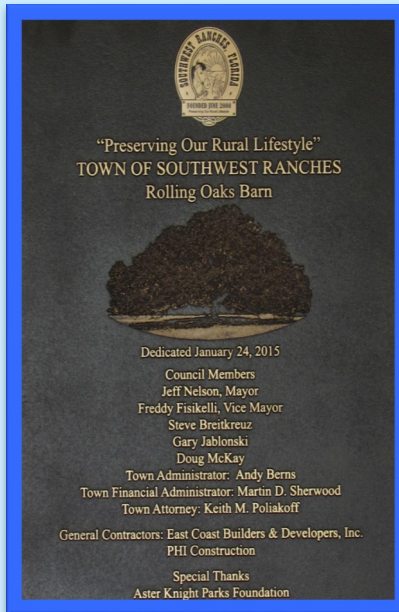


TOWN OF SOUTHWEST RANCHES, FLORIDA



Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2015



**TOWN OF
SOUTHWEST RANCHES, FLORIDA
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2015**



*2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Lee Rickles*

Prepared by Finance Department

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

Richard E. Strum
Controller

TOWN OF SOUTHWEST RANCHES

MOTTO:

“PRESERVING OUR RURAL LIFESTYLE”

VISION STATEMENT:

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

MISSION STATEMENT:

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



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Brad McBride

TOWN OF SOUTHWEST RANCHES, FLORIDA

CONTENTS

Introductory Section

| | |
|---|------|
| Letter of Transmittal | i-v |
| Organizational Chart..... | vi |
| List of Principal Officials..... | vii |
| Certificate of Achievement for Excellence in Financial Reporting..... | viii |

Financial Section

| | |
|---|------|
| Independent Auditors' Report | 1-3 |
| Management's Discussion and Analysis (Required Supplementary Information) | 4-14 |

Basic Financial Statements:

Government-wide Financial Statements:

| | |
|---------------------------------|----|
| Statement of Net Position | 15 |
| Statement of Activities..... | 16 |

Fund Financial Statements:

| | |
|--|----|
| Balance Sheet - Governmental Funds..... | 17 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 18 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds..... | 19 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 20 |
| Statement of Net Position– Proprietary Fund | 21 |
| Statement of Revenues, Expenses and Change in Net Position – Proprietary Fund | 22 |
| Statement of Cash Flows – Proprietary Fund | 23 |

| | |
|--|-------|
| Notes to Basic Financial Statements..... | 24-45 |
|--|-------|

Required Supplementary Information (Other than MD&A)

| | |
|--|----|
| Budgetary Comparison Schedule – General Fund..... | 46 |
| Budgetary Comparison Schedule – Transportation Fund..... | 47 |
| Note to Budgetary Comparison Schedules | 48 |

Supplementary Information

Combining and Individual Fund Statements and Schedules:

| | |
|---|----|
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 49 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds..... | 50 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund..... | 51 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund..... | 52 |

TOWN OF SOUTHWEST RANCHES, FLORIDA

CONTENTS

Statistical Section (Unaudited)

| | |
|---|----|
| Changes in Net Position – Governmental Activities | 53 |
| Changes in Net Position – Governmental Activities – Percentage of Total | 54 |
| Changes in Net Position – Business-type Activities | 55 |
| Changes in Total Net Position | 56 |
| Government-wide Net Position by Category | 57 |
| Chart – Total Government-wide Net Position | 58 |
| General Government Revenues by Source | 59 |
| Chart – Total General Governmental Revenues | 60 |
| Tax Revenues by Source – Governmental Funds | 61 |
| Chart – Tax Revenues by Source – Governmental Funds | 62 |
| General Governmental Expenditures by Function | 63 |
| General Governmental Current Expenditures by Function | 64 |
| Chart – Total General Governmental Current Expenditures | 65 |
| Summary of Changes in Fund Balances – Governmental Funds | 66 |
| Chart – Changes in Fund Balances - Governmental Funds | 67 |
| Fund Balances - Governmental Funds | 68 |
| Fund Balances - Governmental Funds | 69 |
| Assessed Value and Estimated Actual Value of Taxable Property | 70 |
| Chart – Total Assessed Value | 71 |
| Direct and Overlapping Property Tax Rates | 72 |
| Chart – Direct and Overlapping Property Tax Rates | 73 |
| Total Property Tax Levies and Collections | 74 |
| Principal Real Property Taxpayers | 75 |
| Principal Personal Property Taxpayers | 76 |
| Ratios of Outstanding Debt by Type | 77 |
| Debt Service Anti-Dilution Coverages | 78 |
| Overlapping Governmental Activities Debt | 79 |
| Demographic and Economic Statistics | 80 |
| Principal Employers | 81 |
| Town Full-Time Funded Positions by Function/Program | 82 |
| Operating Statistics by Function/Program | 83 |
| Capital Asset Statistics by Function/Program | 84 |

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 | 85-86 |
| Management Letter in Accordance with the Rules of the Auditor General of the State of Florida | 87-88 |
| Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes | 89 |

INTRODUCTORY SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Patricia Hooton



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
Doug McKay, Vice Mayor
Steve Breitzkreuz, Council Member
Freddy Fisikelli, Council Member
Gary Jablonski, Council Member

Town Administration

Andrew D. Berns, MPA, Town Administrator
Russell Muñiz, MBA, MPA, MMC, Assistant Town Administrator/Town Clerk
Keith M. Poliakoff, JD, Town Attorney
Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

March 14, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Southwest Ranches, Florida (the Town), for the fiscal year ended September 30, 2015. Although Florida Statutes requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements, the Government Finance Officers' Association (GFOA) recommends that local governments publish same within six months. Therefore, in addition to meeting legal requirements, the report represents the Town's continued strong support of full financial disclosure in the timeliest of manner. This philosophy is reflected by the informative financial analysis provided by the Town's Finance 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 Ranches financial statements for the fiscal year ended September 30, 2015.

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 2014 census population estimate of 7,761 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 98,895), Pembroke Pines (population estimate of 164,626) and Weston (population estimate of 69,100). 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 continued on 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 2014, the Town experienced a greater than 2% increase in taxable assessed value and a greater than 5.5% increase in 2015. However, the 2015 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 reserves 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 42.1% of the final 2015 General Fund operating budget.

On a long-term financial perspective, the Town has identified all capital asset and infrastructure projects under a five-year capital improvement plan (CIP). This five-year CIP serves as a quick reference for a project timeline and identifies current and future funding requirements. Commencing in FY 2015, the Town implemented a Transportation Surface and Drainage Ongoing Rehabilitation (TSDOR) program with the goal of preserving and

extending the life of the Town's paved streets. The TSDOR program addresses improvements for every Town road over a 20+ year period. Thirteen capital projects, including TSDOR have been fully or partially funded during the fiscal year 2016 budget process.

In the 2016 Session, the Florida Legislature is considering reducing or eliminating business and communication services taxes, pension reform, as well as pushing additional costs down to local governments as unfunded mandates. The Town is closely monitoring these proposals and their potential impacts and limitations to Florida municipalities. The consequences of a combination of several of the proposals being considered could have a significant impact on the Town's ability to maintain and/or improve services to residents.

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

Revenue Policy:

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

Debt Policy:

The Town reviews and evaluates its existing obligations and future borrowing needs regularly. The Town, when necessary, will issue debt for capital improvement projects. During 2015, the Town obtained financing for the purchase of a \$206,500 Commercial Chassis Volunteer Fire Pumper vehicle while, during 2013, the Town refinanced a portion of its 2001 debt at a lower interest rate resulting in receiving over \$300,000 in present value cash savings for parks, recreation and open spaces capital improvements. The Town also borrowed \$439,139 and \$360,860 in 2010 and 2012, respectively from a line of credit 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, 2015.

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 2014. 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 2015 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 effort of the Finance Department. Special thanks must be given to Richard Strum and Mara Semper for their dedication in the creation and compilation of this document. Our appreciation and gratitude is also extended to other departments and their respective staff 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 would also like to express our appreciation to our independent certified public accountants, Marcum LLP, for their cooperation, assistance and professionalism. Finally, *credit also must be given to the Mayor and the Town Council for their commitment to support their sound fiscal management practices with an emphasis on long-term financial stability.*

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

Respectfully yours,



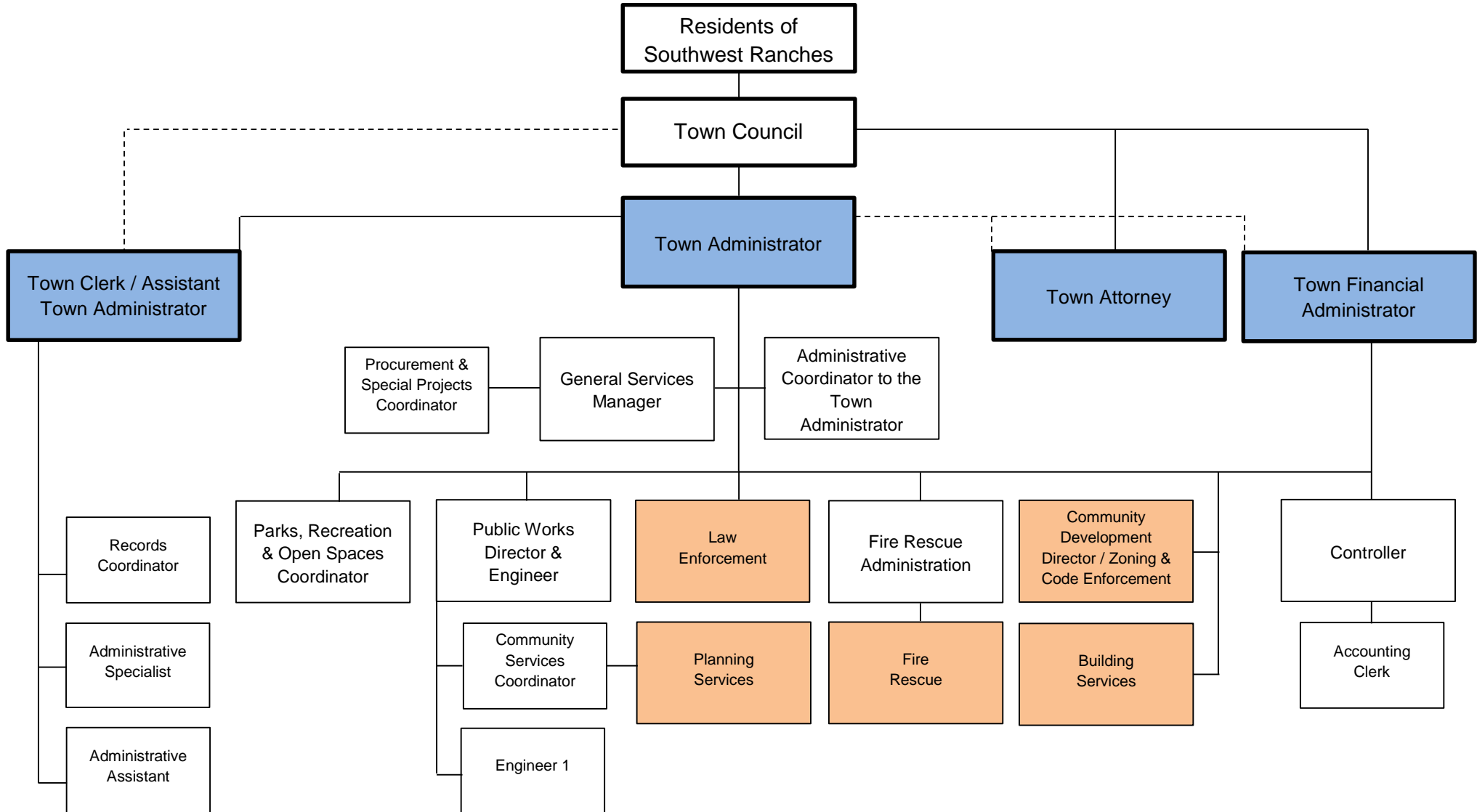
Andrew D. Berns, MPA
Town Administrator



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



TOWN OF SOUTHWEST RANCHES ORGANIZATIONAL CHART Fiscal Year Ended September 30, 2015



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, 2015

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



JEFF NELSON
Mayor



FREDDY FISIKELI
Vice Mayor



STEVE BREITKREUZ
Council Member



GARY JABLONSKI
Council Member



DOUG MCKAY
Council Member

TOWN ADMINISTRATOR
Andrew D. Berns, MPA

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

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

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, 2014

Executive Director/CEO

FINANCIAL SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Tracey Egert

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, 2015 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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 4–14 and 46–48 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 fund statements and schedules, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016 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, 2016

**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, 2015. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2015 FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$52,289,857 (total net position) as of September 30, 2015.
- Total net position increased \$1,705,150 and are comprised of the following:
 - (1) Investment in capital assets of \$45,134,927 include property and equipment, net of accumulated depreciation.
 - (2) Net position of \$935,161 are restricted by constraints imposed from the Town in the amount of \$331,973 for transportation, \$515,482 and \$75,156 for fire control and the volunteer fire department, respectively, and \$12,550 for public safety from outside the Town such as grantors, laws, or regulations.
 - (3) The Town's total debt decreased \$302,727 to a total of \$6,341,920. Total debt includes loans as well as notes payable.
 - (4) Unrestricted net position consist of \$6,219,769 that may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$6,462,699 at September 30, 2015. This compares to the prior year total ending fund balance of \$5,453,840 showing an increase of \$1,008,859 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$4,365,118 or 45% of total General Fund expenditures and net transfers. The unrestricted fund balance for the General fund was \$4,879,687 or 50% of total General Fund expenditures and net 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 annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Town's assets, 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 12 and 13 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 14 - 17 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. 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 18 - 20 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 21 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

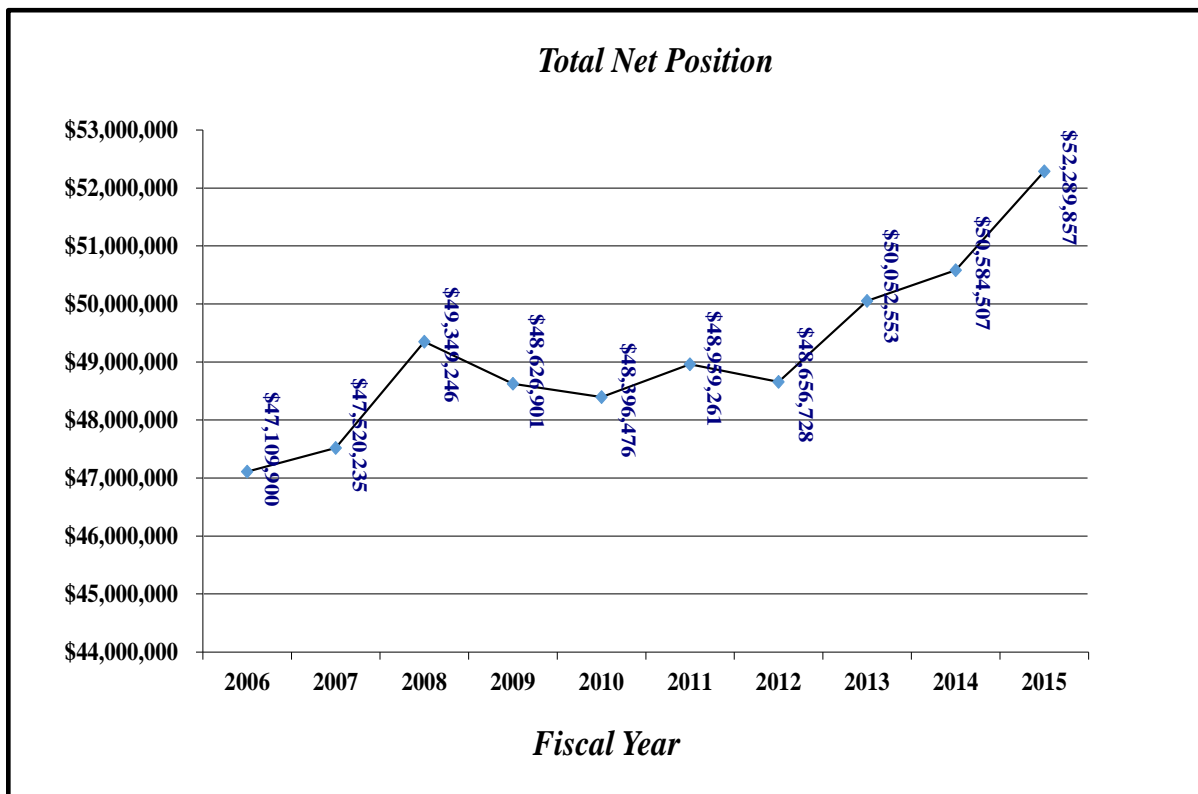
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 47.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year-end are \$52,289,857. The following table provides a summary of the Town's net position:

| | Summary of Net Position | | | | | |
|----------------------------------|--------------------------------|----------------------|---------------------------------|-------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Assets: | | | | | | |
| Current assets | \$ 6,527,236 | \$ 5,556,524 | \$ 1,021,523 | \$ 605,082 | \$ 7,548,759 | \$ 6,161,606 |
| Non-current assets: | | | | | | |
| Other | 482,720 | 497,720 | - | - | 482,720 | 497,720 |
| Capital assets | 51,244,347 | 51,273,723 | - | - | 51,244,347 | 51,273,723 |
| Total assets | <u>58,254,303</u> | <u>57,327,967</u> | <u>1,021,523</u> | <u>605,082</u> | <u>59,275,826</u> | <u>57,933,049</u> |
| Deferred Outflows of Resources: | | | | | | |
| Deferred amount on refunding | 57,584 | 63,342 | - | - | 57,584 | 63,342 |
| Liabilities: | | | | | | |
| Current liabilities | 1,098,245 | 1,169,883 | 127,807 | 107,477 | 1,226,052 | 1,277,360 |
| Long-term liabilities | 5,817,501 | 6,134,324 | - | - | 5,817,501 | 6,134,324 |
| Total liabilities | <u>6,915,746</u> | <u>7,304,207</u> | <u>127,807</u> | <u>107,477</u> | <u>7,043,553</u> | <u>7,411,684</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 45,134,927 | 44,619,097 | - | - | 45,134,927 | 44,619,097 |
| Restricted | 935,161 | 599,649 | - | - | 935,161 | 599,649 |
| Unrestricted | 5,326,053 | 4,868,356 | 893,716 | 497,605 | 6,219,769 | 5,365,961 |
| Total net position | <u>\$ 51,396,141</u> | <u>\$ 50,087,102</u> | <u>\$ 893,716</u> | <u>\$ 497,605</u> | <u>\$ 52,289,857</u> | <u>\$ 50,584,707</u> |

The following chart reports the Town's total net position balances from fiscal year 2006-2015.



Note over the last ten years, the total net positions have increased \$5,179,957.

