

# TOWN OF SOUTHWEST RANCHES, FLORIDA



## **Comprehensive Annual Financial Report**

**Fiscal Year Ended September 30, 2017**



**TOWN OF  
SOUTHWEST RANCHES, FLORIDA  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2017**



2017 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: George Marris*

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”



2017 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
Submitted by: Edward Canhos - A lovely day at the ranch for two Arabian Stallions.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

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# INTRODUCTORY SECTION



2017 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest Winner  
*Submitted by: Amy M. Martinez*





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**

June 6, 2018

***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, 2017. 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. In addition to meeting this legal requirement, the report continues to present the Town's strong support of full financial disclosure. 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 financial statements have been audited by Marcum LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Town in conformity with generally accepted accounting principles (GAAP).

The CAFR's role is to assist in making policy decisions and to assist in providing accountability and transparency to the citizenry by:

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

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the Town; and that all disclosures necessary to enable the reader to gain an understanding of the Town's financial activity have been included.

As previously mentioned, Marcum LLP, independent auditors, have issued an unmodified opinion on the Town of Southwest Ranches financial statements for the fiscal year ended September 30, 2017. The independent auditors' report is located at the front of the financial section of this report. The Town's financial statements have been prepared in conformity with GAAP as promulgated by the Governmental Accounting Standards Board (GASB). The Town's Management Discussion and Analysis document (the MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments 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 2016 census population estimate of 7,892 and is located in the southwest portion of Broward County, a major metropolitan area. The Town motto is "Preserving our rural lifestyle" but is located between the three major urban cities: Davie (population estimate of 101,871), Pembroke Pines (population estimate of 168,587) and Weston (population estimate of 70,015). The neighboring cities provide a wealth of attractions and business for use by the residents of the Town. Accordingly, the residents benefit from this close association with these urban neighbors because the Town does not need to provide for these services.

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



The financial reporting entity (the Town of Southwest Ranches) includes all funds of the primary government (i.e., the Town of Southwest Ranches as legally defined), as well as all 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, information technology and solid waste & recycling. The Town also has employees to administer all contracts, grants, and daily operations of the Town as well as provide basic municipal services including parks, recreation, and general government services.

### **FACTORS AFFECTING FINANCIAL CONDITION**

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

The Town had increasing property values as most other governments in Florida and in the nation; however, the Town has a better than average business cycle than other communities due to the composition of its economy. Specifically, the Town primarily consists of an affluent residential housing stock of 2,586 units with a minimum one-acre and larger, single family estates.

In 2016, the Town experienced a greater than 4.3% increase in total taxable assessed value and a 4.40% increase in 2017. However, the 2017 taxable assessed values are still below the 2009 taxable assessed valuations.

The Town has made it a policy to establish reserves to offset unanticipated expenses/ expenditures and ensure that a funding source exists in the event of a setback in the continuation of positive economic conditions. The General Fund has an unassigned fund balance equal to 22.3% of the adopted FY 2018 General Fund operating budget.

On a long-term financial perspective, the Town has identified all capital asset and infrastructure projects under a five-year capital improvement plan (CIP). This five-year CIP serves as a quick reference for a project timeline and identifies current and future funding requirements. Commencing in FY 2015, the Town implemented a Transportation Surface and Drainage Ongoing Rehabilitation (TSDOR) program with the goal of preserving and extending the life of the Town's paved streets. The TSDOR program addresses improvements for every Town road over a 25+ year period. Eleven capital projects, including TSDOR have been fully or partially funded during the fiscal year 2018 budget process.

In the 2018 Session, the Florida Legislature is considering reducing or eliminating business and communication services taxes as well as pushing additional costs down to local governments as unfunded mandates. The Town is closely monitoring these proposals and their potential impacts and limitations to Florida municipalities. The consequences of a combination of several of the proposals being considered could have a significant impact on the Town's ability to maintain and/or improve services to residents.

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

#### Revenue Policy:

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

#### Debt Policy:

The Town has no General Obligation debt outstanding and believes that debt is a necessary and integral part of conducting its operations on a financially sound and equitable basis to all taxpayers. The Town reviews, as well as evaluates, its existing obligations and future borrowing needs regularly. During 2017, no additional debt was issued, however, due to primarily vegetative debris collection and removal impact from Hurricane Irma on September 10, 2017, the Town's emergency line of credit was activated. In 2016, the Town obtained financing for the purchase of \$8,100,000 in public purpose land at a 3.25% interest rate and practically simultaneously retired \$1,640,000 of Series 2001 debt which carried a 5% interest rate utilizing general fund unassigned 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.



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, 2017.

### **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 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

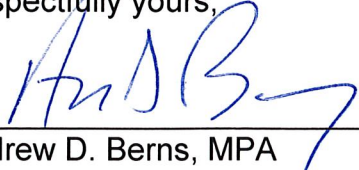
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

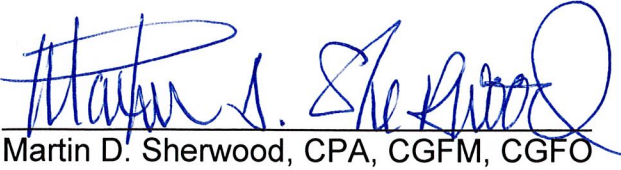
### **ACKNOWLEDGEMENTS**

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

We believe that this report clearly illustrates the strong financial posture of the Town of Southwest Ranches and, in closing, *we greatly appreciate and thank the Mayor and the Town Council for their leadership, direction, guidance and support received in planning and conducting the financial operation of the Town which enabled the accomplishments and anticipated future successes noted in this report.*

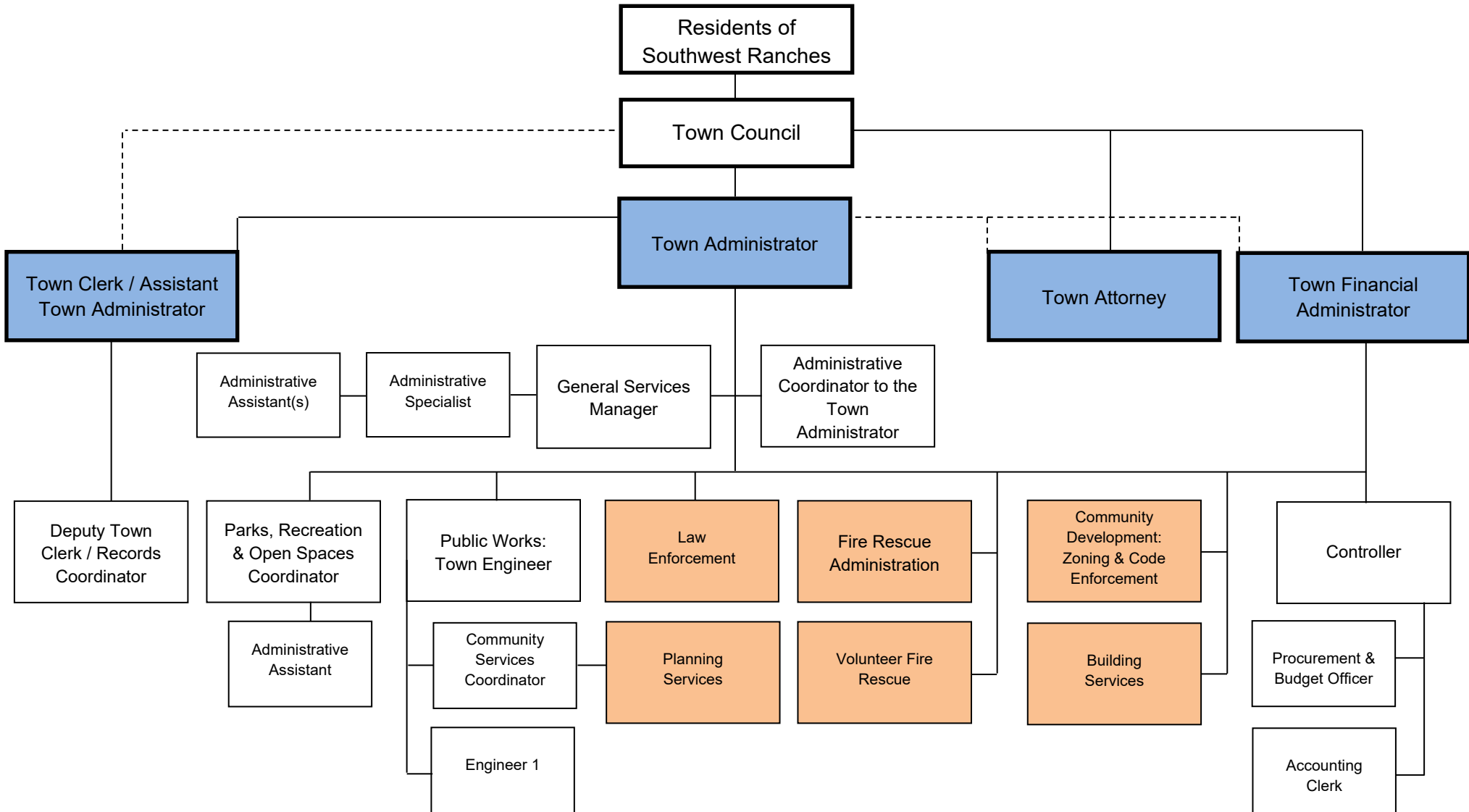
Respectfully yours,

  
\_\_\_\_\_  
Andrew D. Berns, MPA  
Town Administrator

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



# TOWN OF SOUTHWEST RANCHES ORGANIZATIONAL CHART Fiscal Year 2016\2017



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, 2017

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



**DOUG McKAY**  
Mayor



**STEVE BREITKREUZ**  
Vice Mayor



**DENISE SCHROEDER**  
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, 2016**

*Christopher P. Morill*

Executive Director/CEO

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# FINANCIAL SECTION



2017 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Elaine Ringer*

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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, 2017 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, 2017 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 June 6, 2018 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

*Marcum LLP*

Fort Lauderdale, Florida  
June 6, 2018

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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, 2017. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### **2017 FINANCIAL HIGHLIGHTS**

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$54,394,878 (total net position) as of September 30, 2017.
- Total net position increased \$453,591 even with including the impact of Hurricane Irma expenditures and are comprised of the following:
  - (1) Net investment in capital assets of \$48,346,598 includes property and equipment, net of accumulated depreciation, related debt and deferred outflow on refunding.
  - (2) Net position of \$1,378,035 is restricted by constraints imposed on the Town in the amount of \$537,821 for transportation, \$584,719 and \$68,937 for fire control and the volunteer fire department and for building \$178,979, respectively, and \$7,579 for public safety from outside the Town such as grantors, laws, or regulations.
  - (3) The Town's total debt decreased \$545,808 to a total of \$11,381,983 as a result of normal amortization. Total debt includes loans as well as notes payable.
  - (4) Unrestricted net position consists of \$4,670,245 that may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$5,618,505 at September 30, 2017. This compares to the prior year total ending fund balance of \$4,843,824 showing an increase of \$774,681 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,704,947 or 25% of total General Fund expenditures and net transfers for 2017. The unrestricted fund balance for the General fund was \$3,237,560 or 30% of total General Fund expenditures and net transfers for 2017.
- Overall, the Town continues to maintain a healthy financial position despite the effects of a Category 3 Hurricane named Irma which impacted the Town on September 10, 2017.

