

**TOWN OF  
SOUTHWEST RANCHES, FLORIDA**



**Comprehensive Annual Financial Report**

**Fiscal Year Ended September 30, 2016**



**TOWN OF  
SOUTHWEST RANCHES, FLORIDA  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2016**



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Bill Parker*

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”



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Giovanna McBride*

# TOWN OF SOUTHWEST RANCHES, FLORIDA

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# INTRODUCTORY SECTION



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest Winner  
*Submitted by: Bob Hartmann*



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

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

*Town Council*  
**Doug McKay, Mayor**  
**Steve Breitreuz, Vice Mayor**  
**Freddy Fisikelli, Council Member**  
**Gary Jablonski, Council Member**  
**Denise Schroeder, 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 16, 2017

***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, 2016. 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, 2016.

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. The 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 2015 census population estimate of 7,852 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 100,882), Pembroke Pines (population estimate of 166,611) and Weston (population estimate of 69,959). 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, November 7, 2006 and 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 2015, the Town experienced a greater than 5.5% increase in taxable assessed value and a greater than 4.4% increase in 2016. However, the 2016 taxable assessed values are still below the 2009 taxable assessed valuation.

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 22.6% of the adopted 2017 General Fund expenditures in the 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. Twelve capital projects, including TSDOR have been fully or partially funded during the fiscal year 2017 budget process.

In the 2017 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 believes that debt is a necessary and integral part of conducting its operations on a financially sound and equitable basis to all taxpayers and reviews as well as evaluates its existing obligations and future borrowing needs regularly. The Town, when necessary, will issue debt for capital improvement projects. During 2016, the Town obtained financing for the purchase of \$8,100,000 in Public Purpose Land at a 3.25% interest rate and practically simultaneously retired \$1,640,000 of Series 2001 debt which carried a 5% interest rate utilizing general fund unassigned reserves. In 2015, the Town obtained financing for the purchase of a \$206,500 Commercial Chassis Volunteer Fire Pumper vehicle while, during 2013, the Town refinanced a portion of its 2001 debt at a lower interest rate resulting in receiving over \$300,000 in present value cash savings for parks, recreation and open spaces capital improvements. The Town also borrowed \$439,139 and \$360,860 in 2010 and 2012, respectively from a line of credit to fund roadway and drainage improvements. Finally, the Town entered into a \$2,500,000 note with a financial institution for the purpose of refunding an existing pooled commercial loan and to fund the move to a new permanent Town Hall building during 2012. These fixed rate loans, except for the retired Series 2001, are still outstanding at September 30, 2016.

## **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 2015. 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.

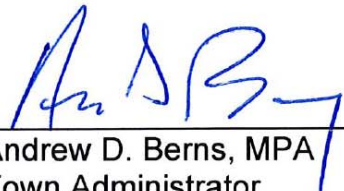
A Certificate of Achievement is valid for a period of one year only. We believe that our current 2016 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

We greatly appreciate the time and effort expended in the preparation of this report by our Finance Department staff including Rich Strum and Mara Semper and for the direction and guidance that we receive from the Town's Council. We feel fortunate that a majority of staff has been with us during our tenure and that they care very much about their work and what it means to our community. Without their daily efforts, our work in preparing this document would be a much greater burden. We hope that you are as proud of them as we are and we cannot begin to express to you how indispensable they are to us and to you. They have our utmost confidence and display genuine professionalism. They are what we hope all government employees should be. We would also like to express our thanks for the cooperation received from our independent auditors, Marcum, LLP as they continue to work diligently with the Town. Of course we greatly appreciate and thank the Mayor and the Town Council for their interest and support in planning and conducting the financial operation of the Town 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 all historically played in enabling the Town to achieve and maintain this high degree of fiscal responsibility.

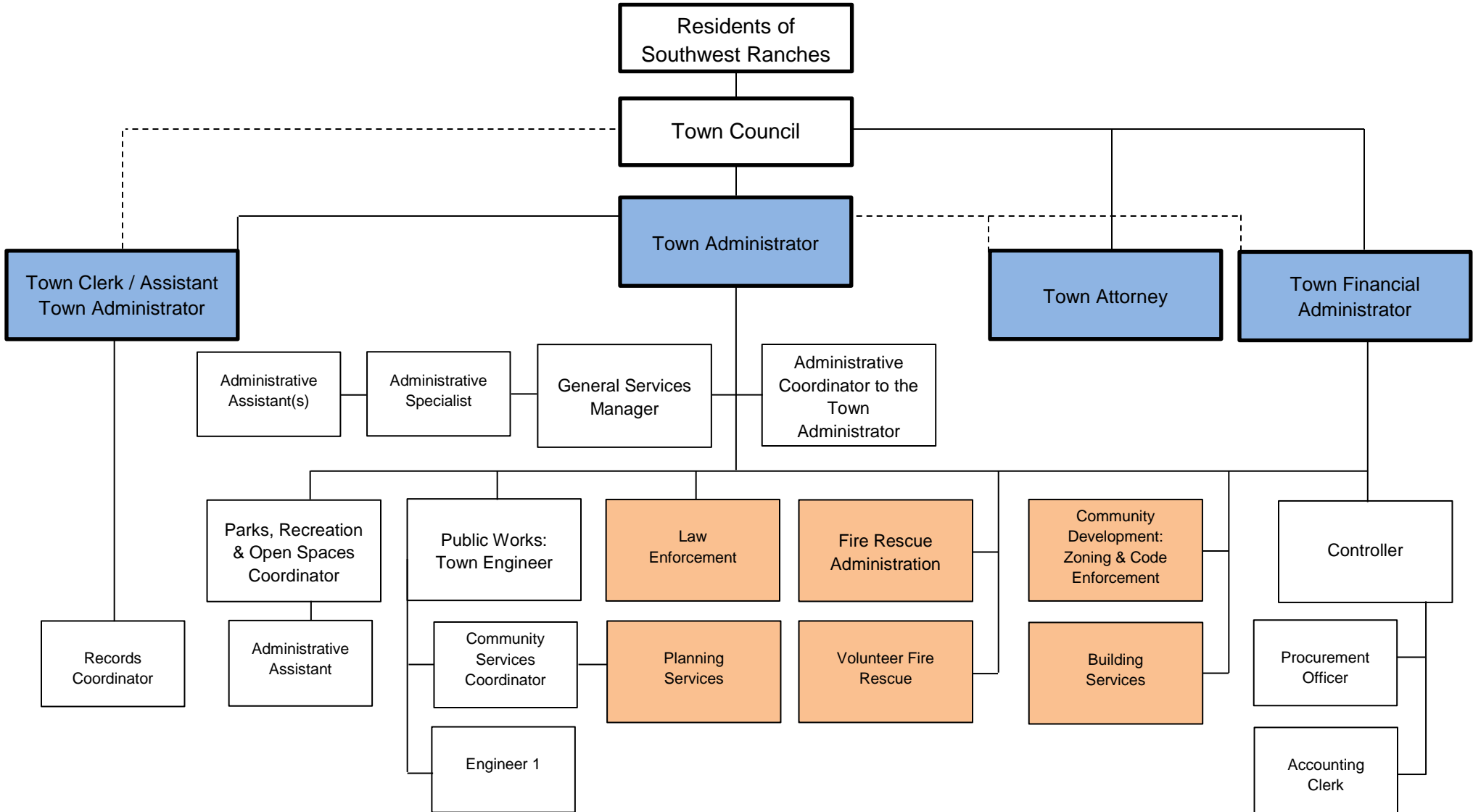
Respectfully yours,

  
\_\_\_\_\_  
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, 2016



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, 2016

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



**JEFF NELSON**  
Mayor



**DOUG MCKAY**  
Vice Mayor



**STEVE BREITREUZ**  
Council Member



**FREDDY FISIKELI**  
Council Member



**GARY JABLONSKI**  
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, 2015**

Executive Director/CEO

# FINANCIAL SECTION



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Darlene Canhos*

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# **INDEPENDENT AUDITORS' REPORT**

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**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, 2016 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, 2016 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 16, 2017 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 16, 2017

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**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

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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, 2016. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### **2016 FINANCIAL HIGHLIGHTS**

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$53,941,287 (total net position) as of September 30, 2016.
- Total net position increased \$1,651,430 and are comprised of the following:
  - (1) Net investment in capital assets of \$48,086,198 includes property and equipment, net of accumulated depreciation and related debt.
  - (2) Net position of \$1,349,124 is restricted by constraints imposed on the Town in the amount of \$636,587 for transportation, \$463,897 and \$61,137 for fire control and the volunteer fire department and for building \$181,033, respectively, and \$6,470 for public safety from outside the Town such as grantors, laws, or regulations.
  - (3) The Town's total debt increased \$5,585,871 to a total of \$11,927,791 primarily as a result of a public purpose land acquisition. Total debt includes loans as well as notes payable.
  - (4) Unrestricted net position consist of \$4,505,964 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 \$4,843,824 at September 30, 2016. This compares to the prior year total ending fund balance of \$6,462,699 showing a decrease of \$1,618,875 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,484,910 or 20% of total General Fund expenditures and net transfers for 2016. The unrestricted fund balance for the General fund was \$2,996,012 or 24% of total General Fund expenditures and net transfers for 2016.
- Overall, the Town continues to maintain a healthy financial position.

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

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### ***Government-wide Financial Statements***

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

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

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

Both government-wide financial statements distinguish governmental activities of the Town principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, community services and development, parks and recreation and transportation.

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

### ***Fund Financial Statements***

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

The Town has two types of funds:

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

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

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

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

*Proprietary funds* are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town's proprietary fund 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 21 - 23 of this report.

**Notes to the Basic Financial Statements**

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

**Required Supplementary Information**

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

**Supplementary Information**

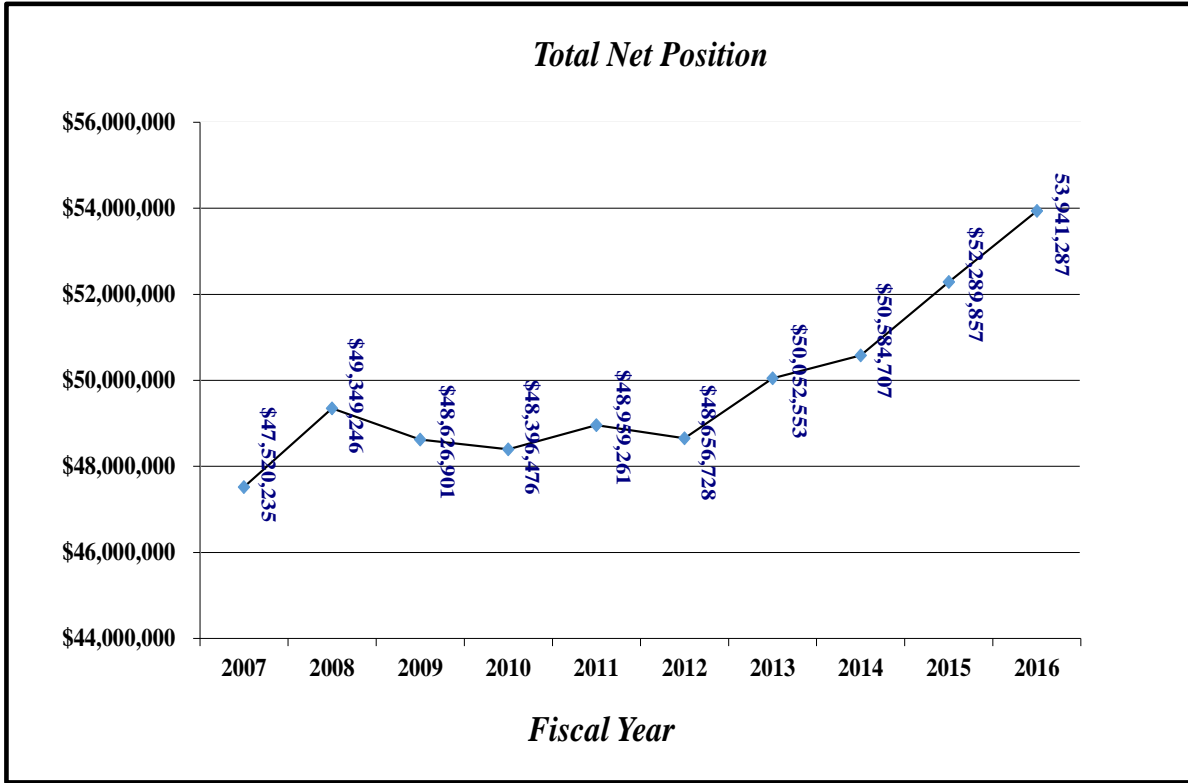
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 49.

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

The Town's net position at fiscal year-end is \$53,941,287. The following table provides a summary of the Town's net position:

	<b>Summary of Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Assets:</b>						
Current assets	\$ 4,938,057	\$ 6,527,236	\$ 990,732	\$ 1,021,523	\$ 5,928,789	\$ 7,548,759
Non-current assets:						
Other	482,720	482,720	-	-	482,720	482,720
Capital assets	60,006,926	51,244,347	-	-	60,006,926	51,244,347
<b>Total assets</b>	<b>65,427,703</b>	<b>58,254,303</b>	<b>990,732</b>	<b>1,021,523</b>	<b>66,418,435</b>	<b>59,275,826</b>
<b>Deferred Outflows of Resources:</b>						
Deferred amount on refunding	51,826	57,584	-	-	51,826	57,584
<b>Liabilities:</b>						
Current liabilities	1,145,942	1,098,245	1,395	127,807	1,147,337	1,226,052
Long-term liabilities	11,381,637	5,817,501	-	-	11,381,637	5,817,501
<b>Total liabilities</b>	<b>12,527,579</b>	<b>6,915,746</b>	<b>1,395</b>	<b>127,807</b>	<b>12,528,974</b>	<b>7,043,553</b>
<b>Net position:</b>						
Net investment in capital assets	48,086,199	45,134,927	-	-	48,086,199	45,134,927
Restricted	1,349,124	935,161	-	-	1,349,124	935,161
Unrestricted	3,516,627	5,326,053	989,337	893,716	4,505,964	6,219,769
<b>Total net position</b>	<b>\$ 52,951,950</b>	<b>\$ 51,396,141</b>	<b>\$ 989,337</b>	<b>\$ 893,716</b>	<b>\$ 53,941,287</b>	<b>\$ 52,289,857</b>

The following chart reports the Town's total net position balances from fiscal year 2007-2016.



Note over the last ten years, the total net positions have increased \$6,421,051.

Current assets in governmental activities and business-type activities decreased in fiscal year September 30, 2016. Cash and investments for governmental activities and business-type activities decreased \$1,828,671 and \$34,381, 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 4.3 to 1 as compared to 5.9 to 1 at September 30, 2015. The current ratio for business-type activities is 710 to 1 as compared to 8.0 to 1 at September 30, 2015. Overall, the total current ratio at September 30, 2016 decreased to 5.2 to 1 as compared to 6.2 to 1 at September 30, 2015. The decrease was primarily due to a decrease in cash and investments utilized for a public purpose land acquisition offset by a 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 2016, changes in net position increased \$1,555,809 for governmental activities and \$95,621 for business-type activities, respectively. The Town's overall financial position improved during fiscal year 2016. The Town remains in a healthy financial position within an improving economy overall.

Note that approximately 90.1% of the governmental activities' total assets are tied up in capital assets. The Town uses these capital assets to provide services to its citizens. The business-type activities do not have capital assets. By combining governmental activities with business-type activities, the Town has invested approximately 89.1% of its total assets in capital assets, as presented in the government-wide statement of net position.