Current assets in governmental activities and business-type activities increased in fiscal year September 30, 2015. Cash and investments for governmental activities and business-type activities increased \$1,040,829 and \$419,214, 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 5.9 to 1 as compared to 4.8 to 1 at September 30, 2014. The current ratio for business-type activities is 8.0 to 1 as compared to 5.6 to 1 at September 30, 2014. Overall, the total current ratio at September 30, 2015 increased to 6.2 to 1 as compared to 4.8 to 1 at September 30, 2014. The increase was primarily due to an increase in cash and investments as well as slight reduction in accounts payable and accrued liabilities pertaining to capital project construction in progress as of fiscal year end.

The Town reported positive balances in net position for both governmental and business-type activities. During 2015, net position increased \$879,360 and \$293,616 for governmental activities and business-type activities, respectively. The Town's overall financial position improved during fiscal year 2015. The Town remains in a strong financial position within an overall improving economy.

Note that approximately 87.9% 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 86.4% of its total assets in capital assets, as presented in the government-wide statement of net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Town of Southwest Ranches, Florida
As of and For the Year Ended September 30, 2015

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

| | Summary of Changes in Net Position | | | | | | Percentage Of Total |
|---------------------------------------|------------------------------------|---------------|-----------------------------|--------------|---------------|---------------|------------------------|
| | Governmental Activities | | Business-type Activities | | Total | | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | |
| Revenues: | | | | | | | |
| Program: | | | | | | | |
| Charges for services | \$ 3,116,176 | \$ 3,032,923 | \$ 1,045,547 | \$ 1,050,476 | \$ 4,161,723 | \$ 4,083,399 | 36.6% |
| Operating grants and contributions | 13,049 | 28,003 | - | - | 13,049 | 28,003 | 0.3% |
| Capital grants and contributions | 328,924 | 161,293 | - | - | 328,924 | 161,293 | 1.4% |
| General: | | | | | | | |
| Ad valorem taxes | 4,788,463 | 4,245,717 | - | - | 4,788,463 | 4,245,717 | 38.1% |
| Other taxes | 1,833,979 | 1,785,743 | - | - | 1,833,979 | 1,785,743 | 16.0% |
| Intergovernmental | 771,930 | 734,438 | - | - | 771,930 | 734,438 | 6.6% |
| Investment earnings | 19,660 | 5,598 | 1,498 | 476 | 21,158 | 6,074 | 0.1% |
| Transfers | 168,833 | 183,327 | (168,833) | (183,327) | - | - | |
| Miscellaneous | 89,589 | 94,659 | 279,579 | 16,634 | 369,168 | 111,293 | 1.0% |
| Total revenues | 11,130,603 | 10,271,701 | 1,157,791 | 884,259 | 12,288,394 | 11,155,960 | 100% |
| Program Expenses: | | | | | | | |
| General government | 1,943,608 | 1,885,010 | - | - | 1,943,608 | 1,885,010 | 17.7% |
| Public safety | 5,363,076 | 5,688,914 | - | - | 5,363,076 | 5,688,914 | 53.5% |
| Parks and recreation | 825,673 | 482,289 | - | - | 825,673 | 482,289 | 4.5% |
| Transportation | 641,501 | 767,872 | - | - | 641,501 | 767,872 | 7.2% |
| Community services | 859,056 | 777,301 | - | - | 859,056 | 777,301 | 7.3% |
| Interest and other debt service costs | 188,650 | 240,636 | - | - | 188,650 | 240,636 | 2.3% |
| Solid waste | - | - | 761,680 | 781,764 | 761,680 | 781,764 | 7.4% |
| Total expenses | 9,821,564 | 9,842,022 | 761,680 | 781,764 | 10,583,244 | 10,623,786 | 100% |
| Changes in net position | 1,309,039 | 429,679 | 396,111 | 102,495 | 1,705,150 | 532,174 | |
| Beginning net position | 50,087,102 | 49,657,423 | 497,605 | 395,110 | 50,584,707 | 50,052,533 | |
| Ending net position | \$ 51,396,141 | \$ 50,087,102 | \$ 893,716 | \$ 497,605 | \$ 52,289,857 | \$ 50,584,707 | |

Governmental Activity Revenues

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 43.0% of the Town's total revenues as compared to 41.3% in fiscal year 2014. Other taxes, which includes franchise and utility taxes provided 16.5% and 17.4% of the Towns total revenues for fiscal year 2015 and 2014, respectively. Because of the Town's healthy financial position, we have been able to earn \$19,660 in investment earnings to support governmental activities.

Note that program revenues covered 35.2% of governmental operating expenditures as compared to 32.7% in fiscal year 2014. This means that the government's taxpayers and the Town's other general revenues fund 64.8% and 67.3% for 2015 and 2015, respectively, 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 | \$ 1,943,608 | 19.8% | \$ (1,930,559) | 30.3% |
| Public safety | 5,363,076 | 54.6% | (3,148,737) | 49.5% |
| Community services | 859,056 | 8.7% | 116,246 | -1.8% |
| Parks and recreation | 825,673 | 8.4% | (824,573) | 13.0% |
| Transportation | 641,501 | 6.5% | (387,142) | 6.1% |
| Interest and other debt service costs | 188,650 | 1.9% | (188,650) | 3.0% |
| Total | <u>\$ 9,821,564</u> | <u>100.0%</u> | <u>\$ (6,363,415)</u> | <u>100.0%</u> |

The public safety expenses total almost 55% while net of program revenues total almost 50% of costs. The public safety function generated \$2,140,874 in user charges and \$73,465 in grant (operating and capital) revenues, which offsets program costs. The community services expenses total 8.7% while net of program revenues total -1.8%. The community services function generated \$975,302 in user charges, primarily from building permits and plan review fees of \$748,981, 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 increased \$258,016 or 24.2% while total operating expenses decreased \$20,084 or 2.6%.

Specifically, other miscellaneous operating revenues increased \$262,945 due to a one-time legal settlement received which was offset by a \$4,929 (net) reduction in operating charges for services received primarily related to decreased recycling revenues. Contractual and recycling expenses decreased \$19,902 (net) due to a reduction of \$44,872 pertaining to a fiscal year 2014 FEMA settlement that was offset by an increase of \$24,970 pertaining to increased contract collection price escalators. Other operating expenses decreased \$182 in fiscal year 2015 as compared to fiscal year 2014 due to decrease in professional fees.

In total, the operating income and net position increased \$278,100 and \$293,616, respectively.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$6,462,699 compared to \$5,453,840 at September 30, 2014.

The total governmental revenues exceeded expenditures by \$633,526.

The General Fund revenues exceeded its expenditures by \$2,319,112. Transfers in from Solid Waste of \$168,833 and transfers to other funds totaling \$1,769,793 offset this excess. The details of the general fund's financial operations are discussed below.

Governmental funds report total fund balance of \$6,462,699. Of this year-end total, \$935,161 is legally restricted for transportation (\$331,973), fire control including volunteer fire operations (\$590,638), and public safety (\$12,550). \$363,029 is committed to various projects. \$286,334 is assigned to the following purposes; debt service \$36,534 and capital projects \$249,800. \$513,057 is considered non-spendable and \$4,365,118 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show an increase of \$1,008,859 or 18.5% over the prior year.

Major Governmental Funds

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

General Fund - The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance of \$5,201,219 increased by \$718,152 or 16.0% as compared to \$492,633 or 12.4% increase in 2014. The ending unassigned fund balance is considered extremely adequate, representing the equivalent of 53.9% of annual expenditures. This percentage compares to 47.3% at September 30, 2014.

Ad valorem (property) taxes increased \$542,746 or 12.8%. This increase relates primarily to the first year of implementation of a transportation surface and drainage ongoing rehabilitation (TSDOR) capital program as well as 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 \$590,982 or 9.8% above those of 2014. Licenses and permits were \$757,924 or 25.3% over the 2014 amount primarily due to increased building and engineering permitting activity.

Total General Fund expenditures increased \$75,036 or 0.9% above the fiscal year 2014 level. The most significant changes, by department, from fiscal year 2014 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, and finance departments were \$59,714 above the 2014 amount.

In total, public safety costs were down \$218,840 or 4.1% below the 2014 amount. This decrease is primarily due to the elimination of start-up costs incurred during 2014 for a new police service provider (\$281,756 or 5.3% in total), offset by an annual fire service provider contractual increase (\$62,916 or 1.2% in total).

The 2015 community services expenditures were \$81,755 or 10.5% above 2014. This increase primarily relates to increased permits and application fees for building, planning/zoning and engineering. The 2015 parks and recreation amounts were \$90,663 higher than the 2014 amount of \$195,826. The major portion of this increase is due to higher maintenance costs required for two newly opened Town park facilities.

In this fiscal year, the General Fund transferred \$1,769,793 to other funds, which included \$794,139 to the Transportation Fund, \$109,027 to the Capital Projects Fund, \$732,790 to the Debt Service Fund, \$133,837 to the Volunteer Fire Department Fund (a component unit). The Solid Waste Fund transferred \$168,833 to the General Fund.

Transportation Fund – This fund accounts for the Town’s share of the state gasoline and local option gas taxes, which are restricted to transportation purposes, a new state transportation appropriation, and a newly implemented long term transportation surface and drainage ongoing rehabilitation (TSDOR) capital program. In fiscal 2015, revenue of \$426,263 of intergovernmental revenue was earned as compared to \$169,672 in fiscal year 2014 primarily related to the new state transportation appropriation. \$327,491 was expended on roadways including engineering and related personnel costs during 2015 and \$631,532 on capital outlay comprising of; drainage improvements (\$357,793); roadway improvements including striping/markers (\$120,092); TSDOR (\$72,063); entranceway enhancements (\$18,153); sidewalk improvements (\$14,831); and guardrails (\$48,600). The total legally restricted and committed transportation fund balance at fiscal year-end 2015 was \$331,973 and \$319,645, respectively.

Capital Projects Fund - This fund is primarily financed from transfers from the General Fund, as indicated above. Additionally, intergovernmental revenue, consisting of capital grants, decreased \$106,219 or 76.3% from the prior year to \$33,074 due to lower public safety and parks and recreation grants. Finally, \$206,500 in debt was issued to accommodate the financing and, ultimate receipt shortly subsequent to FY 2015, of a Fire pumper apparatus.

During fiscal year 2015, this fund spent \$330,621 on capital outlay, which includes:

- Buildings and Building Improvements for Rolling Oaks Barn \$186,439
- Infrastructure for Country Estates Park \$99,164
- Machinery and Equipment for Parks and Open Spaces \$39,142
- Construction in Progress for Calusa Corners Park \$5,876

Restricted fund balance was \$206,500. Committed and assigned fund balance was \$40,298 and \$249,800, respectively. The total capital project fund balance at fiscal year-end 2015 was \$496,598.

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.

Franchise Fees and miscellaneous revenues exceeded the final budget by \$60,262 or 10.7% and \$20,089 or 28.9%, respectively. The franchise fees increase primarily relates to unanticipated higher electrical fees received while the miscellaneous increase relates to the unanticipated receipts from the disposal of surplus assets. All other revenue sources were consistent with the adopted budget. Overall, we ultimately recognized \$116,230 or 101% over 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 \$174,223 or 8.5% below the budget, public safety were \$161,315 or 3.1% below the budget, community services were \$29,805 or 3.4% below the budget, parks and recreation & open spaces were \$135,751 or 32.2% below the budget and capital outlay were \$19,625 or 16.8% below the budget.

Overall, the total General Fund budget was underspent by \$520,719 or 6.0% primarily due to lower parks and recreation contractual services and lower than anticipated public safety, including volunteer fire services costs as well as due to tight Departmental Director expenditure controls.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental activities as of September 30, 2015, was \$51,244,347. The change in this net investment was less than a 1% decrease for governmental activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

| | Capital Assets | |
|--|--------------------------------|----------------------|
| | Governmental Activities | |
| | 2015 | 2014 |
| Non-depreciable assets: | | |
| Land | \$ 34,018,569 | \$ 34,018,569 |
| Construction in progress | 1,972,881 | 2,390,579 |
| Total non-depreciable | 35,991,450 | 36,409,148 |
| Depreciable assets: | | |
| Infrastructure | 21,071,024 | 20,692,334 |
| Improvements other than buildings | 4,747,155 | 4,411,527 |
| Buildings & Bldg Improvements | 3,415,551 | 2,769,661 |
| Furniture and equipment | 1,574,286 | 1,457,231 |
| Total depreciable assets | 30,808,016 | 29,330,753 |
| Less: accumulated depreciation | 15,555,119 | 14,466,178 |
| Net book value - depreciable assets | 15,252,897 | 14,864,575 |
| Percentage depreciated | 50% | 49% |
| Total Capital Asset Net Book Value | \$ 51,244,347 | \$ 51,273,723 |

At September 30, 2015, the depreciable capital assets for governmental activities were 50% depreciated. This compares to the 49% at September 30, 2014.

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

- Rolling Oaks Park and Barn Construction-in-progress (\$690,414)
- Guardrails, Drainage and SW 190th Transportation improvements Construction-in-progress \$266,840
- Calusa Corners Park Construction-in-progress \$5,876
- Drainage, Striping, Sidewalk, Entranceway Signage, Fire Wells Infrastructure \$378,690
- Country Estates Park (f/k/a Fishing hole) Improvements other than buildings (\$43,207)
- Rolling Oaks Park and Barn Improvements other than building \$378,835
- Rolling Oaks Park and Barn Buildings and Bldg Improvements \$498,018
- Country Estates Park (f/k/a Fishing hole) Buildings and Bldg Improvements \$142,372
- Public Safety Buildings and Bldg Improvements \$5,500
- Town Hall Furniture and equipment \$29,740
- Rolling Oaks Park and Barn Furniture and Equipment \$10,807
- Country Estates Park (f/k/a Fishing hole) Furniture and Equipment \$28,336
- Public Safety Furniture and equipment \$48,172

Debt

The Town reports the series 2001 revenue bonds issued through the Florida Municipal Loan Council, series 2013 revenue refunding note payable as well as series 2011 revenue refunding note and note and loans payable with financial institutions. The following table reports long-term debt balances at September 30, 2015 and 2014:

| | Outstanding Long-term Debt | | | |
|-------------------|-----------------------------------|----|---------------------|----|
| | Governmental Activities | | | |
| | 2015 | | 2014 | |
| FMLC Loan Payable | \$ 1,640,000 | ** | \$ 1,640,000 | ** |
| TD Note payable | 2,292,900 | | 2,475,100 | |
| TD Note payable | 1,641,204 | | 1,878,854 | |
| TD Note Payable | 206,500 | | - | |
| CBB Loan Payable | 561,316 | | 634,217 | |
| Capital lease | - | | 16,476 | |
| | <u>\$ 6,341,920</u> | | <u>\$ 6,644,647</u> | |

**Totals herein include total principal amount outstanding for the FMLC Revenue Bonds. The balance for the underwriters discount net of amortization has been expensed pursuant to the Towns' implementation of GASB #63 and #65, respectively for fiscal year 2013. 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 2015, the unemployment rate for Broward County residents was 4.9% a reduction from a September 2014 rate of 5.8% and compares favorably to the State's unemployment rate of 5.2% and 5.8% for September 2015 and 2014, respectively. The Town's residents would expect to have a lower unemployment rate than is reported for the county. Inflationary trends in the region continue to also compare favorably to national indices, which is a positive sign. In addition, according to the U.S. Census Bureau (2009-2013), the Town's median household income of \$99,896 compares favorably to the State's median household income of \$46,956.

In the 2015–2016 adopted budget, we continue operating in a cautious economic environment. There are some indications of a continued 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 2015-2016 budget include:

- Relatively modest change in taxable values
- Continuance of an extremely low interest yield environment
- Crude oil prices remain stagnant
- Slow growth rates of building construction and rehabilitation
- Continuance of 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 2015-2016 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 2016 was increased to 4.3354, representing the Towns' historical rate of 3.9404 plus .3950 to provide for the second year of a transportation related capital infrastructure capital project (TSDOR), as compared to 3.9404 plus .3315 for TSDOR for fiscal year 2014 totaling 4.2719 resulting in an anticipated positive net revenue change of \$75,038. Additionally, during the current fiscal year, unassigned General Fund fund balance increased to \$4,365,118. The Town of Southwest Ranches has assigned \$256,500 of fund balance for spending in the 2015-2016 fiscal year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|---------------------|
| Assets | | | |
| Cash | \$ 5,295,700 | \$ 1,019,615 | \$ 6,315,315 |
| Investments | 611,255 | -- | 611,255 |
| Receivables | 287,753 | 1,908 | 289,661 |
| Intergovernmental receivable | 297,191 | -- | 297,191 |
| Prepaid items | 30,337 | -- | 30,337 |
| Deposits | 5,000 | -- | 5,000 |
| Assets held for resale | 482,720 | -- | 482,720 |
| Capital assets not being depreciated | 35,991,450 | -- | 35,991,450 |
| Capital assets being depreciated, net | 15,252,897 | -- | 15,252,897 |
| Total Assets | <u>58,254,303</u> | <u>1,021,523</u> | <u>59,275,826</u> |
| Deferred Outflows of Resources | | | |
| Deferred amount on refunding | 57,584 | -- | 57,584 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 525,140 | 127,807 | 652,947 |
| Accrued interest payable | 26,569 | -- | 26,569 |
| Unearned revenue | 13,886 | -- | 13,886 |
| Intergovernmental payable | 8,231 | -- | 8,231 |
| Noncurrent liabilities: | | | |
| Due within one year | 524,419 | -- | 524,419 |
| Due in more than one year | 5,817,501 | -- | 5,817,501 |
| Total Liabilities | <u>6,915,746</u> | <u>127,807</u> | <u>7,043,553</u> |
| Net Position | | | |
| Net investment in capital assets | 45,134,927 | -- | 45,134,927 |
| Restricted for: | | | |
| Transportation | 331,973 | -- | 331,973 |
| Fire control | 590,638 | -- | 590,638 |
| Public safety | 12,550 | -- | 12,550 |
| Unrestricted | 5,326,053 | 893,716 | 6,219,769 |
| Total Net Position | <u>\$51,396,141</u> | <u>\$ 893,716</u> | <u>\$52,289,857</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, 2015

| 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 | \$ 1,943,608 | \$ -- | \$ -- | \$ -- | \$ (1,943,608) | \$ -- | \$ (1,943,608) |
| Public safety | 5,363,076 | 2,140,874 | 13,049 | 41,491 | (3,167,662) | -- | (3,167,662) |
| Community services | 859,056 | 975,302 | -- | -- | 116,246 | -- | 116,246 |
| Parks and recreation | 825,673 | -- | -- | 33,074 | (792,599) | -- | (792,599) |
| Transportation | 641,501 | -- | -- | 254,359 | (387,142) | -- | (387,142) |
| Interest and other debt services costs | 188,650 | -- | -- | -- | (188,650) | -- | (188,650) |
| Total Governmental Activities | 9,821,564 | 3,116,176 | 13,049 | 328,924 | (6,363,415) | -- | (6,363,415) |
| Business-type Activities | | | | | | | |
| Solid waste | 761,680 | 1,045,547 | -- | -- | -- | 283,867 | 283,867 |
| Total Primary Government | \$ 10,583,244 | \$ 4,161,723 | \$ 13,049 | \$ 328,924 | (6,363,415) | 283,867 | (6,079,548) |
| General Revenues | | | | | | | |
| Ad valorem taxes | | | | | 4,788,463 | -- | 4,788,463 |
| Franchise fees based on gross receipts | | | | | 621,659 | -- | 621,659 |
| Unrestricted intergovernmental revenue | | | | | 771,930 | -- | 771,930 |
| Utility taxes | | | | | 1,212,320 | -- | 1,212,320 |
| Unrestricted investment earnings | | | | | 19,660 | 1,498 | 21,158 |
| Miscellaneous | | | | | 89,589 | 279,579 | 369,168 |
| Transfers | | | | | 168,833 | (168,833) | -- |
| Total General Revenues and Transfers | | | | | 7,672,454 | 112,244 | 7,784,698 |
| Change in Net Position | | | | | 1,309,039 | 396,111 | 1,705,150 |
| Net Position - Beginning of Year | | | | | 50,087,102 | 497,605 | 50,584,707 |
| Net Position - End of Year | | | | | \$ 51,396,141 | \$ 893,716 | \$ 52,289,857 |

