,000	6,111,000	12,121,000	702,568	3,106,158	111,855	125,278	132,413	332,506	2,691,917
Interest and fees	427,248	493,963	632,725	503,851	343,720	283,248	291,328	260,900	302,092	410,639
Total Debt Service	7,640,248	6,604,963	12,753,725	1,206,419	3,449,878	395,103	416,606	393,313	634,598	3,102,556
% Change From Prior Year	1675.4%	-13.6%	93.1%	-90.5%	186.0%	-88.5%	5.4%	-5.6%	61.3%	388.9%
Ratio of Total Debt Service to Total Non-Capital Expenditures	152.3%	96.5%	63.3%	15.7%	38.9%	3.8%	4.5%	4.8%	7.8%	39.7%
Total Expenditures	\$ 21,924,957	\$ 23,811,629	\$ 34,108,856	\$ 9,311,996	\$ 12,890,586	\$ 11,194,129	\$ 11,714,754	\$ 9,420,517	\$ 9,737,525	\$ 11,988,658
% Change From Prior Year	266.5%	8.6%	43.2%	-72.7%	38.4%	-13.2%	4.7%	-19.6%	3.4%	23.1%

Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' comprehensive annual financial report.

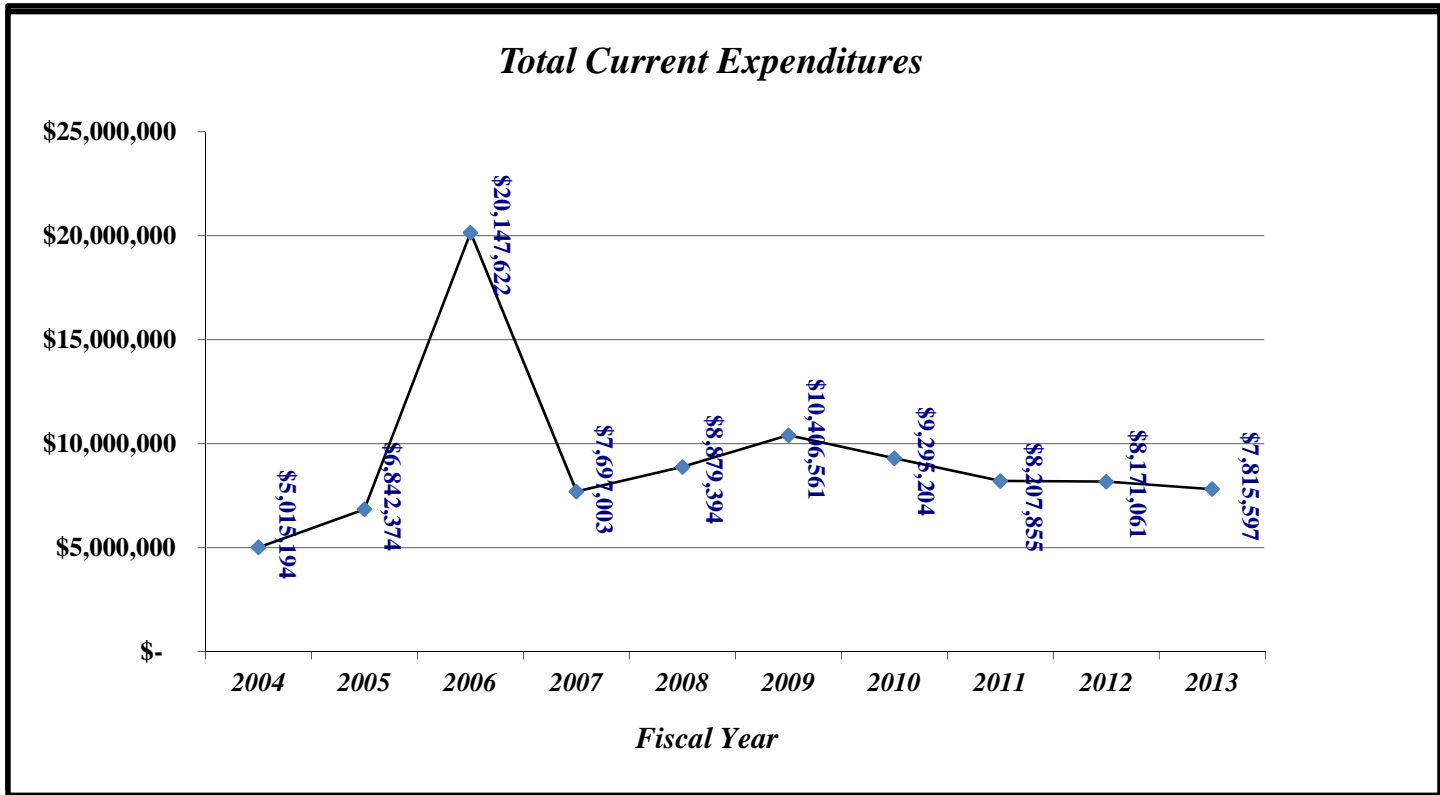
Town of Southwest Ranches, Florida
General Governmental Current Expenditures by Function (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
	Amounts									
Current:										
General government	\$ 788,257	\$ 1,274,071	\$ 2,879,193	\$ 2,156,924	\$ 1,487,226	\$ 1,374,958	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001
Public safety	2,111,633	2,271,390	2,463,714	2,513,851	3,595,357	5,579,359	5,641,271	5,230,602	5,045,887	4,821,836
Community services	1,023,169	1,018,218	1,200,384	1,796,043	2,036,933	1,446,553	902,745	796,857	887,750	719,489
Public works	938,493	1,992,753	798,002	613,822	1,164,999	1,425,587	-	-	-	-
Parks and recreation	46,715	83,528	669,365	256,775	333,343	326,710	285,500	142,032	177,921	223,462
Transportation and hurricane-related expenditures	-	-	12,107,067	326,384	261,536	253,394	856,243	301,951	222,031	254,809
Nondepartmental	106,927	202,414	29,897	33,204	-	-	-	-	-	-
Total Current	\$ 5,015,194	\$ 6,842,374	\$ 20,147,622	\$ 7,697,003	\$ 8,879,394	\$ 10,406,561	\$ 9,295,204	\$ 8,207,855	\$ 8,171,061	\$ 7,815,597
	Percentage of Total									
Current:										
General government	15.7%	18.6%	14.3%	28.0%	16.7%	13.2%	17.3%	21.2%	22.5%	23.0%
Public safety	42.1%	33.2%	12.2%	32.7%	40.5%	53.6%	60.7%	63.7%	61.8%	61.7%
Community services	20.4%	14.9%	6.0%	23.3%	22.9%	13.9%	9.7%	9.7%	10.9%	9.2%
Public works	18.7%	29.1%	4.0%	8.0%	13.1%	13.7%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	0.9%	1.2%	3.3%	3.3%	3.8%	3.1%	3.1%	1.7%	2.2%	2.9%
Transportation and hurricane-related expenditures	0.0%	0.0%	60.1%	4.2%	2.9%	2.4%	9.2%	3.7%	2.7%	3.3%
Nondepartmental	2.1%	3.0%	0.1%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	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.