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

**Summary of Changes in Net Position**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Percentage of Total</b>
	<b>Activities</b>		<b>Activities</b>				
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	
Revenues:							
Program:							
Charges for services	\$ 3,146,511	\$ 3,116,176	\$ 1,053,295	\$ 1,045,547	\$ 4,199,806	\$ 4,161,723	33.9%
Operating grants and contributions	22,694	13,049	-	-	22,694	13,049	0.1%
Capital grants and contributions	649,412	328,924	-	-	649,412	328,924	2.7%
General:							
Ad valorem taxes	5,106,037	4,788,463	-	-	5,106,037	4,788,463	39.0%
Other taxes	1,840,641	1,833,979	-	-	1,840,641	1,833,979	14.9%
Intergovernmental	777,914	771,930	-	-	777,914	771,930	6.3%
Investment earnings	20,640	19,660	5,147	1,498	25,787	21,158	0.2%
Miscellaneous	91,794	89,589	-	279,579	91,794	369,168	3.0%
<b>Total revenues</b>	<b>11,655,643</b>	<b>10,961,770</b>	<b>1,058,442</b>	<b>1,326,624</b>	<b>12,714,085</b>	<b>12,288,394</b>	<b>100%</b>
Program Expenses:							
General government	2,074,739	1,943,608	-	-	2,074,739	1,943,608	18.4%
Public safety	5,372,525	5,363,076	-	-	5,372,525	5,363,076	50.7%
Parks and recreation	672,817	825,673	-	-	672,817	825,673	7.8%
Transportation	907,415	641,501	-	-	907,415	641,501	6.1%
Community services & development	1,020,328	859,056	-	-	1,020,328	859,056	8.1%
Interest and other debt service costs	237,838	188,650	-	-	237,838	188,650	1.8%
Solid waste	-	-	776,993	761,680	776,993	761,680	7.2%
<b>Total expenses</b>	<b>10,285,662</b>	<b>9,821,564</b>	<b>776,993</b>	<b>761,680</b>	<b>11,062,655</b>	<b>10,583,244</b>	<b>100%</b>
Transfers	185,828	168,833	(185,828)	(168,833)	-	-	
Changes in net position	1,555,809	1,140,206	95,621	564,944	1,651,430	1,705,150	
Beginning net position	51,396,141	50,087,102	893,716	497,605	52,289,857	50,584,707	
Ending net position	<u>\$ 52,951,950</u>	<u>\$ 51,227,308</u>	<u>\$ 989,337</u>	<u>\$ 1,062,549</u>	<u>\$ 53,941,287</u>	<u>\$ 52,289,857</u>	

**Governmental Activity Revenues**

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 39.0% of the Town's total revenues as compared to 43.0% in fiscal year 2015. Other taxes, which includes franchise and utility taxes provided 14.9% and 16.0% of the Town's total revenues for fiscal year 2016 and 2015, respectively. Because of the Town's healthy financial position, we have been able to earn \$20,640 in investment earnings to support governmental activities.

Note that program revenues covered 36.7% of governmental operating expenditures as compared to 38.3% in fiscal year 2015. This means that the government's taxpayers and the Town's other general revenues normally fund 63.3% of the governmental activities, primarily from property taxes, other taxes and unrestricted intergovernmental revenue. As a result, the general economy has a major impact on the Town's revenue streams.

**Governmental Activity Expenses**

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

	<b>Governmental Activities</b>			
	<b>Total Cost of Services</b>	<b>Percentage of Total</b>	<b>Net Cost of Services</b>	<b>Percentage of Total</b>
General government	\$ 2,074,739	20.2%	\$ (2,074,739)	32.1%
Public safety	5,372,525	52.2%	(3,342,773)	51.7%
Community services and development	1,020,328	9.9%	101,194	-1.6%
Parks and recreation	672,817	6.5%	(617,833)	9.6%
Transportation	907,415	8.8%	(295,056)	4.6%
Interest and other debt service costs	237,838	2.3%	(237,838)	3.7%
<b>Total</b>	<b>\$ 10,285,662</b>	<b>100.0%</b>	<b>\$ (6,467,045)</b>	<b>100.0%</b>

The public safety expenditures total gross about 52% while net of program revenues also total about 52% of costs. The public safety function generated \$2,013,942 in user charges and \$15,810 in grant (operating and capital) revenues, which offsets program costs. The community services and development expenditures total gross of 9.9% while net of program revenues total -1.6%. The community services and development function generated \$1,121,522 in user charges, primarily from building permits and plan review fees of \$928,553, resulting in a negative program cost (and therefore a revenue positive situation). The transportation expenditures total gross of almost 9% while net of program revenues total 4.6%. The transportation function, which includes the second year of TSDOR capital improvements, was aided by capital grant revenues of \$612,359 offsetting almost 50% of costs. Other total cost and net costs do not differ substantially by percentage or by dollars for each service.

**Business-Type Activities**

The Town reports one major enterprise fund, Solid Waste.

Total operating revenues decreased \$271,831 or 20.5% while total operating expenses increased \$15,313 or 2.0%. -Specifically, other miscellaneous operating revenues decreased \$279,579 primarily due to a one-time legal settlement received in the prior fiscal year. Contractual and recycling expenses increased \$16,307 (net) primarily due to increased contract collection price escalators. Other operating expenses decreased \$994 in fiscal year 2016 as compared to fiscal year 2015 due to a decrease in professional fees.

In total, the year-to-year change in operating income and net position decreased \$287,144 and \$300,490, 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 \$4,843,824 compared to \$6,462,699 at September 30, 2015.

The total governmental expenditures exceeded revenues by \$9,554,703.

The General Fund revenues exceeded its expenditures by \$2,242,592 as compared to \$2,319,112 for fiscal year 2015. Transfers in from Solid Waste of \$185,828 and transfers to other funds totaling \$4,082,227 offset this excess. The details of the general fund's financial operations are discussed below.

Governmental funds report total fund balance of \$4,843,824. Of this year-end total, \$1,349,124 is legally restricted for transportation (\$636,587), fire control including volunteer fire operations (\$525,034), public safety (\$6,470) and building (\$181,033). \$278,891 is committed to various projects, capital projects (\$149,213) and transportation (\$129,678). \$217,555 is assigned to the following purposes; debt service \$12,079 and capital projects \$205,476. \$513,344 is considered non-spendable and \$2,484,910 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show a decrease of \$1,618,875 or 25.1% 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 \$3,547,412 decreased by \$1,653,807 or 31.8% as compared to an increase of \$718,152 or 16.0% in 2015. The ending unassigned fund balance is considered more than adequate, representing the equivalent of 29.0 of annual expenditures. This percentage compares to 53.4% at September 30, 2015.

Ad valorem (property) taxes increased \$317,574 or 6.6%. This increase relates primarily to the second 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 operating millage rate increase from the prior year. However, in total, all tax revenues were \$324,236 or 4.9% above those of 2015. Licenses and permits were \$181,288 or 19.3% over the 2015 amount due to higher building permitting activity slightly offset by a decrease in fees imposed commencing with the fourth quarter of 2016.

Total General Fund expenditures increased \$406,336 or 5.0% above the fiscal year 2015 level. The most significant changes, by department, from fiscal year 2015 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, finance, and non-departmental departments were \$128,039 above the 2015 amount.

In total, public safety costs were up \$65,984 or 1.3% above the 2015 amount. This increase is primarily due to annual police and fire service provider contractual increase (\$162,665 or 3.2%), offset by a total decrease in volunteer fire department expenditures including stipend payments (\$96,681 or 1.9% in total).

The 2016 community services and development expenditures were \$161,272 or 18.8% above 2015. This increase relates to increased permits and application fees for building, planning/zoning and engineering as well as for increased townwide planning required. The 2016 parks and recreation amounts were \$71,113 higher than the 2015 amount of \$286,489. The major portion of this increase is from higher grounds maintenance and water and sewer costs due to a full year of operations required for two newly opened Town park facilities during FY 2015.

In this fiscal year, the General Fund transferred \$4,082,227 to other funds, which included \$1,012,341 to the Transportation Fund, \$607,500 to the Capital Projects Fund, \$2,356,487 to the Debt Service Fund, \$105,899 to the Volunteer Fire Department Fund (a component unit). The Solid Waste Fund transferred \$185,828 to the General Fund.

**Transportation Fund** – This fund accounts for the Town’s share of the state gasoline and local option gas taxes, which are restricted to transportation purposes, a state transportation appropriation grant, and an ongoing long term transportation surface and drainage ongoing rehabilitation (TSDOR) capital program. In fiscal 2016, revenue of \$783,076 of intergovernmental revenue was earned as compared to \$426,263 in fiscal year 2015 primarily related to the state transportation appropriation grant. \$342,722 was expended on roadways including engineering and related personnel costs during 2016 and \$1,230,629 on capital outlay comprising of; drainage improvements (\$235,853); roadway improvements including striping/markers (\$108,220); TSDOR (\$598,086); entranceway enhancements (\$28,185); Land acquisition (\$23,065); and guardrails (\$237,220). The total legally restricted and committed transportation fund balance at fiscal year-end 2016 was \$636,587 and \$239,244, 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 \$31,021 or 93.8% from the prior year to \$2,053 due to lower public safety and parks and recreation grants. Finally, \$7,750,000 in debt was issued to accommodate the partial financing and acquisition of Land intended for a public purpose.

During fiscal year 2016, this fund spent \$8,546,638 on capital outlay, which includes:

- Land \$8,137,813
- Machinery and Equipment for a Fire Pumper Apparatus \$206,497
- Construction in Progress for Town Hall consisting of a new roof \$188,360 and safety improvements \$7,705
- Infrastructure for Country Estates Park \$2,272
- Construction in Progress for Calusa Corners Park \$3,991

Restricted fund balance was \$100,000 pertaining to fire control. Committed and assigned fund balance was \$39,647 and \$205,476, respectively. The total capital project fund balance at fiscal year-end 2016 was \$345,123.

### **Proprietary Fund**

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

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

Charges for services revenues exceeded the final budget by \$20,058 or 1.1%. This increase is primarily the result of unanticipated higher ambulance fees received. All other revenue sources were consistent with the adopted budget. Overall, we ultimately recognized \$23,072 or 100.2% 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 \$213,720 or 9.7% below the budget, total public safety were \$128,854 or 2.5% below the budget, community services and development were \$44,238 or 4.2% below the budget, parks and recreation were \$15,741 or 4.2% below the budget and capital outlay were \$6,676 or 7.9% below the budget.

Overall, the total General Fund budget was underspent by \$415,229 or 4.6% primarily due to lower general government operating including property insurance 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, 2016, was \$60,006,926. The change in this net investment was a 17.1% increase for governmental activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

	<b>Capital Assets</b>	
	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Non-depreciable assets:		
Land	\$ 42,179,446	\$ 34,018,569
Construction in progress	2,091,274	1,972,881
Total non-depreciable	<u>44,270,720</u>	<u>35,991,450</u>
Depreciable assets:		
Infrastructure	22,381,347	21,071,024
Improvements other than buildings	4,747,155	4,747,155
Buildings & Bldg Improvements	3,415,551	3,415,551
Furniture and equipment	<u>1,839,300</u>	<u>1,574,286</u>
Total depreciable assets	32,383,353	30,808,016
Less: accumulated depreciation	<u>16,647,147</u>	<u>15,555,119</u>
Net book value - depreciable assets	<u>15,736,206</u>	<u>15,252,897</u>
Percentage depreciated	<u>51%</u>	<u>50%</u>
Total Capital Asset Net Book Value	<u>\$ 60,006,926</u>	<u>\$ 51,244,347</u>

At September 30, 2016, the depreciable capital assets for governmental activities were 51% depreciated. This compares to the 50% at September 30, 2015.

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

- Public purpose Land Acquisition \$8,137,813
- Right of Way Land Acquisition \$23,064
- Town Hall Construction-in-progress \$196,065
- TSDOR Construction-in-progress \$16,449
- Entranceway signage Construction-in-progress \$4,200
- Calusa Corners Park Construction-in-progress \$3,991
- Guardrails, Drainage and SW 190<sup>th</sup> Transportation improvements Construction-in-progress (\$102,312)
- TSDOR Infrastructure \$581,638
- Drainage Infrastructure \$368,133
- Guardrail Infrastructure \$285,820
- Striping, Entranceway Signage, Fire Wells Infrastructure \$74,732
- Public Safety Furniture and equipment including a new Fire pumper truck \$241,386
- Town Hall Furniture and equipment \$17,403
- Country Estates Park (f/k/a Fishing hole) Furniture and Equipment \$6,225

**Debt**

The Town reports the series 2016 land acquisition note payable, series 2013 and 2011 revenue refunding notes payable as well as a loan payable with financial institutions. The series 2001 revenue bond loan issued through the Florida Municipal Loan Council was paid off during FY 2016. The following table reports long-term debt balances at September 30, 2016 and 2015:

	<b>Outstanding Long-term Debt</b>	
	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
TD Note Payable	\$ 7,750,000	\$ -
TD Note payable	2,108,500	2,292,900
TD Note payable	1,397,000	1,641,204
TD Note Payable	186,786	206,500
StoneGate Loan Payable	485,505	561,316
FMLC Loan Payable	-	1,640,000
	<u>\$ 11,927,791</u>	<u>\$ 6,341,920</u>

The Town provides an optional single employer defined benefit post-employment health care plan to eligible employees. The Town does not make contributions to the Plan on behalf of retirees. In accordance with accounting standards, the Town has evaluated and determined that it is not necessary to calculate the offset to the cost of these benefits as an employee contribution. The estimated liability is \$8,000, and has not been recorded.

**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 2016, the unemployment rate for Broward County residents was 4.6% a reduction from a September 2015 rate of 4.9% and compares favorably to the State's unemployment rate of 5.0% and 5.3% for September 2016 and 2015, 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 (2011-2015), the Town's median household income of \$97,014 compares favorably to the State's as well as the Nation's median household income of \$47,507 and \$53,889, respectively.

In the 2016–2017 adopted budget, we continue operating in a conservative 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 2016-2017 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 2016-2017 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 2017 was increased to 4.4629, representing the Towns' regular operating rate of 4.0579 plus .4050 to provide for the third year of a major transportation related capital infrastructure capital project (TSDOR), as compared to 3.9404 plus .3950 for TSDOR for fiscal year 2016 totaling 4.3354 resulting in an anticipated positive net revenue change of \$155,868. Additionally, during the current fiscal year, unassigned General Fund fund balance decreased to \$2,484,910 as a result of its utilization for a one-time, public purpose land acquisition. The Town of Southwest Ranches has assigned \$65,195 of fund balance for spending in the 2016-2017 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**

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# TOWN OF SOUTHWEST RANCHES, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 3,576,109	\$ 985,234	\$ 4,561,343
Investments	502,175	--	502,175
Receivables	417,772	5,498	423,270
Intergovernmental receivable	411,377	--	411,377
Prepaid items	30,624	--	30,624
Assets held for resale	482,720	--	482,720
Capital assets not being depreciated	44,270,720	--	44,270,720
Capital assets being depreciated, net	15,736,206	--	15,736,206
<b>Total Assets</b>	<u>65,427,703</u>	<u>990,732</u>	<u>66,418,435</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	51,826	--	51,826
<b>Liabilities</b>			
Accounts payable and accrued liabilities	520,034	1,395	521,429
Accrued interest payable	22,835	--	22,835
Unearned revenue	55,461	--	55,461
Intergovernmental payable	1,458	--	1,458
Noncurrent liabilities:			
Due within one year	546,154	--	546,154
Due in more than one year	11,381,637	--	11,381,637
<b>Total Liabilities</b>	<u>12,527,579</u>	<u>1,395</u>	<u>12,528,974</u>
<b>Net Position</b>			
Net investment in capital assets	48,086,199	--	48,086,199
Restricted for:			
Transportation	636,587	--	636,587
Fire control	525,034	--	525,034
Public safety	6,470	--	6,470
Building	181,033	--	181,033
Unrestricted	3,516,627	989,337	4,505,964
<b>Total Net Position</b>	<u>\$ 52,951,950</u>	<u>\$ 989,337</u>	<u>\$ 53,941,287</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, 2016**

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
<b>Governmental Activities</b>							
General government	\$ 2,074,739	\$ --	\$ --	\$ --	\$ (2,074,739)	\$ --	\$ (2,074,739)
Public safety	5,372,525	2,013,942	14,810	1,000	(3,342,773)	--	(3,342,773)
Community services and development	1,020,328	1,121,522	--	--	101,194	--	101,194
Parks and recreation	672,817	11,047	7,884	36,053	(617,833)	--	(617,833)
Transportation	907,415	--	--	612,359	(295,056)	--	(295,056)
Interest and other debt services costs	237,838	--	--	--	(237,838)	--	(237,838)
<b>Total Governmental Activities</b>	<b>10,285,662</b>	<b>3,146,511</b>	<b>22,694</b>	<b>649,412</b>	<b>(6,467,045)</b>	<b>--</b>	<b>(6,467,045)</b>
<b>Business-type Activities</b>							
Solid waste	776,993	1,053,295	--	--	--	276,302	276,302
<b>Total Primary Government</b>	<b>\$ 11,062,655</b>	<b>\$ 4,199,806</b>	<b>\$ 22,694</b>	<b>\$ 649,412</b>	<b>(6,467,045)</b>	<b>276,302</b>	<b>(6,190,743)</b>
<b>General Revenues</b>							
Ad valorem taxes					5,106,037	--	5,106,037
Franchise fees based on gross receipts					614,039	--	614,039
Unrestricted intergovernmental revenue					777,914	--	777,914
Utility taxes					1,226,602	--	1,226,602
Unrestricted investment earnings					20,640	5,147	25,787
Miscellaneous					91,794	--	91,794
<b>Transfers</b>					185,828	(185,828)	--
<b>Total General Revenues and Transfers</b>					<b>8,022,854</b>	<b>(180,681)</b>	<b>7,842,173</b>
<b>Change in Net Position</b>					<b>1,555,809</b>	<b>95,621</b>	<b>1,651,430</b>
<b>Net Position - Beginning of Year</b>					<b>51,396,141</b>	<b>893,716</b>	<b>52,289,857</b>
<b>Net Position - End of Year</b>					<b>\$ 52,951,950</b>	<b>\$ 989,337</b>	<b>\$ 53,941,287</b>