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

| | General Fund | Transportation Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|------------------------|-----------------------------|-----------------------------------|--------------------------------|
| Assets | | | | | |
| Cash | \$ 3,975,459 | \$ 728,302 | \$ 480,595 | \$ 111,344 | \$ 5,295,700 |
| Investments | 611,255 | -- | -- | -- | 611,255 |
| Receivables | 287,753 | -- | -- | -- | 287,753 |
| Intergovernmental receivable | 134,609 | 122,377 | 31,974 | 8,231 | 297,191 |
| Prepaid items | 28,763 | -- | -- | 1,574 | 30,337 |
| Deposits | -- | 5,000 | -- | -- | 5,000 |
| Assets held for resale | 482,720 | -- | -- | -- | 482,720 |
| Total Assets | \$ 5,520,559 | \$ 855,679 | \$ 512,569 | \$ 121,149 | \$ 7,009,956 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | 304,223 | \$ 197,061 | \$ 15,971 | \$ 7,885 | \$ 525,140 |
| Intergovernmental payable | 8,231 | -- | -- | -- | 8,231 |
| Unearned revenues | 6,886 | 7,000 | -- | -- | 13,886 |
| Total Liabilities | 319,340 | 204,061 | 15,971 | 7,885 | 547,257 |
| Fund Balances | | | | | |
| Non-spendable: | | | | | |
| Prepaid items | 28,763 | -- | -- | 1,574 | 30,337 |
| Assets held for resale | 482,720 | -- | -- | -- | 482,720 |
| Restricted for: | | | | | |
| Transportation | -- | 331,973 | -- | -- | 331,973 |
| Fire control | 308,982 | -- | 206,500 | 75,156 | 590,638 |
| Public safety | 12,550 | -- | -- | -- | 12,550 |
| Committed for: | | | | | |
| Tree preservation | 3,086 | -- | -- | -- | 3,086 |
| Capital projects | -- | 319,645 | 40,298 | -- | 359,943 |
| Assigned for: | | | | | |
| Debt service | -- | -- | -- | 36,534 | 36,534 |
| Capital projects | -- | -- | 249,800 | -- | 249,800 |
| Unassigned | 4,365,118 | -- | -- | -- | 4,365,118 |
| Total Fund Balances | 5,201,219 | 651,618 | 496,598 | 113,264 | 6,462,699 |
| Total Liabilities and Fund Balances | \$ 5,520,559 | \$ 855,679 | \$ 512,569 | \$ 121,149 | \$ 7,009,956 |

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, 2015

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

Fund Balances - Total Governmental Funds
(Page 17) \$ 6,462,699

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

| | | |
|--------------------------|---------------------|------------|
| Capital assets | \$ 66,799,466 | |
| Accumulated depreciation | <u>(15,555,119)</u> | 51,244,347 |

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

| | | |
|--|---------------|--------------------|
| Accrued interest payable | (26,569) | |
| Long-term debt | (6,341,920) | |
| Deferred amount on refunding (amortized as interest expense) | <u>57,584</u> | <u>(6,310,905)</u> |

Net Position of Governmental Activities (Page 15) \$ 51,396,141

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, 2015

| | General Fund | Transportation Fund | Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|------------------------|-----------------------------|-----------------------------------|--------------------------------|
| Revenues | | | | | |
| Ad valorem taxes | \$ 4,788,463 | \$ -- | \$ -- | \$ -- | \$ 4,788,463 |
| Utility taxes | 1,212,320 | -- | -- | -- | 1,212,320 |
| Franchise fees | 621,659 | -- | -- | -- | 621,659 |
| Licenses and permits | 757,924 | -- | -- | -- | 757,924 |
| Intergovernmental | 641,517 | 426,263 | 33,074 | -- | 1,100,854 |
| Charges for services | 1,984,906 | -- | -- | -- | 1,984,906 |
| Fines and forfeitures | 373,346 | -- | -- | -- | 373,346 |
| Investment income | 18,178 | 878 | 488 | 116 | 19,660 |
| Miscellaneous | 89,589 | -- | -- | 13,049 | 102,638 |
| Total Revenues | <u>10,487,902</u> | <u>427,141</u> | <u>33,562</u> | <u>13,165</u> | <u>10,961,770</u> |
| Expenditures | | | | | |
| General government | 1,866,731 | -- | -- | -- | 1,866,731 |
| Public safety: | | | | | |
| Law enforcement | 2,275,548 | -- | -- | -- | 2,275,548 |
| Fire control | 2,783,554 | -- | -- | 145,106 | 2,928,660 |
| Total public safety | <u>5,059,102</u> | <u>--</u> | <u>--</u> | <u>145,106</u> | <u>5,204,208</u> |
| Community services | 859,056 | -- | -- | -- | 859,056 |
| Parks and recreation | 286,489 | -- | -- | -- | 286,489 |
| Transportation | -- | 327,491 | -- | -- | 327,491 |
| Capital outlay | 97,412 | 631,532 | 330,621 | -- | 1,059,565 |
| Debt service: | | | | | |
| Principal | -- | -- | -- | 509,226 | 509,226 |
| Interest and fiscal charges | -- | -- | -- | 215,478 | 215,478 |
| Total Expenditures | <u>8,168,790</u> | <u>959,023</u> | <u>330,621</u> | <u>869,810</u> | <u>10,328,244</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,319,112</u> | <u>(531,882)</u> | <u>(297,059)</u> | <u>(856,645)</u> | <u>633,526</u> |
| Other Financing Sources (Uses) | | | | | |
| Debt issued | -- | -- | 206,500 | -- | 206,500 |
| Transfers in | 168,833 | 794,139 | 109,027 | 866,627 | 1,938,626 |
| Transfers out | (1,769,793) | -- | -- | -- | (1,769,793) |
| Total Other Financing Sources (Uses) | <u>(1,600,960)</u> | <u>794,139</u> | <u>315,527</u> | <u>866,627</u> | <u>375,333</u> |
| Net Change in Fund Balances | 718,152 | 262,257 | 18,468 | 9,982 | 1,008,859 |
| Fund Balances - Beginning of Year | <u>4,483,067</u> | <u>389,361</u> | <u>478,130</u> | <u>103,282</u> | <u>5,453,840</u> |
| Fund Balances - End of Year | <u>\$ 5,201,219</u> | <u>\$ 651,618</u> | <u>\$ 496,598</u> | <u>\$ 113,264</u> | <u>\$ 6,462,699</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, 2015

**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) \$ 1,008,859

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 | \$ 1,059,565 | |
| Less: current year provision for depreciation expense | <u>(1,088,941)</u> | (29,376) |

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

| | | |
|------------------------|----------------|---------|
| Debt issued | \$ (206,500) | |
| Repayment of principal | <u>509,227</u> | 302,727 |

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

| | | |
|--|---------------|--|
| Amortization of deferred amount on refunding | (5,758) | |
| Accrued interest payable | <u>32,587</u> | |

Change in Net Position of Governmental Activities (Page 16) \$ 1,309,039

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF NET POSITION - PROPRIETARY FUND

SEPTEMBER 30, 2015

| | <u>Solid Waste Fund</u> |
|--|-----------------------------|
| Assets | |
| Current Assets | |
| Cash | \$ 1,019,615 |
| Receivables | <u>1,908</u> |
| Total Assets | <u>1,021,523</u> |
| Liabilities and Net Position | |
| Current Liabilities | |
| Accounts payable and accrued liabilities | <u>127,807</u> |
| Total Liabilities | <u>127,807</u> |
| Net Position | |
| Unrestricted | <u>893,716</u> |
| Total Net Position | <u>\$ 893,716</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, 2015

| | <u>Solid Waste Fund</u> |
|---|-----------------------------|
| Operating Revenues | |
| Charges for services | \$ 1,045,547 |
| Other | <u>279,579</u> |
| Total Operating Revenues | <u>1,325,126</u> |
| Operating Expenses | |
| Contractual services | 709,971 |
| Recycling | 49,884 |
| Other | <u>1,825</u> |
| Total Operating Expenses | <u>761,680</u> |
| Operating Income | 563,446 |
| Nonoperating Revenues | |
| Investment income | <u>1,498</u> |
| Income before Transfers | 564,944 |
| Transfer out | <u>(168,833)</u> |
| Change in Net Position | 396,111 |
| Net Position - Beginning of Year | <u>497,605</u> |
| Net Position - End of Year | <u>\$ 893,716</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, 2015

| | Solid Waste Fund |
|--|----------------------------|
| Cash Flows from Operating Activities | |
| Cash received from customers and users | \$ 1,048,320 |
| Cash received from other operating activities | 279,579 |
| Cash paid to suppliers | <u>(741,350)</u> |
| Net Cash Provided by Operating Activities | <u>586,549</u> |
| Cash Flows from Non-Capital Financing Activities | |
| Transfer out | <u>(168,833)</u> |
| Cash Flows from Investing Activities | |
| Interest received | <u>1,498</u> |
| Net Increase in Cash | 419,214 |
| Cash - Beginning | <u>600,401</u> |
| Cash - Ending | <u><u>\$ 1,019,615</u></u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating income | \$ 563,446 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Changes in operating assets and liabilities: | |
| Decrease in receivables | 2,773 |
| Increase in accounts payable and accrued liabilities | <u>20,330</u> |
| Total adjustments | <u>23,103</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 586,549</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, 2015

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 elected Council members and the elected Mayor, is responsible for legislative and fiscal control of the Town. The Town is governed under a Council/Administrator form of government. A Town Administrator is appointed by the Council and is responsible for administrative and fiscal control of the resources of the Town maintained in the funds.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

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

The 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. The Town is financially responsible (benefit/burden) for the Department. 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, 2015

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 activities of the Town and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the Town is reported separately from a legally separate component unit for which the Town is financially accountable.

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

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and the major individual enterprise fund is 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, 2015

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

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, 2015

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 position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for the proprietary fund includes 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.

D. DEPOSITS AND INVESTMENTS

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

Investments are in the Florida PRIME administered by the State Board of Administration. The Town's investments in the Florida PRIME are stated at the value of the pool shares (2a-7 like pool), which is fair value.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. PREPAID ITEMS

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

F. CAPITAL ASSETS

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

G. LONG-TERM OBLIGATIONS

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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.

H. DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES

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

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

I. UNEARNED REVENUE

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

J. 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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 related to debt, and excluding unexpended proceeds.

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

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

L. 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 other components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

The Town had the following investments as of September 30, 2015:

| | <u>Fair Value</u> | <u>Weighted Average Maturity</u> |
|--------------------|-------------------|--------------------------------------|
| Investments | | |
| Florida PRIME | <u>\$ 611,255</u> | 39 days |

INTEREST RATE RISK

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

CREDIT RISK

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

Disclosure is required when the percentage of investments is 5% or more in any one issuer. At September 30, 2015, the Town only invests in an external investment pool and therefore is 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, 2015.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Broward County Property Appraiser, who incorporates the Town's millage into the total tax levy, which includes the County, County School Board and other agencies tax requirements. The millage rate assessed by the Town for the fiscal year ended September 30, 2015 was 3.9404 mills (\$3.9404 per \$1,000 of taxable assessed valuation).

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 4 - RECEIVABLES

Receivables as of September 30, 2015 for the Town's funds are as follows:

| | Taxes and Fees |
|--------------------------|-------------------|
| General Fund | \$ 287,753 |
| Solid Waste Fund | 1,908 |
| Total Receivables | \$ 289,661 |

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2015 is as follows:

| | Transfers In | Transfers Out |
|----------------------------------|---------------------|---------------------|
| General Fund | \$ 168,833 | \$ 1,769,793 |
| Transportation Fund | 794,139 | -- |
| Capital Projects Fund | 109,027 | -- |
| Volunteer Fire Department Fund | 133,837 | -- |
| Debt Service Fund | 732,790 | -- |
| Solid Waste Fund | -- | 168,833 |
| Total Interfund Transfers | \$ 1,938,626 | \$ 1,938,626 |

General Fund Transfers In consisted entirely of \$168,833 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 \$794,139 to the Transportation Fund to fund capital projects and operating needs; \$109,027 to the Capital Projects Fund to fund capital projects primarily pertaining to the Fishing Hole Park project at Country Isle Estates, Rolling Oaks Barn project and Fire Control project; \$133,837 to the Volunteer Fire Department Fund (component unit) to fund volunteer fire operations; and \$732,790 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, 2015

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2015 was as follows:

| | Beginning Balance | Increases | Decreases | Net Transfers | Ending Balance |
|--|----------------------|--------------------|--------------|------------------|----------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$34,018,569 | \$ -- | \$ -- | \$ -- | \$ 34,018,569 |
| Construction in progress | 2,390,579 | 272,716 | -- | (690,414) | 1,972,881 |
| Total capital assets, not being depreciated | <u>36,409,148</u> | <u>272,716</u> | <u>--</u> | <u>(690,414)</u> | <u>35,991,450</u> |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | 20,692,334 | 378,690 | -- | -- | 21,071,024 |
| Improvements other than buildings | 4,411,527 | 99,165 | -- | 236,463 | 4,747,155 |
| Buildings and building improvements | 2,769,661 | 191,939 | -- | 453,951 | 3,415,551 |
| Furniture and equipment | 1,457,231 | 117,055 | -- | -- | 1,574,286 |
| Total capital assets being depreciated | <u>29,330,753</u> | <u>786,849</u> | <u>--</u> | <u>690,414</u> | <u>30,808,016</u> |
| Total capital assets | <u>65,739,901</u> | <u>1,059,565</u> | <u>--</u> | <u>--</u> | <u>66,799,466</u> |
| Less: accumulated depreciation for: | | | | | |
| Infrastructure | 11,272,221 | 547,633 | -- | -- | 11,819,854 |
| Improvements other than buildings | 2,216,735 | 289,947 | -- | -- | 2,506,682 |
| Buildings and building improvements | 207,323 | 61,138 | -- | -- | 268,461 |
| Furniture and equipment | 769,899 | 190,223 | -- | -- | 960,122 |
| Total accumulated depreciation | <u>14,466,178</u> | <u>1,088,941</u> | <u>--</u> | <u>--</u> | <u>15,555,119</u> |
| Total capital assets, being depreciated, net | <u>14,864,575</u> | <u>(302,092)</u> | <u>--</u> | <u>690,414</u> | <u>15,252,897</u> |
| Governmental Activities | | | | | |
| Capital Assets, Net | <u>\$51,273,723</u> | <u>\$ (29,376)</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 51,244,347</u> |

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

| | |
|---|---------------------|
| General government | \$ 76,879 |
| Public safety | 158,868 |
| Parks and recreation | 539,184 |
| Transportation | <u>314,010</u> |
| Total Depreciation - Governmental Activities | <u>\$ 1,088,941</u> |

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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, 2015.

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|----------------------|-------------------|---------------------|---------------------|------------------------|
| FMLC Loan Payable | \$ 1,640,000 | \$ -- | \$ -- | \$ 1,640,000 | \$ -- |
| Note Payable Series 2013 | 2,475,100 | -- | (182,200) | 2,292,900 | 184,400 |
| Note Payable Series 2011 | 1,878,854 | -- | (237,650) | 1,641,204 | 244,204 |
| Rosenbauer Payable | -- | 206,500 | -- | 206,500 | 19,714 |
| Loan Payable | 634,217 | -- | (72,901) | 561,316 | 76,101 |
| Capital Lease Payable | 16,476 | -- | (16,476) | -- | -- |
| Total | <u>\$ 6,644,647</u> | <u>\$ 206,500</u> | <u>\$ (509,227)</u> | <u>\$ 6,341,920</u> | <u>\$ 524,419</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). 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 2015, the Town was in compliance with this covenant.

On June 1, 2013 the Town entered into 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 a fixed rate of 5% 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 (4.75% through 5.25%) 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, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual requirements to pay principal and interest on this obligation as of September 30, 2015 are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|--------------------|--------------------|--------------------|
| 2016 | \$ -- | \$ 82,000 | \$ 82,000 |
| 2017 | -- | 82,000 | 82,000 |
| 2018 | -- | 82,000 | 82,000 |
| 2019 | -- | 82,000 | 82,000 |
| 2020 | -- | 82,000 | 82,000 |
| 2021-2025 | -- | 410,000 | 410,000 |
| 2026-2030 | 1,040,000 | 309,250 | 1,349,250 |
| 2031-2032 | 600,000 | 30,250 | 630,250 |
| Total | <u>\$1,640,000</u> | <u>\$1,159,500</u> | <u>\$2,799,500</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. 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 2015, 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, 2015

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, 2015 are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------------|-------------------------|---------------------------|
| 2016 | \$ 184,400 | \$ 52,597 | \$ 236,997 |
| 2017 | 191,200 | 48,108 | 239,308 |
| 2018 | 192,800 | 43,520 | 236,320 |
| 2019 | 199,100 | 38,836 | 237,936 |
| 2020 | 200,500 | 34,061 | 234,561 |
| 2021-2025 | 1,092,000 | 94,367 | 1,186,367 |
| 2026 | 232,900 | 2,783 | 235,683 |
| Total | <u>\$2,292,900</u> | <u>\$314,272</u> | <u>\$2,607,172</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 |
|-------------------------------------|---------------------------|-------------------------|---------------------------|
| 2016 | \$ 244,204 | \$ 42,319 | \$ 286,523 |
| 2017 | 250,940 | 35,583 | 286,523 |
| 2018 | 257,861 | 28,662 | 286,523 |
| 2019 | 264,973 | 21,550 | 286,523 |
| 2020 | 272,281 | 14,242 | 286,523 |
| 2021-2022 | 350,945 | 7,218 | 358,163 |
| Total | <u>\$1,641,204</u> | <u>\$149,574</u> | <u>\$1,790,778</u> |

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

ROSENBAUER PAYABLE

On July 15, 2015, the Town entered into a financing arrangement for the acquisition of a Rosenbauer Pumper Apparatus for the Volunteer Fire Department in the amount of \$206,500. The loan calls for annual interest and principle payments at a fixed rate of 2.56% and the loan matures on June 15, 2024. As of September 30, 2015, the purchase of the pumper had not yet occurred. The acquisition is expected to occur in the following fiscal year.