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)



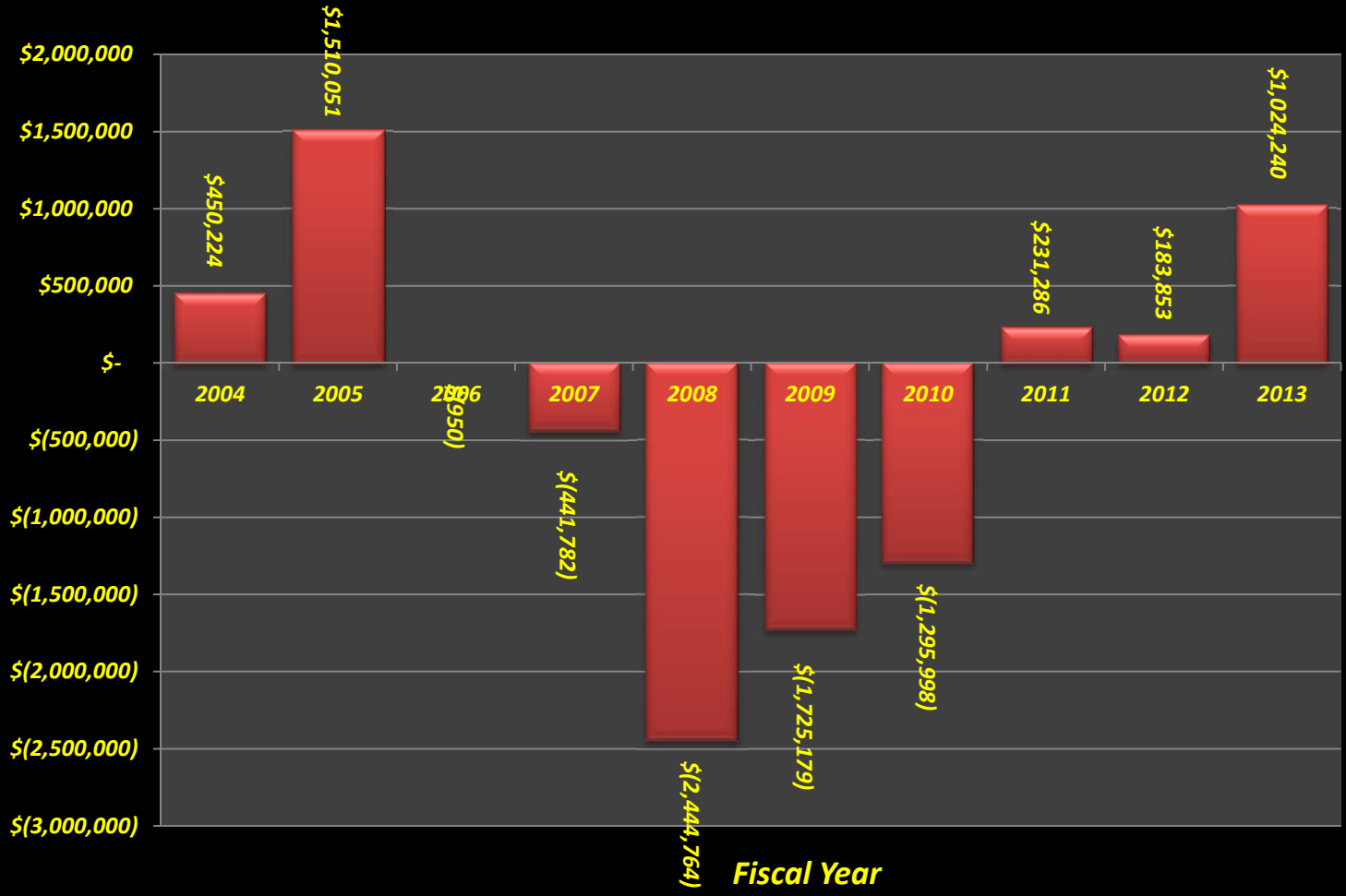
Town of Southwest Ranches, Florida
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Revenues	\$ 13,544,228	\$ 16,261,680	\$ 18,701,242	\$ 8,746,214	\$ 10,445,822	\$ 9,408,585	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606
Total Expenditures	21,924,957	23,811,629	34,108,856	9,311,996	12,890,586	11,194,129	11,714,754	9,420,517	9,737,525	11,988,658
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,380,729)	(7,549,949)	(15,407,614)	(565,782)	(2,444,764)	(1,785,544)	(1,735,137)	230,080	(305,708)	(1,810,052)
Other Financing Sources (Uses)										
Other items	7,735,000	9,060,000	15,406,664	124,000	-	60,365	439,139	1,206	360,860	2,659,800
Transfers in	8,736,201	6,887,473	1,853,858	1,163,929	1,285,562	713,259	2,946,139	1,175,176	1,394,191	1,410,644
Transfers out	(7,640,248)	(6,887,473)	(1,853,858)	(1,163,929)	(1,285,562)	(713,259)	(2,946,139)	(1,175,176)	(1,265,490)	(1,236,152)
Total Other Financing Sources (Uses)	8,830,953	9,060,000	15,406,664	124,000	-	60,365	439,139	1,206	489,561	2,834,292
Net Change in Fund Balances	\$ 450,224	\$ 1,510,051	\$ (950)	\$ (441,782)	\$ (2,444,764)	\$ (1,725,179)	\$ (1,295,998)	\$ 231,286	\$ 183,853	\$ 1,024,240