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

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2016**

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 2,299,134	\$ 785,085	\$ 389,577	\$ 102,313	\$ 3,576,109
Investments	502,175	--	--	--	502,175
Receivables	417,772	--	--	--	417,772
Intergovernmental receivable	116,278	293,641	--	1,458	411,377
Prepaid items	28,382	--	--	2,242	30,624
Assets held for resale	482,720	--	--	--	482,720
<b>Total Assets</b>	<b><u>\$ 3,846,461</u></b>	<b><u>\$ 1,078,726</u></b>	<b><u>\$ 389,577</u></b>	<b><u>\$ 106,013</u></b>	<b><u>\$ 5,420,777</u></b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 242,130	\$ 202,895	\$ 44,454	\$ 30,555	\$ 520,034
Intergovernmental payable	1,458	--	--	--	1,458
Unearned revenues	55,461	--	--	--	55,461
<b>Total Liabilities</b>	<b><u>299,049</u></b>	<b><u>202,895</u></b>	<b><u>44,454</u></b>	<b><u>30,555</u></b>	<b><u>576,953</u></b>
<b>Fund Balances</b>					
Non-spendable:					
Prepaid items	28,382	--	--	2,242	30,624
Assets held for resale	482,720	--	--	--	482,720
Restricted for:					
Transportation	--	636,587	--	--	636,587
Fire control	363,897	--	100,000	61,137	525,034
Public safety	6,470	--	--	--	6,470
Building	181,033	--	--	--	181,033
Committed for:					
Capital projects	--	109,566	39,647	--	149,213
Transportation	--	129,678	--	--	129,678
Assigned for:					
Debt service	--	--	--	12,079	12,079
Capital projects	--	--	205,476	--	205,476
Unassigned	2,484,910	--	--	--	2,484,910
<b>Total Fund Balances</b>	<b><u>3,547,412</u></b>	<b><u>875,831</u></b>	<b><u>345,123</u></b>	<b><u>75,458</u></b>	<b><u>4,843,824</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,846,461</u></b>	<b><u>\$ 1,078,726</u></b>	<b><u>\$ 389,577</u></b>	<b><u>\$ 106,013</u></b>	<b><u>\$ 5,420,777</u></b>

*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, 2016**

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

Fund Balances - Total Governmental Funds (Page 17)		\$ 4,843,824
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 76,654,073	
Accumulated depreciation	<u>(16,647,147)</u>	60,006,926
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(22,835)	
Long-term debt	(11,927,791)	
Deferred amount on refunding (amortized as interest expense)	<u>51,826</u>	<u>(11,898,800)</u>
<b>Net Position of Governmental Activities (Page 15)</b>		<b><u>\$ 52,951,950</u></b>

*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, 2016**

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Ad valorem taxes	\$ 5,106,037	\$ --	\$ --	\$ --	\$ 5,106,037
Utility taxes	1,226,602	--	--	--	1,226,602
Franchise fees	614,039	--	--	--	614,039
Licenses and permits	939,212	--	--	--	939,212
Intergovernmental	608,197	783,076	2,053	--	1,393,326
Charges for services	1,912,887	--	--	--	1,912,887
Fines and forfeitures	302,296	--	--	--	302,296
Investment income	16,656	2,147	1,610	227	20,640
Miscellaneous	91,792	--	34,000	14,811	140,603
<b>Total Revenues</b>	<u>10,817,718</u>	<u>785,223</u>	<u>37,663</u>	<u>15,038</u>	<u>11,655,642</u>
<b>Expenditures</b>					
General government	1,994,770	--	--	--	1,994,770
Public safety:					
Law enforcement	2,334,899	--	--	--	2,334,899
Fire control	2,790,187	--	--	115,288	2,905,475
Total public safety	<u>5,125,086</u>	<u>--</u>	<u>--</u>	<u>115,288</u>	<u>5,240,374</u>
Community services and development	1,020,328	--	--	--	1,020,328
Parks and recreation	357,602	--	--	--	357,602
Transportation	--	342,722	--	--	342,722
Capital outlay	77,340	1,230,629	8,546,638	--	9,854,607
Debt service:					
Principal	--	--	--	2,164,128	2,164,128
Interest and fiscal charges	--	--	--	235,814	235,814
<b>Total Expenditures</b>	<u>8,575,126</u>	<u>1,573,351</u>	<u>8,546,638</u>	<u>2,515,230</u>	<u>21,210,345</u>
Excess (deficiency) of revenues over expenditures	<u>2,242,592</u>	<u>(788,128)</u>	<u>(8,508,975)</u>	<u>(2,500,192)</u>	<u>(9,554,703)</u>
<b>Other Financing Sources (Uses)</b>					
Debt issued	--	--	7,750,000	--	7,750,000
Transfers in	185,828	1,012,341	607,500	2,481,386	4,287,055
Transfers out	<u>(4,082,227)</u>	<u>--</u>	<u>--</u>	<u>(19,000)</u>	<u>(4,101,227)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,896,399)</u>	<u>1,012,341</u>	<u>8,357,500</u>	<u>2,462,386</u>	<u>7,935,828</u>
<b>Net Change in Fund Balances</b>	(1,653,807)	224,213	(151,475)	(37,806)	(1,618,875)
<b>Fund Balances - Beginning of Year</b>	<u>5,201,219</u>	<u>651,618</u>	<u>496,598</u>	<u>113,264</u>	<u>6,462,699</u>
<b>Fund Balances - End of Year</b>	<u>\$ 3,547,412</u>	<u>\$ 875,831</u>	<u>\$ 345,123</u>	<u>\$ 75,458</u>	<u>\$ 4,843,824</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, 2016

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### 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) \$(1,618,875)

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	\$ 9,854,607	
Less: current year provision for depreciation expense	<u>(1,092,028)</u>	8,762,579

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	(7,750,000)	
Repayment of principal	<u>2,164,128</u>	(5,585,872)

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>3,735</u>	

**Change in Net Position of Governmental Activities (Page 16) \$ 1,555,809**

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

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**STATEMENT OF NET POSITION - PROPRIETARY FUND**

**SEPTEMBER 30, 2016**

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	<u>Solid Waste Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 985,234
Receivables	<u>5,498</u>
<b>Total Assets</b>	<u>990,732</u>
<b>Liabilities and Net Position</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	<u>1,395</u>
<b>Total Liabilities</b>	<u>1,395</u>
<b>Net Position</b>	
Unrestricted	<u>989,337</u>
<b>Total Net Position</b>	<u><u>\$ 989,337</u></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, 2016**

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	Solid Waste Fund
<b>Operating Revenues</b>	
Charges for services	<u>\$ 1,053,295</u>
<b>Total Operating Revenues</b>	<u>1,053,295</u>
<b>Operating Expenses</b>	
Contractual services	725,545
Recycling	50,617
Other	<u>831</u>
<b>Total Operating Expenses</b>	<u>776,993</u>
<b>Operating Income</b>	276,302
<b>Nonoperating Revenues</b>	
Investment income	<u>5,147</u>
<b>Income before Transfers</b>	281,449
Transfer out	<u>(185,828)</u>
<b>Change in Net Position</b>	95,621
<b>Net Position - Beginning of Year</b>	<u>893,716</u>
<b>Net Position - End of Year</b>	<u><u>\$ 989,337</u></u>

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

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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	<u>Solid Waste Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers and users	\$ 1,049,705
Cash paid to suppliers	<u>(903,405)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>146,300</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Transfer out	<u>(185,828)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	<u>5,147</u>
<b>Net Decrease in Cash</b>	(34,381)
<b>Cash - Beginning</b>	<u>1,019,615</u>
<b>Cash - Ending</b>	<u><u>\$ 985,234</u></u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities</b>	
Operating income	\$ <u>276,302</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Increase in receivables	(3,590)
Decrease in accounts payable and accrued liabilities	<u>(126,412)</u>
Total adjustments	<u>(130,002)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 146,300</u></u>

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

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**NOTES TO BASIC  
FINANCIAL STATEMENTS**

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# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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### 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, 2016

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### 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, 2016

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### 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, 2016

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### 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 amortized cost.



**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**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 acquisition value on the date of donation.

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

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

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

***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, 2016

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### 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 an other financing source. Premiums received on debt issuance are reported as an other financing source while discounts on debt issuances are reported as an other financing use. 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 period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has no amounts reported in this category in the current year.

#### *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, 2016

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### 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, 2016

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### 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, 2016

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#### 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.

Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. Florida PRIME invests in a pool of investments whereby the Town owns a share of the respective pool, not the underlying securities. GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* establishing criteria for an external investment pool to qualify to report at amortized cost. Florida PRIME is exempt from the GASB 72 fair value hierarchy disclosures and reports at amortized cost.

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*INVESTMENTS (CONTINUED)*

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, 2016:

	<u>Value</u>	<u>Weighted Average Maturity</u>
<b>Investments</b>		
Florida PRIME	\$ 502,175	50 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.

*CONCENTRATION OF CREDIT RISK*

Disclosure is required when the percentage of investments is 5% or more in any one issuer. At September 30, 2016, the Town only invests in an external investment pool and therefore is not subject to concentration of credit risk.

*INVESTMENT POOLS AND POOL PARTICIPANTS*

With regard to redemption dates, Chapter 218.409(8) (a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees,

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENT POOLS AND POOL PARTICIPANTS (CONTINUED)*

the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

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

As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

### 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, 2016.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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### NOTE 3 – PROPERTY TAXES (CONTINUED)

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, 2016 was 4.3354 mills (operating millage was 3.9404 and TSDOR millage .3950 to total 4.3354).

### NOTE 4 - RECEIVABLES

Receivables as of September 30, 2016 for the Town's funds are as follows:

	Taxes and Fees
General Fund	\$ 417,772
Solid Waste Fund	5,498
<b>Total Receivables</b>	<b>\$ 423,270</b>

### NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2016 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 185,828	\$ 4,082,227
Transportation Fund	1,012,341	--
Capital Projects Fund	607,500	--
Volunteer Fire Department Fund	105,899	19,000
Debt Service Fund	2,375,487	--
Solid Waste Fund	--	185,828
<b>Total Interfund Transfers</b>	<b>\$ 4,287,055</b>	<b>\$ 4,287,055</b>

General Fund Transfers In consisted entirely of \$185,828 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.



**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**NOTE 5 – INTERFUND TRANSFERS (CONTINUED)**

General Fund Transfers Out consisted of \$1,012,341 to the Transportation Fund to fund capital projects including TSDOR and operating needs; \$607,500 to the Capital Projects Fund to fund capital projects pertaining to a new Town Hall roof and to facilitate a public purpose Land acquisition; \$105,899 to the Volunteer Fire Department Fund (component unit) to fund volunteer fire operations; and \$2,356,487 to the Debt Service Fund as debt service principal and interest payments become due in accordance with debt service covenants as well as to retire the remaining principal of the Series 2001 loan.

**NOTE 6 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended September 30, 2016 was as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 34,018,569	\$ 8,160,877	\$ --	\$42,179,446
Construction in progress	<u>1,972,881</u>	<u>379,411</u>	<u>(261,018)</u>	<u>2,091,274</u>
Total capital assets, not being depreciated	<u>35,991,450</u>	<u>8,540,288</u>	<u>(261,018)</u>	<u>44,270,720</u>
Capital assets, being depreciated:				
Infrastructure	21,071,024	1,310,323	--	22,381,347
Improvements other than buildings	4,747,155	--	--	4,747,155
Buildings and building improvements	3,415,551	--	--	3,415,551
Furniture and equipment	<u>1,574,286</u>	<u>265,014</u>	<u>--</u>	<u>1,839,300</u>
Total capital assets being depreciated	<u>30,808,016</u>	<u>1,575,337</u>	<u>--</u>	<u>32,383,353</u>
Total capital assets	<u>66,799,466</u>	<u>10,115,625</u>	<u>(261,018)</u>	<u>76,654,073</u>
Less: accumulated depreciation for:				
Infrastructure	11,819,854	585,955	--	12,405,809
Improvements other than buildings	2,506,682	273,965	--	2,780,647
Buildings and building improvements	268,461	64,425	--	332,886
Furniture and equipment	<u>960,122</u>	<u>167,683</u>	<u>--</u>	<u>1,127,805</u>
Total accumulated depreciation	<u>15,555,119</u>	<u>1,092,028</u>	<u>--</u>	<u>16,647,147</u>
Total capital assets, being depreciated, net	<u>15,252,897</u>	<u>483,309</u>	<u>--</u>	<u>15,736,206</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 51,244,347</u>	<u>\$ 9,023,597</u>	<u>\$ (261,018)</u>	<u>\$60,006,926</u>

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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### NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

General government	\$	79,969
Public safety		132,150
Parks and recreation		579,486
Transportation		<u>300,423</u>
<b>Total Depreciation - Governmental Activities</b>	<b>\$</b>	<b><u>1,092,028</u></b>

### 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, 2016.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
FMLC Loan Payable	\$ 1,640,000	\$ --	\$ (1,640,000)	\$ --	\$ --
Note Payable Series 2013	2,292,900	--	(184,400)	2,108,500	191,200
Note Payable Series 2011	1,641,204	--	(244,204)	1,397,000	250,940
Note Payable Series 2016	--	7,750,000	--	7,750,000	--
Rosenbauer Payable	206,500	--	(19,714)	186,786	24,703
Loan Payable	<u>561,316</u>	<u>--</u>	<u>(75,811)</u>	<u>485,505</u>	<u>79,311</u>
<b>Total</b>	<b><u>\$ 6,341,920</u></b>	<b><u>\$ 7,750,000</u></b>	<b><u>\$ (2,164,129)</u></b>	<b><u>\$ 11,927,791</u></b>	<b><u>\$ 546,154</u></b>

#### *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.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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#### NOTE 7 – LONG-TERM DEBT (CONTINUED)

##### *FLORIDA MUNICIPAL LOAN COUNCIL (CONTINUED)*

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.

During the year, the FMLC Loan Payable was repaid in full utilizing General Fund resources.

##### *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.

The annual requirements to pay principal and interest on this obligation as of September 30, 2016 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	207,100	29,191	236,291
2022-2026	<u>1,117,800</u>	<u>67,959</u>	<u>1,185,759</u>
<b>Total</b>	<u>\$ 2,108,500</u>	<u>\$ 261,675</u>	<u>\$ 2,370,175</u>

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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### NOTE 7 – LONG-TERM DEBT (CONTINUED)

#### *REVENUE REFUNDING NOTE, SERIES 2011*

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

Fiscal Year Ending September 30,	Principal	Interest	Total
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	279,791	6,733	286,524
Thereafter	71,154	485	71,639
<b>Total</b>	<b>\$ 1,397,000</b>	<b>\$ 107,255</b>	<b>\$ 1,504,255</b>

#### *NOTE PAYABLE SERIES 2016*

On April 6, 2016, the Town entered in to a \$7,750,000 note with a financial institution for the acquisition of approximately 24.4373 acres of vacant land. The note requires semi-annual payments of interest beginning November 1, 2016 and semi-annual payments of principal beginning November 1, 2021. The note bears interest at a rate of 3.25% annually and matures on March 31, 2036.

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

*NOTE PAYABLE SERIES 2016 (CONTINUED)*

The annual requirements to pay principal and interest on this obligation as of September 30, 2016 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2017	\$ --	\$ 272,865	\$ 272,865
2018	--	251,875	251,875
2019	--	251,875	251,875
2020	--	251,875	251,875
2021	--	251,875	251,875
2022-2026	2,583,330	1,070,469	3,653,799
2027-2031	2,583,330	650,677	3,234,007
2032-2036	2,583,340	230,885	2,814,225
<b>Total</b>	<u>\$7,750,000</u>	<u>\$3,232,396</u>	<u>\$10,982,396</u>

***ROSENBAUER PAYABLE***

On July 15, 2015, the Town entered into a financing arrangement for the acquisition of a Rosenbauer Pumper Apparatus for the Volunteer Fire Department in the amount of \$206,500. The loan calls for annual interest and principal payments at a fixed rate of 2.56% and the loan matures on June 15, 2024.