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

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

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements**

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

**Required Supplementary Information**

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

**Supplementary Information**

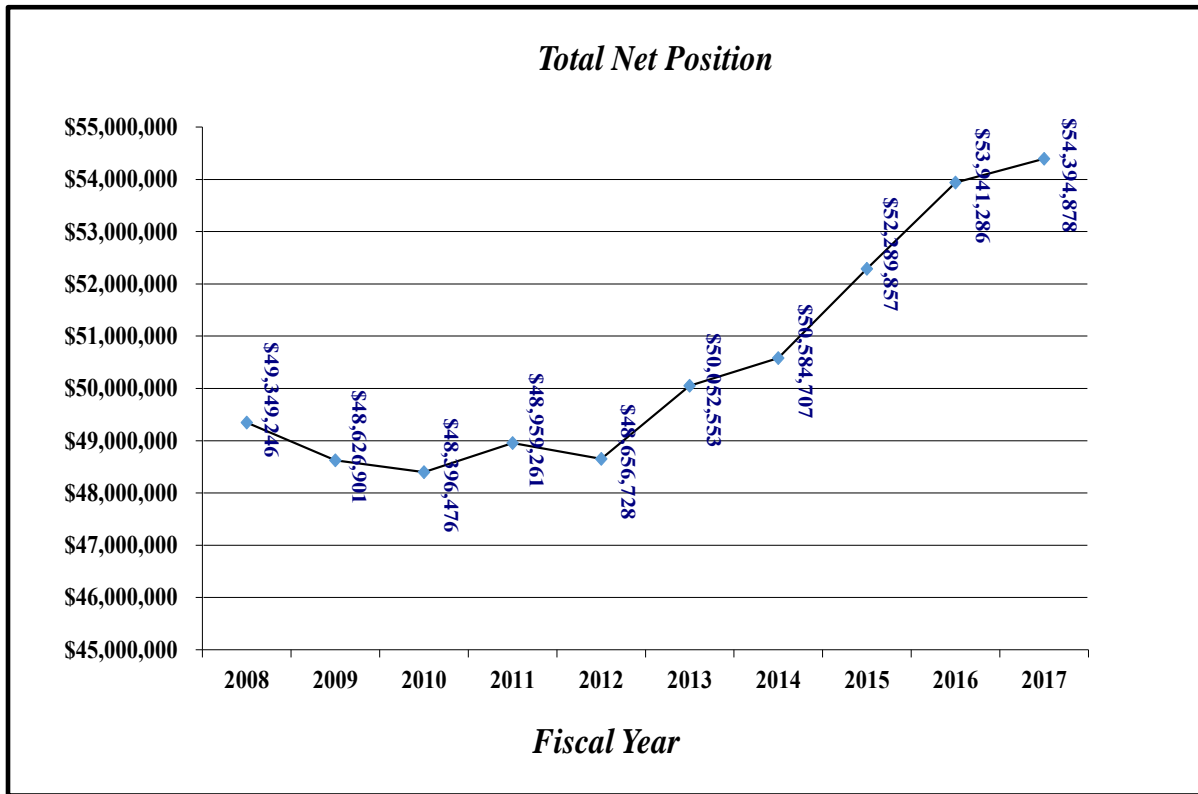
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 49.

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

The Town's net position at fiscal year-end is \$54,394,878. 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>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Assets:</b>						
Current assets	\$ 5,669,109	\$ 4,938,057	\$ 1,141,865	\$ 990,732	\$ 6,810,974	\$ 5,928,789
Non-current assets:						
Other	482,720	482,720	-	-	482,720	482,720
Capital assets	59,713,320	60,006,926	-	-	59,713,320	60,006,926
<b>Total assets</b>	<b>65,865,149</b>	<b>65,427,703</b>	<b>1,141,865</b>	<b>990,732</b>	<b>67,007,014</b>	<b>66,418,435</b>
<b>Deferred Outflows of Resources:</b>						
Deferred amount on refunding	46,068	51,826	-	-	46,068	51,826
<b>Liabilities:</b>						
Current liabilities	1,113,447	1,145,942	721,197	1,395	1,834,644	1,147,337
Long-term liabilities	10,823,560	11,381,637	-	-	10,823,560	11,381,637
<b>Total liabilities</b>	<b>11,937,007</b>	<b>12,527,579</b>	<b>721,197</b>	<b>1,395</b>	<b>12,658,204</b>	<b>12,528,974</b>
<b>Net position:</b>						
Net investment in capital assets	48,346,598	48,086,199	-	-	48,346,598	48,086,199
Restricted	1,378,035	1,349,124	-	-	1,378,035	1,349,124
Unrestricted	4,249,577	3,516,627	420,668	989,337	4,670,245	4,505,964
<b>Total net position</b>	<b>\$ 53,974,210</b>	<b>\$ 52,951,950</b>	<b>\$ 420,668</b>	<b>\$ 989,337</b>	<b>\$ 54,394,878</b>	<b>\$ 53,941,287</b>

The following chart reports the Town's total net position balances from fiscal year 2008-2017.



Note over the last ten years, the total net position has increased \$5,045,632.

Current assets in governmental activities and business-type activities increased in fiscal year September 30, 2017. Cash and investments for governmental activities and business-type activities increased by \$1,026,299 and \$110,230, respectively.

The Town continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.1 to 1 as compared to 4.3 to 1 at September 30, 2016. The current ratio for business-type activities is 1.6 to 1 as compared to 710 to 1 at September 30, 2016. Overall, the total current ratio at September 30, 2017 decreased to 3.7 to 1 as compared to 5.2 to 1 at September 30, 2016. The decrease was primarily due to an increase in accounts payable and accrued liabilities pertaining to Hurricane Irma.as of fiscal year end.

The Town reported positive balances in net position for both governmental and business-type activities. During 2017, changes in net position increased \$1,022,260 for governmental activities and decreased \$568,669 for business-type activities, respectively. The latter was due to the impacts from Hurricane Irma. However, the Town's overall financial position improved during fiscal year 2017 and it remains in a healthy financial position within a mature economy overall.

Note that approximately 90.7% 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.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Town of Southwest Ranches, Florida**  
**As of and For the Fiscal Year Ended September 30, 2017**

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

	Summary of Changes in Net Position						Percentage of Total 2017
	Governmental Activities		Business-type Activities		Total		
	2017	2016	2017	2016	2017	2016	
Revenues:							
Program:							
Charges for services	\$ 2,904,138	\$ 3,146,511	\$ 1,064,311	\$ 1,053,295	\$ 3,968,449	\$ 4,199,806	31.3%
Operating grants and contributions	18,842	22,694	-	-	18,842	22,694	0.1%
Capital grants and contributions	343,013	649,412	-	-	343,013	649,412	2.7%
General:							
Ad valorem taxes	5,495,085	5,106,037	-	-	5,495,085	5,106,037	43.5%
Other taxes	1,878,702	1,840,641	-	-	1,878,702	1,840,641	14.8%
Intergovernmental	777,213	777,914	-	-	777,213	777,914	6.1%
Investment earnings	48,853	20,640	10,223	5,147	59,076	25,787	0.5%
Miscellaneous	129,202	91,794	-	-	129,202	91,794	1.0%
Total revenues	<u>11,595,048</u>	<u>11,655,643</u>	<u>1,074,534</u>	<u>1,058,442</u>	<u>12,669,582</u>	<u>12,714,085</u>	<u>100%</u>
Program Expenses:							
General government	2,736,901	2,074,739	-	-	2,736,901	2,074,739	22.4%
Public safety	5,471,550	5,372,525	-	-	5,471,550	5,372,525	44.7%
Parks and recreation	656,412	672,817	-	-	656,412	672,817	5.4%
Transportation	592,730	907,415	-	-	592,730	907,415	4.9%
Community services & development	936,647	1,020,328	-	-	936,647	1,020,328	7.7%
Interest and other debt service costs	383,975	237,838	-	-	383,975	237,838	3.1%
Solid waste	-	-	1,437,776	776,993	1,437,776	776,993	11.8%
Total expenses	<u>10,778,215</u>	<u>10,285,662</u>	<u>1,437,776</u>	<u>776,993</u>	<u>12,215,991</u>	<u>11,062,655</u>	<u>100%</u>
Changes in net position before transfers	816,833	1,369,981	(363,242)	281,449	453,591	1,651,430	
Transfers	205,427	185,828	(205,427)	(185,828)	-	-	
Changes in net position	<u>1,022,260</u>	<u>1,555,809</u>	<u>(568,669)</u>	<u>95,621</u>	<u>453,591</u>	<u>1,651,430</u>	
Beginning net position	<u>52,951,950</u>	<u>51,396,141</u>	<u>989,337</u>	<u>893,716</u>	<u>53,941,287</u>	<u>52,289,857</u>	
Ending net position	<u>\$ 53,974,210</u>	<u>\$ 52,951,950</u>	<u>\$ 420,668</u>	<u>\$ 989,337</u>	<u>\$ 54,394,878</u>	<u>\$ 53,941,287</u>	

**Governmental Activity Revenues**

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 47.4% of the Town's total governmental revenues as compared to 43.8% in fiscal year 2016. Other taxes, which includes franchise and utility taxes provided 16.2% and 15.8% of the Towns total governmental revenues for fiscal year 2017 and 2016, respectively. Because of the Town's healthy financial position, we have been able to earn \$48,853 in investment earnings to support governmental activities.

Note that program revenues covered 30.3% of governmental operating expenditures as compared to 37.1% in fiscal year 2016. This means that the government's taxpayers and the Town's other general revenues normally fund 69.7% 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	\$ 2,736,901	25.4%	\$ (2,736,901)	38.0%
Public safety	5,471,550	50.7%	(3,423,818)	47.5%
Community services and development	936,647	8.7%	(90,915)	1.3%
Parks and recreation	656,412	6.1%	(587,956)	8.2%
Transportation	592,730	5.5%	19,629	-0.3%
Interest and other debt service costs	383,975	3.6%	(383,975)	5.3%
<b>Total</b>	<b>\$ 10,778,215</b>	<b>100.0%</b>	<b>\$ (7,203,936)</b>	<b>100.0%</b>

The public safety expenses total gross about 51% while net of program revenues total almost 48% of costs. The public safety function generated \$2,031,922 in user charges and \$15,810 in grant (operating and capital) revenues, which offsets program costs. The community services and development expenses total gross of 8.7% while net of program revenues total 1.3%. The community services and development function generated \$845,732 in user charges, primarily from building permits and plan review fees of \$750,819. The transportation expenses total gross of 5.5% while net of program revenues total -0.3%. The transportation function, which includes the third year of TSDOR capital improvements, and was aided by capital grant revenues of \$612,359 resulting in a negative program cost (and therefore a revenue positive situation). Other total cost and net costs do not differ substantially by percentage or by dollars for each service.