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 Years 2004 - 2010
(modified accrual basis of accounting)

	2004	2005	2006	September 30, 2007	2008	2009	2010
General Fund							
Reserved	\$ 1,115,853	\$ 592,440	\$ 286,878	\$ 226,480	\$ 249,718	\$ 186,184	\$ 182,955
Unreserved	3,216,108	4,354,075	2,136,993	2,394,680	2,175,366	1,817,328	1,910,184
Total General Fund	4,331,961	4,946,515	2,423,871	2,621,160	2,425,084	2,003,512	2,093,139
General Fund % Change From Prior Year	52.4%	14.2%	-51.0%	8.1%	-7.5%	-17.4%	4.5%
All Other Governmental Funds							
Reserved	946,754	1,899,795	-	-	-	-	30,281
Unreserved:							
Special Revenue Funds	83,710	26,166	140,535	99,855	215,354	298,154	680,602
Capital Projects Funds	-	-	307,120	171,502	376,340	276,862	270,115
Debt Service Funds	-	-	4,000,000	3,537,227	2,265,093	2,281,595	528,242
Total All Other Governmental Funds	1,030,464	1,925,961	4,447,655	3,808,584	2,856,787	2,856,611	1,509,240
All Other Governmental Funds % Change From Prior Year	-50.2%	86.9%	130.9%	-14.4%	-25.0%	0.0%	-47.2%
Total Governmental Funds							
Reserved	2,062,607	2,492,235	286,878	226,480	249,718	186,184	213,236
Unreserved	3,299,818	4,380,241	6,277,528	6,031,762	4,655,813	4,397,077	3,119,028
Total Governmental Funds	\$ 5,362,425	\$ 6,872,476	\$ 6,564,406	\$ 6,258,242	\$ 4,905,531	\$ 4,583,261	\$ 3,332,264
All Governmental Funds % Change From Prior Year	9.2%	28.2%	-4.5%	-4.7%	-21.6%	-6.6%	-27.3%

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 seven years.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2013 and Two Years Prior
(modified accrual basis of accounting)

	September 30,		
	2011	2012	2013
General Fund			
Nonspendable:			
Prepaid items	\$ 31,432	\$ 207,568	\$ 25,222
Inventory	138,848	138,848	482,720
Deposits	25,001	-	-
Total nonspendable	195,281	346,416	507,942
Restricted for:			
Public safety	3,663	6,445	10,933
Town hall brick program	16,800	18,200	-
Total restricted	20,463	24,645	10,933
Committed to:			
Tree preservation	20,877	20,877	3,086
Capital projects			9,850
Total committed	20,877	20,877	12,936
Unassigned	2,360,778	2,494,249	3,458,623
Total General Fund	\$ 2,597,399	\$ 2,886,187	\$ 3,990,434
General Fund % Change From Prior Year	24.1%	11.1%	38.3%
All Other Governmental Funds			
Nonspendable:			
Prepaid items	\$ 810	\$ 3,349	\$ 3,654
Deposits	15,000	-	-
Total nonspendable	15,810	3,349	3,654
Restricted for:			
Transportation surtax	696,179	375,253	312,740
Volunteer fire services	40,376	40,807	47,248
Total restricted	736,555	416,060	359,988
Committed for:			
Capital projects	-	-	60,376
Total committed	-	-	60,376
Assigned to:			
Debt service	164,278	37,548	15,069
Public safety	129,750	-	-
Fire wells	80,000	-	-
Capital projects	109,873	354,621	584,686
Total assigned	483,901	392,169	599,755
Total All Other Governmental Funds	\$ 1,236,266	\$ 811,578	\$ 963,397
All Other Governmental Funds % Change From Prior Year	-25.4%	-34.4%	18.7%
Total Governmental Funds	\$ 3,833,665	\$ 3,697,765	\$ 5,014,207
All Governmental Funds % Change From Prior Year	11.7%	-3.5%	35.6%

Notes:

The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2012. The Town did not restate the prior seven years.