Fiscal Year Ending September 30,	Principal	Interest	Total
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	27,332	2,153	29,485
2022-2024	56,780	2,190	58,970
<b>Total</b>	<u>\$ 186,786</u>	<u>\$ 19,611</u>	<u>\$ 206,397</u>

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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#### NOTE 7 – LONG-TERM DEBT (CONTINUED)

##### *LOAN PAYABLE*

On April 7, 2010, the Town entered into a line of credit agreement with a financial institution in an amount not to exceed \$2,000,000 for the purpose of financing road improvements and drainage projects in the Town. The loan calls for monthly interest payments at 2.75% during the draw period. The principal amount outstanding at the end of the draw period shall be payable monthly, beginning May 7, 2012 in equal payments of principal and interest at 3.95% through April 7, 2022. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the loan. The annual requirements to pay principal and interest on this obligation as of September 30, 2016 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	92,778	4,190	96,968
2022	56,059	730	56,789
<b>Total</b>	<u>\$ 485,505</u>	<u>56,120</u>	<u>\$ 541,625</u>

##### *EMERGENCY LINE OF CREDIT*

On June 20, 2013, the Town entered into a revolving line of credit agreement with a financial institution in an amount not to exceed \$4,500,000 for the purpose of expenditures for extraordinary, nonrecurring items the Town desires or needs to undertake subsequent to and as a result of a natural, technological or civil emergency. Monthly interest payments at a variable rate equal to the prime rate less 0.25% will be due on any draws. The outstanding principal of the note plus any accrued and unpaid interest shall be due on June 30, 2018. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the note. There were no draws on the line of credit during the fiscal year ended September 30, 2016.

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**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, 2016, there are no future minimum lease obligations.

<b>Asset Acquired Under the Capital Lease</b>	
Machinery and equipment	\$ 124,000
Accumulated depreciation	<u>(121,933)</u>
<b>Total Asset Acquired Under the Capital Lease</b>	<b><u>\$ 2,067</u></b>

**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.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

***AGREEMENT WITH TOWN OF DAVIE***

In November, 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 \$2,334,899 for police services for the fiscal year ended September 30, 2016.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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#### NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

##### *INTERLOCAL AGREEMENT FOR DELIVERY OF EMERGENCY MEDICAL AND FIRE PROTECTION SERVICES*

In October 2012, the Town entered into an agreement with the Town of Davie (Davie) for emergency medical and fire protection services effective October 1, 2012 through September 30, 2017. The 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 \$2,686,174 under this agreement for the fiscal year ended September 30, 2016.

##### *AGREEMENT FOR PLANS REVIEW AND BUILDING INSPECTION SERVICES*

In 2012, the Town entered a service agreement through March 2015 for plan review and building inspection services. The agreement has been extended through March 1, 2018, with an additional 3-year extension. 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, 2016, the Town paid \$530,553 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, 2016, the Town paid \$72,429 for these services.

##### *AGREEMENT FOR CODE COMPLIANCE AND ZONING SERVICES*

The Town entered into a service agreement with a provider for the provision of code compliance services and act as the Code Compliance Official. This agreement, which was set to expire in September 2017, was extended through September 2022. Either party may terminate this agreement upon providing 90 days written notice. For the fiscal year ended September 30, 2016, the Town paid \$190,096 for code compliance and zoning services.



# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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### NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### *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.

Under the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. There were a total of 15 employees for both personnel groups participating under the 401(a) Plan throughout fiscal year 2016. The assets of the Plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the Town's basic financial statements. For the fiscal year ended September 30, 2016, the employer pension expense was \$44,243, forfeitures reflected in pension expense were \$7,813, and the outstanding employer liability at the end of the reporting period was \$1,092.

# **TOWN OF SOUTHWEST RANCHES, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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### **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.

# REQUIRED SUPPLEMENTARY INFORMATION



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Lucy Dauberley*

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Ad valorem taxes	\$ 5,123,150	\$ 5,106,037	\$ 5,106,037	\$ --
Utility taxes	1,144,568	1,227,289	1,226,602	(687)
Franchise fees	580,456	622,728	614,039	(8,689)
Licenses and permits	590,418	936,560	939,212	2,652
Intergovernmental	592,730	607,256	608,197	941
Charges for services	1,829,540	1,892,829	1,912,887	20,058
Fines and forfeitures	258,304	304,458	302,296	(2,162)
Investment income	9,000	9,000	16,656	7,656
Miscellaneous	85,289	88,489	91,792	3,303
<b>Total Revenues</b>	<u>10,213,455</u>	<u>10,794,646</u>	<u>10,817,718</u>	<u>23,072</u>
<b>Expenditures</b>				
Current:				
General government	2,147,505	2,208,490	1,994,770	213,720
Public safety:				
Law enforcement	2,402,969	2,402,969	2,334,899	68,070
Fire control	2,851,139	2,850,971	2,790,187	60,784
Total public safety	<u>5,254,108</u>	<u>5,253,940</u>	<u>5,125,086</u>	<u>128,854</u>
Community services and development	822,372	1,064,566	1,020,328	44,238
Parks and recreation	383,298	379,343	357,602	21,741
Capital outlay	<u>66,881</u>	<u>84,016</u>	<u>77,340</u>	<u>6,676</u>
<b>Total Expenditures</b>	<u>8,674,164</u>	<u>8,990,355</u>	<u>8,575,126</u>	<u>415,229</u>
<b>Excess of Revenues over Expenditures</b>	<u>1,539,291</u>	<u>1,804,291</u>	<u>2,242,592</u>	<u>438,301</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	185,828	185,828	185,828	--
Transfers out	<u>(1,981,619)</u>	<u>(4,087,619)</u>	<u>(4,082,227)</u>	<u>5,392</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,795,791)</u>	<u>(3,901,791)</u>	<u>(3,896,399)</u>	<u>5,392</u>
<b>Net Change in Fund Balance</b>	<u>\$ (256,500)</u>	<u>\$ (2,097,500)</u>	<u>\$ (1,653,807)</u>	<u>\$ 443,693</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 256,500</u>	<u>\$ 2,097,500</u>		

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 365,288	\$ 960,645	\$ 783,076	\$ (177,569)
Investment income	<u>250</u>	<u>250</u>	<u>2,147</u>	<u>1,897</u>
<b>Total Revenues</b>	<u>365,538</u>	<u>960,895</u>	<u>785,223</u>	<u>(175,672)</u>
<b>Expenditures</b>				
Current:				
Transportation	417,870	402,675	342,722	59,953
Capital outlay	<u>1,056,010</u>	<u>1,892,324</u>	<u>1,230,629</u>	<u>661,695</u>
<b>Total Expenditures</b>	<u>1,473,880</u>	<u>2,294,999</u>	<u>1,573,351</u>	<u>721,648</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(1,108,342)</u>	<u>(1,334,104)</u>	<u>(788,128)</u>	<u>545,976</u>
<b>Other Financing Sources</b>				
Transfers in	<u>1,003,841</u>	<u>1,012,341</u>	<u>1,012,341</u>	<u>--</u>
<b>Total Other Financing Sources</b>	<u>1,003,841</u>	<u>1,012,341</u>	<u>1,012,341</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>\$ (104,501)</u>	<u>\$ (321,763)</u>	<u>\$ 224,213</u>	<u>\$ 545,976</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 104,501</u>	<u>\$ 321,763</u>		

# **TOWN OF SOUTHWEST RANCHES, FLORIDA**

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **NOTE TO BUDGETARY COMPARISON SCHEDULES**

#### **FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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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. There were approved supplemental appropriations in both the General and Transportation funds.
- 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**

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**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2016**

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash	\$ 65,037	\$ 37,276	\$ 102,313
Due from other funds	1,458	--	1,458
Prepaid items	2,242	--	2,242
<b>Total Assets</b>	<b>\$ 68,737</b>	<b>\$ 37,276</b>	<b>\$ 106,013</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 5,358	\$ 25,197	\$ 30,555
<b>Total Liabilities</b>	5,358	25,197	30,555
<b>Fund Balances</b>			
Non-spendable:			
Prepaid items	2,242	--	2,242
Restricted for:			
Fire control	61,137	--	61,137
Assigned for:			
Debt service	--	12,079	12,079
<b>Total Fund Balances</b>	63,379	12,079	75,458
<b>Total Liabilities and Fund Balances</b>	<b>\$ 68,737</b>	<b>\$ 37,276</b>	<b>\$ 106,013</b>

**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, 2016**

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Investment income	\$ 227	\$ --	\$ 227
Miscellaneous	<u>14,811</u>	<u>--</u>	<u>14,811</u>
<b>Total Revenues</b>	<u>15,038</u>	<u>--</u>	<u>15,038</u>
<b>Expenditures</b>			
Fire and rescue services	115,288	--	115,288
Debt service:			
Principal	--	2,164,128	2,164,128
Interest and fiscal charges	<u>--</u>	<u>235,814</u>	<u>235,814</u>
<b>Total Expenditures</b>	<u>115,288</u>	<u>2,399,942</u>	<u>2,515,230</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(100,250)</u>	<u>(2,399,942)</u>	<u>(2,500,192)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	105,899	2,375,487	2,481,386
Transfers out	<u>(19,000)</u>	<u>--</u>	<u>(19,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>86,899</u>	<u>2,375,487</u>	<u>2,462,386</u>
<b>Net Change in Fund Balances</b>	(13,351)	(24,455)	(37,806)
<b>Fund Balances - Beginning</b>	<u>76,730</u>	<u>36,534</u>	<u>113,264</u>
<b>Fund Balances - Ending</b>	<u>\$ 63,379</u>	<u>\$ 12,079</u>	<u>\$ 75,458</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>	\$ --	\$ --	\$ --	\$ --
<b>Expenditures</b>				
Debt service:				
Principal	525,792	2,165,792	2,164,128	1,664
Interest and fiscal charges	209,695	209,695	235,814	(26,119)
<b>Total Expenditures</b>	742,987	2,382,987	2,399,942	(16,955)
<b>Deficiency of Revenues over Expenditures</b>	(742,987)	(2,382,987)	(2,399,942)	(16,955)
<b>Other Financing Sources</b>				
Transfers in	735,487	2,375,487	2,375,487	--
<b>Total Other Financing Sources</b>	735,487	2,375,487	2,375,487	--
<b>Net Change in Fund Balance</b>	\$ (7,500)	\$ (7,500)	\$ (24,455)	\$ (16,955)
<b>Appropriated Beginning Fund Balance</b>	\$ 7,500	\$ 7,500		

**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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ 2,053	\$ (97,947)
Investment income	--	--	1,610	1,610
Miscellaneous	--	--	34,000	34,000
<b>Total Revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>37,663</u>	<u>(62,337)</u>
<b>Expenditures</b>				
Capital outlay	<u>458,305</u>	<u>8,876,428</u>	<u>8,546,638</u>	<u>329,790</u>
<b>Total Expenditures</b>	<u>458,305</u>	<u>8,876,428</u>	<u>8,546,638</u>	<u>329,790</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(358,305)</u>	<u>(8,776,428)</u>	<u>(8,508,975)</u>	<u>267,453</u>
<b>Other Financing Sources</b>				
Debt issued	--	7,750,000	7,750,000	--
Transfers in	<u>150,000</u>	<u>607,500</u>	<u>607,500</u>	<u>--</u>
<b>Total Other Financing Sources</b>	<u>150,000</u>	<u>8,357,500</u>	<u>8,357,500</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>\$ (208,305)</u>	<u>\$ (418,928)</u>	<u>\$ (151,475)</u>	<u>\$ 267,453</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 208,305</u>	<u>\$ 418,928</u>		

# STATISTICAL SECTION



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: John Licata*

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

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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.

<b>Contents</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
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
<b>Revenue Capacity</b>	
These tables contain information that may assist the reader in assessing the Town's most significant local revenue source, the property taxes.	70-76
<b>Debt Capacity</b>	
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
<b>Demographic and Economic Information</b>	
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
<b>Operating Information</b>	
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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
General government	\$ 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	\$ 2,074,739
Public safety	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	5,372,525
Community services & development	1,796,043	2,036,933	1,446,553	1,313,271	796,857	887,750	719,489	777,301	859,056	1,020,328
Public works	1,089,096	1,640,272	1,900,861	-	-	-	-	-	-	-
Parks and recreation	430,541	507,966	502,143	387,510	310,369	419,249	497,374	482,289	825,673	672,817
Transportation	326,384	261,532	253,394	751,754	725,093	730,440	744,296	767,872	641,501	907,415
Nondepartmental	33,204	-	-	-	-	-	-	-	-	-
Interest and other debt service costs	498,034	340,250	280,961	286,467	258,608	299,696	279,615	240,636	188,650	237,838
<b>Total Expenses</b>	<b>8,325,536</b>	<b>9,913,699</b>	<b>11,373,643</b>	<b>10,571,587</b>	<b>9,135,911</b>	<b>9,371,571</b>	<b>9,049,254</b>	<b>9,842,022</b>	<b>9,821,564</b>	<b>10,285,662</b>
<b>Program Revenues:</b>										
Charges for services:										
General government	288,755	116,332	142,592	155,437	134,717	109,180	-	-	-	-
Public safety	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	2,013,942
Community services & development	860,578	942,262	1,024,625	801,244	788,347	635,692	1,185,269	1,001,627	975,302	1,121,522
Parks and recreation	133,980	50,925	1,645	-	-	-	-	-	-	11,047
Public works	628,844	1,296,891	1,303,431	-	-	-	-	-	-	-
Operating grants and contributions	188,280	1,899,800	196,192	269,781	96,606	48,197	35,683	28,003	13,049	22,694
Capital grants and contributions	93,628	116,152	11,342	280,521	59,162	181,015	382,033	161,293	328,924	649,412
<b>Total Program Revenues</b>	<b>2,803,798</b>	<b>5,467,011</b>	<b>3,780,135</b>	<b>3,034,167</b>	<b>2,691,949</b>	<b>2,822,417</b>	<b>3,439,962</b>	<b>3,222,219</b>	<b>3,458,149</b>	<b>3,818,617</b>
<b>Net (Expense) Revenue</b>	<b>(5,521,738)</b>	<b>(4,446,688)</b>	<b>(7,593,508)</b>	<b>(7,537,420)</b>	<b>(6,443,962)</b>	<b>(6,549,154)</b>	<b>(5,609,292)</b>	<b>(6,619,803)</b>	<b>(6,363,415)</b>	<b>(6,467,045)</b>
<b>General Revenues:</b>										
Taxes:										
Property taxes	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	5,106,037
Utility taxes	583,190	589,629	593,394	659,884	1,079,094	1,092,624	1,147,616	1,169,184	1,212,320	1,226,602
Franchise fees based on gross receipts	853,267	1,046,849	1,167,851	1,005,629	620,532	593,888	571,399	616,559	621,659	614,039
Unrestricted intergovernmental revenues	583,506	552,210	546,154	547,048	790,831	689,697	720,491	734,438	771,930	777,914
Unrestricted investment earnings	300,938	141,347	53,342	90,149	25,786	30,789	17,725	5,598	19,660	20,640
Miscellaneous	132,727	25,159	43,700	68,173	139,911	97,064	134,736	94,659	89,589	91,794
Special item, gain on sale of land held for investment	-	-	-	-	-	-	-	-	-	-
Extraordinary item, impairment of asset	-	-	(60,676)	-	-	-	-	-	-	-
<b>Total General Revenues</b>	<b>5,942,416</b>	<b>6,275,703</b>	<b>6,871,200</b>	<b>6,945,449</b>	<b>6,959,854</b>	<b>6,609,400</b>	<b>6,738,644</b>	<b>6,866,155</b>	<b>7,503,621</b>	<b>7,837,026</b>
<b>Net Transfers In (Out)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,701</b>	<b>174,492</b>	<b>183,327</b>	<b>168,833</b>	<b>185,828</b>
<b>Total General Revenues</b>	<b>5,942,416</b>	<b>6,275,703</b>	<b>6,871,200</b>	<b>6,945,449</b>	<b>6,959,854</b>	<b>6,738,101</b>	<b>6,913,136</b>	<b>7,049,482</b>	<b>7,672,454</b>	<b>8,022,854</b>
<b>Net Transfers</b>	<b>5,942,416</b>	<b>6,275,703</b>	<b>6,871,200</b>	<b>6,945,449</b>	<b>6,959,854</b>	<b>6,738,101</b>	<b>6,913,136</b>	<b>7,049,482</b>	<b>7,672,454</b>	<b>8,022,854</b>
<b>Change in Net Position</b>	<b>\$ 420,678</b>	<b>\$ 1,829,015</b>	<b>\$ (722,308)</b>	<b>\$ (591,971)</b>	<b>\$ 515,892</b>	<b>\$ 188,947</b>	<b>\$ 1,303,844</b>	<b>\$ 429,679</b>	<b>\$ 1,309,039</b>	<b>\$ 1,555,809</b>