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|-------------------|------------------|-------------------|
| 2016 | \$ 19,714 | \$ 5,286 | \$ 25,000 |
| 2017 | 24,703 | 4,782 | 29,485 |
| 2018 | 25,336 | 4,149 | 29,485 |
| 2019 | 25,985 | 3,501 | 29,486 |
| 2020 | 26,650 | 2,836 | 29,486 |
| 2021-2024 | 84,112 | 4,343 | 88,455 |
| Total | \$ 206,500 | \$ 24,897 | \$ 231,397 |

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 annual requirements to pay principal and interest on this obligation as of September 30, 2015 are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|------------------|---------------|------------------|
| 2016 | \$ 76,101 | \$ 20,866 | \$ 96,967 |
| 2017 | 79,311 | 17,656 | 96,967 |
| 2018 | 82,426 | 14,541 | 96,967 |
| 2019 | 85,741 | 11,226 | 96,967 |
| 2020 | 89,190 | 7,777 | 96,967 |
| 2021-2022 | 148,547 | 4,920 | 153,467 |
| Total | \$561,316 | 76,986 | \$638,302 |

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

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, 2015.

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. As of September 30, 2015, there are no future minimum lease obligations.

Asset Acquired Under the Capital Lease

| | |
|--------------------------|------------------|
| Machinery and equipment | \$ 124,000 |
| Accumulated depreciation | <u>(109,533)</u> |
| | <u>\$ 14,467</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, 2015

NOTE 10 – COMMITMENTS AND CONTINGENCIES

AGREEMENT WITH TOWN OF DAVIE

On November 19, 2013, the Council authorized police services for the Town to be contracted with the Town of Davie commencing February 1, 2014 through January 31, 2019. The Town incurred total expenditures of \$2,275,548 for police services for the fiscal year ended September 30, 2015.

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 the Town 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 \$2,582,860 under this agreement for the fiscal year ended September 30, 2015.

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, 2015, the Town paid \$399,129 for these services.

AGREEMENT FOR PLANNING 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 September 30, 2017 for planning services only and is renewable upon the consent of both parties. For the fiscal year ended September 30, 2015, the Town paid \$60,041 for these services.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

AGREEMENT FOR CODE COMPLIANCE AND ZONING SERVICES

The Town previously entered into a service agreement with a provider for the provision of code compliance services and act as the Code Compliance Official. This agreement, which was set to expire in January 2015, was extended through September 2017 and was expanded to include zoning services. Either party may terminate this agreement upon providing 90 days written notice. For the fiscal year ended September 30, 2015, the Town paid \$176,619 for code compliance and zoning services.

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 and Town management 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 – DEFINED CONTRIBUTION PLAN

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

Under the Town's 401(a) Plan, the Town matches, and therefore contributes, up to 5% (as a percentage of employees' gross wages) of the employees' annual elective contribution to an ICMA 457 Plan (see Note 12) for both General and Management personnel. Each personnel group receives a 20% graduated vesting over various periods of time by completing one through five years of full-time employment. Additionally, age 62 is the earliest age that personnel may elect to receive retirement benefits upon separation of service.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 11 – DEFINED CONTRIBUTION PLAN (CONTINUED)

Under the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. There are a total of 12 employees for both personnel groups under the 401(a) Plan as of September 30, 2015. The assets of the Plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the Town's basic financial statements. The total contributions made by the Town were \$43,232.

NOTE 12 – DEFERRED COMPENSATION PLAN

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

NOTE 13 – 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, 2015

NOTE 13 – 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, no liability to the Town has been recorded.

REQUIRED SUPPLEMENTARY INFORMATION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Chezney Stevens

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|--------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Ad valorem taxes | \$ 4,822,858 | \$ 4,788,465 | \$ 4,788,463 | \$ (2) |
| Utility taxes | 1,100,505 | 1,212,319 | 1,212,320 | 1 |
| Franchise fees | 552,820 | 561,397 | 621,659 | 60,262 |
| Licenses and permits | 515,450 | 757,930 | 757,924 | (6) |
| Intergovernmental | 619,862 | 639,825 | 641,517 | 1,692 |
| Charges for services | 1,946,452 | 1,974,356 | 1,984,906 | 10,550 |
| Fines and forfeitures | 209,500 | 360,614 | 373,346 | 12,732 |
| Investment income | 7,266 | 7,266 | 18,178 | 10,912 |
| Miscellaneous | 69,500 | 69,500 | 89,589 | 20,089 |
| Total Revenues | <u>9,844,213</u> | <u>10,371,672</u> | <u>10,487,902</u> | <u>116,230</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 2,032,915 | 2,040,954 | 1,866,731 | 174,223 |
| Public safety: | | | | |
| Law enforcement | 2,393,458 | 2,393,458 | 2,275,548 | 117,910 |
| Fire control | 2,826,959 | 2,826,959 | 2,783,554 | 43,405 |
| Total public safety | <u>5,220,417</u> | <u>5,220,417</u> | <u>5,059,102</u> | <u>161,315</u> |
| Community services | 757,530 | 888,861 | 859,056 | 29,805 |
| Parks and recreation | 352,757 | 422,240 | 286,489 | 135,751 |
| Capital outlay | <u>110,037</u> | <u>117,037</u> | <u>97,412</u> | <u>19,625</u> |
| Total Expenditures | <u>8,473,656</u> | <u>8,689,509</u> | <u>8,168,790</u> | <u>520,719</u> |
| Excess of Revenues over Expenditures | <u>1,370,557</u> | <u>1,682,163</u> | <u>2,319,112</u> | <u>636,949</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 168,833 | 168,833 | 168,833 | -- |
| Transfers out | <u>(1,739,390)</u> | <u>(1,850,996)</u> | <u>(1,769,793)</u> | <u>81,203</u> |
| Total Other Financing Sources (Uses) | <u>(1,570,557)</u> | <u>(1,682,163)</u> | <u>(1,600,960)</u> | <u>81,203</u> |
| Net Change in Fund Balance | <u>\$ (200,000)</u> | <u>\$ --</u> | <u>\$ 718,152</u> | <u>\$ 718,152</u> |
| Appropriated Beginning Fund Balance | <u>\$ 200,000</u> | <u>\$ --</u> | | |

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Intergovernmental | \$ 1,337,152 | \$ 1,412,152 | \$ 426,263 | \$ (985,889) |
| Investment income | <u>250</u> | <u>250</u> | <u>878</u> | <u>628</u> |
| Total Revenues | <u>1,337,402</u> | <u>1,412,402</u> | <u>427,141</u> | <u>(985,261)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 333,163 | 397,985 | 327,491 | 70,494 |
| Capital outlay | <u>1,909,946</u> | <u>2,107,696</u> | <u>631,532</u> | <u>1,476,164</u> |
| Total Expenditures | <u>2,243,109</u> | <u>2,505,681</u> | <u>959,023</u> | <u>1,546,658</u> |
| Deficiency of Revenues over Expenditures | <u>(905,707)</u> | <u>(1,093,279)</u> | <u>(531,882)</u> | <u>561,397</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>716,560</u> | <u>781,382</u> | <u>794,139</u> | <u>(12,757)</u> |
| Total Other Financing Sources | <u>716,560</u> | <u>781,382</u> | <u>794,139</u> | <u>(12,757)</u> |
| Net Change in Fund Balance | <u>\$ (189,147)</u> | <u>\$ (311,897)</u> | <u>\$ 262,257</u> | <u>\$ 548,640</u> |
| Appropriated Beginning Fund Balance | <u>\$ 189,147</u> | <u>\$ 311,897</u> | | |

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

- a. Prior to September 1, the Town Administrator submits to the Town Council a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Upon request of the Town Administrator or Town Financial Administrator, the Town Council, in the form of a resolution, may amend the budget, make changes between funds or from a reserve, and increase or decrease a fund. The Town Administrator or Town Financial Administrator may make changes within a department. Therefore, the legal level of control is at the department level. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.
- e. Annual appropriated budgets are adopted for the General Fund and the Transportation Fund on a basis consistent with accounting principles generally accepted in the United States of America.
- f. The reported budgetary data represents the final approved budgets after amendments (supplemental appropriations) adopted by the Town Council.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

TOWN OF SOUTHWEST RANCHES, FLORIDA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

| | Volunteer Fire Department | Debt Service Fund | Total Nonmajor Governmental Funds |
|--|---------------------------------|-------------------------|--|
| Assets | | | |
| Cash | \$ 74,810 | \$ 36,534 | \$ 111,344 |
| Due from other funds | 8,231 | -- | 8,231 |
| Prepaid items | 1,574 | -- | 1,574 |
| Total Assets | \$ 84,615 | \$ 36,534 | \$ 121,149 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 7,885 | \$ -- | \$ 7,885 |
| Total Liabilities | 7,885 | -- | 7,885 |
| Fund Balances | | | |
| Non-spendable: | | | |
| Prepaid items | 1,574 | -- | 1,574 |
| Restricted for: | | | |
| Fire control | 75,156 | -- | 75,156 |
| Assigned for: | | | |
| Debt service | -- | 36,534 | 36,534 |
| Total Fund Balances | 76,730 | 36,534 | 113,264 |
| Total Liabilities and Fund Balances | \$ 84,615 | \$ 36,534 | \$ 121,149 |

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, 2015

| | Volunteer Fire Department | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|---------------------------------|-------------------------|--|
| Revenues | | | |
| Investment income | \$ 116 | \$ -- | \$ 116 |
| Miscellaneous | <u>13,049</u> | <u>--</u> | <u>13,049</u> |
| Total Revenues | <u>13,165</u> | <u>--</u> | <u>13,165</u> |
| Expenditures | | | |
| Fire and rescue services | 145,106 | -- | 145,106 |
| Debt service: | | | |
| Principal | -- | 509,226 | 509,226 |
| Interest and fiscal charges | <u>--</u> | <u>215,478</u> | <u>215,478</u> |
| Total Expenditures | <u>145,106</u> | <u>724,704</u> | <u>869,810</u> |
| Deficiency of Revenues Over Expenditures | <u>(131,941)</u> | <u>(724,704)</u> | <u>(856,645)</u> |
| Other Financing Sources | | | |
| Transfers in | <u>133,837</u> | <u>732,790</u> | <u>866,627</u> |
| Net Change in Fund Balances | 1,896 | 8,086 | 9,982 |
| Fund Balances - Beginning | <u>74,834</u> | <u>28,448</u> | <u>103,282</u> |
| Fund Balances - Ending | <u>\$ 76,730</u> | <u>\$ 36,534</u> | <u>\$ 113,264</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, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues | \$ -- | \$ -- | \$ -- | \$ -- |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 510,903 | 510,903 | 509,226 | 1,677 |
| Interest and fiscal charges | <u>221,887</u> | <u>221,887</u> | <u>215,478</u> | <u>6,409</u> |
| Total Expenditures | <u>742,790</u> | <u>742,790</u> | <u>724,704</u> | <u>18,086</u> |
| Deficiency of Revenues over Expenditures | <u>(742,790)</u> | <u>(742,790)</u> | <u>(724,704)</u> | <u>18,086</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>732,790</u> | <u>732,790</u> | <u>732,790</u> | <u>--</u> |
| Total Other Financing Sources | <u>732,790</u> | <u>732,790</u> | <u>732,790</u> | <u>--</u> |
| Net Change in Fund Balance | <u>\$ (10,000)</u> | <u>\$ (10,000)</u> | <u>\$ 8,086</u> | <u>\$ 18,086</u> |
| Appropriated Beginning Fund Balance | <u>\$ 10,000</u> | <u>\$ 10,000</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, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|--------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Intergovernmental revenue | \$ 50,000 | \$ 84,027 | \$ 33,074 | \$ (50,953) |
| Investment income | -- | -- | 488 | 488 |
| Miscellaneous | -- | -- | -- | -- |
| Total Revenues | <u>50,000</u> | <u>84,027</u> | <u>33,562</u> | <u>(50,465)</u> |
| Expenditures | | | | |
| Capital outlay | <u>135,000</u> | <u>440,403</u> | <u>330,621</u> | <u>109,782</u> |
| Total Expenditures | <u>135,000</u> | <u>440,403</u> | <u>330,621</u> | <u>109,782</u> |
| Deficiency of Revenues over Expenditures | <u>(85,000)</u> | <u>(356,376)</u> | <u>(297,059)</u> | <u>59,317</u> |
| Other Financing Sources | | | | |
| Proceeds on new debt | -- | -- | 206,500 | (206,500) |
| Transfers in | <u>75,000</u> | <u>109,027</u> | <u>109,027</u> | <u>--</u> |
| Total Other Financing Sources | <u>75,000</u> | <u>109,027</u> | <u>315,527</u> | <u>(206,500)</u> |
| Net Change in Fund Balance | <u>\$ (10,000)</u> | <u>\$ (247,349)</u> | <u>\$ 18,468</u> | <u>\$ (147,183)</u> |
| Appropriated Beginning Fund Balance | <u>\$ 10,000</u> | <u>\$ 247,349</u> | | |

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STATISTICAL SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Bob Hartmann

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, | | | | | | | | | |
|--|---|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|---------------------|
| | 2006 ¹ | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses: | | | | | | | | | | |
| General government | \$ 1,407,916 | \$ 1,635,441 | \$ 1,516,047 | \$ 1,380,331 | \$ 1,624,918 | \$ 1,750,991 | \$ 1,897,921 | \$ 1,837,205 | \$ 1,885,010 | \$ 1,943,608 |
| Public safety | 2,466,655 | 2,516,793 | 3,610,699 | 5,609,400 | 6,207,667 | 5,293,993 | 5,136,515 | 4,971,275 | 5,688,914 | 5,363,076 |
| Community services | 1,200,384 | 1,796,043 | 2,036,933 | 1,446,553 | 1,313,271 | 796,857 | 887,750 | 719,489 | 777,301 | 859,056 |
| Public works | 1,269,187 | 1,089,096 | 1,640,272 | 1,900,861 | - | - | - | - | - | - |
| Parks and recreation | 484,684 | 430,541 | 507,966 | 502,143 | 387,510 | 310,369 | 419,249 | 497,374 | 482,289 | 825,673 |
| Transportation | 12,107,067 | 326,384 | 261,532 | 253,394 | 751,754 | 725,093 | 730,440 | 744,296 | 767,872 | 641,501 |
| Nondepartmental | 29,897 | 33,204 | - | - | - | - | - | - | - | - |
| Interest and other debt service costs | 632,381 | 498,034 | 340,250 | 280,961 | 286,467 | 258,608 | 299,696 | 279,615 | 240,636 | 188,650 |
| Total Expenses | 19,598,171 | 8,325,536 | 9,913,699 | 11,373,643 | 10,571,587 | 9,135,911 | 9,371,571 | 9,049,254 | 9,842,022 | 9,821,564 |
| Program Revenues: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 239,541 | 288,755 | 116,332 | 142,592 | 155,437 | 134,717 | 109,180 | - | - | - |
| Public safety | 1,006,275 | 609,733 | 1,044,649 | 1,100,308 | 1,527,184 | 1,613,117 | 1,848,333 | 1,836,977 | 2,031,296 | 2,140,874 |
| Community services | 306,516 | 860,578 | 942,262 | 1,024,625 | 801,244 | 788,347 | 635,692 | 1,185,269 | 1,001,627 | 975,302 |
| Parks and recreation | 291,084 | 133,980 | 50,925 | 1,645 | - | - | - | - | - | - |
| Public works | 651,572 | 628,844 | 1,296,891 | 1,303,431 | - | - | - | - | - | - |
| Operating grants and contributions | 10,414,610 | 188,280 | 1,899,800 | 196,192 | 269,781 | 96,606 | 48,197 | 35,683 | 28,003 | 13,049 |
| Capital grants and contributions | 603,445 | 93,628 | 116,152 | 11,342 | 280,521 | 59,162 | 181,015 | 382,033 | 161,293 | 328,924 |
| Total Program Revenues | 13,513,043 | 2,803,798 | 5,467,011 | 3,780,135 | 3,034,167 | 2,691,949 | 2,822,417 | 3,439,962 | 3,222,219 | 3,458,149 |
| Net (Expense) Revenue | (6,085,128) | (5,521,738) | (4,446,688) | (7,593,508) | (7,537,420) | (6,443,962) | (6,549,154) | (5,609,292) | (6,619,803) | (6,363,415) |
| General Revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | 2,969,270 | 3,488,788 | 3,920,509 | 4,527,435 | 4,574,566 | 4,303,700 | 4,105,338 | 4,146,677 | 4,245,717 | 4,788,463 |
| Utility taxes | 521,151 | 583,190 | 589,629 | 593,394 | 659,884 | 1,079,094 | 1,092,624 | 1,147,616 | 1,169,184 | 1,212,320 |
| Franchise fees based on gross receipts | 808,273 | 853,267 | 1,046,849 | 1,167,851 | 1,005,629 | 620,532 | 593,888 | 571,399 | 616,559 | 621,659 |
| Unrestricted intergovernmental revenues | 652,622 | 583,506 | 552,210 | 546,154 | 547,048 | 790,831 | 689,697 | 720,491 | 734,438 | 771,930 |
| Unrestricted investment earnings | 227,190 | 300,938 | 141,347 | 53,342 | 90,149 | 25,786 | 30,789 | 17,725 | 5,598 | 19,660 |
| Miscellaneous | 9,693 | 132,727 | 25,159 | 43,700 | 68,173 | 139,911 | 97,064 | 134,736 | 94,659 | 89,589 |
| Special item, gain on sale of land held for investment | 2,906,664 | - | - | - | - | - | - | - | - | - |
| Extraordinary item, impairment of asset | - | - | - | (60,676) | - | - | - | - | - | - |
| Total General Revenues | 8,094,863 | 5,942,416 | 6,275,703 | 6,871,200 | 6,945,449 | 6,959,854 | 6,609,400 | 6,738,644 | 6,866,155 | 7,503,621 |
| Net Transfers In (Out) | - | - | - | - | - | - | 128,701 | 174,492 | 183,327 | 168,833 |
| Total General Revenues | 8,094,863 | 5,942,416 | 6,275,703 | 6,871,200 | 6,945,449 | 6,959,854 | 6,738,101 | 6,913,136 | 7,049,482 | 7,672,454 |
| Net Transfers | 8,094,863 | 5,942,416 | 6,275,703 | 6,871,200 | 6,945,449 | 6,959,854 | 6,738,101 | 6,913,136 | 7,049,482 | 7,672,454 |
| Change in Net Position | \$ 2,009,735 | \$ 420,678 | \$ 1,829,015 | \$ (722,308) | \$ (591,971) | \$ 515,892 | \$ 188,947 | \$ 1,303,844 | \$ 429,679 | \$ 1,309,039 |