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				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	Other ¹							
2004	\$ 662,758,600	\$ 36,289,080	\$ 41,327,320	\$ 81,646,430	\$ 40,310,915	\$ 104,762,670	\$ 757,569,675	19.15%	3.0000	\$ 1,110,938,100	64.56%
2005	756,171,580	42,443,670	52,954,300	95,855,510	41,992,552	114,463,270	874,954,342	15.49%	3.0000	1,409,526,290	59.10%
2006	870,957,250	43,611,080	77,048,140	120,602,350	43,340,097	132,610,750	1,022,948,167	16.91%	3.0000	1,744,136,030	56.17%
2007	1,035,199,580	42,806,840	92,866,510	165,784,980	48,012,855	160,240,810	1,224,429,955	19.70%	3.0000	2,193,486,030	53.63%
2008	1,133,026,110	48,149,810	113,362,770	174,232,920	43,684,173	171,546,310	1,340,909,473	9.51%	3.0000	2,503,738,910	53.56%
2009	1,200,693,110	49,966,330	129,990,160	158,761,040	47,481,047	244,651,398	1,342,240,289	0.10%	3.5000	2,451,643,250	54.75%
2010	1,067,522,270	59,293,720	124,650,020	165,161,070	46,823,972	261,605,081	1,201,845,971	-10.46%	3.9404	2,082,541,240	57.71%
2011	967,580,110	44,081,160	130,689,460	160,579,690	45,941,532	259,625,250	1,089,246,702	-9.37%	3.9404	1,733,163,840	62.85%
2012	973,702,090	47,545,710	127,729,960	159,741,230	45,560,922	258,013,175	1,096,266,737	0.64%	3.9042	1,677,628,790	65.35%
2013	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%
*	\$ 966,850,417	\$ 46,077,655	\$ 101,245,974	\$ 144,639,161	\$ 44,906,025	\$ 196,835,119	\$ 1,106,884,113			\$ 1,863,742,510	59.39%
**	51.0%	28.4%	194.8%	100.9%	13.9%	149.0%	47.6%				

* Dollar Average for ten years

** Percentage change in dollars over ten years

Notes:

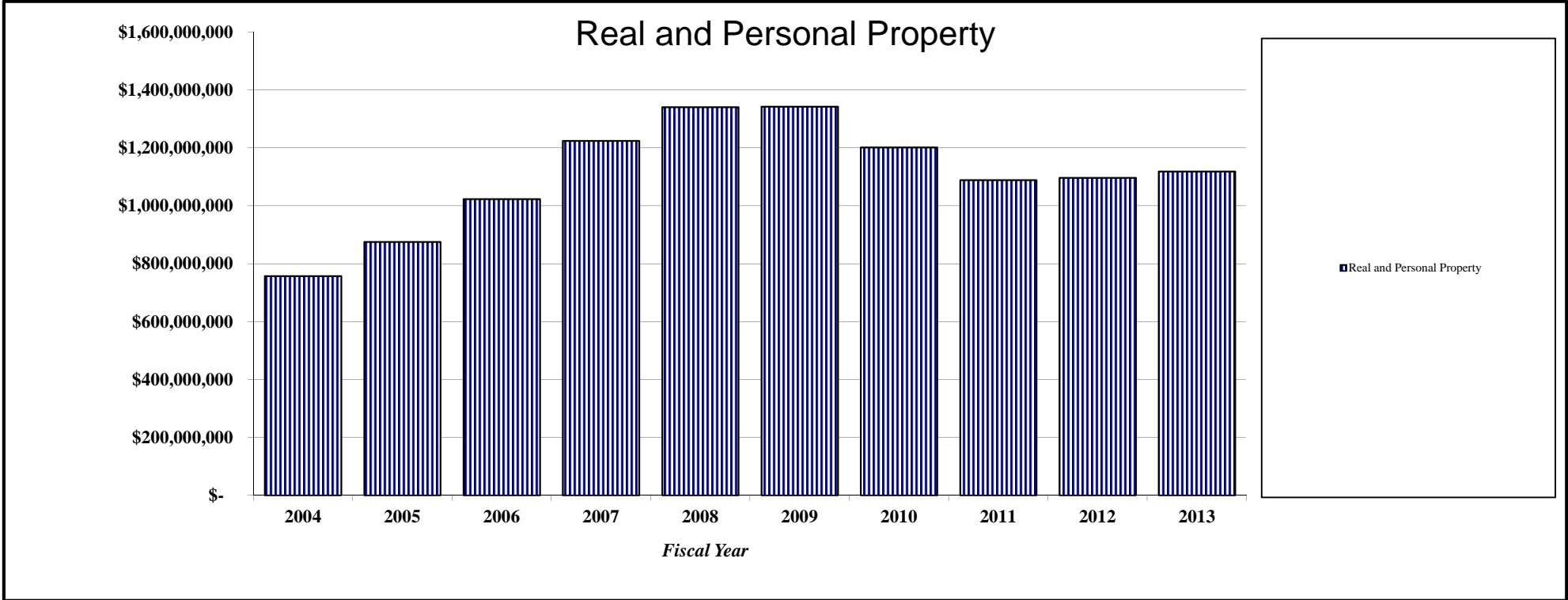
¹ Other includes: industrial, institutional, government, miscellaneous and non-agricultural acreage.