**Notes:**

<sup>1</sup> 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
General government	19.6%	15.3%	12.1%	15.4%	19.2%	20.3%	20.3%	19.2%	19.8%	20.2%
Public safety	30.2%	36.4%	49.3%	58.7%	57.9%	54.8%	54.9%	57.8%	54.6%	52.2%
Community services & development	21.6%	20.5%	12.7%	12.4%	8.7%	9.5%	8.0%	7.9%	8.7%	9.9%
Public works	13.1%	16.5%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	5.2%	5.1%	4.4%	3.7%	3.4%	4.5%	5.5%	4.9%	8.4%	6.5%
Transportation	3.9%	2.6%	2.2%	7.1%	7.9%	7.8%	8.2%	7.8%	6.5%	8.8%
Nondepartmental	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest and other debt service costs	6.0%	3.4%	2.5%	2.7%	2.9%	3.2%	3.1%	2.4%	1.9%	2.3%
<b>Total Expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Program Revenues:</b>										
Charges for services:										
General government	10.3%	2.1%	3.8%	5.1%	5.0%	3.9%	0.0%	0.0%	0.0%	0.0%
Public safety	21.7%	19.1%	29.1%	50.3%	59.9%	65.5%	53.4%	63.0%	61.9%	52.7%
Community services & development	30.7%	17.2%	27.1%	26.4%	29.3%	22.5%	34.5%	31.1%	28.2%	29.4%
Parks and recreation	4.8%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Public works	22.4%	23.7%	34.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating grants and contributions	6.7%	34.8%	5.2%	8.9%	3.6%	1.7%	1.0%	0.9%	0.4%	0.6%
Capital grants and contributions	3.3%	2.1%	0.3%	9.2%	2.2%	6.4%	11.1%	5.0%	9.5%	17.0%
<b>Total Program Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>General Revenues:</b>										
Taxes:										
Property taxes	58.7%	62.5%	65.9%	65.9%	61.8%	62.1%	61.5%	61.8%	63.8%	65.2%
Utility taxes	9.8%	9.4%	8.6%	9.5%	15.5%	16.5%	17.0%	17.0%	16.2%	15.7%
Franchise fees based on gross receipts	14.4%	16.7%	17.0%	14.5%	8.9%	9.0%	8.5%	9.0%	8.3%	7.8%
Unrestricted intergovernmental revenues	9.8%	8.8%	7.9%	7.9%	11.4%	10.4%	10.7%	10.7%	10.3%	9.9%
Unrestricted investment earnings (losses)	5.1%	2.3%	0.8%	1.3%	0.4%	0.5%	0.3%	0.1%	0.3%	0.3%
Miscellaneous	2.2%	0.4%	0.6%	1.0%	2.5%	1.5%	2.0%	1.4%	1.2%	1.2%
Special item, gain on sale of land held for investment	0.0%	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%	-0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total General Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Notes:**  
<sup>1</sup> 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 Seven Fiscal Years <sup>1</sup>**  
**(accrual basis of accounting)**

Source	For the Fiscal Year Ended						
	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>							
Solid waste	\$ 1,417,368	\$ 1,582,463	\$ 1,401,456	\$ 966,722	\$ 781,764	\$ 761,680	\$ 776,993
<b>Program Revenues:</b>							
Charges for services:							
Solid waste	1,651,805	1,620,856	1,539,737	1,097,252	1,050,476	1,045,547	1,053,295
Operating grants and contributions				113,914	-	-	-
<b>Net Revenue</b>	234,437	38,393	138,281	244,444	268,712	283,867	276,302
<b>General Revenues:</b>							
Investment earnings	10,118	8,500	2,121	564	476	1,498	5,147
Miscellaneous	-	-	-	21,445	16,634	279,579	-
<b>Income before Transfers:</b>	244,555	46,893	140,402	266,453	285,822	564,944	281,449
Transfers out	-	-	(128,701)	(174,492)	(183,327)	(168,833)	(185,828)
<b>Change in Net Position</b>	<u>\$ 244,555</u>	<u>\$ 46,893</u>	<u>\$ 11,701</u>	<u>\$ 91,961</u>	<u>\$ 102,495</u>	<u>\$ 396,111</u>	<u>\$ 95,621</u>

**Notes:**

<sup>1</sup> 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
Governmental activities <sup>1</sup>	\$ 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	\$ 10,285,662
Business-type activities <sup>2</sup>	-	-	-	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680	776,993
<b>Total Expenses</b>	<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>	<u>11,062,655</u>
<b>Program Revenues:</b>										
Governmental activities <sup>1</sup>	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	3,818,617
Business-type activities <sup>2</sup>	-	-	-	1,651,805	1,620,856	1,539,737	1,211,166	1,050,476	1,045,547	1,053,295
<b>Total Program Revenues</b>	<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>	<u>4,871,912</u>
<b>Net (Expense) Revenue</b>	<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>	<u>(6,190,743)</u>
<b>General Revenues and Transfers:</b>										
Governmental activities <sup>1</sup>	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	8,022,854
Business-type activities <sup>2</sup>	-	-	-	10,118	8,500	(126,580)	(152,483)	(166,217)	112,244	(180,681)
<b>Total General Revenues and Tfrs</b>	<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>	<u>7,842,173</u>
<b>Change in Net Position</b>	<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>	<u>\$ 1,651,430</u>

**Notes:**

<sup>1</sup> See Exhibit I

<sup>2</sup> See Exhibit III

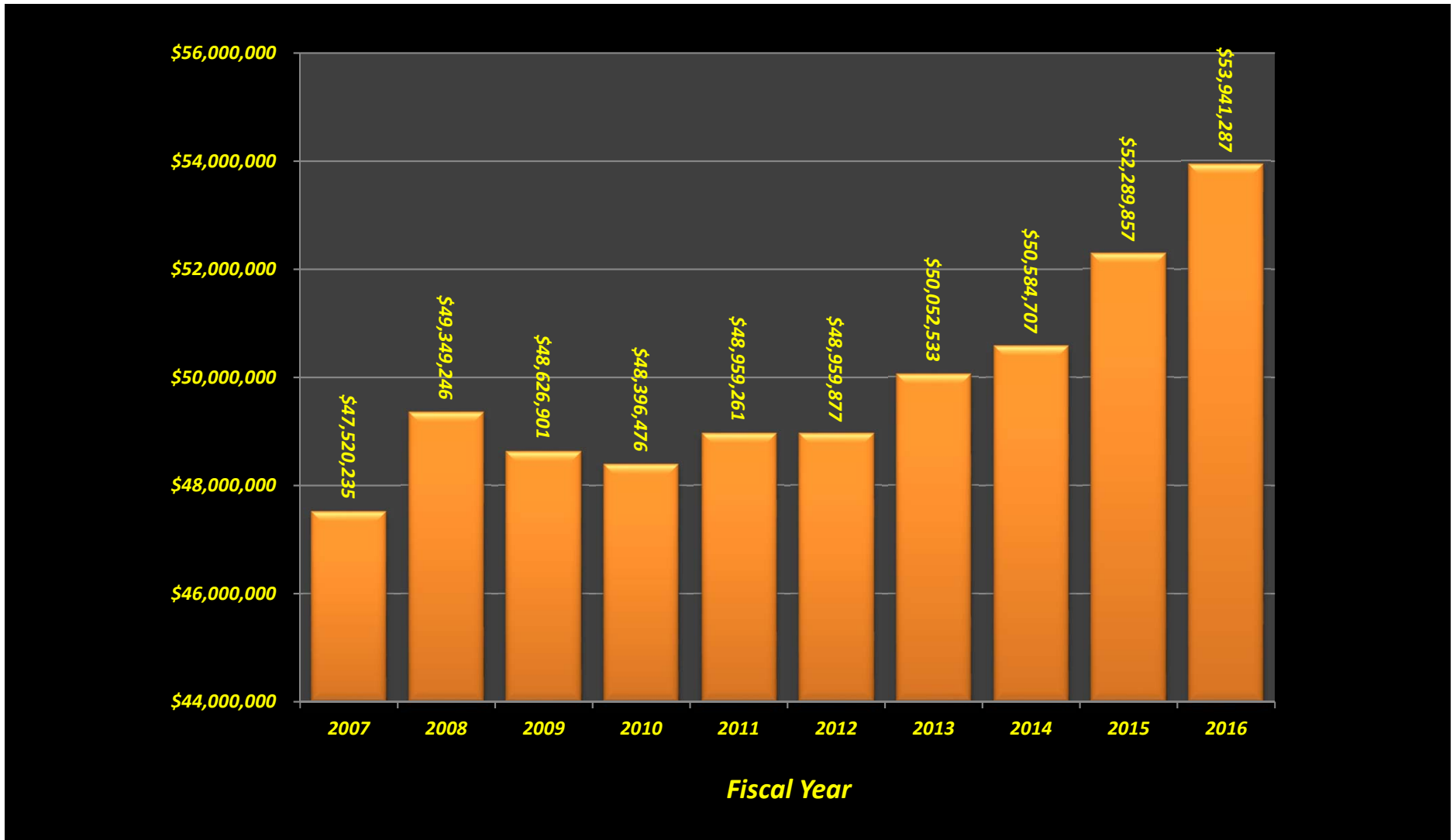
**Town of Southwest Ranches, Florida**  
**Government-wide Net Position by Category <sup>1</sup>**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2007	2008	2009	2010	September 30,		2013	2014	2015	2016
					2011	2012				
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 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	\$ 48,086,199
Restricted	99,855	215,354	315,335	728,064	736,555	440,705	370,921	599,649	935,161	1,349,124
Unrestricted	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	3,516,627
<b>Subtotal Governmental Activities Net Position</b>	<b>47,520,235</b>	<b>49,349,246</b>	<b>48,626,901</b>	<b>48,151,921</b>	<b>48,667,813</b>	<b>48,656,728</b>	<b>49,657,423</b>	<b>50,087,102</b>	<b>51,396,141</b>	<b>52,951,950</b>
<b>Business-type Activities</b>										
Unrestricted	-	-	-	244,555	291,448	303,149	395,110	497,605	893,716	989,337
<b>Primary Government</b>										
Net investment in capital assets	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	48,086,199
Restricted	99,855	215,354	315,335	728,064	736,555	440,705	370,921	599,649	935,161	1,349,124
Unrestricted	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	4,505,964
<b>Total Primary Government Net Position</b>	<b>\$ 47,520,235</b>	<b>\$ 49,349,246</b>	<b>\$ 48,626,901</b>	<b>\$ 48,396,476</b>	<b>\$ 48,959,261</b>	<b>\$ 48,959,877</b>	<b>\$ 50,052,533</b>	<b>\$ 50,584,707</b>	<b>\$ 52,289,857</b>	<b>\$ 53,941,287</b>

**Notes:**

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

Revenue Source	For the Fiscal Year Ended September 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	<b>Amounts</b>									
Taxes	\$ 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	\$ 6,946,678
Licenses and permits	860,578	758,289	757,059	499,056	482,382	521,830	517,697	604,935	757,924	939,212
Intergovernmental	769,933	729,245	742,348	522,048	787,169	689,697	683,355	707,938	758,881	721,220
Charges for services	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	1,912,887
Fines and forfeitures	40,416	39,912	73,595	72,892	75,076	109,180	741,077	488,337	373,346	302,296
Physical and economic charges	100,000	-	-	325,775	309,627	113,862	-	-	-	-
Grants	93,628	1,838,916	11,342	550,302	155,768	229,212	417,716	189,296	341,973	672,106
Investment income	300,938	141,347	53,342	90,149	25,786	30,789	17,725	5,598	19,660	20,640
Donated property	-	-	-	-	-	-	-	-	-	-
Sale of trees	133,980	50,925	1,645	-	-	-	-	-	-	-
Miscellaneous	382,919	285,552	380,263	152,132	198,346	97,064	171,872	178,460	102,638	140,603
<b>Total Revenues</b>	<b>\$ 8,746,214</b>	<b>\$ 10,445,822</b>	<b>\$ 9,408,585</b>	<b>\$ 9,979,617</b>	<b>\$ 9,650,597</b>	<b>\$ 9,431,817</b>	<b>\$ 10,178,606</b>	<b>\$ 10,145,675</b>	<b>\$ 10,961,770</b>	<b>\$ 11,655,642</b>
<b>% Change from Prior Year</b>	<b>-53.2%</b>	<b>19.4%</b>	<b>-9.9%</b>	<b>6.1%</b>	<b>-3.3%</b>	<b>-2.3%</b>	<b>7.9%</b>	<b>-0.3%</b>	<b>8.0%</b>	<b>6.3%</b>
	<b>Percentage of Total</b>									
Taxes	56.3%	53.2%	66.8%	62.5%	62.2%	61.4%	57.6%	59.4%	60.4%	59.6%
Licenses and permits	9.8%	7.3%	8.0%	5.0%	5.0%	5.5%	5.1%	6.0%	6.9%	8.1%
Intergovernmental	8.8%	7.0%	7.9%	5.2%	8.2%	7.3%	6.7%	7.0%	6.9%	6.2%
Charges for services	13.0%	10.0%	11.7%	15.3%	16.7%	19.6%	17.3%	19.1%	18.1%	16.4%
Fines and forfeitures	0.5%	0.4%	0.8%	0.7%	0.8%	1.2%	7.3%	4.8%	3.4%	2.6%
Physical and economic charges	1.1%	0.0%	0.0%	3.3%	3.2%	1.2%	0.0%	0.0%	0.0%	0.0%
Grants	1.1%	17.6%	0.1%	5.5%	1.6%	2.4%	4.1%	1.9%	3.1%	5.8%
Investment income	3.4%	1.4%	0.6%	0.9%	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%
Donated property	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sale of trees	1.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous	4.4%	2.7%	4.0%	1.5%	2.1%	1.0%	1.7%	1.8%	0.9%	1.2%
<b>Total Revenues</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

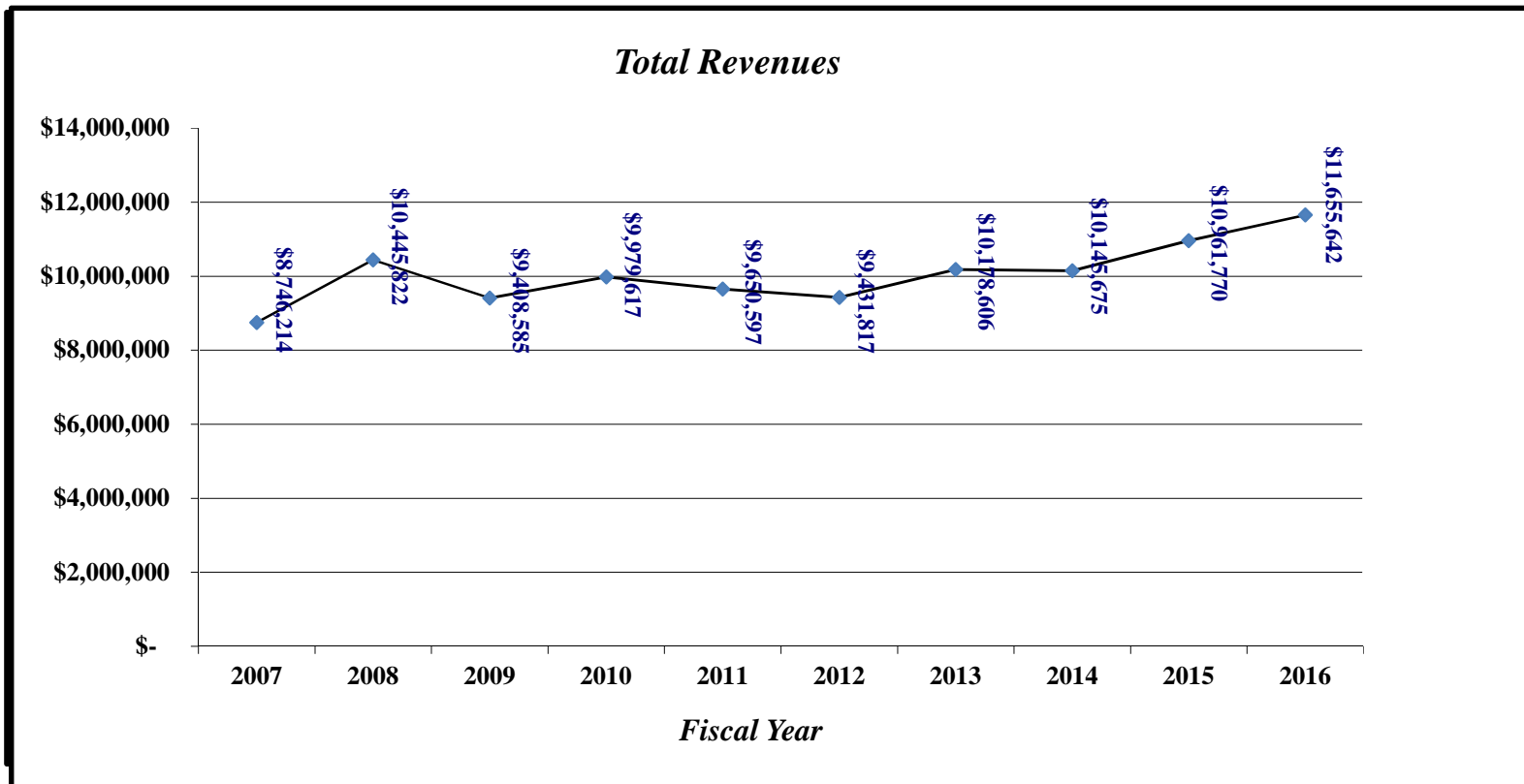
**Notes:**

<sup>1</sup> 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)