**Business-Type Activities**

The Town reports one major enterprise fund, Solid Waste.

Total operating revenues increased \$11,016 or 1.5% while total operating expenses increased \$660,783 or 85% primarily due to debris removal expenses of \$655,340 newly incurred from Hurricane Irma. More specifically, Contractual and recycling expenses increased \$4,308 due to decreased contract collection price escalators. Other operating expenses increased \$1,135 in fiscal year 2017 as compared to fiscal year 2016 due to a slight increase in professional fees.

In total, the year-to-year change in operating income (loss) and net position decreased \$649,767 and \$664,290, 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 \$5,618,505 compared to \$4,843,824 at September 30, 2016.

The total governmental revenues exceeded expenditures by \$569,254.

The General Fund revenues exceeded its expenditures by \$2,297,368 as compared to \$2,242,592 for fiscal year 2016. Transfers in from Solid Waste of \$205,427 and transfers to other funds totaling \$2,141,370 offset this excess. The details of the general fund's financial operations are discussed below.

Governmental funds report total fund balance of \$5,618,505. Of this year-end total, \$1,378,035 is legally restricted for transportation (\$537,821), fire control including volunteer fire operations (\$653,656), public safety (\$7,579) and building (\$178,979). \$838,810 is committed to various projects, capital projects (\$244,985) and transportation (\$593,825). \$181,890 is assigned to the following purposes; debt service (\$25,266) and capital projects (\$156,624). \$514,823 is considered non-spendable and \$2,704,947 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show an increase of \$774,681 or 16.0% 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 \$3,908,837 increased by \$361,425 or 10.2% as compared to a decrease of \$1,653,807 or 31.8% in 2016. The ending unassigned fund balance is considered more than adequate, representing the equivalent of 30.9% of annual expenditures. This percentage compares to 29.0% at September 30, 2016.

Ad valorem (property) taxes increased \$389,048 or 7.6%. This increase primarily relates to the third year of implementation of a transportation surcharge and drainage ongoing rehabilitation (TSDOR) capital program as well as a slight increase in the taxable value of property and an operating millage rate increase from the prior year. However, in total, all tax revenues were \$427,109 or 6.1% above those of 2016. Licenses and permits were \$179,253 or 19.1% lower than the 2016 amount due to lower building permitting activity and a full year imposition of a decrease in fees imposed during the fourth quarter of 2016.

Overall, total General Fund expenditures increased \$179,366 or 2.1% above the fiscal year 2016 level. The most significant changes, by department, from fiscal year 2016 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, finance, and non-departmental departments were \$108,622 above the 2016 amount.

In total, public safety costs were up \$124,619 or 2.4% above the 2016 amount. This increase is primarily due to annual police and fire service provider contractual increase (\$159,324 or 3.2%), offset by a total decrease in volunteer fire department expenditures including stipend payments (\$34,705 or 0.8% in total).

The 2017 community services and development expenditures were \$83,681 or 8.2% below 2016. This decrease relates to decreased permits and application fee volume and rates for building, planning/zoning and engineering as well as for decreased townwide planning. The 2017 parks and recreation amounts were \$45,483 higher than the 2016 amount of \$357,602. The major portion of this increase is from a higher grounds maintenance frequency as well as water and sewer costs. Additionally, one new Town park facility opened during FY 2017.

In this fiscal year, the General Fund transferred \$2,141,370 to other funds, which included \$913,393 to the Transportation Fund, \$145,350 to the Capital Projects Fund, \$938,347 to the Debt Service Fund, \$144,280 to the Volunteer Fire Department Fund (a component unit). The Solid Waste Fund transferred \$205,427 to the General Fund.

**Transportation Fund** – This fund accounts for the Town’s share of the state gasoline and local option gas taxes, which are restricted to transportation purposes, a state transportation appropriation grant, and an on-going long term transportation surface and drainage ongoing rehabilitation (TSDOR) capital program. In fiscal year 2017, revenue of \$318,671 of intergovernmental revenue was earned as compared to \$783,076 in fiscal year 2016 primarily related to a decrease in the state transportation appropriation grant. \$439,493 was expended on roadways including engineering and related personnel costs during 2017 and \$380,579 on capital outlay comprising of; drainage improvements (\$115,502); roadway improvements including striping/markers (\$55,497); roadway paving (\$30,853); TSDOR (\$113,988); entranceway enhancements (\$19,799); and guardrails (\$44,940). The total legally restricted and committed transportation fund balance at fiscal year-end 2017 was \$537,821 and \$757,979, 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, increased \$147,947 or 720.6% to \$150,000 due to higher parks and recreation grants. Finally, \$50,116 of private source capital outlay donations were received in 2017 an increase of 47.4% from the 2016 amount of \$34,000.

During fiscal year 2017, this fund spent \$376,687 on capital outlay, which includes:

- Land improvements for Public Purpose \$10,000
- Land improvements for Country Estates Park Ball Fields \$152,365
- Improvements other than buildings for Calusa Corners Park \$109,564
- Building Improvements at Rolling Oaks Barn \$10,260
- Town Hall complex safety improvements \$1,510
- Infrastructure improvements for Sunshine Ranches Equestrian Park \$31,769
- Construction in Progress for Trailside/Founders Park \$61,219

Restricted fund balance was \$100,000 pertaining to fire control. Committed and assigned fund balance was \$60,507 and \$156,624, respectively. The total capital project fund balance at fiscal year-end 2017 was \$317,131.

**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 \$9,643 or .01%. This increase is primarily the result of unanticipated higher fire inspection and parks and recreation impact fees received. Investment income revenue exceeded the final budget by \$25,204 or 210.0% due to an unanticipated rising interest rate environment and miscellaneous revenues exceeded the final budget by \$40,839 or 46.2% primarily due to unanticipated proceeds received from sales/dispositions of surplus property All other revenue sources were consistent with the adopted budget. Overall, we ultimately recognized \$84,604 or 100.8% 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 \$134,108 or 6.0% below the budget, total public safety was \$111,950 or 2.1% below the budget, community services and development were \$1,770 or 0.2% below the budget, parks and recreation were \$21,529 or 5.1% below the budget and capital outlay were \$28,977 or 32.0% below the budget.



Overall, the total General Fund budget was underspent by \$298,334 or 3.3% 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, 2017, was \$59,713,320. The change in this net investment was a 0.5% decrease for governmental activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

	<b>Capital Assets</b>	
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Non-depreciable assets:		
Land	\$ 42,341,811	\$ 42,179,446
Construction in progress	2,251,336	2,091,274
Total non-depreciable	<u>44,593,147</u>	<u>44,270,720</u>
Depreciable assets:		
Infrastructure	22,684,178	22,381,347
Improvements other than buildings	4,888,488	4,747,155
Buildings & Bldg Improvements	3,432,696	3,415,551
Furniture and equipment	1,750,493	1,839,300
Total depreciable assets	32,755,855	32,383,353
Less: accumulated depreciation	<u>17,635,682</u>	<u>16,647,147</u>
Net book value - depreciable assets	<u>15,120,173</u>	<u>15,736,206</u>
Percentage depreciated	<u>54%</u>	<u>51%</u>
Total Capital Asset Net Book Value	<u>\$ 59,713,320</u>	<u>\$ 60,006,926</u>

At September 30, 2017, the depreciable capital assets for governmental activities were 54% depreciated. This compares to the 51% at September 30, 2016.

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:

- Country Estates Park Ball Field/Land Improvements \$152,365
- Public Purpose Land improvements \$10,000
- Entranceway signage Construction-in-progress \$19,799
- Drainage Construction-in-progress \$3,250
- TSDOR Construction-in-progress \$30,854
- Guardrails Construction-in-progress \$44,940
- Trailside/Founders Park Construction-in Progress \$61,219
- SW 55<sup>th</sup> Street Drainage Infrastructure \$112,252
- SW 190<sup>th</sup> Ext Infrastructure \$113,988
- Stirling Road and SW 172 Ave Striping Infrastructure \$55,497
- Fire Well Replacement Infrastructure \$21,094

- Calusa Corners Park Improvements other than buildings \$109,564
- Sunshine Ranches Equestrian Park Improvements other than buildings \$31,769
- Rolling Oaks Barn Building improvements \$10,260
- Public Safety-Fire Storage Building improvement \$5,375
- Town Hall complex safety/Building improvements \$1,510
- Town Hall Furniture and equipment \$24,523
- Public Safety-Fire Furniture and equipment \$10,670
- Public Safety-Fire Equipment-Pierce Quantum pump competitive sale (\$124,000)

**Debt**

The Town reports the series 2016 land acquisition note payable, series 2013 and 2011 revenue refunding notes payable as well as an equipment and other loan payable with financial institutions. The following table reports long-term debt balances at September 30, 2017 and 2016:

	<b>Outstanding Long-term Debt</b>	
	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
TD Note Payable	\$ 7,750,000	\$ 7,750,000
TD Note Payable	1,917,300	2,108,500
TD Note Payable	1,146,061	1,397,000
TD Note Payable	162,082	186,786
StoneGate Loan Payable	406,540	485,505
	<u>\$ 11,381,983</u>	<u>\$ 11,927,791</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 \$15,000, 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 2017, the unemployment rate for Broward County residents was 3.3% a reduction from a September 2016 rate of 4.6% and compares favorably to the State's unemployment rate of 3.8% and 5.0% for September 2017 and 2016, 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 (2012-2016), the Town's median household income of \$90,558 compares favorably to the State's as well as the Nation's median household income of \$48,900 and \$55,322, respectively.

In the 2017–2018 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 more favorably to national indices.