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,

| | 2006 ¹ | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses: | | | | | | | | | | |
| General government | 7.2% | 19.6% | 15.3% | 12.1% | 15.4% | 19.2% | 20.3% | 20.3% | 19.2% | 19.8% |
| Public safety | 12.6% | 30.2% | 36.4% | 49.3% | 58.7% | 57.9% | 54.8% | 54.9% | 57.8% | 54.6% |
| Community services | 6.1% | 21.6% | 20.5% | 12.7% | 12.4% | 8.7% | 9.5% | 8.0% | 7.9% | 8.7% |
| Public works | 6.5% | 13.1% | 16.5% | 16.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Parks and recreation | 2.5% | 5.2% | 5.1% | 4.4% | 3.7% | 3.4% | 4.5% | 5.5% | 4.9% | 8.4% |
| Transportation | 61.8% | 3.9% | 2.6% | 2.2% | 7.1% | 7.9% | 7.8% | 8.2% | 7.8% | 6.5% |
| Nondepartmental | 0.2% | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest and other debt service costs | 3.2% | 6.0% | 3.4% | 2.5% | 2.7% | 2.9% | 3.2% | 3.1% | 2.4% | 1.9% |
| 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 | 1.8% | 10.3% | 2.1% | 3.8% | 5.1% | 5.0% | 3.9% | 0.0% | 0.0% | 0.0% |
| Public safety | 7.4% | 21.7% | 19.1% | 29.1% | 50.3% | 59.9% | 65.5% | 53.4% | 63.0% | 61.9% |
| Community services | 2.3% | 30.7% | 17.2% | 27.1% | 26.4% | 29.3% | 22.5% | 34.5% | 31.1% | 28.2% |
| Parks and recreation | 2.2% | 4.8% | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Public works | 4.8% | 22.4% | 23.7% | 34.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Operating grants and contributions | 77.1% | 6.7% | 34.8% | 5.2% | 8.9% | 3.6% | 1.7% | 1.0% | 0.9% | 0.4% |
| Capital grants and contributions | 4.5% | 3.3% | 2.1% | 0.3% | 9.2% | 2.2% | 6.4% | 11.1% | 5.0% | 9.5% |
| 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 | 36.7% | 58.7% | 62.5% | 65.9% | 65.9% | 61.8% | 62.1% | 61.5% | 61.8% | 63.8% |
| Utility taxes | 6.4% | 9.8% | 9.4% | 8.6% | 9.5% | 15.5% | 16.5% | 17.0% | 17.0% | 16.2% |
| Franchise fees based on gross receipts | 10.0% | 14.4% | 16.7% | 17.0% | 14.5% | 8.9% | 9.0% | 8.5% | 9.0% | 8.3% |
| Unrestricted intergovernmental revenues | 8.1% | 9.8% | 8.8% | 7.9% | 7.9% | 11.4% | 10.4% | 10.7% | 10.7% | 10.3% |
| Unrestricted investment earnings (losses) | 2.8% | 5.1% | 2.3% | 0.8% | 1.3% | 0.4% | 0.5% | 0.3% | 0.1% | 0.3% |
| Miscellaneous | 0.1% | 2.2% | 0.4% | 0.6% | 1.0% | 2.5% | 1.5% | 2.0% | 1.4% | 1.2% |
| Special item, gain on sale of land held for investment | 35.9% | 0.0% | 0.0% | 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% | -0.9% | 0.0% | 0.0% | 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 Six Fiscal Years ¹
(accrual basis of accounting)

| Source | For the Fiscal Year Ended | | | | | |
|------------------------------------|---------------------------|------------------|------------------|------------------|-------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses: | | | | | | |
| Solid waste | \$ 1,417,368 | \$ 1,582,463 | \$ 1,401,456 | \$ 966,722 | \$ 781,764 | \$ 761,680 |
| Program Revenues: | | | | | | |
| Charges for services: | | | | | | |
| Solid waste | 1,651,805 | 1,620,856 | 1,539,737 | 1,097,252 | 1,050,476 | 1,045,547 |
| Operating grants and contributions | | | | 113,914 | - | - |
| Net Revenue | 234,437 | 38,393 | 138,281 | 244,444 | 268,712 | 283,867 |
| General Revenues: | | | | | | |
| Investment earnings | 10,118 | 8,500 | 2,121 | 564 | 476 | 1,498 |
| Miscellaneous | - | - | - | 21,445 | 16,634 | 279,579 |
| Income before Transfers: | 244,555 | 46,893 | 140,402 | 266,453 | 285,822 | 564,944 |
| Transfers out | - | - | (128,701) | (174,492) | (183,327) | (168,833) |
| Change in Net Position | <u>\$ 244,555</u> | <u>\$ 46,893</u> | <u>\$ 11,701</u> | <u>\$ 91,961</u> | <u>\$ 102,495</u> | <u>\$ 396,111</u> |

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, | | | | | | | | | |
|--|---|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses: | | | | | | | | | | |
| Governmental activities ¹ | \$ 19,598,171 | \$ 8,325,536 | \$ 9,913,699 | \$ 11,373,643 | \$ 10,571,587 | \$ 9,135,911 | \$ 9,371,571 | \$ 9,049,254 | \$ 9,842,022 | \$ 9,821,564 |
| Business-type activities ² | - | - | - | - | 1,417,368 | 1,582,463 | 1,401,456 | 966,722 | 781,764 | 761,680 |
| Total Expenses | <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> | <u>10,623,786</u> | <u>10,583,244</u> |
| Program Revenues: | | | | | | | | | | |
| Governmental activities ¹ | 13,513,043 | 2,803,798 | 5,467,011 | 3,780,135 | 3,034,167 | 2,691,949 | 2,822,417 | 3,439,962 | 3,222,219 | 3,458,149 |
| Business-type activities ² | - | - | - | - | 1,651,805 | 1,620,856 | 1,539,737 | 1,211,166 | 1,050,476 | 1,045,547 |
| Total Program Revenues | <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> | <u>4,272,695</u> | <u>4,503,696</u> |
| Net (Expense) Revenue | <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> | <u>(6,351,091)</u> | <u>(6,079,548)</u> |
| General Revenues and Transfers: | | | | | | | | | | |
| Governmental activities ¹ | 8,094,863 | 5,942,416 | 6,275,703 | 6,871,200 | 6,945,449 | 6,959,854 | 6,738,101 | 6,913,136 | 7,049,482 | 7,672,454 |
| Business-type activities ² | - | - | - | - | 10,118 | 8,500 | (126,580) | (152,483) | (166,217) | 112,244 |
| Total General Revenues and Tfrs | <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> | <u>6,883,265</u> | <u>7,784,698</u> |
| Change in Net Position | <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> | <u>\$ 532,174</u> | <u>\$ 1,705,150</u> |

Notes:

¹ See Exhibit I

² See Exhibit III

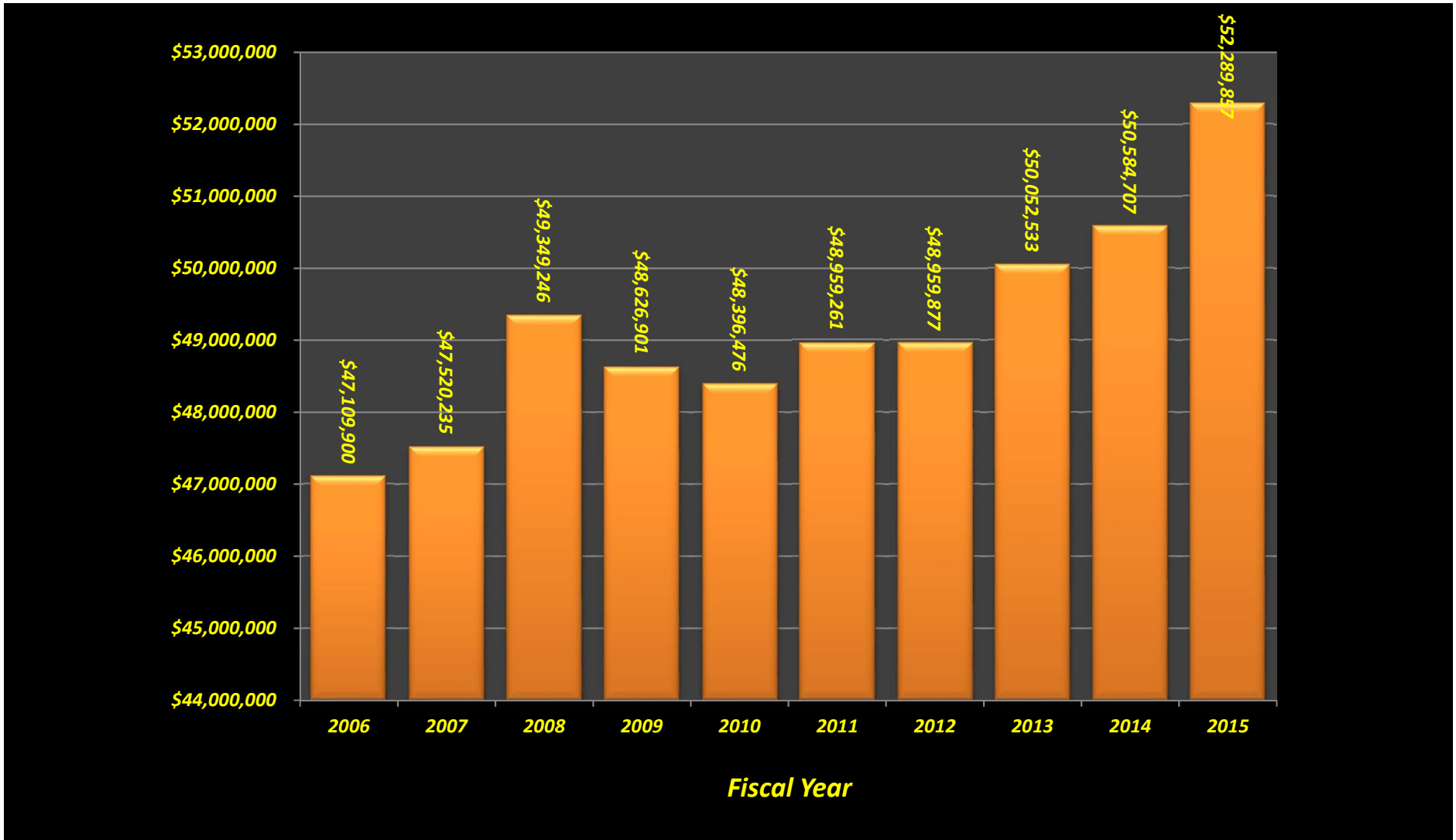
Town of Southwest Ranches, Florida
Government-wide Net Position by Category ¹
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2006 | 2007 | 2008 | September 30, 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 40,644,914 | \$ 41,185,533 | \$ 44,125,155 | \$ 43,824,944 | \$ 44,607,660 | \$ 44,892,153 | \$ 44,421,400 | \$ 44,642,297 | \$ 44,619,097 | \$ 45,134,927 |
| Restricted | 140,535 | 99,855 | 215,354 | 315,335 | 728,064 | 736,555 | 440,705 | 370,921 | 599,649 | 935,161 |
| Unrestricted | 6,324,451 | 6,234,847 | 5,008,737 | 4,486,622 | 2,816,197 | 3,039,105 | 3,794,623 | 4,644,205 | 4,868,356 | 5,326,053 |
| Subtotal Governmental Activities Net Assets | <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> | <u>50,087,102</u> | <u>51,396,141</u> |
| Business-type Activities | | | | | | | | | | |
| Unrestricted | - | - | - | - | 244,555 | 291,448 | 303,149 | 395,110 | 497,605 | 893,716 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | 40,644,914 | 41,185,533 | 44,125,155 | 43,824,944 | 44,607,660 | 44,892,153 | 44,421,400 | 44,642,297 | 44,619,097 | 45,134,927 |
| Restricted | 140,535 | 99,855 | 215,354 | 315,335 | 728,064 | 736,555 | 440,705 | 370,921 | 599,649 | 935,161 |
| Unrestricted | 6,324,451 | 6,234,847 | 5,008,737 | 4,486,622 | 3,060,752 | 3,330,553 | 4,097,772 | 5,039,315 | 5,365,961 | 6,219,769 |
| Total Primary Government Net Position | <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> | <u>\$ 50,584,707</u> | <u>\$ 52,289,857</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,

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Revenue Source | Amounts | | | | | | | | | |
| Taxes | \$ 4,298,694 | \$ 4,925,245 | \$ 5,556,986 | \$ 6,288,683 | \$ 6,240,079 | \$ 6,003,326 | \$ 5,791,850 | \$ 5,865,692 | \$ 6,031,460 | \$ 6,622,442 |
| Licenses and permits | 306,517 | 860,578 | 758,289 | 757,059 | 499,056 | 482,382 | 521,830 | 517,697 | 604,935 | 757,924 |
| Intergovernmental | 861,911 | 769,933 | 729,245 | 742,348 | 522,048 | 787,169 | 689,697 | 683,355 | 707,938 | 758,881 |
| Charges for services | 1,126,695 | 1,138,577 | 1,044,650 | 1,100,308 | 1,527,184 | 1,613,117 | 1,848,333 | 1,763,472 | 1,939,651 | 1,984,906 |
| Fines and forfeitures | 37,095 | 40,416 | 39,912 | 73,595 | 72,892 | 75,076 | 109,180 | 741,077 | 488,337 | 373,346 |
| Physical and economic charges | 500,000 | 100,000 | - | - | 325,775 | 309,627 | 113,862 | - | - | - |
| Grants | 10,458,766 | 93,628 | 1,838,916 | 11,342 | 550,302 | 155,768 | 229,212 | 417,716 | 189,296 | 341,973 |
| Investment income | 227,190 | 300,938 | 141,347 | 53,342 | 90,149 | 25,786 | 30,789 | 17,725 | 5,598 | 19,660 |
| Donated property | 350,000 | - | - | - | - | - | - | - | - | - |
| Sale of trees | 291,084 | 133,980 | 50,925 | 1,645 | - | - | - | - | - | - |
| Miscellaneous | 243,290 | 382,919 | 285,552 | 380,263 | 152,132 | 198,346 | 97,064 | 171,872 | 178,460 | 102,638 |
| Total Revenues | \$18,701,242 | \$ 8,746,214 | \$10,445,822 | \$ 9,408,585 | \$ 9,979,617 | \$ 9,650,597 | \$ 9,431,817 | \$ 10,178,606 | \$ 10,145,675 | \$ 10,961,770 |
| % Change from Prior Year | 15.0% | -53.2% | 19.4% | -9.9% | 6.1% | -3.3% | -2.3% | 7.9% | -0.3% | 8.0% |
| | Percentage of Total | | | | | | | | | |
| Taxes | 23.0% | 56.3% | 53.2% | 66.8% | 62.5% | 62.2% | 61.4% | 57.6% | 59.4% | 60.4% |
| Licenses and permits | 1.6% | 9.8% | 7.3% | 8.0% | 5.0% | 5.0% | 5.5% | 5.1% | 6.0% | 6.9% |
| Intergovernmental | 4.6% | 8.8% | 7.0% | 7.9% | 5.2% | 8.2% | 7.3% | 6.7% | 7.0% | 6.9% |
| Charges for services | 6.0% | 13.0% | 10.0% | 11.7% | 15.3% | 16.7% | 19.6% | 17.3% | 19.1% | 18.1% |
| Fines and forfeitures | 0.2% | 0.5% | 0.4% | 0.8% | 0.7% | 0.8% | 1.2% | 7.3% | 4.8% | 3.4% |
| Physical and economic charges | 2.7% | 1.1% | 0.0% | 0.0% | 3.3% | 3.2% | 1.2% | 0.0% | 0.0% | 0.0% |
| Grants | 55.9% | 1.1% | 17.6% | 0.1% | 5.5% | 1.6% | 2.4% | 4.1% | 1.9% | 3.1% |
| Investment income | 1.2% | 3.4% | 1.4% | 0.6% | 0.9% | 0.3% | 0.3% | 0.2% | 0.1% | 0.2% |
| Donated property | 1.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Sale of trees | 1.6% | 1.5% | 0.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Miscellaneous | 1.3% | 4.4% | 2.7% | 4.0% | 1.5% | 2.1% | 1.0% | 1.7% | 1.8% | 0.9% |
| Total Revenues | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