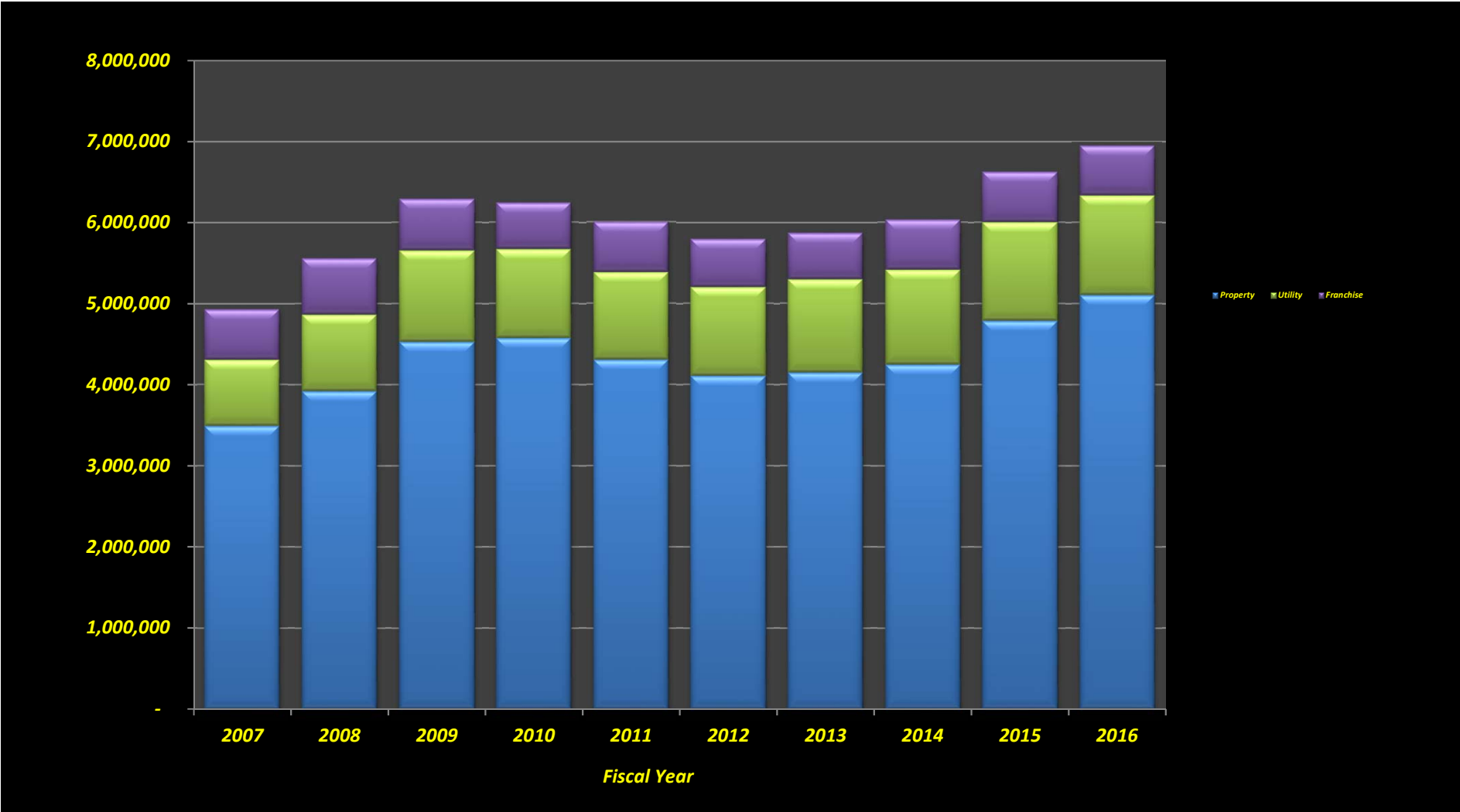
**Town of Southwest Ranches, Florida**  
**Tax Revenues by Source - Governmental Funds (Unaudited)**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

<b>For The Fiscal Year Ended September 30,</b>	<b>Property</b>	<b>Utility</b>	<b>Franchise</b>	<b>Total</b>
<b>Amounts</b>				
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
2016	5,106,037	1,226,602	614,039	6,946,678
<b><i>% Change in Dollars Over 10 Years</i></b>	<b>61.3%</b>	<b>132.6%</b>	<b>-23.1%</b>	<b>54.1%</b>
<b>Percentage of Total</b>				
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%
2016	73.5%	17.7%	8.8%	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) <sup>1</sup>**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Function	For the Fiscal Year Ended September 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Current:</b>										
General government	\$ 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	\$ 1,994,770
Public safety	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	5,240,374
Community services & development	1,796,043	2,036,933	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328
Public works	613,822	1,164,999	1,425,587	-	-	-	-	-	-	-
Parks and recreation	256,775	333,343	326,710	285,500	142,032	177,921	223,462	195,826	286,489	357,602
Transportation and hurricane-related expenditures	326,384	261,536	253,394	856,243	301,951	222,031	254,809	239,077	327,491	342,722
Nondepartmental	33,204	-	-	-	-	-	-	-	-	-
<b>Total Current</b>	<b>7,697,003</b>	<b>8,879,394</b>	<b>10,406,561</b>	<b>9,295,204</b>	<b>8,207,855</b>	<b>8,171,061</b>	<b>7,815,597</b>	<b>8,561,259</b>	<b>8,543,975</b>	<b>8,955,796</b>
<b>% Change From Prior Year</b>	<b>-61.8%</b>	<b>15.4%</b>	<b>17.2%</b>	<b>-10.7%</b>	<b>-11.7%</b>	<b>-0.4%</b>	<b>-4.4%</b>	<b>9.5%</b>	<b>-0.2%</b>	<b>4.8%</b>
<b>Capital Outlay</b>	<b>408,574</b>	<b>561,314</b>	<b>392,465</b>	<b>2,002,944</b>	<b>819,349</b>	<b>931,866</b>	<b>1,070,505</b>	<b>606,880</b>	<b>1,059,565</b>	<b>9,854,607</b>
<b>% Change From Prior Year</b>	<b>-66.2%</b>	<b>37.4%</b>	<b>-30.1%</b>	<b>410.3%</b>	<b>-59.1%</b>	<b>13.7%</b>	<b>14.9%</b>	<b>-43.3%</b>	<b>74.6%</b>	<b>830.1%</b>
<b>Debt Service:</b>										
Principal	702,568	3,106,158	111,855	125,278	132,413	332,506	2,691,917	502,068	509,226	2,164,128
Interest and fees	503,851	343,720	283,248	291,328	260,900	302,092	410,639	219,162	215,478	235,814
<b>Total Debt Service</b>	<b>1,206,419</b>	<b>3,449,878</b>	<b>395,103</b>	<b>416,606</b>	<b>393,313</b>	<b>634,598</b>	<b>3,102,556</b>	<b>721,230</b>	<b>724,704</b>	<b>2,399,942</b>
<b>% Change From Prior Year</b>	<b>-90.5%</b>	<b>186.0%</b>	<b>-88.5%</b>	<b>5.4%</b>	<b>-5.6%</b>	<b>61.3%</b>	<b>388.9%</b>	<b>-76.8%</b>	<b>0.5%</b>	<b>231.2%</b>
<b>Ratio of Total Debt Service to Total Non-Capital Expenditures</b>	<b>13.6%</b>	<b>28.0%</b>	<b>3.7%</b>	<b>4.3%</b>	<b>4.6%</b>	<b>7.2%</b>	<b>28.4%</b>	<b>7.8%</b>	<b>7.8%</b>	<b>21.1%</b>
<b>Total Expenditures</b>	<b>\$ 9,311,996</b>	<b>\$ 12,890,586</b>	<b>\$ 11,194,129</b>	<b>\$ 11,714,754</b>	<b>\$ 9,420,517</b>	<b>\$ 9,737,525</b>	<b>\$ 11,988,658</b>	<b>\$ 9,889,369</b>	<b>\$ 10,328,244</b>	<b>\$ 21,210,345</b>
<b>% Change From Prior Year</b>	<b>-72.7%</b>	<b>38.4%</b>	<b>-13.2%</b>	<b>4.7%</b>	<b>-19.6%</b>	<b>3.4%</b>	<b>23.1%</b>	<b>-17.5%</b>	<b>4.4%</b>	<b>105.4%</b>

**Notes:**

<sup>1</sup> 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) <sup>1</sup>**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

<u>Function</u>	For the Fiscal Year Ended September 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	<b>Amounts</b>									
<b>Current:</b>										
General government	\$ 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	\$ 1,994,770
Public safety	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	5,240,374
Community services & developm	1,796,043	2,036,933	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328
Public works	613,822	1,164,999	1,425,587	-	-	-	-	-	-	-
Parks and recreation	256,775	333,343	326,710	285,500	142,032	177,921	223,462	195,826	286,489	357,602
Transportation and hurricane-related expenditures	326,384	261,536	253,394	856,243	301,951	222,031	254,809	239,077	327,491	342,722
Nondepartmental	33,204	-	-	-	-	-	-	-	-	-
<b>Total Current</b>	<b>\$ 7,697,003</b>	<b>\$ 8,879,394</b>	<b>\$ 10,406,561</b>	<b>\$ 9,295,204</b>	<b>\$ 8,207,855</b>	<b>\$ 8,171,061</b>	<b>\$ 7,815,597</b>	<b>\$ 8,561,259</b>	<b>\$ 8,543,975</b>	<b>\$ 8,955,796</b>
	<b>Percentage of Total</b>									
<b>Current:</b>										
General government	28.0%	16.7%	13.2%	17.3%	21.2%	22.5%	23.0%	21.1%	21.8%	22.3%
Public safety	32.7%	40.5%	53.6%	60.7%	63.7%	61.8%	61.7%	64.7%	60.9%	58.5%
Community services & developm	23.3%	22.9%	13.9%	9.7%	9.7%	10.9%	9.2%	9.1%	10.1%	11.4%
Public works	8.0%	13.1%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	3.3%	3.8%	3.1%	3.1%	1.7%	2.2%	2.9%	2.3%	3.4%	4.0%
Transportation and hurricane-related expenditures	4.2%	2.9%	2.4%	9.2%	3.7%	2.7%	3.3%	2.8%	3.8%	3.8%
Nondepartmental	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Current</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

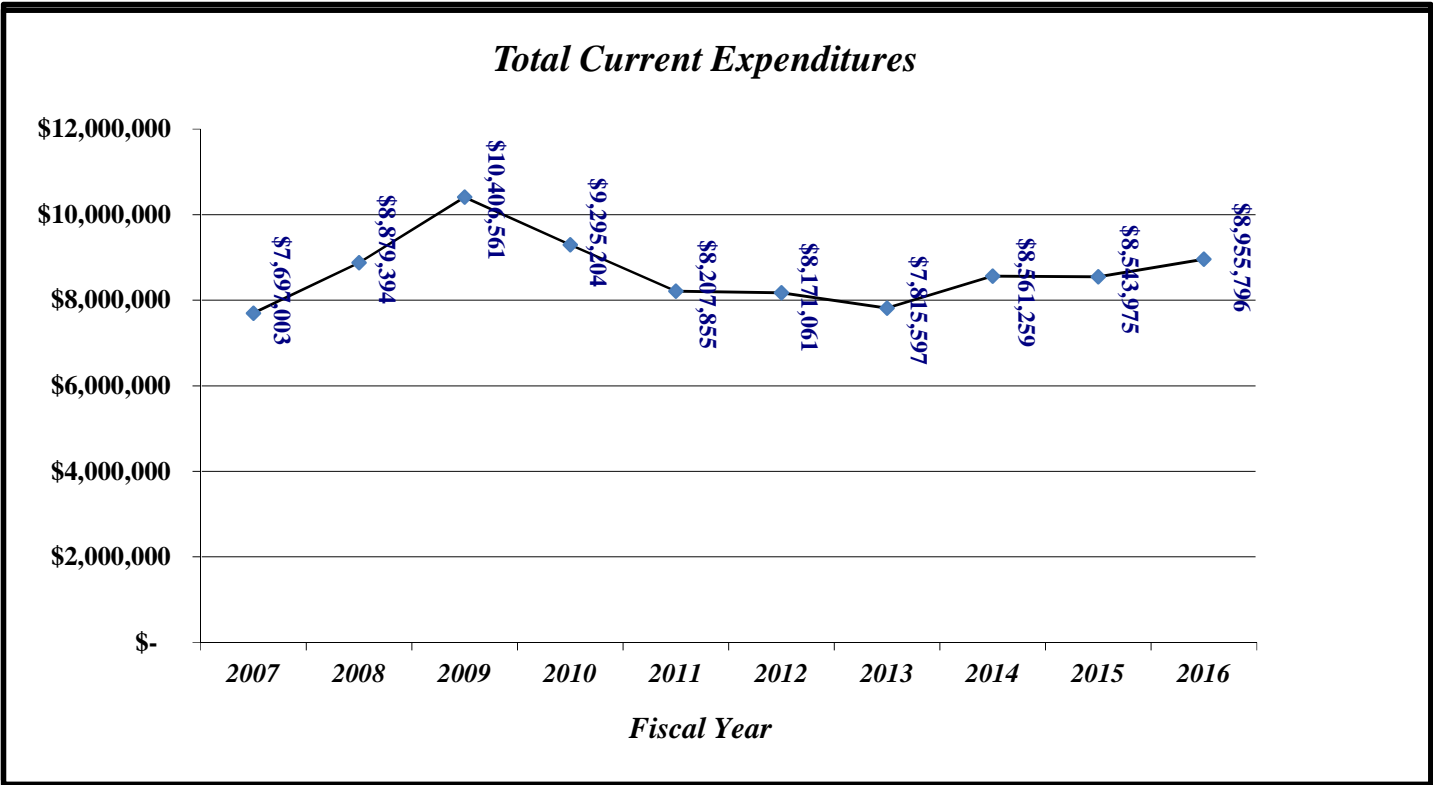
**Notes:**

<sup>1</sup> 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)