Some of the key elements affecting the fiscal year 2017-2018 budget include:

- Relatively modest change in taxable values
- Continuance of a low interest yield environment but most recently subject to upward mobility
- Crude oil prices remain stagnant
- Modest growth rates of building construction and rehabilitation
- Marginal decline but movement toward stabilization in State of Florida shared revenues, especially from gas taxes

All of these factors result in many budget challenges in fiscal year 2017-2018 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 2018 was unchanged in total and therefore remained at 4.4629. However, the individual millage components changed as the Town's regular operating rate is 4.1017 plus .3612 to provide for the fourth year of a major transportation related capital infrastructure capital project (TSDOR) is in comparison to 4.0579 plus .4050 to provide for TSDOR for fiscal year 2017. Increased taxable values solely resulted in an anticipated positive net revenue change of \$351,987. Additionally, during the current fiscal year, unassigned General Fund fund balance increased to \$2,704,947 but, during FY 2018, the Town is facing emergency debris recovery efforts from the effects of Hurricane Irma which impacted the Town on September 10, 2017 and which is not 100% reimbursable from Federal and State authorities. Also, the Town of Southwest Ranches has assigned \$198,210 of fund balance for spending in the 2017-2018 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, 2017**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 3,083,318	\$ 1,095,464	\$ 4,178,782
Investments	2,021,195	--	2,021,195
Receivables	299,264	46,401	345,665
Intergovernmental receivables	233,229	--	233,229
Prepaid items	32,103	--	32,103
Assets held for resale	482,720	--	482,720
Capital assets not being depreciated	44,593,147	--	44,593,147
Capital assets being depreciated	<u>15,120,173</u>	<u>--</u>	<u>15,120,173</u>
<b>Total Assets</b>	<u>65,865,149</u>	<u>1,141,865</u>	<u>67,007,014</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	<u>46,068</u>	<u>--</u>	<u>46,068</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	476,615	721,197	1,197,812
Accrued interest payable	21,700	--	21,700
Intergovernmental payable	2,317	--	2,317
Unearned revenue	54,392	--	54,392
Noncurrent liabilities:			
Due within one year	558,423	--	558,423
Due in more than one year	<u>10,823,560</u>	<u>--</u>	<u>10,823,560</u>
<b>Total Liabilities</b>	<u>11,937,007</u>	<u>721,197</u>	<u>12,658,204</u>
<b>Net Position</b>			
Net investment in capital assets	48,346,598	--	48,346,598
Restricted for:			
Transportation	537,821	--	537,821
Fire control	653,656	--	653,656
Public safety	7,579	--	7,579
Building	178,979	--	178,979
Unrestricted	<u>4,249,577</u>	<u>420,668</u>	<u>4,670,245</u>
<b>Total Net Position</b>	<u>\$ 53,974,210</u>	<u>\$ 420,668</u>	<u>\$ 54,394,878</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, 2017**

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	\$ 2,736,901	\$ --	\$ --	\$ --	\$ (2,736,901)	\$ --	\$ (2,736,901)
Public safety	5,471,550	2,133,982	--	--	(3,337,568)	--	(3,337,568)
Community services and development	936,647	759,959	12,752	--	(163,936)	--	(163,936)
Parks and recreation	656,412	10,197	6,090	200,116	(440,009)	--	(440,009)
Transportation	592,730	--	--	142,897	(449,833)	--	(449,833)
Interest and other debt services costs	<u>383,975</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(383,975)</u>	<u>--</u>	<u>(383,975)</u>
<b>Total Governmental Activities</b>	<b>10,778,215</b>	<b>2,904,138</b>	<b>18,842</b>	<b>343,013</b>	<b>(7,512,222)</b>	<b>--</b>	<b>(7,512,222)</b>
<b>Business-type Activities</b>							
Solid waste	<u>1,437,776</u>	<u>1,064,311</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(373,465)</u>	<u>(373,465)</u>
<b>Total Primary Government</b>	<b><u>\$ 12,215,991</u></b>	<b><u>\$ 3,968,449</u></b>	<b><u>\$ 18,842</u></b>	<b><u>\$ 343,013</u></b>	<b><u>(7,512,222)</u></b>	<b><u>(373,465)</u></b>	<b><u>(7,885,687)</u></b>
<b>General Revenues</b>							
Ad valorem taxes					5,495,085	--	5,495,085
Franchise fees based on gross receipts					643,968	--	643,968
Unrestricted intergovernmental revenue					777,213	--	777,213
Utility taxes					1,234,734	--	1,234,734
Unrestricted investment earnings					48,853	10,223	59,076
Miscellaneous					129,202	--	129,202
<b>Transfers</b>					<u>205,427</u>	<u>(205,427)</u>	<u>--</u>
<b>Total General Revenues and Transfers</b>					<u>8,534,482</u>	<u>(195,204)</u>	<u>8,339,278</u>
<b>Change in Net Position</b>					<u>1,022,260</u>	<u>(568,669)</u>	<u>453,591</u>
<b>Net Position - Beginning of Year</b>					<u>52,951,950</u>	<u>989,337</u>	<u>53,941,287</u>
<b>Net Position - End of Year</b>					<u>\$ 53,974,210</u>	<u>\$ 420,668</u>	<u>\$ 54,394,878</u>

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

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2017**

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 1,274,160	\$ 1,338,827	\$ 371,382	\$ 98,949	\$ 3,083,318
Investments	2,021,195	--	--	--	2,021,195
Receivables	299,264	--	--	--	299,264
Intergovernmental receivables	124,239	56,673	50,000	2,317	233,229
Prepaid items	29,569	--	--	2,534	32,103
Assets held for resale	482,720	--	--	--	482,720
<b>Total Assets</b>	<b><u>\$ 4,231,147</u></b>	<b><u>\$ 1,395,500</u></b>	<b><u>\$ 421,382</u></b>	<b><u>\$ 103,800</u></b>	<b><u>\$ 6,151,829</u></b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 265,601	\$ 99,700	\$104,251	\$ 7,063	\$ 476,615
Intergovernmental payable	2,317	--	--	--	2,317
Unearned revenues	54,392	--	--	--	54,392
<b>Total Liabilities</b>	<b><u>322,310</u></b>	<b><u>99,700</u></b>	<b><u>104,251</u></b>	<b><u>7,063</u></b>	<b><u>533,324</u></b>
<b>Fund Balances</b>					
Non-spendable:					
Prepaid items	29,569	--	--	2,534	32,103
Assets held for resale	482,720	--	--	--	482,720
Restricted for:					
Transportation	--	537,821	--	--	537,821
Fire control	484,719	--	100,000	68,937	653,656
Public safety	7,579	--	--	--	7,579
Building	178,979	--	--	--	178,979
Committed for:					
Capital projects	20,324	164,154	60,507	--	244,985
Transportation	--	593,825	--	--	593,825
Assigned for:					
Debt service	--	--	--	25,266	25,266
Capital projects	--	--	156,624	--	156,624
Unassigned	2,704,947	--	--	--	2,704,947
<b>Total Fund Balances</b>	<b><u>3,908,837</u></b>	<b><u>1,295,800</u></b>	<b><u>317,131</u></b>	<b><u>96,737</u></b>	<b><u>5,618,505</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 4,231,147</u></b>	<b><u>\$ 1,395,500</u></b>	<b><u>\$ 421,382</u></b>	<b><u>\$ 103,800</u></b>	<b><u>\$ 6,151,829</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, 2017**

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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)		\$	5,618,505
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets	\$	77,349,002	
Accumulated depreciation		<u>(17,635,682)</u>	59,713,320
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Long-term debt		(11,381,983)	
Accrued interest payable		(21,700)	
Deferred amount on refunding (amortized as interest expense)		<u>46,068</u>	<u>(11,357,615)</u>
<b>Net Position of Governmental Activities (Page 15)</b>			<b>\$ <u>53,974,210</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, 2017**

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Ad valorem taxes	\$ 5,495,085	\$ --	\$ --	\$ --	\$ 5,495,085
Utility taxes	1,234,734	--	--	--	1,234,734
Franchise fees	643,968	--	--	--	643,968
Licenses and permits	759,959	--	--	--	759,959
Intergovernmental	617,726	318,671	150,000	--	1,086,397
Charges for services	1,920,617	--	--	--	1,920,617
Fines and forfeitures	213,365	--	--	--	213,365
Investment income	37,204	7,977	3,229	443	48,853
Miscellaneous	129,202	--	50,116	12,752	192,070
<b>Total Revenues</b>	<u>11,051,860</u>	<u>326,648</u>	<u>203,345</u>	<u>13,195</u>	<u>11,595,048</u>
<b>Expenditures</b>					
General government	2,103,392	--	--	--	2,103,392
Public safety:					
Law enforcement	2,386,776	--	--	--	2,386,776
Fire control	2,862,929	--	--	149,383	3,012,312
Total public safety	<u>5,249,705</u>	<u>--</u>	<u>--</u>	<u>149,383</u>	<u>5,399,088</u>
Community services and development	936,647	--	--	--	936,647
Parks and recreation	403,085	--	--	--	403,085
Transportation	--	439,493	--	--	439,493
Capital outlay	61,663	380,579	376,687	--	818,929
Debt service:					
Principal	--	--	--	545,808	545,808
Interest and fiscal charges	--	--	--	379,352	379,352
<b>Total Expenditures</b>	<u>8,754,492</u>	<u>820,072</u>	<u>376,687</u>	<u>1,074,543</u>	<u>11,025,794</u>
Excess (deficiency) of revenues over expenditures	<u>2,297,368</u>	<u>(493,424)</u>	<u>(173,342)</u>	<u>(1,061,348)</u>	<u>569,254</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	205,427	913,393	145,350	1,082,627	2,346,797
Transfers out	<u>(2,141,370)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,141,370)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,935,943)</u>	<u>913,393</u>	<u>145,350</u>	<u>1,082,627</u>	<u>205,427</u>
<b>Change in Fund Balances</b>	361,425	419,969	(27,992)	21,279	774,681
<b>Fund Balances - Beginning 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>
<b>Fund Balances - End of Year</b>	<u>\$ 3,908,837</u>	<u>\$ 1,295,800</u>	<u>\$ 317,131</u>	<u>\$ 96,737</u>	<u>\$ 5,618,505</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, 2017**

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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) \$ 774,681

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	\$ 818,929	
Less: current year provision for depreciation expense	<u>(1,112,535)</u>	(293,606)

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

Repayment of principal	545,808
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Amortization of deferred amount on refunding	(5,758)
Accrued interest payable	<u>1,135</u>

<b>Change in Net Position of Governmental Activities (Page 16)</b>	<b><u>\$ 1,022,260</u></b>
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*The accompanying notes are an integral part of these financial statements.*

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**STATEMENT OF NET POSITION - PROPRIETARY FUND**

**SEPTEMBER 30, 2017**

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	<u>Solid Waste Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 1,095,464
Receivables	<u>46,401</u>
<b>Total Assets</b>	<u>1,141,865</u>
<b>Liabilities and Net Position</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	<u>721,197</u>
<b>Total Liabilities</b>	<u>721,197</u>
<b>Net Position</b>	
Unrestricted	<u>420,668</u>
<b>Total Net Position</b>	<u>\$ 420,668</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, 2017**

	<u>Solid Waste Fund</u>
<b>Operating Revenues</b>	
Charges for services	\$ 1,064,311
<b>Total Operating Revenues</b>	<u>1,064,311</u>
<b>Operating Expenses</b>	
Contractual services	729,694
Recycling	50,776
Debris removal	655,340
Other	<u>1,966</u>
<b>Total Operating Expenses</b>	<u>1,437,776</u>
<b>Operating Loss</b>	(373,465)
<b>Nonoperating Revenues</b>	
Investment income	<u>10,223</u>
<b>Loss before Transfers</b>	(363,242)
Transfer out	<u>(205,427)</u>
<b>Change in Net Position</b>	(568,669)
<b>Net Position - Beginning of Year</b>	<u>989,337</u>
<b>Net Position - End of Year</b>	<u>\$ 420,668</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, 2017**

	Solid Waste Fund
<b>Cash Flows from Operating Activities</b>	
Cash received from customers and users	\$ 1,023,408
Cash paid to suppliers	<u>(717,974)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>305,434</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Transfer out	<u>(205,427)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	<u>10,223</u>
<b>Net Increase in Cash</b>	110,230
<b>Cash - Beginning</b>	<u>985,234</u>
<b>Cash - Ending</b>	<u><u>\$ 1,095,464</u></u>
<b>Reconciliation of Operating Loss to Net Cash</b>	
<b>Provided by Operating Activities</b>	
Operating loss	\$ <u>(373,465)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Increase in receivables	(40,903)
Decrease in accounts payable and accrued liabilities	<u>719,802</u>
Total adjustments	<u>678,899</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 305,434</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, 2017

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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, 2017

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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 are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

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

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

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

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

---

### 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, 2017

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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 include the costs of sales and services, administrative expenses and depreciation on capital assets, as applicable. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

#### *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, 2017**

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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. IMPAIRMENT OF LONG-LIVED ASSETS***

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

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *H. LONG-TERM OBLIGATIONS*

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

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

#### *I. DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES*

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

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

#### *J. UNEARNED REVENUE*

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

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *K. FUND EQUITY*

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

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.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***K. FUND EQUITY (CONTINUED)***

*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.