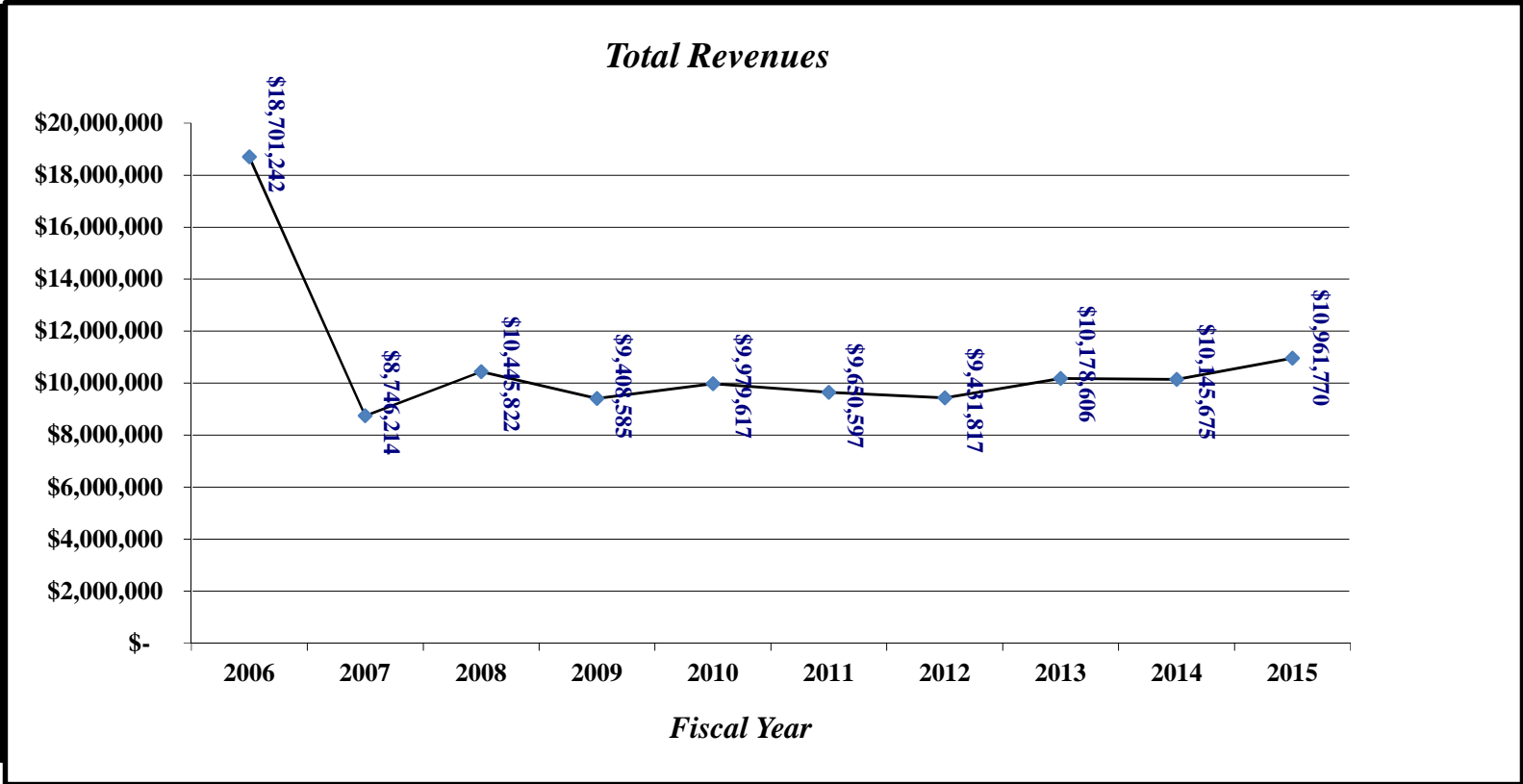
Notes:

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)



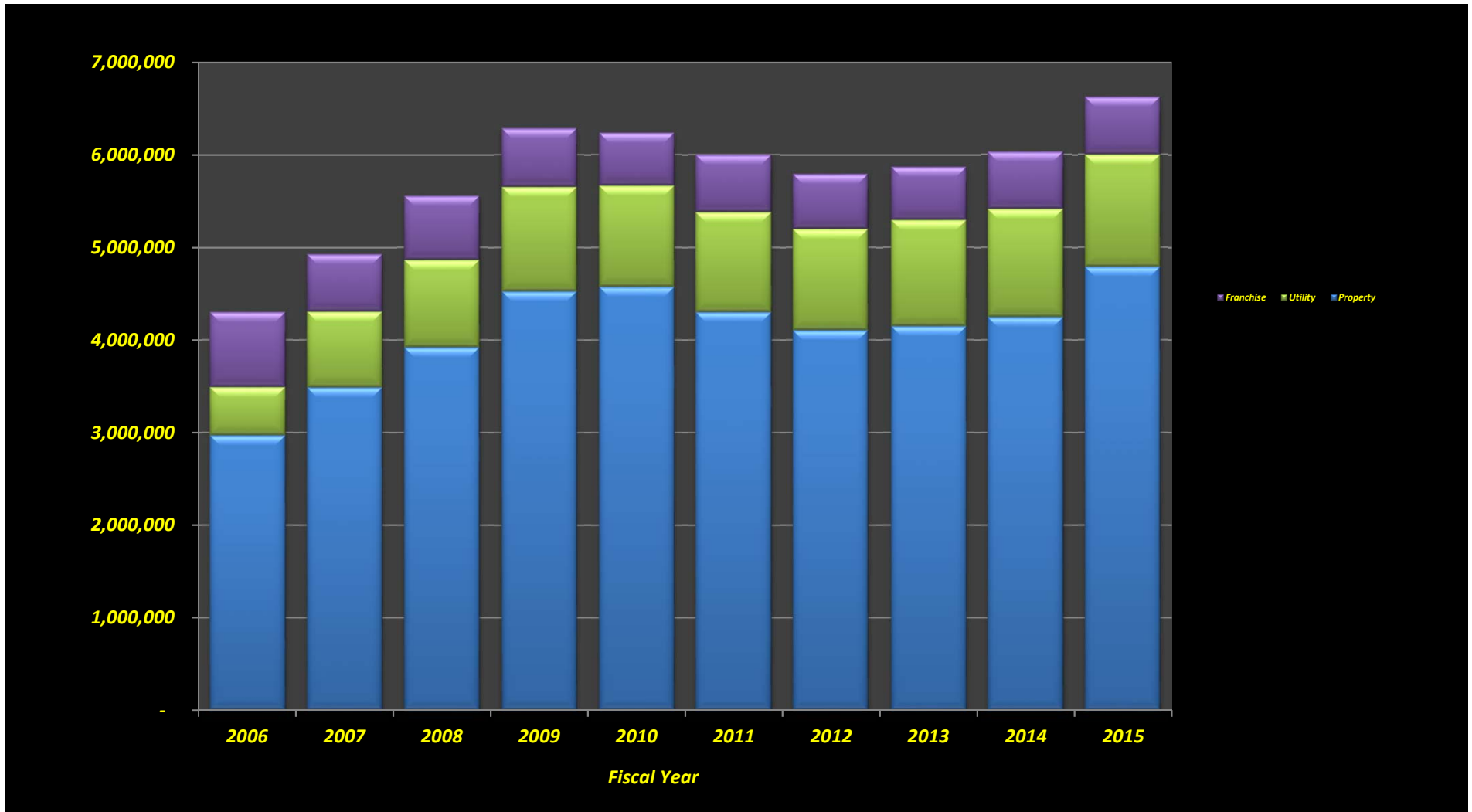
Town of Southwest Ranches, Florida
Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

| For The Fiscal Year Ended September 30, | Property | Utility | Franchise | Total |
|--|-----------------|----------------|------------------|--------------|
| Amounts | | | | |
| 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 |
| 2014 | 4,245,717 | 1,169,184 | 616,559 | 6,031,460 |
| 2015 | 4,788,463 | 1,212,320 | 621,659 | 6,622,442 |
| <i>% Change in Dollars Over 10 Years</i> | 61.3% | 132.6% | -23.1% | 54.1% |
| Percentage of Total | | | | |
| 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% |
| 2014 | 70.4% | 19.4% | 10.2% | 100.0% |
| 2015 | 72.3% | 18.3% | 9.4% | 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, | | | | | | | | | |
|--|---|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Current: | | | | | | | | | | |
| General government | \$ 2,879,193 | \$ 2,156,924 | \$ 1,487,226 | \$ 1,374,958 | \$ 1,609,445 | \$ 1,736,413 | \$ 1,837,472 | \$ 1,796,001 | \$ 1,807,017 | \$ 1,866,731 |
| Public safety | 2,463,714 | 2,513,851 | 3,595,357 | 5,579,359 | 5,641,271 | 5,230,602 | 5,045,887 | 4,821,836 | 5,542,038 | 5,204,208 |
| Community services | 1,200,384 | 1,796,043 | 2,036,933 | 1,446,553 | 902,745 | 796,857 | 887,750 | 719,489 | 777,301 | 859,056 |
| Public works | 798,002 | 613,822 | 1,164,999 | 1,425,587 | - | - | - | - | - | - |
| Parks and recreation | 669,365 | 256,775 | 333,343 | 326,710 | 285,500 | 142,032 | 177,921 | 223,462 | 195,826 | 286,489 |
| Transportation and hurricane-related expenditures | 12,107,067 | 326,384 | 261,536 | 253,394 | 856,243 | 301,951 | 222,031 | 254,809 | 239,077 | 327,491 |
| Nondepartmental | 29,897 | 33,204 | - | - | - | - | - | - | - | - |
| Total Current | 20,147,622 | 7,697,003 | 8,879,394 | 10,406,561 | 9,295,204 | 8,207,855 | 8,171,061 | 7,815,597 | 8,561,259 | 8,543,975 |
| % Change From Prior Year | 194.5% | -61.8% | 15.4% | 17.2% | -10.7% | -11.7% | -0.4% | -4.4% | 9.5% | -0.2% |
| Capital Outlay | 1,207,509 | 408,574 | 561,314 | 392,465 | 2,002,944 | 819,349 | 931,866 | 1,070,505 | 606,880 | 1,059,565 |
| % Change From Prior Year | -88.3% | -66.2% | 37.4% | -30.1% | 410.3% | -59.1% | 13.7% | 14.9% | -43.3% | 74.6% |
| Debt Service: | | | | | | | | | | |
| Principal | 12,121,000 | 702,568 | 3,106,158 | 111,855 | 125,278 | 132,413 | 332,506 | 2,691,917 | 502,068 | 509,226 |
| Interest and fees | 632,725 | 503,851 | 343,720 | 283,248 | 291,328 | 260,900 | 302,092 | 410,639 | 219,162 | 215,478 |
| Total Debt Service | 12,753,725 | 1,206,419 | 3,449,878 | 395,103 | 416,606 | 393,313 | 634,598 | 3,102,556 | 721,230 | 724,704 |
| % Change From Prior Year | 93.1% | -90.5% | 186.0% | -88.5% | 5.4% | -5.6% | 61.3% | 388.9% | -76.8% | 0.5% |
| Ratio of Total Debt Service to Total Non-Capital Expenditures | 38.8% | 13.6% | 28.0% | 3.7% | 4.3% | 4.6% | 7.2% | 28.4% | 7.8% | 7.8% |
| Total Expenditures | \$ 34,108,856 | \$ 9,311,996 | \$ 12,890,586 | \$ 11,194,129 | \$ 11,714,754 | \$ 9,420,517 | \$ 9,737,525 | \$ 11,988,658 | \$ 9,889,369 | \$ 10,328,244 |
| % Change From Prior Year | 43.2% | -72.7% | 38.4% | -13.2% | 4.7% | -19.6% | 3.4% | 23.1% | -17.5% | 4.4% |

Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' comprehensive annual financial report.

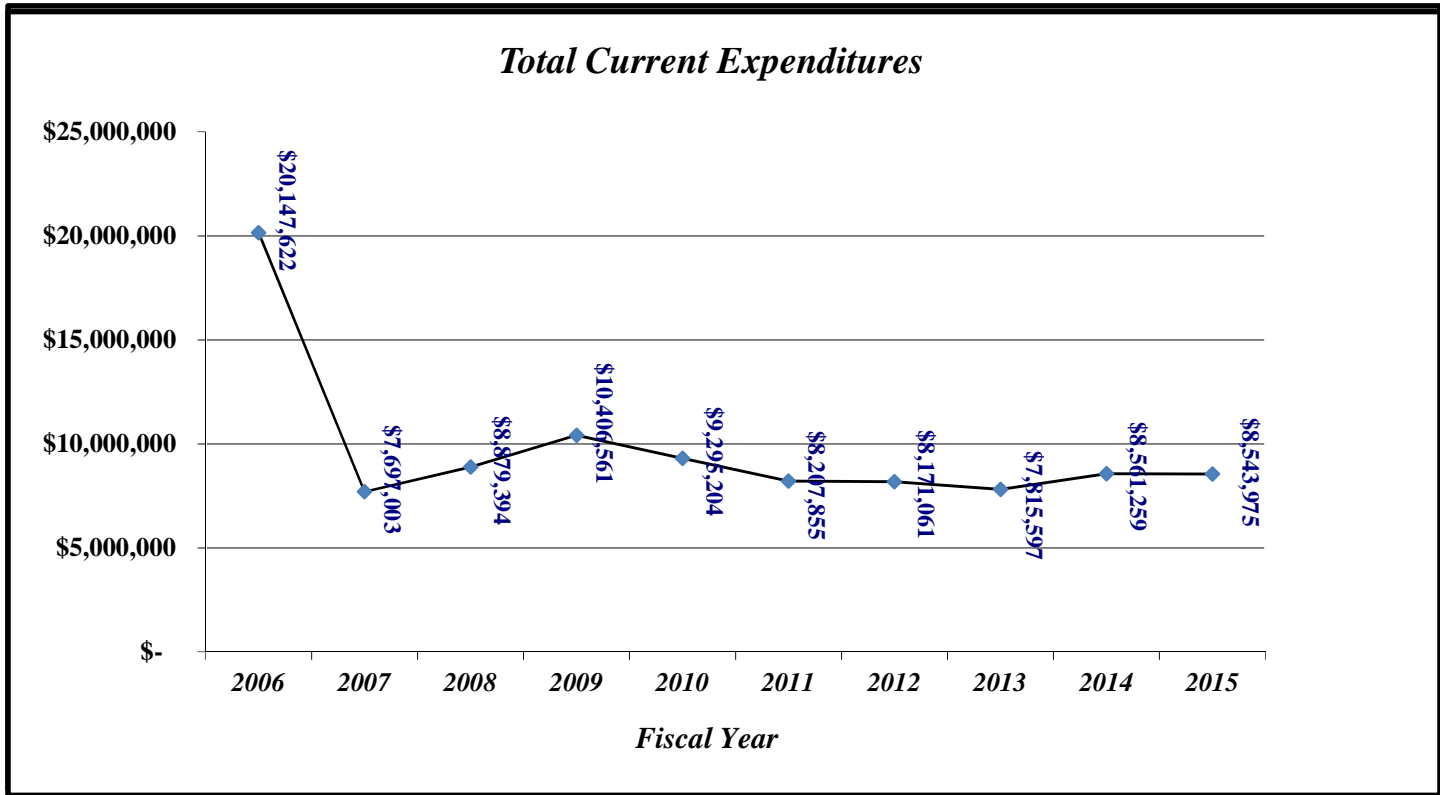
Town of Southwest Ranches, Florida
General Governmental Current Expenditures by Function (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | For the Fiscal Year Ended September 30, | | | | | | | | | |
|---|---|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>Function</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
| | Amounts | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | \$ 2,879,193 | \$ 2,156,924 | \$ 1,487,226 | \$ 1,374,958 | \$ 1,609,445 | \$ 1,736,413 | \$ 1,837,472 | \$ 1,796,001 | \$ 1,807,017 | \$ 1,866,731 |
| Public safety | 2,463,714 | 2,513,851 | 3,595,357 | 5,579,359 | 5,641,271 | 5,230,602 | 5,045,887 | 4,821,836 | 5,542,038 | 5,204,208 |
| Community services | 1,200,384 | 1,796,043 | 2,036,933 | 1,446,553 | 902,745 | 796,857 | 887,750 | 719,489 | 777,301 | 859,056 |
| Public works | 798,002 | 613,822 | 1,164,999 | 1,425,587 | - | - | - | - | - | - |
| Parks and recreation | 669,365 | 256,775 | 333,343 | 326,710 | 285,500 | 142,032 | 177,921 | 223,462 | 195,826 | 286,489 |
| Transportation and hurricane-related expenditures | 12,107,067 | 326,384 | 261,536 | 253,394 | 856,243 | 301,951 | 222,031 | 254,809 | 239,077 | 327,491 |
| Nondepartmental | 29,897 | 33,204 | - | - | - | - | - | - | - | - |
| Total Current | \$ 20,147,622 | \$ 7,697,003 | \$ 8,879,394 | \$ 10,406,561 | \$ 9,295,204 | \$ 8,207,855 | \$ 8,171,061 | \$ 7,815,597 | \$ 8,561,259 | \$ 8,543,975 |
| | Percentage of Total | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 14.3% | 28.0% | 16.7% | 13.2% | 17.3% | 21.2% | 22.5% | 23.0% | 21.1% | 21.8% |
| Public safety | 12.2% | 32.7% | 40.5% | 53.6% | 60.7% | 63.7% | 61.8% | 61.7% | 64.7% | 60.9% |
| Community services | 6.0% | 23.3% | 22.9% | 13.9% | 9.7% | 9.7% | 10.9% | 9.2% | 9.1% | 10.1% |
| Public works | 4.0% | 8.0% | 13.1% | 13.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Parks and recreation | 3.3% | 3.3% | 3.8% | 3.1% | 3.1% | 1.7% | 2.2% | 2.9% | 2.3% | 3.4% |
| Transportation and hurricane-related expenditures | 60.1% | 4.2% | 2.9% | 2.4% | 9.2% | 3.7% | 2.7% | 3.3% | 2.8% | 3.8% |
| Nondepartmental | 0.1% | 0.4% | 0.0% | 0.0% | 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)