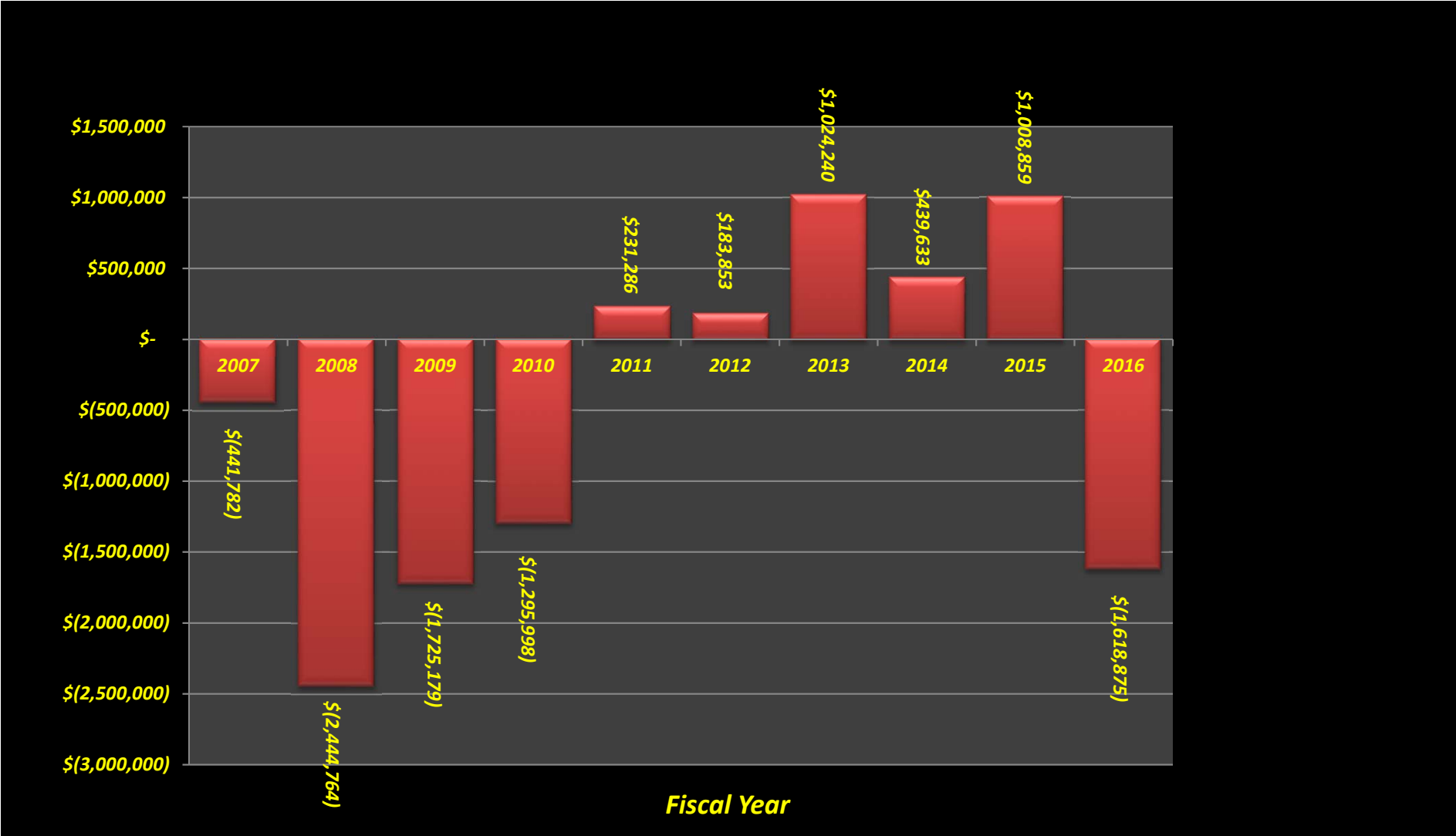


**Town of Southwest Ranches, Florida**  
**Summary of Changes in Fund Balances - Governmental Funds (Unaudited)**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	For the Fiscal Year Ended September 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Total Revenues</b>	\$ 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	\$ 11,655,642
<b>Total Expenditures</b>	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	21,210,345
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(565,782)	(2,444,764)	(1,785,544)	(1,735,137)	230,080	(305,708)	(1,810,052)	256,306	633,526	(9,554,703)
<b>Other Financing Sources (Uses)</b>										
Other items	124,000	-	60,365	439,139	1,206	360,860	2,659,800	-	206,500	7,750,000
Transfers in	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	4,287,055
Transfers out	(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)	(4,101,227)
<b>Total Other Financing Sources (Uses)</b>	124,000	-	60,365	439,139	1,206	489,561	2,834,292	183,327	375,333	7,935,828
<b>Net Change in Fund Balances</b>	\$ (441,782)	\$ (2,444,764)	\$ (1,725,179)	\$ (1,295,998)	\$ 231,286	\$ 183,853	\$ 1,024,240	\$ 439,633	\$ 1,008,859	\$ (1,618,875)

**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
<b>General Fund</b>					
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
<b>Total General Fund</b>	<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>
<b>General Fund % Change From Prior Year</b>	<u>-51.0%</u>	<u>8.1%</u>	<u>-7.5%</u>	<u>-17.4%</u>	<u>4.5%</u>
<b>All Other Governmental Funds</b>					
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	4,000,000	3,537,227	2,265,093	2,281,595	528,242
<b>Total All Other Governmental Funds</b>	<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>
<b>All Other Governmental Funds % Change From Prior Year</b>	<u>130.9%</u>	<u>-14.4%</u>	<u>-25.0%</u>	<u>0.0%</u>	<u>-47.2%</u>
<b>Total Governmental Funds</b>					
Reserved	286,878	226,480	249,718	186,184	213,236
Unreserved	6,277,528	6,031,762	4,655,813	4,397,077	3,119,028
<b>Total Governmental Funds</b>	<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>
<b>All Governmental Funds % Change From Prior Year</b>	<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 2016 and Five Years Prior**  
**(modified accrual basis of accounting)**

	September 30,					
	2011	2012	2013	2014	2015	2016
<b>General Fund</b>						
Nonspendable:						
Prepaid items	\$ 31,432	\$ 207,568	\$ 25,222	\$ 27,058	\$ 28,763	\$ 28,382
Inventory	138,848	138,848	482,720	482,720	482,720	482,720
Deposits	25,001	-	-	-	-	-
Total nonspendable	195,281	346,416	507,942	509,778	511,483	511,102
Restricted for:						
Fire Control	-	-	-	128,291	308,982	363,897
Public safety	3,663	6,445	10,933	11,020	12,550	6,470
Town hall brick program	16,800	18,200	-	-	-	-
Building Technology	-	-	-	-	-	181,033
Total restricted	20,463	24,645	10,933	139,311	321,532	551,400
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	2,484,910
<b>Total General Fund</b>	<b>\$ 2,597,399</b>	<b>\$ 2,886,187</b>	<b>\$ 3,990,434</b>	<b>\$ 4,483,067</b>	<b>\$ 5,201,219</b>	<b>\$ 3,547,412</b>
<b>General Fund % Change From Prior Year</b>						
	24.1%	11.1%	38.3%	12.3%	16.0%	-31.8%
<b>All Other Governmental Funds</b>						
Nonspendable:						
Prepaid items	\$ 810	\$ 3,349	\$ 3,654	\$ 3,857	\$ 1,574	\$ 2,242
Deposits	15,000	-	-	-	-	-
Total nonspendable	15,810	3,349	3,654	3,857	1,574	2,242
Restricted for:						
Transportation surtax	696,179	375,253	312,740	389,361	651,618	875,831
Volunteer fire services	40,376	40,807	47,248	70,977	281,656	161,137
Total restricted	736,555	416,060	359,988	460,338	933,274	1,036,968
Committed for:						
Capital projects	-	-	60,376	209,053	40,298	39,647
Total committed	-	-	60,376	209,053	40,298	39,647
Assigned to:						
Debt service	164,278	37,548	15,069	28,448	36,534	12,079
Public safety	129,750	-	-	-	-	-
Fire wells	80,000	-	-	-	-	-
Capital projects	109,873	354,621	584,686	269,077	249,800	205,476
Total assigned	483,901	392,169	599,755	297,525	286,334	217,555
<b>Total All Other Governmental Funds</b>	<b>\$ 1,236,266</b>	<b>\$ 811,578</b>	<b>\$ 963,397</b>	<b>\$ 761,720</b>	<b>\$ 1,221,182</b>	<b>\$ 1,256,765</b>
<b>All Other Governmental Funds % Change From Prior Year</b>						
	-25.4%	-34.4%	18.7%	-20.9%	60.3%	2.9%
<b>Total Governmental Funds</b>	<b>\$ 3,833,665</b>	<b>\$ 3,697,765</b>	<b>\$ 5,014,207</b>	<b>\$ 5,453,840</b>	<b>\$ 6,462,699</b>	<b>\$ 4,843,824</b>
<b>All Governmental Funds % Change From Prior Year</b>						
	11.7%	-3.5%	35.6%	8.8%	18.5%	-25.0%

**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

**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 <sup>2</sup>	Total Estimated Market Value	Total Taxable Assessed Value as a Percentage of Market Value
	Residential Property	Commercial Property	Agricultural Property	Other <sup>1</sup>							
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%
2016	1,115,305,220	47,143,840	103,491,530	185,956,010	45,036,741	266,153,221	1,230,780,120	4.28%	4.3354	1,880,663,050	65.44%
*	\$ 1,055,327,442	\$ 48,653,422	\$ 118,637,033	\$ 167,157,346	\$ 45,905,239	\$ 240,457,794	\$ 1,195,222,688			\$ 2,023,635,783	59.06%
**	7.7%	10.1%	11.4%	12.2%	-6.2%	66.1%	0.5%				

\* Dollar Average for ten years

\*\* Percentage change in dollars over ten years

**Notes:**

<sup>1</sup> Other includes: industrial, institutional, government, and miscellaneous.

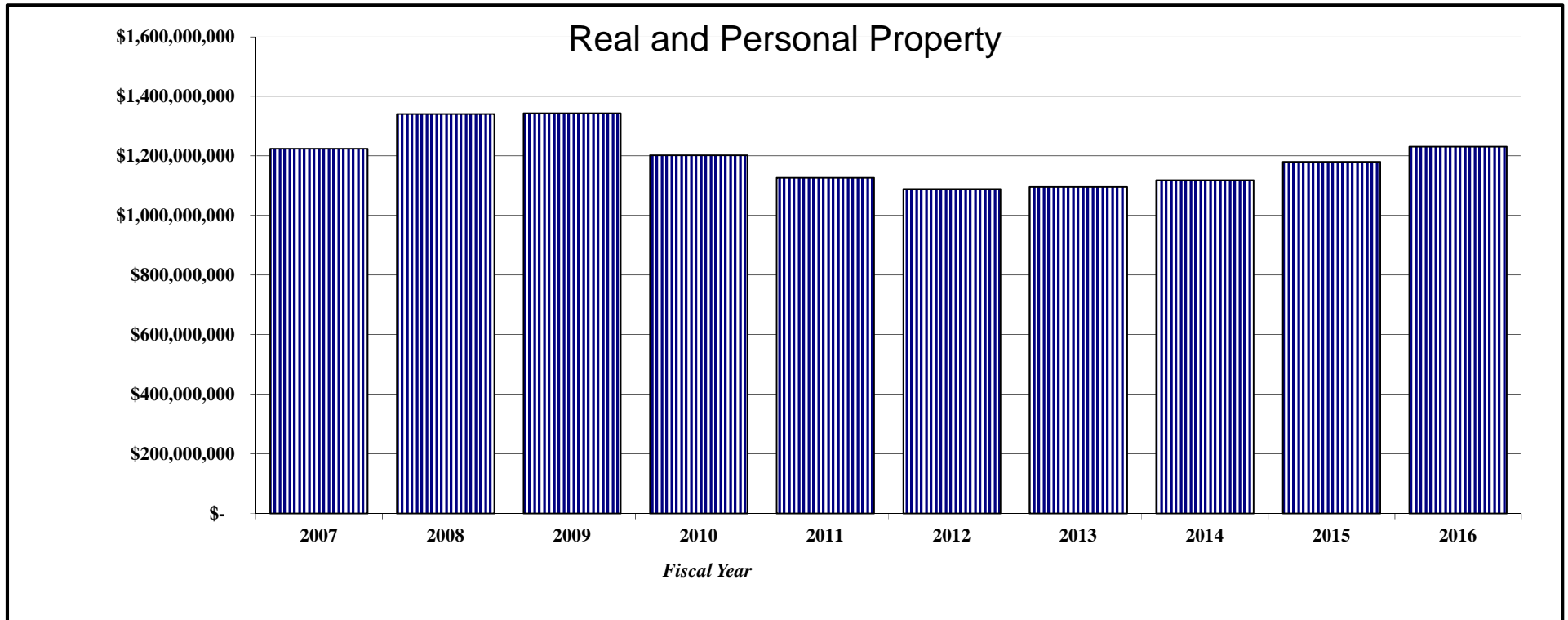
<sup>2</sup> Tax rates expressed in rate per \$1,000

**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)*

Overlapping Rates <sup>1</sup>

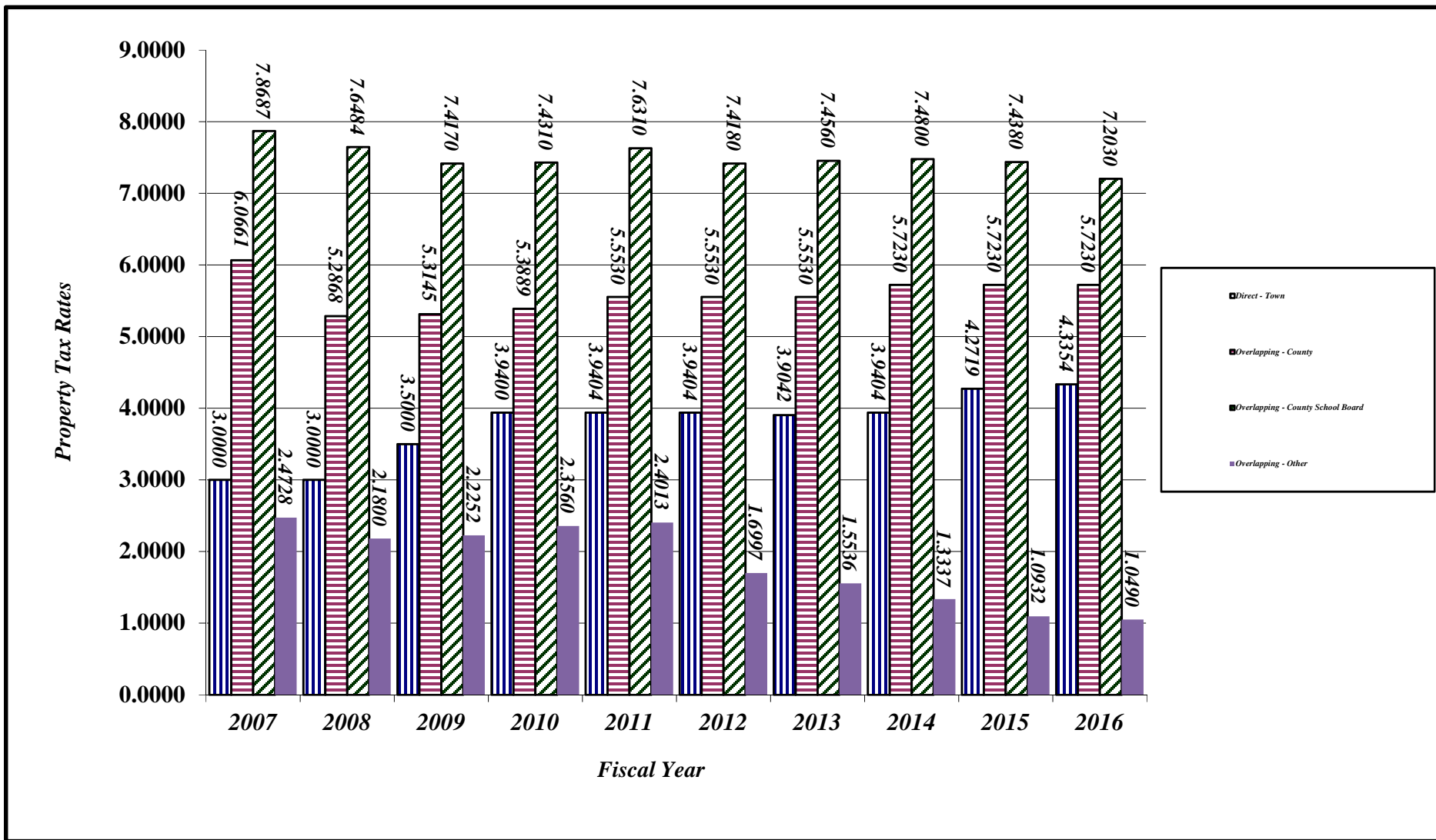
Fiscal Year	Town of Southwest Ranches			Broward County			Broward County School Board			South Florida Water Management District	FIN District <sup>3</sup>	Children's Services Council	South Broward Hospital District	Total Direct and Overlapping Millage
	Operating Millage	TSDOR Millage <sup>2</sup>	Total Town Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage					
2007	3.0000	-	3.0000	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.6970	0.0385	0.4073	1.3300	19.4076
2008	3.0000	-	3.0000	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.6240	0.0345	0.3572	1.1643	18.1152
2009	3.5000	-	3.5000	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.6240	0.0345	0.3754	1.1913	18.4567
2010	3.9400	-	3.9400	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.6240	0.0345	0.4243	1.2732	19.1159
2011	3.9404	-	3.9404	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.6240	0.0345	0.4696	1.2732	19.5257
2012	3.9404	-	3.9404	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4363	0.0345	0.4789	0.7500	18.6111
2013	3.9042	-	3.9042	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4289	0.0345	0.4902	0.6000	18.4668
2014	3.9404	-	3.9404	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345	0.4882	0.4000	18.4771
2015	3.9404	0.3315	4.2719	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.3842	0.0345	0.4882	0.1863	18.5261
2016	3.9404	0.3950	4.3354	5.4741	0.2489	5.7230	7.2030	-	7.2030	0.3551	0.0320	0.4882	0.1737	18.3104

**Notes:**  
<sup>1</sup> Overlapping rates are those of governments that overlap the Town's geographic boundaries.  
<sup>2</sup> TSDOR = Transportation Surface and Drainage Ongoing Rehabilitation Capital Improvement Project commenced in FY 2015

<sup>3</sup> 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 <sup>1</sup>		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount Collected	Percentage of Levy
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%	64,519	4,321,012	99.94%
2014	4,433,004	4,389,935	99.03%	(9,526)	4,380,409	98.81%
2015	5,142,216	4,964,524	96.54%	1,386	4,965,909	96.57%
2016	5,412,895	5,285,675	97.65%	-	5,285,675	97.65%

**Notes:**

<sup>1</sup> Includes discount taken for early payment of property taxes and current year refunds.