#### ***L. NET POSITION***

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

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

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

#### ***M. FLOW ASSUMPTIONS***

##### ***Net Position Flow Assumption***

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

##### ***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the 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, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *N. USE OF ESTIMATES*

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

### 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, 2017**

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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, 2017:

	<u>Value</u>	<u>Weighted Average Maturity</u>
<b>Investments</b>		
Florida PRIME	<u>\$ 2,021,195</u>	51 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 of total investments. At September 30, 2017, the Town only invests in an external investment pool, the Florida PRIME.

*INVESTMENT POOLS AND POOL PARTICIPANTS*

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



# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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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, 2017, 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, 2017.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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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, 2017 was 4.4629 mills (operating millage was 4.0579 and TSDOR millage .4050 to total 4.4629).

### NOTE 4 - RECEIVABLES

Receivables as of September 30, 2017 for the Town's funds are as follows:

	Taxes and Fees
General Fund	\$ 299,264
Solid Waste Fund	46,401
<b>Total Receivables</b>	<b>\$ 345,665</b>

### NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2017 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 205,427	\$ 2,141,370
Transportation Fund	913,393	--
Capital Projects Fund	145,350	--
Volunteer Fire Department Fund	144,280	--
Debt Service Fund	938,347	--
Solid Waste Fund	--	205,427
<b>Total Interfund Transfers</b>	<b>\$ 2,346,797</b>	<b>\$ 2,346,797</b>

General Fund Transfers In consisted entirely of \$205,427 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, 2017**

### NOTE 5 – INTERFUND TRANSFERS (CONTINUED)

General Fund Transfers Out consisted of \$913,393 to the Transportation Fund to fund capital projects including TSDOR and operating needs; \$145,350 to the Capital Projects Fund to fund capital projects pertaining to a new Town Hall roof and to facilitate a public purpose land acquisition; \$144,280 to the Volunteer Fire Department Fund (component unit) to fund volunteer fire operations; and \$938,347 to the Debt Service Fund as debt service principal and interest payments become due in accordance with debt service covenants.

### NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2017 was as follows:

	Beginning				Ending
	Balance	Increases	Decreases	Transfers	Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 42,179,446	\$ 162,365	\$ --	\$ --	\$ 42,341,811
Construction in progress	2,091,274	160,062	--	(641,348)	2,251,336
Total capital assets, not being depreciated	<u>44,270,720</u>	<u>322,427</u>	<u>--</u>	<u>(641,348)</u>	<u>44,593,147</u>
Capital assets, being depreciated:					
Infrastructure	22,381,347	302,831	--	180,977	22,684,178
Improvements other than buildings	4,747,155	141,333	--	272,011	4,888,488
Buildings and building improvements	3,415,551	17,145	--	188,360	3,432,696
Furniture and equipment	1,839,300	35,193	(124,000)	--	1,750,493
Total capital assets being depreciated	<u>32,383,353</u>	<u>496,502</u>	<u>(124,000)</u>	<u>641,348</u>	<u>32,755,855</u>
Total capital assets	<u>76,654,073</u>	<u>818,929</u>	<u>(124,000)</u>	<u>--</u>	<u>77,349,002</u>
Less: accumulated depreciation for:					
Infrastructure	12,405,809	633,509	--	--	13,039,318
Improvements other than buildings	2,780,647	253,327	--	--	3,033,974
Buildings and building improvements	332,886	72,462	--	--	405,348
Furniture and equipment	1,127,805	153,237	(124,000)	--	1,157,042
Total accumulated depreciation	<u>16,647,147</u>	<u>1,112,535</u>	<u>(124,000)</u>	<u>--</u>	<u>17,635,682</u>
Total capital assets, being depreciated, net	<u>15,736,206</u>	<u>(616,033)</u>	<u>--</u>	<u>641,348</u>	<u>15,120,173</u>
<b>Governmental Activities</b>					
<b>Capital Assets, Net</b>	<u>\$ 60,006,926</u>	<u>\$ (293,606)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 59,713,320</u>

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

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

General government	\$ 633,509
Public safety	253,327
Parks and recreation	72,462
Transportation	<u>153,237</u>
<b>Total Depreciation - Governmental Activities</b>	<b><u>\$ 1,112,535</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, 2017.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note Payable Series 2013	\$ 2,108,500	\$ --	\$ (191,200)	\$ 1,917,300	\$ 192,800
Note Payable Series 2011	1,397,000	--	(250,939)	1,146,061	257,862
Note Payable Series 2016	7,750,000	--	--	7,750,000	--
Rosenbauer Payable	186,786	--	(24,704)	162,082	25,335
Loan Payable	<u>485,505</u>	<u>--</u>	<u>(78,965)</u>	<u>406,540</u>	<u>82,426</u>
<b>Total</b>	<b><u>\$ 11,927,791</u></b>	<b><u>\$ --</u></b>	<b><u>\$ (545,808)</u></b>	<b><u>\$ 11,381,983</u></b>	<b><u>\$ 558,423</u></b>

***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.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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

#### *REVENUE REFUNDING NOTE, SERIES 2013 (CONTINUED)*

The annual requirements to pay principal and interest on this obligation as of September 30, 2017 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	213,300	24,167	237,467
2023-2026	904,500	43,792	948,292
<b>Total</b>	<b>\$ 1,917,300</b>	<b>\$ 213,567</b>	<b>\$ 2,130,867</b>

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

On December 1, 2011 the Town entered into 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
2018	\$ 257,862	\$ 28,662	\$ 286,524
2019	264,973	21,550	286,523
2020	272,281	14,242	286,523
2021	279,791	6,733	286,524
2022	71,154	485	71,639
<b>Total</b>	<b>\$ 1,146,061</b>	<b>\$ 71,672</b>	<b>\$ 1,217,733</b>

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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

***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.

The annual requirements to pay principal and interest on this obligation as of September 30, 2017 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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>\$2,959,531</u>	<u>\$10,709,531</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
2018	\$ 25,335	\$ 4,149	\$ 29,484
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>\$ 162,082</u>	<u>\$ 14,829</u>	<u>\$ 176,911</u>

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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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, 2017 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	56,405	730	57,135
<b>Total</b>	<u>\$ 406,540</u>	<u>38,464</u>	<u>\$ 445,004</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, 2017.



# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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### NOTE 8 – RISK MANAGEMENT

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

### NOTE 9 – COMMITMENTS AND CONTINGENCIES

#### *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 \$2,386,776 for police services for the fiscal year ended September 30, 2017.

#### *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 \$2,793,621 under this agreement for the fiscal year ended September 30, 2017.

#### *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, 2017, the Town paid \$440,128 for these services and an additional \$4,205 for hurricane related expenditures.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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### NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### *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, 2017, the Town paid \$71,989 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, 2017, the Town paid \$177,412 for code compliance and zoning services.

#### *LITIGATION*

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

#### *GRANTS AND AWARDS*

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

### NOTE 10 – 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.

# TOWN OF SOUTHWEST RANCHES, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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### NOTE 10 – DEFINED CONTRIBUTION PLAN (CONTINUED)

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 2017. 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, 2017, the employer pension expense was \$60,614 and the outstanding employer liability at the end of the reporting period was \$1,175.

### NOTE 11 – DEFERRED COMPENSATION PLAN

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

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# REQUIRED SUPPLEMENTARY INFORMATION



2017 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Reese Garcia*

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 5,455,885	\$ 5,495,085	\$ 5,495,085	\$ --
Utility taxes	1,164,754	1,234,735	1,234,734	(1)
Franchise fees	600,121	639,474	643,968	4,494
Licenses and permits	586,634	758,981	759,959	978
Intergovernmental	625,765	623,629	617,726	(5,903)
Charges for services	1,893,757	1,910,974	1,920,617	9,643
Fines and forfeitures	291,000	204,015	213,365	9,350
Investment income	12,000	12,000	37,204	25,204
Miscellaneous	74,972	88,363	129,202	40,839
<b>Total Revenues</b>	<u>10,704,888</u>	<u>10,967,256</u>	<u>11,051,860</u>	<u>84,604</u>
<b>Expenditures</b>				
Current:				
General government	2,159,325	2,237,500	2,103,392	134,108
Public safety:				
Law enforcement	2,462,964	2,462,964	2,386,776	76,188
Fire control	2,913,691	2,898,691	2,862,929	35,762
Total public safety	<u>5,376,655</u>	<u>5,361,655</u>	<u>5,249,705</u>	<u>111,950</u>
Community services and development	804,772	938,417	936,647	1,770
Parks and recreation	424,614	424,614	403,085	21,529
Capital outlay	75,640	90,640	61,663	28,977
<b>Total Expenditures</b>	<u>8,841,006</u>	<u>9,052,826</u>	<u>8,754,492</u>	<u>298,334</u>
<b>Excess of Revenues over Expenditures</b>	<u>1,863,882</u>	<u>1,914,430</u>	<u>2,297,368</u>	<u>382,938</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	205,427	205,427	205,427	--
Transfers out	(2,134,504)	(2,142,004)	(2,141,370)	634
<b>Total Other Financing Sources (Uses)</b>	<u>(1,929,077)</u>	<u>(1,936,577)</u>	<u>(1,935,943)</u>	<u>634</u>
<b>Change in Fund Balance</b>	<u>\$ (65,195)</u>	<u>\$ (22,147)</u>	<u>\$ 361,425</u>	<u>\$ 383,572</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 65,195</u>	<u>\$ 22,147</u>		