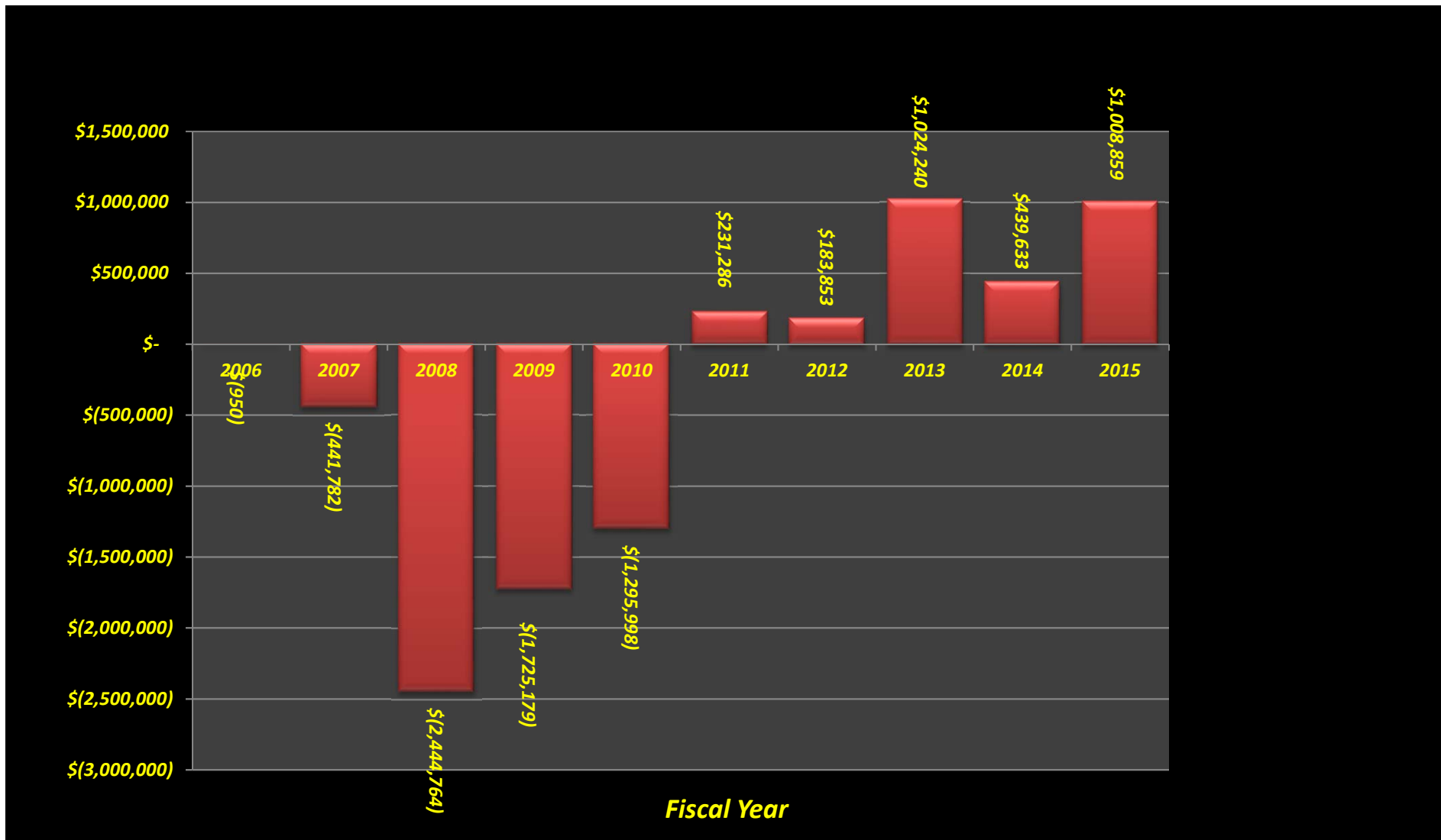
Town of Southwest Ranches, Florida
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | For the Fiscal Year Ended September 30, | | | | | | | | | |
|--|---|---------------------|-----------------------|-----------------------|-----------------------|-------------------|-------------------|---------------------|-------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Total Revenues | \$ 18,701,242 | \$ 8,746,214 | \$ 10,445,822 | \$ 9,408,585 | \$ 9,979,617 | \$ 9,650,597 | \$ 9,431,817 | \$ 10,178,606 | \$ 10,145,675 | \$ 10,961,770 |
| Total Expenditures | 34,108,856 | 9,311,996 | 12,890,586 | 11,194,129 | 11,714,754 | 9,420,517 | 9,737,525 | 11,988,658 | 9,889,369 | 10,328,244 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,407,614) | (565,782) | (2,444,764) | (1,785,544) | (1,735,137) | 230,080 | (305,708) | (1,810,052) | 256,306 | 633,526 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Other items | 15,406,664 | 124,000 | - | 60,365 | 439,139 | 1,206 | 360,860 | 2,659,800 | - | 206,500 |
| Transfers in | 1,853,858 | 1,163,929 | 1,285,562 | 713,259 | 2,946,139 | 1,175,176 | 1,394,191 | 1,410,644 | 1,557,874 | 1,938,626 |
| Transfers out | (1,853,858) | (1,163,929) | (1,285,562) | (713,259) | (2,946,139) | (1,175,176) | (1,265,490) | (1,236,152) | (1,374,547) | (1,769,793) |
| Total Other Financing Sources (Uses) | 15,406,664 | 124,000 | - | 60,365 | 439,139 | 1,206 | 489,561 | 2,834,292 | 183,327 | 375,333 |
| Net Change in Fund Balances | <u>\$ (950)</u> | <u>\$ (441,782)</u> | <u>\$ (2,444,764)</u> | <u>\$ (1,725,179)</u> | <u>\$ (1,295,998)</u> | <u>\$ 231,286</u> | <u>\$ 183,853</u> | <u>\$ 1,024,240</u> | <u>\$ 439,633</u> | <u>\$ 1,008,859</u> |

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 2006 - 2010
(modified accrual basis of accounting)

| | 2006 | 2007 | September 30, 2008 | 2009 | 2010 |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|
| General Fund | | | | | |
| Reserved | \$ 286,878 | \$ 226,480 | \$ 249,718 | \$ 186,184 | \$ 182,955 |
| Unreserved | 2,136,993 | 2,394,680 | 2,175,366 | 1,817,328 | 1,910,184 |
| Total General Fund | <u>2,423,871</u> | <u>2,621,160</u> | <u>2,425,084</u> | <u>2,003,512</u> | <u>2,093,139</u> |
| General Fund % Change From Prior Year | <u>-51.0%</u> | <u>8.1%</u> | <u>-7.5%</u> | <u>-17.4%</u> | <u>4.5%</u> |
| All Other Governmental Funds | | | | | |
| Reserved | - | - | - | - | 30,281 |
| Unreserved: | | | | | |
| Special Revenue Funds | 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 | <u>4,000,000</u> | <u>3,537,227</u> | <u>2,265,093</u> | <u>2,281,595</u> | <u>528,242</u> |
| Total All Other Governmental Funds | <u>4,447,655</u> | <u>3,808,584</u> | <u>2,856,787</u> | <u>2,856,611</u> | <u>1,509,240</u> |
| All Other Governmental Funds % Change From Prior Year | <u>130.9%</u> | <u>-14.4%</u> | <u>-25.0%</u> | <u>0.0%</u> | <u>-47.2%</u> |
| Total Governmental Funds | | | | | |
| Reserved | 286,878 | 226,480 | 249,718 | 186,184 | 213,236 |
| Unreserved | <u>6,277,528</u> | <u>6,031,762</u> | <u>4,655,813</u> | <u>4,397,077</u> | <u>3,119,028</u> |
| Total Governmental Funds | <u>\$ 6,564,406</u> | <u>\$ 6,258,242</u> | <u>\$ 4,905,531</u> | <u>\$ 4,583,261</u> | <u>\$ 3,332,264</u> |
| All Governmental Funds % Change From Prior Year | <u>-4.5%</u> | <u>-4.7%</u> | <u>-21.6%</u> | <u>-6.6%</u> | <u>-27.3%</u> |

Notes:

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

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2015 and Four Years Prior
(modified accrual basis of accounting)

| | September 30, | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 31,432 | \$ 207,568 | \$ 25,222 | \$ 27,058 | \$ 28,763 |
| Inventory | 138,848 | 138,848 | 482,720 | 482,720 | 482,720 |
| Deposits | 25,001 | - | - | - | - |
| Total nonspendable | 195,281 | 346,416 | 507,942 | 509,778 | 511,483 |
| Restricted for: | | | | | |
| Fire Control | - | - | - | 128,291 | 308,982 |
| Public safety | 3,663 | 6,445 | 10,933 | 11,020 | 12,550 |
| Town hall brick program | 16,800 | 18,200 | - | - | - |
| Total restricted | 20,463 | 24,645 | 10,933 | 139,311 | 321,532 |
| Committed to: | | | | | |
| Tree preservation | 20,877 | 20,877 | 3,086 | 3,086 | 3,086 |
| Capital projects | - | - | 9,850 | - | - |
| Total committed | 20,877 | 20,877 | 12,936 | 3,086 | 3,086 |
| Unassigned | 2,360,778 | 2,494,249 | 3,458,623 | 3,830,892 | 4,365,118 |
| Total General Fund | \$ 2,597,399 | \$ 2,886,187 | \$ 3,990,434 | \$ 4,483,067 | \$ 5,201,219 |
| General Fund % Change From Prior Year | 24.1% | 11.1% | 38.3% | 12.3% | 16.0% |
| All Other Governmental Funds | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 810 | \$ 3,349 | \$ 3,654 | \$ 3,857 | \$ 1,574 |
| Deposits | 15,000 | - | - | - | - |
| Total nonspendable | 15,810 | 3,349 | 3,654 | 3,857 | 1,574 |
| Restricted for: | | | | | |
| Transportation surtax | 696,179 | 375,253 | 312,740 | 389,361 | 651,618 |
| Volunteer fire services | 40,376 | 40,807 | 47,248 | 70,977 | 281,656 |
| Total restricted | 736,555 | 416,060 | 359,988 | 460,338 | 933,274 |
| Committed for: | | | | | |
| Capital projects | - | - | 60,376 | 209,053 | 40,298 |
| Total committed | - | - | 60,376 | 209,053 | 40,298 |
| Assigned to: | | | | | |
| Debt service | 164,278 | 37,548 | 15,069 | 28,448 | 36,534 |
| Public safety | 129,750 | - | - | - | - |
| Fire wells | 80,000 | - | - | - | - |
| Capital projects | 109,873 | 354,621 | 584,686 | 269,077 | 249,800 |
| Total assigned | 483,901 | 392,169 | 599,755 | 297,525 | 286,334 |
| Total All Other Governmental Funds | \$ 1,236,266 | \$ 811,578 | \$ 963,397 | \$ 761,720 | \$ 1,221,182 |
| All Other Governmental Funds % Change From Prior Year | -25.4% | -34.4% | 18.7% | -20.9% | 60.3% |
| Total Governmental Funds | \$ 3,833,665 | \$ 3,697,765 | \$ 5,014,207 | \$ 5,453,840 | \$ 6,462,699 |
| All Governmental Funds % Change From Prior Year | 11.7% | -3.5% | 35.6% | 8.8% | 18.5% |

Notes:

The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2011. The Town did not restate the prior five 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 | | | | | | | |
| 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 | 48,481,324 | 244,651,398 | 1,343,240,566 | 0.17% | 3.5000 | 2,451,643,250 | 54.79% |
| 2010 | 1,067,522,270 | 59,293,720 | 124,650,020 | 165,161,070 | 47,481,047 | 261,605,081 | 1,202,503,046 | -10.48% | 3.9400 | 2,130,022,287 | 56.45% |
| 2011 | 1,007,447,260 | 51,352,070 | 128,276,640 | 160,690,440 | 46,823,972 | 268,202,021 | 1,126,388,361 | -6.33% | 3.9404 | 2,030,640,740 | 55.47% |
| 2012 | 967,580,110 | 44,081,160 | 130,689,460 | 160,579,690 | 45,941,532 | 259,862,760 | 1,089,009,192 | -3.32% | 3.9404 | 1,779,105,372 | 61.21% |
| 2013 | 973,702,090 | 47,545,710 | 127,729,960 | 159,741,230 | 45,560,922 | 258,013,175 | 1,096,266,737 | 0.67% | 3.9042 | 1,723,189,712 | 63.62% |
| 2014 | 1,000,893,470 | 46,589,150 | 121,841,100 | 164,026,390 | 45,912,186 | 260,832,475 | 1,118,429,821 | 2.02% | 3.9404 | 1,730,622,616 | 64.63% |
| 2015 | 1,051,905,200 | 49,605,590 | 113,472,180 | 176,639,690 | 42,117,640 | 253,470,692 | 1,180,269,608 | 5.53% | 4.2719 | 1,813,245,860 | 65.09% |
| * | \$ 1,030,892,645 | \$ 48,300,146 | \$ 115,992,694 | \$ 160,621,980 | \$ 45,735,575 | \$ 227,103,547 | \$ 1,174,439,493 | | | \$ 2,009,983,081 | 58.43% |
| ** | 20.8% | 13.7% | 47.3% | 46.5% | -2.8% | 91.1% | 15.4% | | | | |

* Dollar Average for ten years

** Percentage change in dollars over ten years

Notes:

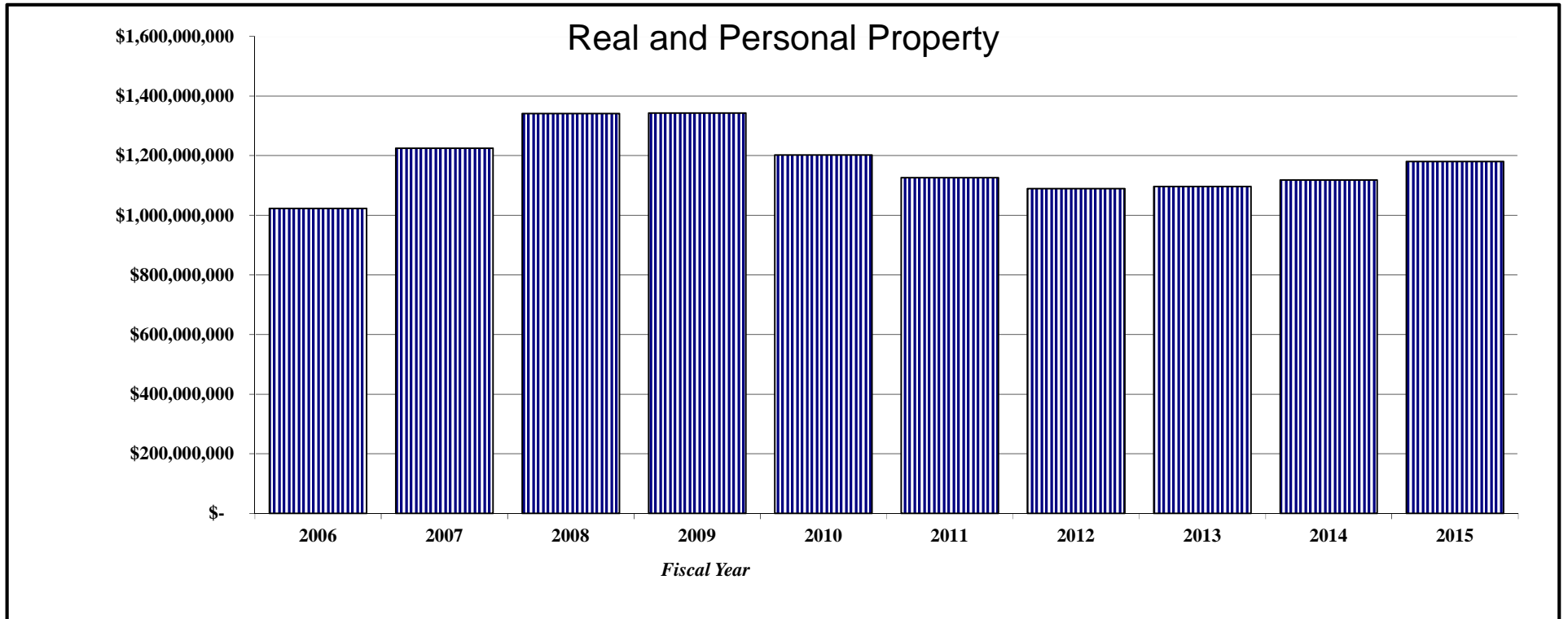
¹ Other includes: industrial, institutional, government, and miscellaneous.

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

Data Source:

Broward County Property Appraiser's Office

Town of Southwest Ranches, Florida
Chart-Total Taxable Assessed Value (Unaudited)
Last Ten 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 | |
| 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 | 7.6310 | 0.6240 | 0.0345 | 0.4696 | 1.2732 | 19.5257 |
| 2012 | 3.9404 | 5.5530 | 7.4180 | 0.4363 | 0.0345 | 0.4789 | 0.7500 | 18.6111 |
| 2013 | 3.9042 | 5.5530 | 7.4560 | 0.4289 | 0.0345 | 0.4902 | 0.6000 | 18.4668 |
| 2014 | 3.9404 | 5.7230 | 7.4800 | 0.4110 | 0.0345 | 0.4882 | 0.4000 | 18.4771 |
| 2015 | 4.2719 | 5.7230 | 7.4380 | 0.3842 | 0.0345 | 0.4882 | 0.1863 | 18.5261 |

Notes:

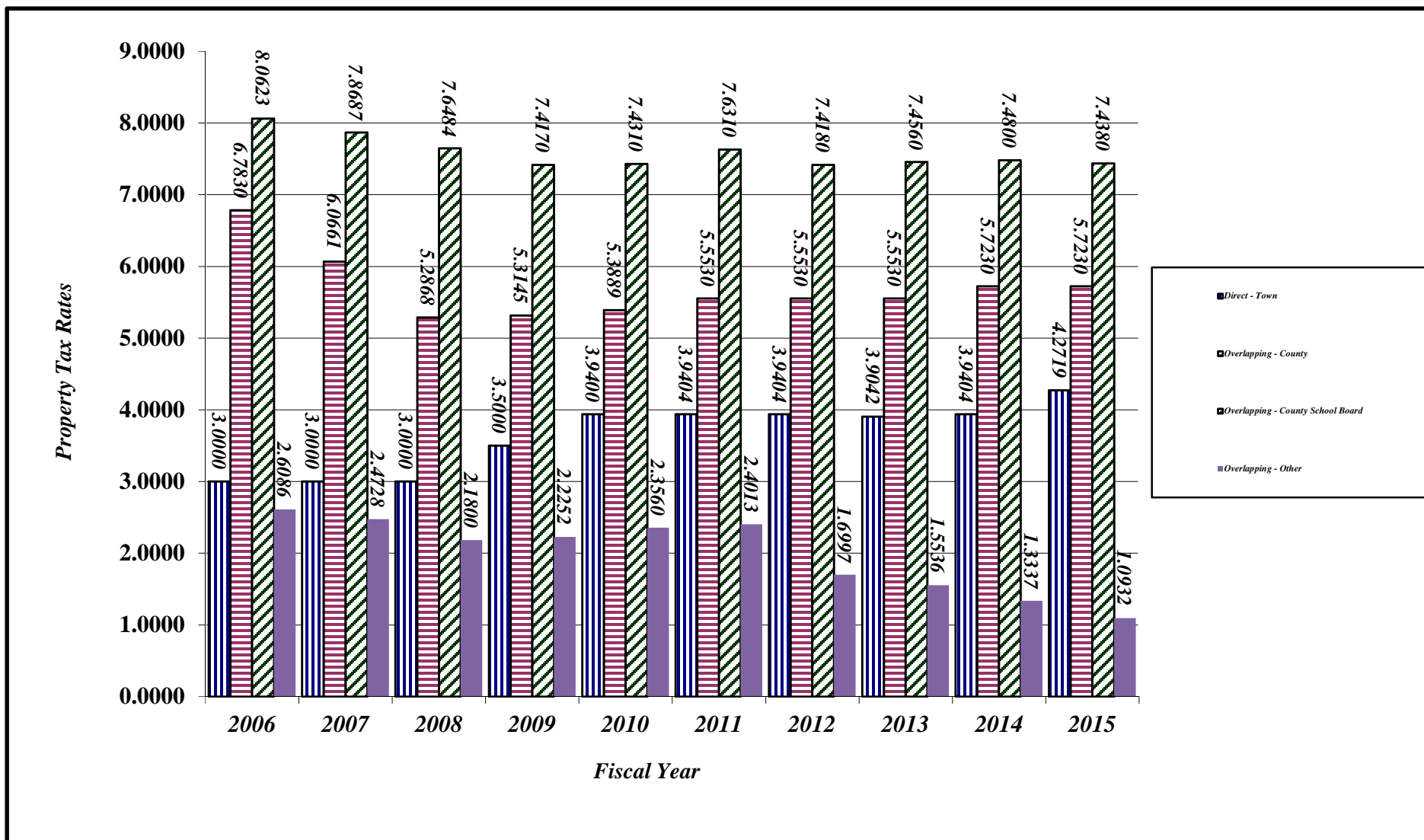
¹ Overlapping rates are those of governments that overlap the Town's geographic boundaries.