<sup>2</sup> 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 2016				FY 2007			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Coquina Station LLC	16,805,950	1	1.42%	US Retail Income Fund	\$ 16,447,560	1	1.40%
Lowes Home Centers, Inc.	10,650,490	2	0.90%	Lowes Home Centers, Inc.	12,888,550	2	1.10%
Florida Power & Light	6,261,420	3	0.53%	SCI Funeral Services of Florida, Inc.	9,691,900	3	0.82%
Cubsmart LP	5,270,800	4	0.44%	Landmark Custom Ranches	8,764,740	4	0.75%
Fove East Land	4,954,970	5	0.42%	Canyon Creeks Estates	7,327,520	5	0.62%
Moses, Raymond & Baidwatte	4,879,260	6	0.41%	Rising Tide Development	5,946,130	6	0.51%
200 Leucadendra LLC	4,746,690	7	0.40%	Republica Musicana	5,654,040	7	0.48%
Boss Zont Pad LLC	4,326,630	8	0.36%	Florida Power & Light	5,485,540	8	0.47%
Wayne, Peta, Gay, & Reginald	4,106,630	9	0.35%	Caprio, Joseph & Dean	4,965,960	9	0.42%
Cutri, Michele	4,102,610	10	0.35%	Stone Creek at Sunshine	4,654,990	10	0.40%
<b>Total Principal Taxpayers</b>	66,105,450		5.58%	<b>Total Principal Taxpayers</b>	81,826,930		6.96%
<b>All Other Taxpayers</b>	1,119,637,929		94.42%	<b>All Other Taxpayers</b>	1,094,590,170		93.04%
<b>Total Taxable Assessed Value</b>	<u>\$ 1,185,743,379</u>		<u>100.00%</u>	<b>Total Taxable Assessed Value</b>	<u>\$ 1,176,417,100</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 2016				FY 2007			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power and Light Co.	\$ 33,045,187	1	73.37%	Florida Power and Light Co.	\$ 27,166,300	1	56.58%
Bellsouth Telecommunications	1,949,307	2	4.33%	Southern Bell Tel Co	3,603,096	2	7.50%
Publix Supermarkets # 619	1,449,252	3	3.22%	Lowes Home Centers	1,932,557	3	4.03%
Lowes Home Centers, Inc.	984,803	4	2.19%	Publix Supermarkets # 619	919,604	4	1.92%
Shell	441,447	5	0.98%	Sandbox Bulldozing Inc	864,020	5	1.80%
AT&T Mobility LLC	407,886	6	0.91%	Shell Oil # 165042	849,469	6	1.77%
Wells Fargo Financial Leasing	325,593	7	0.72%	FPL Fibernet LLC	566,091	7	1.18%
Sprint	272,543	8	0.61%	Apple Tree Montessori School	561,614	8	1.17%
Applebee's	221,887	9	0.49%	National Rent USA	543,248	9	1.13%
Everbank Commercial Finance	199,047	10	0.44%	Freedom Pipeline Corp	539,630	10	1.12%
<b>Total Principal Taxpayers</b>	39,296,952		87.26%	<b>Total Principal Taxpayers</b>	37,545,629		78.20%
<b>All Other Taxpayers</b>	5,739,789		12.74%	<b>All Other Taxpayers</b>	10,467,226		21.80%
<b>Total Taxable Assessed Value</b>	<u>\$ 45,036,741</u>		<u>100.00%</u>	<b>Total Taxable Assessed Value</b>	<u>\$ 48,012,855</u>		<u>100.00%</u>

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 Series 2011	TD Note Series 2013	StoneGate Loan Payable	Capital Lease	TD Note Payable	TD Note Series 2016	Total	Percentage of Personal Income (1)	Total Debt Per Capita
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	0.0074%	817
2016	-	-	1,397,000	2,108,500	485,506	-	186,786	7,750,000	11,927,792	{i}	1,519

**Notes:**  
<sup>1</sup> 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 2016, 2015, 2014, 2013 and 2012 <sup>1</sup>

**TD Notes Payable Series 2016, 2013 and 2011**

*Test of Prior Two Year Average of Non Advalorem Revenues:*

	Net							*****/Maximum Additional Bond Test/*****				
	Adjusted Non-Advalorem Revenues	Adjusted Essential Expenditures	Non-Advalorem Revenues Available for Debt Service	Total Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2016	\$ 5,706	\$ 2,076	\$ 3,630	\$ 724	7.88 %	1.30 %	6.58 %	\$ 1,152	\$ 2,478	2.15 %	1.50 %	0.65 %

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

	Net							*****/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	
2015	\$ 1,937	\$ 723	\$ 1,214	2.68 %	1.30 %	1.38 %	\$ 734	\$ 1,203	2.64 %	1.50 %	1.14 %	
2014	\$ 1,524	\$ 720	\$ 804	2.12 %	1.30 %	0.82 %	\$ 723	\$ 801	2.11 %	1.50 %	0.61 %	
2013	\$ 1,842	\$ 712	\$ 1,130	2.59 %	1.30 %	1.29 %	\$ 723	\$ 1,119	2.55 %	1.50 %	1.05 %	
2012	\$ 1,315	\$ 609	\$ 706	2.16 %	1.30 %	0.86 %	\$ 723	\$ 592	1.82 %	1.50 %	0.32 %	

**FMLC Loan Payable Series 2001 - retired during FY 2016**

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

	Net						
	Adjusted Non-Advalorem Revenues	Adjusted Essential Expenditures	Non-Advalorem Revenues Available for Debt Service	Total Max Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2015	\$ 5,792	\$ 2,488	\$ 3,304	\$ 734	450.12 %	150.00 %	300.12 %
2014	\$ 5,362	\$ 2,526	\$ 2,836	\$ 723	392.19 %	150.00 %	242.19 %
2013 <sup>2</sup>	\$ 4,970	\$ 2,368	\$ 2,602	\$ 723	359.89 %	150.00 %	209.89 %

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

	Two Year Avg		Total		Debt		
	Net total	Governmental Funds Revenue	Max Annual	Debt Service	Coverage Percentage	Maximum Allowed Percentage	Excess Percentage
2015	\$ 11,376	\$ 734	\$ 734	6.45 %	20.00 %	13.55 %	
2014	\$ 10,192	\$ 723	\$ 723	7.09 %	20.00 %	12.91 %	
2013 <sup>2</sup>	\$ 9,369	\$ 723	\$ 723	7.72 %	20.00 %	12.29 %	

**Notes:**

<sup>1</sup> 2012 is the oldest data readily available

<sup>2</sup> 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, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Underlying Debt</u>
<b>Overlapping Debt<sup>1,2</sup></b>			
Broward County	\$ 247,946,000	0.007457%	\$ 18,490
Broward County School Board	1,857,236,000	0.007424%	<u>137,882</u>
<b>Sub-Total Overlapping Debt</b>			156,372
Town Direct Debt			<u>11,927,792</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 12,084,164</u></u>

**Notes:**

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

**Data Source:**

<sup>2</sup> Each specific government

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

Calendar Year	Population <sup>1</sup>	(in \$1,000)	Per	Unemployment Rate		
		Total Personal Income <sup>2, 3</sup>	Capita Personal Income <sup>4</sup>	County <sup>3</sup>	State of Florida <sup>5</sup>	United States <sup>6</sup>
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	85,167,498	46,607	4.9%	5.3%	5.0%
2016	7,852	{i}	{i}	4.6%	5.0%	4.9%

**Notes:**

There are no public schools located within the Town.

**Data Sources:**

<sup>1</sup> Florida Legislative Office of Economic and Demographic Research  
2015 per US Census Bureau.

<sup>2</sup> 2010 and 2011 estimated by management

<sup>3</sup> Broward County comprehensive annual financial reports

<sup>4</sup> Broward County total personal income divided by the Broward County population.

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

<sup>6</sup> 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, 2016 and 2010 <sup>1</sup>**

		2016	
Employer	Type of Business	Number of Employees	Rank
Lowe's Home Centers, Inc.	Retail	130	1
Publix Supermarkets	Retail	128	2
Archbishop McCarthy High School	Private School	120	3
Applebee's Neighborhood Grill	Restaurant	50	4
McDonald's	Restaurant	48	5
Romeus Cuban Restaurant	Restaurant	40	6
Apple Montessori School	Private School	34	7
Starbucks Coffee Company	Restaurant	30	8
Original Pancake House	Restaurant	22	9
Walgreens	Retail	20	10
<b>Total Principal Employers</b>		<b>622</b>	
		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
<b>Total Principal Employers</b>		<b>559</b>	

**Notes:**

<sup>1</sup> 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Town Commission</b>	5	5	5	5	5	5	5	5	5	5
<b>General Government</b>										
Town management	3	3	3	6	5	5	3	3	3	3
Community services <sup>1</sup>	7	6	8	10	10	10	14	13	13	15
<b>Total General Government</b>	10	9	11	16	15	15	17	16	16	18
<b>Contracted Employees:</b>										
General government management services	4	4	5	4	4	4	4	4	4	4
Fire rescue	3	3	12	12	43	43	50	50	44	44
Emergency medical services	3	3	9	9	4	4	15	15	15	15
Police protection	13	15	15	15	15	15	15	16	16	16
<b>Total Contracted Employees</b>	23	25	41	40	66	66	84	85	79	79
<b>Total</b>	38	39	57	61	86	86	106	106	100	102
<b>Percentage Change From Prior Year</b>	18.8%	2.6%	46.2%	7.0%	41.0%	0.0%	23.3%	0.0%	-5.7%	2.0%

**Notes:**

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

**Data Source:**

Town of Southwest Ranches Community Services and Finance Departments

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>GENERAL GOVERNMENT:</b>										
Building permits issued by:										
Broward County <sup>2</sup>	762	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAP Government Services, Inc. <sup>3</sup>	466	473	540	321	433	422	403	407	377	531
Total building permits	1,228	473	540	321	433	422	403	407	377	531
Building inspections conducted by:										
Broward County:										
Electrical <sup>2</sup>	1,083	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mechanical <sup>2</sup>	191	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plumbing <sup>2</sup>	668	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Structural <sup>2</sup>	2,547	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other <sup>2</sup>	150	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAP Government Services, Inc. <sup>3</sup>	3,300	-	3,256	2,798	2,200	3,765	5,273	6,403	6,872	8,228
Total building inspections	7,939	-	3,256	2,798	2,200	3,765	5,273	6,403	6,872	8,228
Local Business Tax certificates issued <sup>2</sup>	-	335	-	-	-	-	-	-	-	-
Certificates of use registrations <sup>4</sup>	23	33	20	28	35	23	11	14	2	4
Planning & Zoning Permits Issued <sup>4</sup>	-	-	-	-	213	177	153	148	196	230
<b>FIRE:</b>										
Emergency responses <sup>5</sup>	265	228	739	779	403	437	685	747	791	912
Station 112 Average Response Time <sup>5</sup>	-	-	-	-	-	-	5:58	6:13	5:52	5:10
Inspections	-	-	30	55	40	31	98	98	165	84
<b>POLICE: <sup>6</sup></b>										
Physical arrests	207	183	126	112	132	77	54	43	43	33
Parking violations	9	12	10	9	2	-	2	0	0	0
Traffic violations	2,564	2,839	2,779	2,192	3,025	1,225	1,011	2,174	2,416	1,773
<b>REFUSE COLLECTION: <sup>7,8</sup></b>										
Refuse collected (tons per month)	7.70	14.72	36.40	11.60	10.89	26.45	287.54	262.29	258.71	257.34
Recyclables collected (tons per month)	0.67	2.84	2.35	5.44	7.63	8.51	36.54	51.20	62.98	64.01
Bulk collected (tons per month)	15.00	61.77	65.75	82.56	78.90	70.11	593.63	698.53	790.07	719.54
<b>OTHER PUBLIC WORKS: <sup>8</sup></b>										
Street resurfacing (in miles)	-	-	0.50	6.00	-	0.95	-	-	-	2.28
Potholes repaired	360	360	360	400	107	112	88	93	107	222
<b>WATER: <sup>9</sup></b>										
New connections	4	10	2	2	1	1	-	1	3	4
Average daily consumption (thousands of gallons)	5.5	8.75	9.85	10.83	13.47	12.02	11.52	10.26	10.66	12.16
Peak monthly consumption (thousands of gallons)	247	396	425	479	556	440	419	428	417	420
<b>General Government Tax Rates:</b>										
<b>Utility Services</b>										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication Services	-	-	-	-	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Franchises</b>										
Electric	6%	6%	6%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Solid Waste (commercial)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Towing	-	-	13%	13%	13%	13%	13%	13%	15%	15%

**Notes:**

<sup>1</sup> Information not presented is not available.

<sup>2</sup> Information provided by Broward County.

<sup>3</sup> Information provided by CAP Government Services, Inc.

<sup>4</sup> Information provided by Code Services Inc.

<sup>5</sup> 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 2013-16 provided by Town of Davie.

<sup>6</sup> Information provided by Broward County Sheriff's Office.

<sup>7</sup> In 2007, amounts cover the period from October 2006 - April 2007.

<sup>8</sup> Information provided by Town Contractors. 2013 Change from daily average to monthly.

<sup>9</sup> 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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>FIRE STATIONS:</b> <sup>1</sup>	-	-	-	1	1	1	1	1	1	1
<b>POLICE:</b>										
Stations <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Patrol units	15	15	15	15	15	15	15	16	16	16
<b>REFUSE COLLECTION:</b>										
Collection trucks <sup>1</sup>	-	-	-	-	-	-	10	10	10	10
<b>OTHER PUBLIC WORKS:</b>										
Streets (miles)	82	82	82	82	82	82	82	82	82	82
Streetlights <sup>2</sup>	-	-	-	13	13	13	13	13	13	13
<b>PARKS AND RECREATION:</b>										
Acreage	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01
Community Center	-	-	-	-	-	-	-	-	1	1
Playgrounds	1	1	1	1	1	1	2	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	2	2
Restroom facilities	1	1	1	1	1	1	1	1	3	3
Nature trails (miles)	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	5
Multi-use trails (miles)	12.7	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35
<b>WATER:</b>										
Water mains (miles) <sup>3</sup>	12	12	12	12	12	12	12	12	12	12
Fire wells	330	330	330	330	332	332	332	332	333	333
Lakes (acres) <sup>4</sup>	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) <sup>5</sup>	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:**

<sup>1</sup> Items not presented provided by a contractor.

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

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

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

<sup>5</sup> Information provided by South Broward Drainage District and Central Broward Water Control District.

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# REPORTING SECTION



2016 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Ruben Aguiar*



**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, 2016 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 16, 2017.

**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 16, 2017

**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, 2016, and have issued our report thereon dated March 16, 2017.

**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 16, 2017, 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, 2016, 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, 2016. 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 16, 2017

**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, 2016. 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, 2016.

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 16, 2017