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 466,403	\$ 582,403	\$ 318,671	\$ (263,732)
Investment income	<u>250</u>	<u>250</u>	<u>7,977</u>	<u>7,727</u>
<b>Total Revenues</b>	<u>466,653</u>	<u>582,653</u>	<u>326,648</u>	<u>(256,005)</u>
<b>Expenditures</b>				
Current:				
Transportation	470,046	471,562	439,493	32,069
Capital outlay	<u>1,034,200</u>	<u>1,387,503</u>	<u>380,579</u>	<u>1,006,924</u>
<b>Total Expenditures</b>	<u>1,504,246</u>	<u>1,859,065</u>	<u>820,072</u>	<u>1,038,993</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(1,037,593)</u>	<u>(1,276,412)</u>	<u>(493,424)</u>	<u>782,988</u>
<b>Other Financing Sources</b>				
Transfers in	<u>913,393</u>	<u>913,393</u>	<u>913,393</u>	<u>--</u>
<b>Total Other Financing Sources</b>	<u>913,393</u>	<u>913,393</u>	<u>913,393</u>	<u>--</u>
<b>Change in Fund Balance</b>	<u>\$ (124,200)</u>	<u>\$ (363,019)</u>	<u>\$ 419,969</u>	<u>\$ 782,988</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 124,200</u>	<u>\$ 363,019</u>		



# **TOWN OF SOUTHWEST RANCHES, FLORIDA**

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

#### **FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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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.
- 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, 2017**

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	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash	\$ 73,683	\$ 25,266	\$ 98,949
Due from other funds	2,317	--	2,317
Prepaid items	<u>2,534</u>	<u>--</u>	<u>2,534</u>
<b>Total Assets</b>	<u>\$ 78,534</u>	<u>\$ 25,266</u>	<u>\$ 103,800</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<u>\$ 7,063</u>	<u>\$ --</u>	<u>\$ 7,063</u>
<b>Total Liabilities</b>	<u>7,063</u>	<u>--</u>	<u>7,063</u>
<b>Fund Balances</b>			
Non-spendable:			
Prepaid items	2,534	--	2,534
Restricted for:			
Fire control	68,937	--	68,937
Assigned for:			
Debt service	<u>--</u>	<u>25,266</u>	<u>25,266</u>
<b>Total Fund Balances</b>	<u>71,471</u>	<u>25,266</u>	<u>96,737</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 78,534</u>	<u>\$ 25,266</u>	<u>\$ 103,800</u>

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Investment income	\$ 443	\$ --	\$ 443
Miscellaneous	<u>12,752</u>	<u>--</u>	<u>12,752</u>
<b>Total Revenues</b>	<u>13,195</u>	<u>--</u>	<u>13,195</u>
<b>Expenditures</b>			
Fire and rescue services	149,383	--	149,383
Debt service:			
Principal	--	545,808	545,808
Interest and fiscal charges	<u>--</u>	<u>379,352</u>	<u>379,352</u>
<b>Total Expenditures</b>	<u>149,383</u>	<u>925,160</u>	<u>1,074,543</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(136,188)</u>	<u>(925,160)</u>	<u>(1,061,348)</u>
<b>Other Financing Sources</b>			
Transfers in	<u>144,280</u>	<u>938,347</u>	<u>1,082,627</u>
<b>Total Other Financing Sources</b>	<u>144,280</u>	<u>938,347</u>	<u>1,082,627</u>
<b>Change in Fund Balances</b>	8,092	13,187	21,279
<b>Fund Balances - Beginning</b>	<u>63,379</u>	<u>12,079</u>	<u>75,458</u>
<b>Fund Balances - Ending</b>	<u>\$ 71,471</u>	<u>\$ 25,266</u>	<u>\$ 96,737</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$       --	\$       --	\$       --	\$       --
<b>Expenditures</b>				
Debt service:				
Principal	546,154	546,154	545,808	346
Interest and fiscal charges	392,193	392,193	379,352	12,841
<b>Total Expenditures</b>	<u>950,847</u>	<u>950,847</u>	<u>925,160</u>	<u>25,687</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(950,847)</u>	<u>(950,847)</u>	<u>(925,160)</u>	<u>25,687</u>
<b>Other Financing Sources</b>				
Transfers in	938,347	938,347	938,347	--
<b>Total Other Financing Sources</b>	<u>938,347</u>	<u>938,347</u>	<u>938,347</u>	<u>--</u>
<b>Change in Fund Balance</b>	<u>\$ (12,500)</u>	<u>\$ (12,500)</u>	<u>\$ 13,187</u>	<u>\$ 25,687</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 12,500</u>	<u>\$ 12,500</u>		

**TOWN OF SOUTHWEST RANCHES, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 150,000	\$ 150,000	\$ 150,000	\$ --
Investment income	--	--	3,229	3,229
Miscellaneous	<u>37,500</u>	<u>50,117</u>	<u>50,116</u>	<u>(1)</u>
<b>Total Revenues</b>	<u>187,500</u>	<u>200,117</u>	<u>203,345</u>	<u>3,228</u>
<b>Expenditures</b>				
Capital outlay	<u>541,130</u>	<u>564,120</u>	<u>376,687</u>	<u>187,433</u>
<b>Total Expenditures</b>	<u>541,130</u>	<u>564,120</u>	<u>376,687</u>	<u>187,433</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(353,630)</u>	<u>(364,003)</u>	<u>(173,342)</u>	<u>190,661</u>
<b>Other Financing Sources</b>				
Transfers in	<u>137,850</u>	<u>145,350</u>	<u>145,350</u>	<u>--</u>
<b>Total Other Financing Sources</b>	<u>137,850</u>	<u>145,350</u>	<u>145,350</u>	<u>--</u>
<b>Change in Fund Balance</b>	<u>\$ (215,780)</u>	<u>\$ (218,653)</u>	<u>\$ (27,992)</u>	<u>\$ 190,661</u>
<b>Appropriated Beginning Fund Balance</b>	<u>\$ 215,780</u>	<u>\$ 218,653</u>		



# STATISTICAL SECTION



2017 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest  
*Submitted by: Regina Smith*

**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.	51-67
<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.	68-74
<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.	76-77
<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.	78-80
<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.	81-82

***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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
General government	\$ 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	\$ 2,736,901
Public safety	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	5,471,550
Community services & development	2,036,933	1,446,553	1,313,271	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647
Public works	1,640,272	1,900,861	-	-	-	-	-	-	-	-
Parks and recreation	507,966	502,143	387,510	310,369	419,249	497,374	482,289	825,673	672,817	656,412
Transportation	261,532	253,394	751,754	725,093	730,440	744,296	767,872	641,501	907,415	592,730
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Interest and other debt service costs	340,250	280,961	286,467	258,608	299,696	279,615	240,636	188,650	237,838	383,975
<b>Total Expenses</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>10,778,215</b>
<b>Program Revenues:</b>										
Charges for services:										
General government	116,332	142,592	155,437	134,717	109,180	-	-	-	-	-
Public safety	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	2,133,982
Community services & development	942,262	1,024,625	801,244	788,347	635,692	1,185,269	1,001,627	975,302	1,121,522	759,959
Parks and recreation	50,925	1,645	-	-	-	-	-	-	11,047	10,197
Public works	1,296,891	1,303,431	-	-	-	-	-	-	-	-
Operating grants and contributions	1,899,800	196,192	269,781	96,606	48,197	35,683	28,003	13,049	22,694	18,842
Capital grants and contributions	116,152	11,342	280,521	59,162	181,015	382,033	161,293	328,924	649,412	343,013
<b>Total Program Revenues</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>3,265,993</b>
<b>Net (Expense) Revenue</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>(7,512,222)</b>
<b>General Revenues:</b>										
Taxes:										
Property taxes	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	5,495,085
Utility taxes	589,629	593,394	659,884	1,079,094	1,092,624	1,147,616	1,169,184	1,212,320	1,226,602	1,234,734
Franchise fees based on gross receipts	1,046,849	1,167,851	1,005,629	620,532	593,888	571,399	616,559	621,659	614,039	643,968
Unrestricted intergovernmental revenues	552,210	546,154	547,048	790,831	689,697	720,491	734,438	771,930	777,914	777,213
Unrestricted investment earnings	141,347	53,342	90,149	25,786	30,789	17,725	5,598	19,660	20,640	48,853
Miscellaneous	25,159	43,700	68,173	139,911	97,064	134,736	94,659	89,589	91,794	129,202
Extraordinary item, impairment of asset	-	(60,676)	-	-	-	-	-	-	-	-
<b>Total General Revenues</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>8,329,055</b>
<b>Net Transfers In</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>205,427</b>
<b>Total General Revenues Net of Transfers</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>8,534,482</b>
<b>Change in Net Position</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>	<b>\$ 1,022,260</b>

**Notes:**

<sup>1</sup> Transportation include significant expenditures and intergovernmental revenue resulting from hurricanes Katrina and Wilma costs and related federal .  
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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
General government	15.3%	12.1%	15.4%	19.2%	20.3%	20.3%	19.2%	19.8%	20.2%	25.4%
Public safety	36.4%	49.3%	58.7%	57.9%	54.8%	54.9%	57.8%	54.6%	52.2%	50.8%
Community services & development	20.5%	12.7%	12.4%	8.7%	9.5%	8.0%	7.9%	8.7%	9.9%	8.7%
Public works	16.5%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	5.1%	4.4%	3.7%	3.4%	4.5%	5.5%	4.9%	8.4%	6.5%	6.1%
Transportation	2.6%	2.2%	7.1%	7.9%	7.8%	8.2%	7.8%	6.5%	8.8%	5.5%
Nondepartmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest and other debt service costs	3.4%	2.5%	2.7%	2.9%	3.2%	3.1%	2.4%	1.9%	2.3%	3.6%
<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	2.1%	3.8%	5.1%	5.0%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Public safety	19.1%	29.1%	50.3%	59.9%	65.5%	53.4%	63.0%	61.9%	52.7%	65.3%
Community services & development	17.2%	27.1%	26.4%	29.3%	22.5%	34.5%	31.1%	28.2%	29.4%	23.3%
Parks and recreation	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%
Public works	23.7%	34.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating grants and contributions	34.8%	5.2%	8.9%	3.6%	1.7%	1.0%	0.9%	0.4%	0.6%	0.6%
Capital grants and contributions	2.1%	0.3%	9.2%	2.2%	6.4%	11.1%	5.0%	9.5%	17.0%	10.5%
<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	62.5%	65.9%	65.9%	61.8%	62.1%	61.5%	61.8%	63.8%	65.2%	66.0%
Utility taxes	9.4%	8.6%	9.5%	15.5%	16.5%	17.0%	17.0%	16.2%	15.7%	14.8%
Franchise fees based on gross receipts	16.7%	17.0%	14.5%	8.9%	9.0%	8.5%	9.0%	8.3%	7.8%	7.7%
Unrestricted intergovernmental revenues	8.8%	7.9%	7.9%	11.4%	10.4%	10.7%	10.7%	10.3%	9.9%	9.3%
Unrestricted investment earnings (losses)	2.3%	0.8%	1.3%	0.4%	0.5%	0.3%	0.1%	0.3%	0.3%	0.6%
Miscellaneous	0.4%	0.6%	1.0%	2.5%	1.5%	2.0%	1.4%	1.2%	1.2%	1.6%
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%	-0.9%	0.0%	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 Eight Fiscal Years <sup>1</sup>**  
**(accrual basis of accounting)**