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 Calendar 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
	Direct Town Operating Millage	Broward County Operating Millage	Broward County School Board Operating Millage	South Florida Water Management District	FIN District ²	Children's Services Council	South Broward Hospital District	
2004	3.0000	7.1880	8.4176	0.6970	0.0385	0.3920	1.7336	21.4667
2005	3.0000	7.0230	8.2695	0.6970	0.0385	0.4231	1.5761	21.0272
2006	3.0000	6.7830	8.0623	0.6970	0.0385	0.4231	1.4500	20.4539
2007	3.0000	6.0661	7.8687	0.6970	0.0385	0.4073	1.3300	19.4076
2008	3.0000	5.2868	7.6484	0.6240	0.0345	0.3572	1.1643	18.1152
2009	3.5000	5.3145	7.4170	0.6240	0.0345	0.3754	1.1913	18.4567
2010	3.9400	5.3889	7.4310	0.6240	0.0345	0.4243	1.2732	19.1159
2011	3.9404	5.5530	7.4180	0.4363	0.0345	0.4789	0.7500	18.6111
2012	3.9042	5.5530	7.4560	0.4289	0.0345	0.4902	0.6000	18.4668
2013	3.9404	5.7230	7.4800	0.4110	0.0345	0.4882	0.4000	18.4771

Notes:

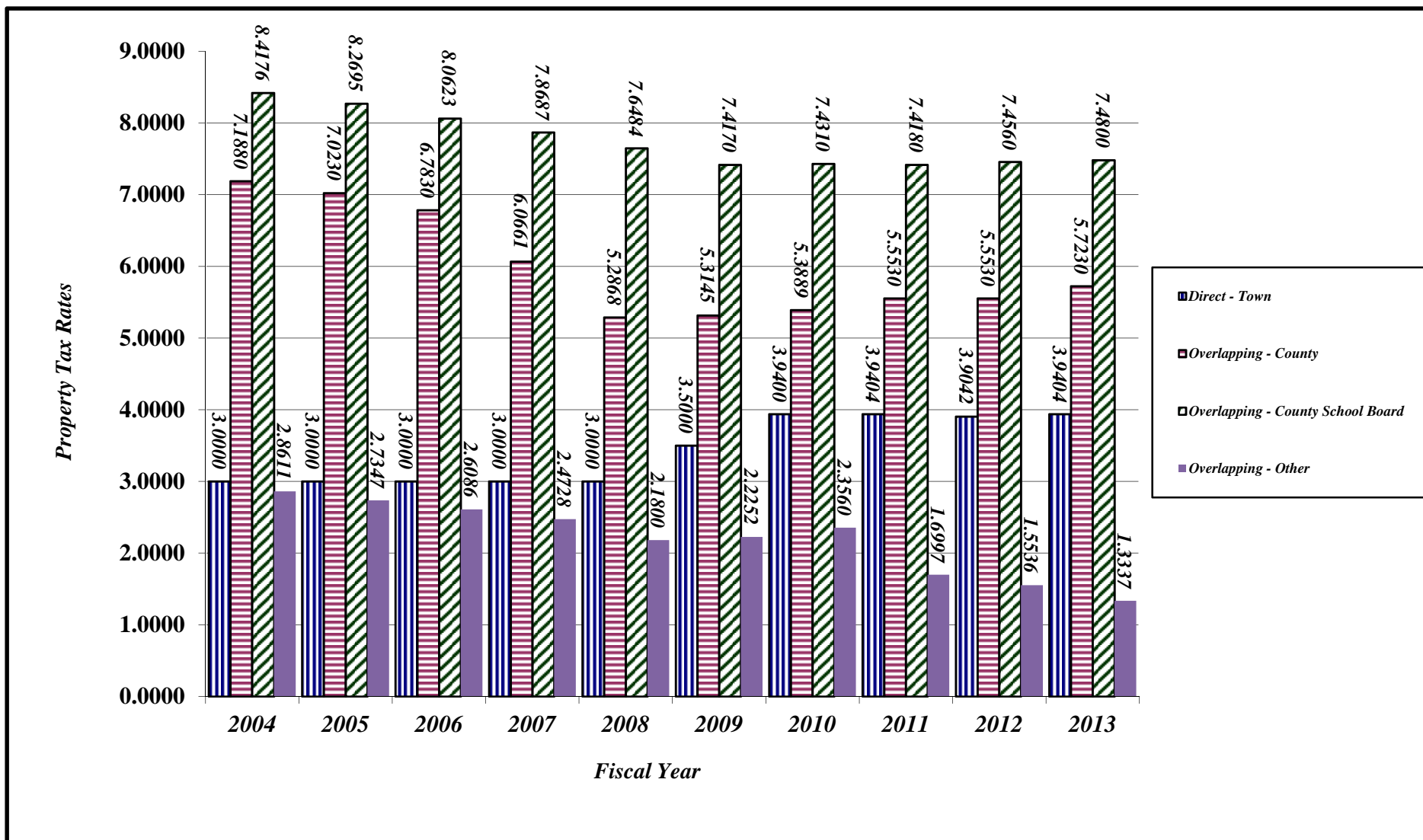
¹ Overlapping rates are those of governments that overlap the Town's geographic boundaries.