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 |
| 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% | 61,831 | 4,337,479 | 96.82% |
| 2012 | 4,318,983 | 4,131,352 | 95.66% | 124,971 | 4,256,323 | 98.55% |
| 2013 | 4,323,515 | 4,256,493 | 98.45% | 63,965 | 4,320,458 | 99.93% |
| 2014 | 4,433,004 | 4,389,935 | 99.03% | (10,357.31) | 4,379,578 | 98.79% |
| 2015 | 5,142,216 | 4,964,524 | 96.54% | - | 4,964,524 | 96.54% |

Notes:

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

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

Data Source:

Broward County Property Appraisal Office

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

| FY 2015 | | | | FY 2006 | | | |
|-------------------------------------|-------------------------|------|--|---------------------------------------|------------------------|------|--|
| Principal Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Principal Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Lowes Home Centers, Inc. | 14,696,110 | 1 | 1.29% | US Retail Income Fund | \$ 14,334,420 | 1 | 1.72% |
| Iglesia Cristiana Senales | 14,526,450 | 2 | 1.28% | Lowes Home Centers, Inc. | 12,888,550 | 2 | 1.55% |
| Coquina Station LLC | 12,480,830 | 3 | 1.10% | SCI Funeral Services of Florida, Inc. | 9,371,300 | 3 | 1.13% |
| Cubsmart LP | 5,517,260 | 4 | 0.48% | Canyon Creeks Estates | 7,013,920 | 4 | 0.84% |
| Moses, Raymond & Baidwatte | 4,819,840 | 5 | 0.42% | Rising Tide Development | 5,896,770 | 5 | 0.71% |
| Wayne, Peta, Gay, & Reginald | 4,073,650 | 6 | 0.36% | Florida Power & Light | 5,468,910 | 6 | 0.66% |
| Boss Zont Pad LLC | 3,935,450 | 7 | 0.35% | Landmark Custom Ranches | 5,414,420 | 7 | 0.65% |
| Marshall, Brandon | 3,846,450 | 8 | 0.34% | Stone Creek at Sunshine | 4,487,690 | 8 | 0.54% |
| Florida Power & Light | 3,832,260 | 9 | 0.34% | Republica Musicana | 4,362,410 | 9 | 0.52% |
| MGT Southwest Ranches LLC | 3,663,660 | 10 | 0.32% | Foley, Thomas, & Denise | 3,612,260 | 10 | 0.43% |
| Total Principal Taxpayers | 71,391,960 | | 6.27% | Total Principal Taxpayers | 72,850,650 | | 8.76% |
| All Other Taxpayers | 1,066,760,008 | | 93.73% | All Other Taxpayers | 758,763,595 | | 91.24% |
| Total Taxable Assessed Value | <u>\$ 1,138,151,968</u> | | <u>100.00%</u> | Total Taxable Assessed Value | <u>\$ 831,614,245</u> | | <u>100.00%</u> |

Data Source:

Broward County Revenue Collectors' Office

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

| FY 2015 | | | | FY 2006 | | | |
|-------------------------------------|------------------------|------|--|-------------------------------------|------------------------|------|--|
| 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. | \$ 30,536,743 | 1 | 72.50% | Florida Power and Light Co. | \$ 25,414,399 | 1 | 60.52% |
| Bellsouth Telecommunications | 2,010,155 | 2 | 4.77% | Southern Bell Tel Co | 3,627,020 | 2 | 8.64% |
| Lowes Home Centers, Inc. | 1,245,502 | 3 | 2.96% | Shell Oil # 165042 | 977,970 | 3 | 2.33% |
| Publix Supermarkets # 619 | 812,129 | 4 | 1.93% | Publix Supermarkets # 619 | 898,167 | 4 | 2.14% |
| Shell | 479,974 | 5 | 1.14% | Sandbox Bulldozing Inc | 691,215 | 5 | 1.65% |
| AT&T Mobility LLC | 398,096 | 6 | 0.95% | Tom Thumb Food Stores | 587,659 | 6 | 1.40% |
| Kelly Tractor Co | 249,038 | 7 | 0.59% | FPL Fibernet LLC | 573,999 | 7 | 1.37% |
| Applebee's | 234,547 | 8 | 0.56% | Original Pancake House | 459,210 | 8 | 1.09% |
| Walgreens # 10648 | 198,056 | 9 | 0.47% | Caterpillar Financial Services | 447,720 | 9 | 1.07% |
| Tom Thumb Food Stores | 183,885 | 10 | 0.44% | Freedom Pipeline Corp | 431,706 | 10 | 1.03% |
| Total Principal Taxpayers | 36,348,125 | | 86.30% | Total Principal Taxpayers | 34,109,065 | | 81.23% |
| All Other Taxpayers | 5,769,515 | | 13.70% | All Other Taxpayers | 7,883,487 | | 18.77% |
| Total Taxable Assessed Value | \$ 42,117,640 | | 100.00% | Total Taxable Assessed Value | \$ 41,992,552 | | 100.00% |

Notes:

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 | StoneGate Loan Payable | Capital Lease | TD Note Payable 2015 | Total | Percentage of Personal Income (1) | Total Debt Per Capita |
|---------------|---|---|-------------------------|-------------------------|---------------------------|------------------|-------------------------|------------|---|-----------------------------|
| 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 | 0.0092% | 979 |
| 2013 | 1,640,000 | - | 2,110,125 | 2,659,800 | 704,261 | 32,529 | - | 7,146,715 | 0.0089% | 966 |
| 2014 | 1,640,000 | - | 1,878,854 | 2,475,100 | 634,217 | 16,476 | - | 6,644,647 | 0.0082% | 866 |
| 2015 | 1,640,000 | - | 1,641,204 | 2,292,900 | 561,316 | - | 206,500 | 6,341,920 | {i} | 817 |

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 2015, 2014, 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 | \$ 1,315 | \$ 609 | \$ 706 | 2.16 % | 1.30 % | 0.86 % | \$ 723 | \$ 592 | 1.82 % | 1.50 % | 0.32 % |
| 2013 | \$ 1,842 | \$ 712 | \$ 1,130 | 2.59 % | 1.30 % | 1.29 % | \$ 723 | \$ 1,119 | 2.55 % | 1.50 % | 1.05 % |
| 2014 | \$ 1,524 | \$ 720 | \$ 804 | 2.12 % | 1.30 % | 0.82 % | \$ 723 | \$ 801 | 2.11 % | 1.50 % | 0.61 % |
| 2015 | \$ 1,937 | \$ 723 | 1,214 | 2.68 % | 1.30 % | 1.38 % | 734 | \$ 1,203 | 2.64 % | 1.50 % | 1.14 % |

FMLC Loan Payable Series 2001

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

| | Adjusted | | Net Non-Advalorem Revenues Available for Debt Service | Total Max Annual Debt Service | Debt Service Coverage Ratio | Coverage Required | Excess Coverage |
|-------------------|------------------------|---------------------------------|---|-------------------------------|-----------------------------|-------------------|-----------------|
| | Non-Advalorem Revenues | Adjusted Essential Expenditures | | | | | |
| 2013 ² | \$ 4,970 | \$ 2,368 | \$ 2,602 | \$ 723 | 359.89 % | 150.00 % | 209.89 % |
| 2014 | \$ 5,362 | \$ 2,526 | \$ 2,836 | \$ 723 | 392.22 % | 150.00 % | 242.22 % |
| 2015 | \$ 5,792 | \$ 2,488 | \$ 3,303 | \$ 734 | 450.06 % | 150.00 % | 300.06 % |

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 % |
| 2014 | \$ 10,192 | \$ 723 | 7.09 % | 20.00 % | 12.91 % |
| 2015 | \$ 11,376 | \$ 734 | 6.45 % | 20.00 % | 13.55 % |

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, 2015

| <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 | \$ 274,813,000 | 0.007625% | \$ 20,954 |
| Broward County School Board | 1,923,910,000 | 0.007618% | <u>146,563</u> |
| Sub-Total Overlapping Debt | | | 167,517 |
| Town Direct Debt | | | <u>6,341,920</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 6,509,437</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 |
| 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 | 7,385 | 78,687,882 | 44,429 | 7.5% | 8.1% | 7.8% |
| 2013 | 7,396 | 80,525,783 | 45,120 | 5.6% | 6.7% | 7.3% |
| 2014 | 7,676 | 80,905,552 | 44,850 | 5.2% | 6.0% | 5.7% |
| 2015 | 7,761 | {i} | {i} | 4.9% | 5.2% | 5.0% |

Notes:

There are no public schools located within the Town.

Data Sources:

¹ Florida Legislative Office of Economic and Demographic Research
2014 per US Census Bureau.

² 2010 and 2011 estimated by management

³ Broward County comprehensive annual financial reports

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

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

⁶ U.S. Department of Labor, Bureau of Labor Statistics, <http://data.bls.gov/cgi-bin/surveymost> & US Census Quick Facts
{i} Information not available from County

Town of Southwest Ranches, Florida
Principal Employers (Unaudited)
 For the Fiscal Year Ended September 30, 2015 and 2010 ¹

| 2015 | | | |
|----------------------------------|------------------|---------------------|------|
| Employer | Type of Business | Number of Employees | Rank |
| Publix Supermarkets | Retail | 147 | 1 |
| Lowe's Home Centers, Inc. | Retail | 130 | 2 |
| Archbishop McCarthy High School | Private School | 99 | 3 |
| Applebee's Neighborhood Grill | Restaurant | 45 | 4 |
| Romeus Cuban Restaurant | Restaurant | 37 | 5 |
| Apple Montessori School | Private School | 35 | 6 |
| Starbucks Coffee Company | Restaurant | 32 | 7 |
| Walgreens | Retail | 26 | 8 |
| McDonald's | Restaurant | 25 | 9 |
| Original Pancake House | Restaurant | 25 | 10 |
| Total Principal Employers | | 601 | |

| 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 Funded Positions by Function/Program (Unaudited)
Last Ten Fiscal Years

| <u>Function/program</u> | Fiscal Year | | | | | | | | | |
|--|-------------|-------|------|-------|------|-------|------|-------|------|-------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| City Commission | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| General Government | | | | | | | | | | |
| City management | - | 3 | 3 | 3 | 6 | 5 | 5 | 3 | 3 | 3 |
| Community services ¹ | 5 | 7 | 6 | 8 | 10 | 10 | 10 | 14 | 13 | 13 |
| Total General Government | 5 | 10 | 9 | 11 | 16 | 15 | 15 | 17 | 16 | 16 |
| Contracted Employees: | | | | | | | | | | |
| General government management services | 5 | 4 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 4 |
| Fire rescue | 3 | 3 | 3 | 12 | 12 | 43 | 43 | 50 | 50 | 44 |
| Emergency medical services | 3 | 3 | 3 | 9 | 9 | 4 | 4 | 15 | 15 | 15 |
| Police protection | 11 | 13 | 15 | 15 | 15 | 15 | 15 | 15 | 16 | 16 |
| Total Contracted Employees | 22 | 23 | 25 | 41 | 40 | 66 | 66 | 84 | 85 | 79 |
| Total | 32 | 38 | 39 | 57 | 61 | 86 | 86 | 106 | 106 | 100 |
| Percentage Change From Prior Year | -3.0% | 18.8% | 2.6% | 46.2% | 7.0% | 41.0% | 0.0% | 23.3% | 0.0% | -5.7% |

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 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| GENERAL GOVERNMENT: | | | | | | | | | | |
| Building permits issued by: | | | | | | | | | | |
| Broward County ² | 2,203 | 762 | - | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| CAP Government Services, Inc. ³ | - | 466 | 473 | 540 | 321 | 433 | 422 | 403 | 407 | 377 |
| Total building permits | 2,203 | 1,228 | 473 | 540 | 321 | 433 | 422 | 403 | 407 | 377 |
| Building inspections conducted by: | | | | | | | | | | |
| Broward County: | | | | | | | | | | |
| Electrical ² | 929 | 1,083 | - | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mechanical ² | 205 | 191 | - | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Plumbing ² | 756 | 668 | - | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Structural ² | 4,208 | 2,547 | - | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Other ² | 89 | 150 | - | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| CAP Government Services, Inc. ³ | - | 3,300 | - | 3,256 | 2,798 | 2,200 | 3,765 | 5,273 | 6,403 | 6,872 |
| Total building inspections | 6,187 | 7,939 | - | 3,256 | 2,798 | 2,200 | 3,765 | 5,273 | 6,403 | 6,872 |
| Local Business Tax certificates issued ² | - | - | 335 | - | - | - | - | - | - | - |
| Certificates of use registrations ⁴ | 35 | 23 | 33 | 20 | 28 | 35 | 23 | 11 | 14 | 2 |
| Planning & Zoning Permits Issued ⁴ | | | | | | 213 | 177 | 153 | 148 | 196 |
| FIRE: | | | | | | | | | | |
| Emergency responses ⁵ | 354 | 265 | 228 | 739 | 779 | 403 | 437 | 685 | 747 | 791 |
| Station 112 Average Response Time ⁵ | | | | | | | | 5:58 | 6:13 | 5:52 |
| Inspections | - | - | - | 30 | 55 | 40 | 31 | 98 | 98 | 165 |
| POLICE: ⁶ | | | | | | | | | | |
| Physical arrests | 375 | 207 | 183 | 126 | 112 | 132 | 77 | 54 | 43 | 43 |
| Parking violations | 19 | 9 | 12 | 10 | 9 | 2 | - | 2 | 0 | 0 |
| Traffic violations | 2,618 | 2,564 | 2,839 | 2,779 | 2,192 | 3,025 | 1,225 | 1,011 | 2,174 | 2,416 |
| REFUSE COLLECTION: ^{7,8} | | | | | | | | | | |
| Refuse collected (tons per month) | 63.60 | 7.70 | 14.72 | 36.40 | 11.60 | 10.89 | 26.45 | 287.54 | 262.29 | 258.71 |
| Recyclables collected (tons per month) | 1.02 | 0.67 | 2.84 | 2.35 | 5.44 | 7.63 | 8.51 | 36.54 | 51.20 | 62.98 |
| Bulk collected (tons per month) | 25.20 | 15.00 | 61.77 | 65.75 | 82.56 | 78.90 | 70.11 | 593.63 | 698.53 | 790.07 |
| OTHER PUBLIC WORKS: ⁸ | | | | | | | | | | |
| Street resurfacing (in miles) | 0.5 | - | - | 0.50 | 6.00 | - | 0.95 | - | - | - |
| Potholes repaired | 360 | 360 | 360 | 360 | 400 | 107 | 112 | 88 | 93 | 107 |
| WATER: ⁹ | | | | | | | | | | |
| New connections | 2 | 4 | 10 | 2 | 2 | 1 | 1 | - | 1 | 3 |
| Average daily consumption (thousands of gallons) | 4 | 5.5 | 8.75 | 9.85 | 10.83 | 13.47 | 12.02 | 11.52 | 10.26 | 10.66 |
| Peak monthly consumption (thousands of gallons) | 175 | 247 | 396 | 425 | 479 | 556 | 440 | 419 | 428 | 417 |
| General Government Tax Rates: | | | | | | | | | | |
| Utility Services | | | | | | | | | | |
| Electric | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Communication Services | - | - | - | - | - | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% |
| Gas | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Franchises | | | | | | | | | | |
| Electric | 6% | 6% | 6% | 6% | 5.90% | 5.90% | 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% | 13% | 15% |

Notes:¹ Information not presented is not available.² Information provided by Broward County.³ Information provided by CAP Government Services, Inc.⁴ Information provided by Mellgren Planning Group⁵ 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 since 2013-15 provided by Town of Davie.⁶ Information provided by Broward County Sheriff's Office.⁷ In 2007, amounts cover the period from October 2006 - April 2007.⁸ Information provided by Town Contractors. 2013 Change from daily average to monthly.⁹ Information provided by City of Sunrise Public Works. The Town's residents obtain their water supply from wells and septic tanks except for certain residents who have privately connected with the City of Sunrise.

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

| Function/Program | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| FIRE STATIONS: ¹ | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| POLICE: | | | | | | | | | | |
| Stations ¹ | - | - | - | - | - | - | - | - | - | - |
| Patrol units | 12 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 16 | 16 |
| REFUSE COLLECTION: | | | | | | | | | | |
| Collection trucks ¹ | - | - | - | - | - | - | - | 10 | 10 | 10 |
| OTHER PUBLIC WORKS: | | | | | | | | | | |
| Streets (miles) | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 |
| Streetlights ² | - | - | - | - | 13 | 13 | 13 | 13 | 13 | 13 |
| PARKS AND RECREATION: | | | | | | | | | | |
| Acreage | 149.01 | 149.01 | 149.01 | 149.01 | 149.01 | 149.01 | 149.01 | 149.01 | 149.01 | 149.01 |
| Community Center | - | - | - | - | - | - | - | - | - | 1 |
| Playgrounds | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Equestrian ring | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Picnic pavilion | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Restroom facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 |
| Nature trails (miles) | 1 | 1 | 1 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Multi-use trails (miles) | 4 | 12.7 | 17.35 | 17.35 | 17.35 | 17.35 | 17.35 | 17.35 | 17.35 | 17.35 |
| WATER: | | | | | | | | | | |
| Water mains (miles) ³ | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Fire wells | 330 | 330 | 330 | 330 | 330 | 332 | 332 | 332 | 332 | 333 |
| Lakes (acres) ⁴ | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| Canals (miles) ⁵ | 42.0 | 42.0 | 42.0 | 42.0 | 42.0 | 42.0 | 42.0 | 42.0 | 42.0 | 42.0 |

Data Sources:

Various Town departments unless otherwise noted.

Notes:

¹ Items not presented provided by a contractor.

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

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

⁴ Information provided by South Broward Drainage District. Unable to obtain information from Central Broward Water Control District.

⁵ Information provided by South Broward Drainage District and Central Broward Water Control District.

*** No Data Available

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REPORTING SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Tom Macaounis

**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 fiscal year ended September 30, 2015 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, 2016.

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 2016

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

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

Report on the Financial Statements

We have audited the financial statements of the Town of Southwest Ranches, Florida (the Town), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 14, 2016.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 14, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., 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)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Marcum LLP

Fort Lauderdale, FL
March 14, 2016

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

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

We have examined the Town of Southwest Ranches' compliance with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2015. Management is responsible for the Town of Southwest Ranches' compliance with those requirements. Our responsibility is to express an opinion on the Town of Southwest Ranches' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town of Southwest Ranches' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town of Southwest Ranches' compliance with specified requirements.

In our opinion, the Town of Southwest Ranches complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

This report is intended solely for the information and use of management, Town Council, Town Administrator, others within the Town of Southwest Ranches and the Auditor General of the State of Florida 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, 2016