Source	For the Fiscal Year Ended							
	2010	2011	2012	September 30,		2015	2016	2017
				2013	2014			
<b>Expenses:</b>								
Solid waste	\$ 1,417,368	\$ 1,582,463	\$ 1,401,456	\$ 966,722	\$ 781,764	\$ 761,680	\$ 776,993	\$ 782,436
Debris removal	-	-	-	-	-	-	-	655,340
Sub Total	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680	776,993	1,437,776
<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	1,064,311
Operating grants and contributions	-	-	-	113,914	-	-	-	-
<b>Net Revenue</b>	234,437	38,393	138,281	244,444	268,712	283,867	276,302	(373,465)
<b>General Revenues:</b>								
Investment earnings	10,118	8,500	2,121	564	476	1,498	5,147	10,223
Miscellaneous	-	-	-	21,445	16,634	279,579	-	-
<b>Income(Expense) before Transfers:</b>	244,555	46,893	140,402	266,453	285,822	564,944	281,449	(363,242)
Transfers out	-	-	(128,701)	(174,492)	(183,327)	(168,833)	(185,828)	(205,427)
<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>	<u>\$ (568,669)</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
Governmental activities <sup>1</sup>	\$ 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	\$ 10,778,215
Business-type activities <sup>2</sup>	-	-	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680	776,993	1,437,776
<b>Total Expenses</b>	<b>9,913,699</b>	<b>11,373,643</b>	<b>11,988,955</b>	<b>10,718,374</b>	<b>10,773,027</b>	<b>10,015,976</b>	<b>10,623,786</b>	<b>10,583,244</b>	<b>11,062,655</b>	<b>12,215,991</b>
<b>Program Revenues:</b>										
Governmental activities <sup>1</sup>	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	3,265,993
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	1,064,311
<b>Total Program Revenues</b>	<b>5,467,011</b>	<b>3,780,135</b>	<b>4,685,972</b>	<b>4,312,805</b>	<b>4,362,154</b>	<b>4,651,128</b>	<b>4,272,695</b>	<b>4,503,696</b>	<b>4,871,912</b>	<b>4,330,304</b>
<b>Net (Expense) Revenue</b>	<b>(4,446,688)</b>	<b>(7,593,508)</b>	<b>(7,302,983)</b>	<b>(6,405,569)</b>	<b>(6,410,873)</b>	<b>(5,364,848)</b>	<b>(6,351,091)</b>	<b>(6,079,548)</b>	<b>(6,190,743)</b>	<b>(7,885,687)</b>
<b>General Revenues and Transfers:</b>										
Governmental activities <sup>1</sup>	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	8,534,482
Business-type activities <sup>2</sup>	-	-	10,118	8,500	(126,580)	(152,483)	(166,217)	112,244	(180,681)	(195,204)
<b>Total General Revenues and Tfrs</b>	<b>6,275,703</b>	<b>6,871,200</b>	<b>6,955,567</b>	<b>6,968,354</b>	<b>6,611,521</b>	<b>6,760,653</b>	<b>6,883,265</b>	<b>7,784,698</b>	<b>7,842,173</b>	<b>8,339,278</b>
<b>Change in Net Position</b>	<b>\$ 1,829,015</b>	<b>\$ (722,308)</b>	<b>\$ (347,416)</b>	<b>\$ 562,785</b>	<b>\$ 200,648</b>	<b>\$ 1,395,805</b>	<b>\$ 532,174</b>	<b>\$ 1,705,150</b>	<b>\$ 1,651,430</b>	<b>\$ 453,591</b>

**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)*

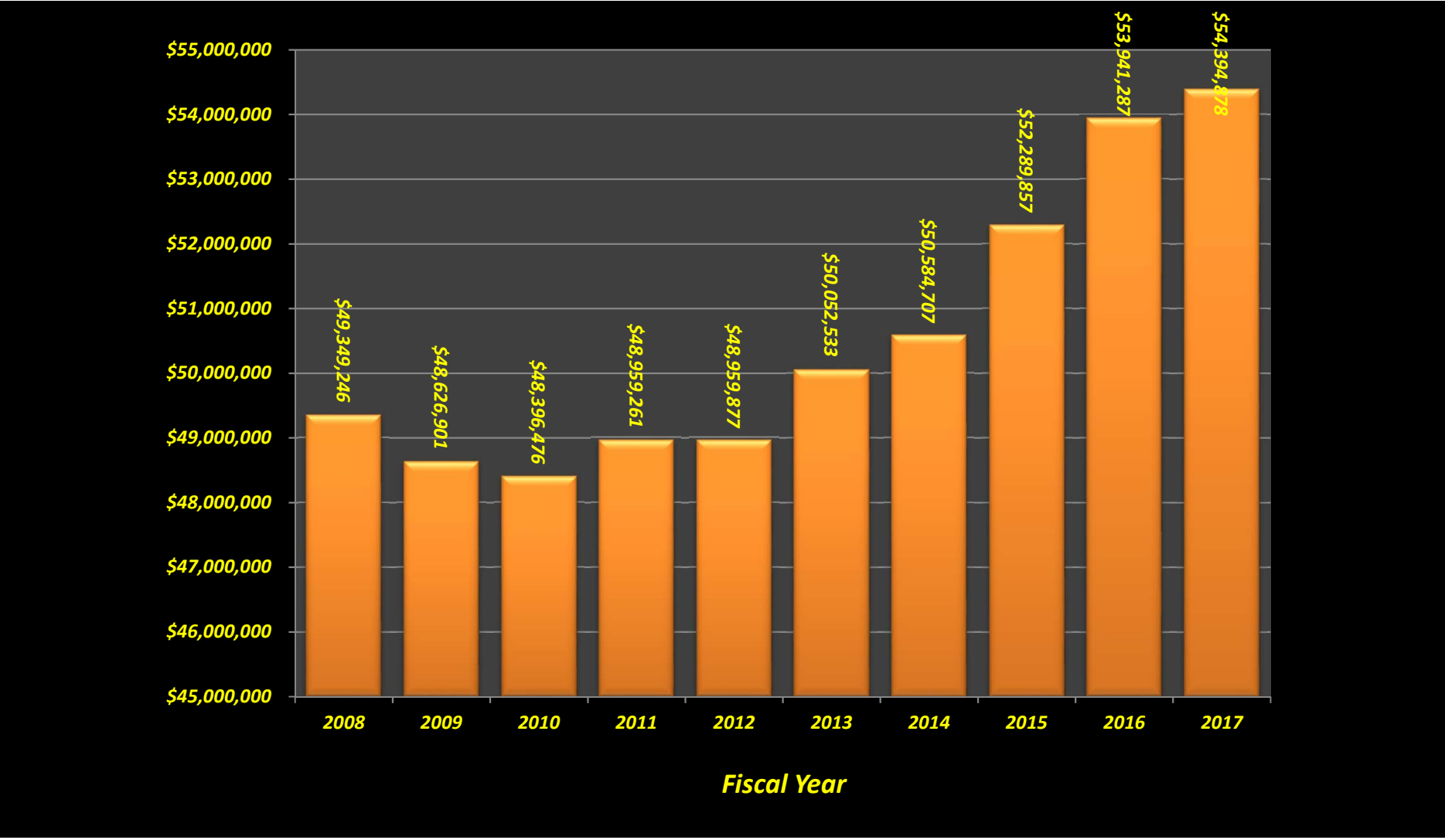
	2008	2009	2010	2011	September 30, 2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 44,125,155	\$ 43,824,944	\$ 44,607,660	\$ 44,892,153	\$ 44,421,400	\$ 44,642,297	\$ 44,619,097	\$ 45,134,927	\$ 48,086,199	\$ 48,346,598
Restricted	215,354	315,335	728,064	736,555	440,705	370,921	599,649	935,161	1,349,124	1,378,035
Unrestricted	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	4,249,577
<b>Subtotal Governmental Activities Net Position</b>	<u>49,349,246</u>	<u>48,626,901</u>	<u>48,151,921</u>	<u>48,667,813</u>	<u>48,656,728</u>	<u>49,657,423</u>	<u>50,087,102</u>	<u>51,396,141</u>	<u>52,951,950</u>	<u>53,974,210</u>
<b>Business-type Activities</b>										
Unrestricted	-	-	244,555	291,448	303,149	395,110	497,605	893,716	989,337	420,668
<b>Primary Government</b>										
Net investment in capital assets	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	48,346,598
Restricted	215,354	315,335	728,064	736,555	440,705	370,921	599,649	935,161	1,349,124	1,378,035
Unrestricted	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	4,670,245
<b>Total Primary Government Net Position</b>	<u>\$ 49,349,246</u>	<u>\$ 48,626,901</u>	<u>\$ 48,396,476</u>	<u>\$ 48,959,261</u>	<u>\$ 48,959,877</u>	<u>\$ 50,052,533</u>	<u>\$ 50,584,707</u>	<u>\$ 52,289,857</u>	<u>\$ 53,941,287</u>	<u>\$ 54,394,878</u>