² 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
2004	\$ 2,257,314	\$ 2,257,314	100.00%	\$ -	\$ 2,257,314	100.00%
2005	2,616,800	2,592,473	99.07%	-	2,592,473	99.07%
2006	3,056,742	3,056,846	100.00%	-	3,056,846	100.00%
2007	3,651,838	3,634,344	99.52%	-	3,634,344	99.52%
2008	4,033,970	4,031,568	99.94%	-	4,031,568	99.94%
2009	4,656,926	4,656,926	100.00%	-	4,656,926	100.00%
2010	4,777,532	4,547,332	95.18%	-	4,547,332	95.18%
2011	4,479,936	4,275,648	95.44%	-	4,275,648	95.44%
2012	4,318,983	4,131,352	95.66%	123,662	4,255,015	98.52%
2013	4,323,515	4,256,493	98.45%	-	4,256,493	98.45%

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 2012.

Data Source:

Broward County Property Appraisal Office

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

2013				2004			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power and Light Co.	\$ 32,835,548	1	3.05%	Florida Power and Light Co.	\$ 28,599,855	1	3.99%
Lowes Home Centers, Inc.	14,696,110	2	1.37%	Lowes Home Centers, Inc.	15,579,200	2	2.17%
U.S. Retail Income Fund VLP	10,988,400	3	1.02%	Landmark Custom Ranches Inc	13,177,420	3	1.84%
Moses. Raymond & Baidwatte	4,869,840	4	0.45%	SCI Funeral Services of Florida, Inc.	8,544,320	4	1.19%
YSI XXXIX LLC	4,809,640	5	0.45%	U.S. Retail Income Fund VLP	7,332,730	5	1.02%
Wayne, Peta Gay & Reginald D	4,665,220	6	0.43%	Republica Musicana, Inc.	4,287,250	6	0.60%
Marshall, Brandon	4,130,070	7	0.38%	Nathan and Jacqueline Finkel	3,274,250	7	0.46%
Florida Power and Light Co.	3,832,260	8	0.36%	Tom and Denise Foley	3,267,080	8	0.46%
MGT Southwest Ranches LLC	3,681,030	9	0.34%	Stone Creek at Sunshine Ranches, LLC	3,189,290	9	0.44%
Nathan and Jacqueline Finkel	3,460,020	10	0.32%	Edward and Mary Lieberman	3,183,910	10	0.44%
Total Principal Taxpayers	87,968,138		8.18%	Total Principal Taxpayers	90,435,305		12.61%
All Other Taxpayers	987,439,852		91.82%	All Other Taxpayers	626,823,455		87.39%
Total Taxable Assessed Value	<u>\$ 1,075,407,990</u>		<u>100.00%</u>	Total Taxable Assessed Value	<u>\$ 717,258,760</u>		<u>100.00%</u>

Data Source:

Broward County Revenue Collectors' Office

Town of Southwest Ranches, Florida
Principal Personal Property Taxpayers (Unaudited)
Fiscal Years Ended September 30, 2013 and 2004 ¹

2013				2004			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power and Light Co.	\$ 33,377,337	1	77.58%	Florida Power and Light Co.	\$ 24,509,705	1	60.80%
Bellsouth Telecommunications	2,148,396	2	4.99%	Bellsouth Telecommunications	3,045,729	2	7.56%
Lowes Home Centers, Inc.	1,276,727	3	2.97%	Freedom Pipeline Corp	1,094,478	3	2.72%
Publix Supermarkets # 619	865,852	4	2.01%	Shell Oil # 165042	1,044,597	4	2.59%
Shell	544,867	5	1.27%	Publix Supermarkets # 619	935,566	5	2.32%
AT&T Mobility LLC	443,920	6	1.03%	FPL Fibernet LLC	854,156	6	2.12%
Applebee's	295,355	7	0.69%	Sandbox Bulldozing Inc	691,215	7	1.71%
Kelly Tractor Co	260,973	8	0.61%	Tom Thumb Food Stores	588,538	8	1.46%
Substitutions LLC	280,542	9	0.65%	Original Pancake House	520,320	9	1.29%
Walgreens # 10648	252,190	10	0.59%	Caterpillar Financial Services	348,510	10	0.86%
Total Principal Taxpayers	39,746,159		92.39%	Total Principal Taxpayers	33,632,814		83.43%
All Other Taxpayers	3,275,672		7.61%	All Other Taxpayers	6,678,101		16.57%
Total Taxable Assessed Value	<u>\$ 43,021,831</u>		<u>100.00%</u>	Total Taxable Assessed Value	<u>\$ 40,310,915</u>		<u>100.00%</u>

Notes:

¹ 2004 is the oldest data readily available.

² 2013 The County has asked for all Municipalities to use prior year number to create a one year lag for Data Reporting.

Data Source:

Broward County Revenue Collectors' Office

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

September 30,	Florida Municipal Loan Council Loan Series 2001	Florida Local Government Finance Commission Loans	TD Note Payable 2011	TD Note Payable 2013	CBB Loan Payable	Capital Lease	Total	Percentage of Personal Income (1)	Total Debt Per Capita
2004	4,915,616	2,602,000	-	-	-	-	7,517,616	0.0121%	1,010
2005	4,825,627	5,036,000	-	-	600,000	-	10,461,627	0.0154%	1,405
2006	4,735,638	5,500,000	-	-	600,000	-	10,835,638	0.0151%	1,461
2007	4,640,649	5,500,000	-	-	-	111,432	10,252,081	0.0138%	1,212
2008	4,540,660	2,500,000	-	-	-	100,274	7,140,934	0.0094%	841
2009	4,435,671	2,500,000	-	-	-	88,419	7,024,090	0.0097%	820
2010	4,306,257	2,500,000	-	-	452,069	75,823	7,334,149	0.0105%	851
2011	4,194,416	2,500,000	-	-	443,039	62,439	7,199,894	0.0108%	980
2012	4,077,574	-	2,335,175	-	766,019	47,638	7,226,406	{i}	984
2013	1,640,000	-	2,110,125	2,659,800	704,261	32,529	7,146,715	{i}	940

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 Reports

{i} Information not available from County

Town of Southwest Ranches, Florida
Debt Service Anti-Dilution Coverages
(Amounts in thousands)
Fiscal Years 2013 and 2012¹

TD Notes Payable Series 2013 and 2011

	*****/Maximum Additional Bond Test/*****										
	Non-Advalorem Revenues Available for Debt Service	Total Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2012	\$ 1,175	\$ 609	\$ 566	1.93 %	1.30 %	0.63 %	\$ 723	\$ 452	1.63 %	1.50 %	0.13 %
2013	\$ 1,325	\$ 712	\$ 613	1.86 %	1.30 %	0.56 %	\$ 723	\$ 602	1.83 %	1.50 %	0.33 %

FMLC Loan Payable Series 2001

A. Test of Prior Two Year Average of Non Advalorem Revenues:

	Adjusted Non-Advalorem Revenues	Adjusted Essential Expenditures	Net Non-Advalorem Revenues Available for Debt Service	Total Max Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2013 ²	\$ 4,970	\$ 2,575	\$ 2,395	\$ 723	331.21 %	150.00 %	181.21 %

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

	Two Year Avg Net total Governmental Funds Revenue	Total Max Annual Debt Service	Debt Service Coverage Percentage	Maximum Allowed Percentage	Excess Percentage
2013 ²	\$ 9,369	\$ 723	7.71 %	20.00 %	12.29 %

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, 2013

<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	\$ 326,817,000	0.007895%	\$ 25,802
Broward County School Board	1,932,046,000	0.008008%	<u>154,709</u>
Sub-Total Overlapping Debt			\$ 180,512
Town Direct Debt			<u>7,146,715</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,327,227</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)	Per	Unemployment Rate		
		Total Personal Income ^{2,3}	Capita Personal Income ⁴	County ³	State of Florida ⁵	United States ⁶
2004	7,443	62,189,850	36,086	4.3%	4.7%	5.6%
2005	7,447	67,945,619	39,062	3.5%	3.8%	5.1%
2006	7,415	71,941,404	41,153	3.1%	3.3%	4.6%
2007	8,461	74,547,657	42,519	3.8%	4.0%	4.6%
2008	8,489	75,970,354	43,261	6.0%	6.2%	5.6%
2009	8,570	72,752,112	41,283	9.6%	10.2%	9.5%
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	7,347	{i}	53,601	7.5%	8.1%	7.8%
2013	7,601	{i}	{i}	5.8%	6.7%	7.3%

Notes:

There are no public schools located within the Town.

Data Sources:

¹ Florida Legislative Committee in Intergovernmental Relations
2009, 2010, 2012 estimated by management.

² 2010 and 2011 estimated by management

³ Broward County comprehensive annual financial reports
2011 estimated by management.

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/survey/most> & US Census Quick Facts
{i} Information not available from County

Town of Southwest Ranches, Florida
Principal Employers (Unaudited)
 For the Fiscal Year Ended September 30, 2013 and 2010 ¹

2013			
Employer	Type of Business	Number of Employees	Rank
Lowe's Home Centers, Inc.	Retail	145	1
Publix Supermarkets	Retail	103	2
Archbishop McCarthy High School	Private School	74	3
Applebee's Neighborhood Grill	Restaurant	73	4
McDonald's	Restaurant	66	5
Apple Montessori School	Private School	42	6
Romeus Cuban Restaurant	Restaurant	31	7
Original Pancake House	Restaurant	29	8
Walgreens	Retail	28	9
Starbucks Coffee Company	Restaurant	27	10
Total Principal Employers		618	

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	

Notes:

¹ Information prior to 2010 not available

Data Source:

Town records.

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

Function/program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Commission	5	5	5	5	5	5	5	5	5	5
General Government										
City management	-	-	-	3	3	3	6	5	5	3
Community services ¹	4	6	5	4	3	4	6	6	6	8
Total General Government	4	6	5	7	6	7	12	11	11	11
Contracted Employees:										
General government management services	4	5	5	4	4	5	4	4	4	4
Fire rescue	3	3	3	3	3	12	12	43	43	38
Emergency medical services	3	3	3	3	3	9	9	4	4	3
Police protection	11	11	11	13	15	15	15	15	15	15
Total Contracted Employees	21	22	22	23	25	41	40	66	66	60
Total	30	33	32	35	36	53	57	82	82	76
Percentage Change From Prior Year	7.1%	10.0%	-3.0%	9.4%	2.9%	47.2%	7.5%	5.3%	0.0%	-7.3%

Notes:

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

Data Source:

Town of Southwest Ranches Community Services and Finance Department

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL GOVERNMENT:										
Building permits issued by:										
Broward County ³	-	1,032	2,203	762	-	N/A	N/A	N/A	N/A	N/A
CAP Government Services, Inc. ⁵	-	-	-	466	473	540	321	433	422	403
Total building permits	-	1,032	2,203	1,228	473	540	321	433	422	403
Building inspections conducted by:										
Broward County:										
Electrical ³	952	1067	929	1,083	-	N/A	N/A	N/A	N/A	N/A
Mechanical ³	253	234	205	191	-	N/A	N/A	N/A	N/A	N/A
Plumbing ³	840	771	756	668	-	N/A	N/A	N/A	N/A	N/A
Structural ³	2,663	2,341	4,208	2,547	-	N/A	N/A	N/A	N/A	N/A
Other ³	139	103	89	150	-	N/A	N/A	N/A	N/A	N/A
CAP Government Services, Inc. ⁵	-	-	-	3,300	-	3,256	2,798	2,200	3,765	5,273
Total building inspections	4,847	4,516	6,187	7,939	-	3,256	2,798	2,200	3,765	5,273
Local Business Tax certificates issued ³	-	-	-	-	335	-	-	-	-	-
Certificates of use registrations ⁹	26	31	35	23	33	20	28	35	23	11
Planning & Zoning Permits Issued ⁹								213	177	153
FIRE:										
Emergency responses ⁶	425	362	354	265	228	739	779	403	437	685
Station 112 Average Response Time ⁶										5:58
Inspections	-	-	-	-	-	30	55	40	31	98
POLICE: ⁴										
Physical arrests	297	262	375	207	183	126	112	132	77	54
Parking violations	32	61	19	9	12	10	9	2	-	2
Traffic violations	2,962	2,561	2,618	2,564	2,839	2,779	2,192	3,025	1,225	1,011
REFUSE COLLECTION: ^{2, 7}										
Refuse collected (tons per month)	30.00	51.00	63.60	7.70	14.72	36.40	11.60	10.89	26.45	287.54
Recyclables collected (tons per month)	1.49	1.37	1.02	0.67	2.84	2.35	5.44	7.63	8.51	36.54
Bulk collected (tons per month)	7.80	20.00	25.20	15.00	61.77	65.75	82.56	78.90	70.11	593.63
OTHER PUBLIC WORKS: ⁷										
Street resurfacing (in miles)	-	-	0.5	-	-	0.50	6.00	-	0.95	-
Potholes repaired	360	360	360	360	360	360	400	107	112	88
WATER: ⁸										
New connections	5	6	2	4	10	2	2	1	1	-
Average daily consumption (thousands of gallons)	1.2	3.6	4	5.5	8.75	9.85	10.83	13.47	12.02	11.52
Peak monthly consumption (thousands of gallons)	80	209	175	247	396	425	479	556	440	419
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%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Franchises										
Electric	6%	6%	6%	6%	6%	6%	5.90%	5.90%	5.90%	5.90%
Solid Waste	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Towing	-	-	-	-	-	13%	13%	13%	13%	13%

Notes:¹ Information not presented is not available.² In 2007, amounts cover the period from October 2006 - April 2007.³ Information provided by Broward County.⁴ Information provided by Broward County Sheriff's Office.⁵ Information provided by CAP Government Services, Inc.⁶ 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. Information for 2012 provided by Pembroke Pines. Information for 2013 provided by Town of Davie.⁷ Information provided by Town Contractors. 2013 Change from daily average to monthly.⁸ 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.⁹ Information provided by Mellgren Planning Group

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FIRE STATIONS: ²	-	-	-	-	-	-	1	1	1	1
POLICE:										
Stations ²	-	-	-	-	-	-	-	-	-	-
Patrol units	11	11	12	15	15	15	15	15	15	15
REFUSE COLLECTION:										
Collection trucks ²	-	-	-	-	-	-	-	-	-	10
OTHER PUBLIC WORKS:										
Streets (miles)	82	82	82	82	82	82	82	82	82	82
Streetlights ³	-	-	-	-	-	-	13	13	13	13
PARKS AND RECREATION:										
Acreage	117.40	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01
Playgrounds	-	-	1	1	1	1	1	1	1	2
Equestrian ring	-	-	2	2	2	2	2	2	2	2
Picnic pavilion	-	-	1	1	1	1	1	1	1	1
Restroom facilities	-	-	1	1	1	1	1	1	1	1
Nature trails (miles)	-	-	1	1	1	1.5	1.5	1.5	1.5	1.5
Multi-use trails (miles)	-	4	4	12.7	17.35	17.35	17.35	17.35	17.35	17.35
WATER:										
Water mains (miles) ⁴	***	12	12	12	12	12	12	12	12	12
Firewells	330	330	330	330	330	330	330	332	332	332
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:

² Items not presented provided by a contractor.

³ Only streetlights and traffic signals are on Griffin Road which is owned and maintained by Broward County.

⁴ Information provided by City of Sunrise Utilities Department. Unable to determine how many miles of water mains have been added since 2005.

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.

*** No Data Available

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REPORTING SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *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 (the Town), as of and for the year ended September 30, 2013 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 14, 2014.

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.

Marcum LLP

Fort Lauderdale, FL
March 14, 2014

TOWN OF SOUTHWEST RANCHES, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2012 Schedule of Findings.

MATTERS THAT ARE NOT REPEATED IN THE ACCOMPANYING SCHEDULE OF FINDINGS AND RESPONSES

- 2012-1 – Internal Control Over Financial Reporting – Capital Assets

**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

We have audited the financial statements of the Town of Southwest Ranches, Florida, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 14, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 14, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- 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. Corrective action has been taken to address the finding and recommendation made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town of Southwest Ranches complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendation.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., 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.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town of Southwest Ranches did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town of Southwest Ranches for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town of Southwest Ranches financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. This assessment was performed as of the fiscal year end.

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

Marcum LLP

Fort Lauderdale, FL
March 14, 2014



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