**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)



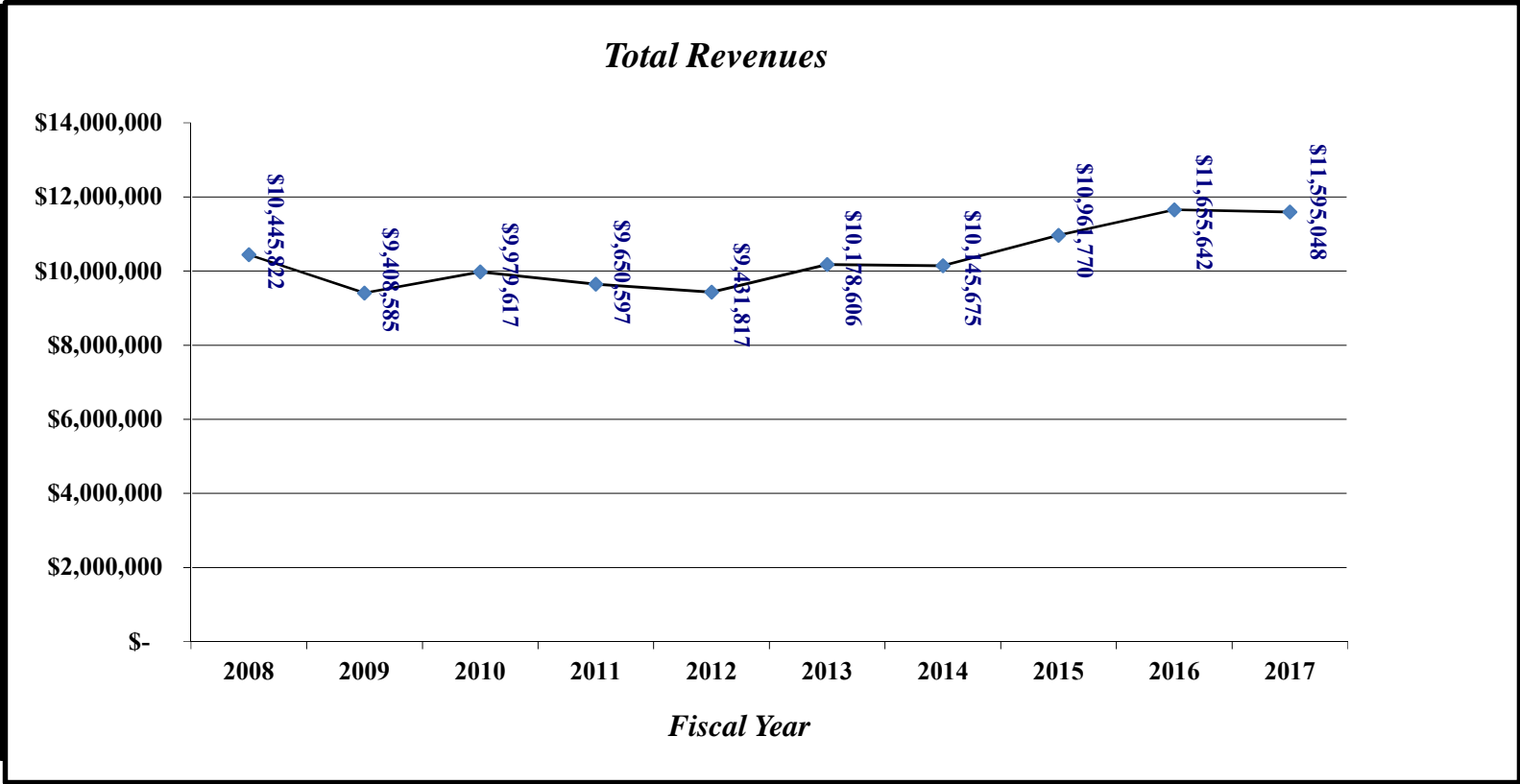
**Town of Southwest Ranches, Florida**  
**General Governmental Revenues by Source (Unaudited) <sup>1</sup>**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	For the Fiscal Year Ended September 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenue Source</b>	<b>Amounts</b>									
Taxes	\$ 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	\$ 7,373,787
Licenses and permits	758,289	757,059	499,056	482,382	521,830	517,697	604,935	757,924	939,212	759,959
Intergovernmental	729,245	742,348	522,048	787,169	689,697	683,355	707,938	758,881	721,220	399,969
Charges for services	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	1,920,617
Fines and forfeitures	39,912	73,595	72,892	75,076	109,180	741,077	488,337	373,346	302,296	213,365
Physical and economic charges	-	-	325,775	309,627	113,862	-	-	-	-	-
Grants	1,838,916	11,342	550,302	155,768	229,212	417,716	189,296	341,973	672,106	686,428
Investment income	141,347	53,342	90,149	25,786	30,789	17,725	5,598	19,660	20,640	48,853
Sale of trees	50,925	1,645	-	-	-	-	-	-	-	-
Miscellaneous	285,552	380,263	152,132	198,346	97,064	171,872	178,460	102,638	140,603	192,070
<b>Total Revenues</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>\$ 11,595,048</b>
<b>% Change from Prior Year</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>-0.5%</b>
	<b>Percentage of Total</b>									
Taxes	53.2%	66.8%	62.5%	62.2%	61.4%	57.6%	59.4%	60.4%	59.6%	63.6%
Licenses and permits	7.3%	8.0%	5.0%	5.0%	5.5%	5.1%	6.0%	6.9%	8.1%	6.6%
Intergovernmental	7.0%	7.9%	5.2%	8.2%	7.3%	6.7%	7.0%	6.9%	6.2%	3.4%
Charges for services	10.0%	11.7%	15.3%	16.7%	19.6%	17.3%	19.1%	18.1%	16.4%	16.6%
Fines and forfeitures	0.4%	0.8%	0.7%	0.8%	1.2%	7.3%	4.8%	3.4%	2.6%	1.8%
Physical and economic charges	0.0%	0.0%	3.3%	3.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	17.6%	0.1%	5.5%	1.6%	2.4%	4.1%	1.9%	3.1%	5.8%	5.9%
Investment income	1.4%	0.6%	0.9%	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%	0.4%
Sale of trees	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous	2.7%	4.0%	1.5%	2.1%	1.0%	1.7%	1.8%	0.9%	1.2%	1.7%
<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)



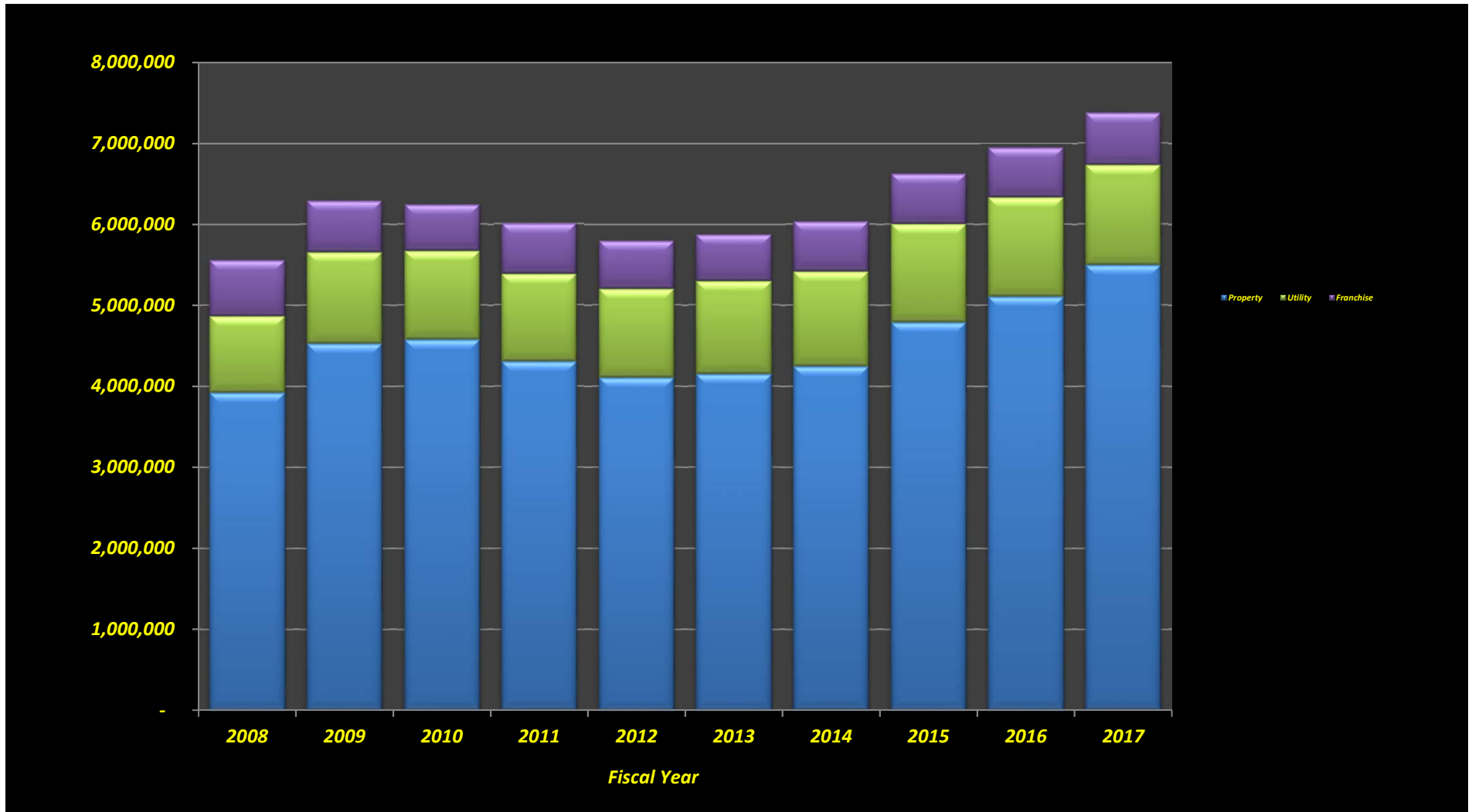
**Town of Southwest Ranches, Florida**  
*Tax Revenues by Source - Governmental Funds (Unaudited)*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

<b>For The Fiscal Year Ended September 30,</b>	<b>Property</b>	<b>Utility</b>	<b>Franchise</b>	<b>Total</b>
<b>Amounts</b>				
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
2017	5,495,085	1,234,734	643,968	7,373,787
<b>% Change in Dollars Over 10 Years</b>	40.2%	30.8%	-7.0%	32.7%
<b>Percentage of Total</b>				
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%
2017	74.5%	16.7%	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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Current:</b>										
General government	\$ 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	\$ 2,103,392
Public safety	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	5,399,088
Community services & development	2,036,933	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647
Public works	1,164,999	1,425,587	-	-	-	-	-	-	-	-
Parks and recreation	333,343	326,710	285,500	142,032	177,921	223,462	195,826	286,489	357,602	403,085
Transportation and hurricane-related expenditures	261,536	253,394	856,243	301,951	222,031	254,809	239,077	327,491	342,722	439,493
Nondepartmental	-	-	-	-	-	-	-	-	-	-
<b>Total Current</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>9,281,705</b>
<b>% Change From Prior Year</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>3.6%</b>
<b>Capital Outlay</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>818,929</b>
<b>% Change From Prior Year</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>-91.7%</b>
<b>Debt Service:</b>										
Principal	3,106,158	111,855	125,278	132,413	332,506	2,691,917	502,068	509,226	2,164,128	545,808
Interest and fees	343,720	283,248	291,328	260,900	302,092	410,639	219,162	215,478	235,814	379,352
<b>Total Debt Service</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>925,160</b>
<b>% Change From Prior Year</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>-61.5%</b>
<b>Ratio of Total Debt Service to Total Non-Capital Expenditures</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>9.1%</b>
<b>Total Expenditures</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>\$ 11,025,794</b>
<b>% Change From Prior Year</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>	<b>-48.0%</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)**

<b>Function</b>	For the Fiscal Year Ended September 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	<b>Amounts</b>									
<b>Current:</b>										
General government	\$ 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	\$ 2,103,392
Public safety	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	5,399,088
Community services & development	2,036,933	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647
Public works	1,164,999	1,425,587	-	-	-	-	-	-	-	-
Parks and recreation	333,343	326,710	285,500	142,032	177,921	223,462	195,826	286,489	357,602	403,085
Transportation and hurricane-related expenditures	261,536	253,394	856,243	301,951	222,031	254,809	239,077	327,491	342,722	439,493
<b>Total Current Expenditures</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>\$ 9,281,705</b>
	<b>Percentage of Total</b>									
<b>Current:</b>										
General government	16.7%	13.2%	17.3%	21.2%	22.5%	23.0%	21.1%	21.8%	22.3%	22.7%
Public safety	40.5%	53.6%	60.7%	63.7%	61.8%	61.7%	64.7%	60.9%	58.5%	58.2%
Community services & development	22.9%	13.9%	9.7%	9.7%	10.9%	9.2%	9.1%	10.1%	11.4%	10.1%
Public works	13.1%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	3.8%	3.1%	3.1%	1.7%	2.2%	2.9%	2.3%	3.4%	4.0%	4.3%
Transportation and hurricane-related expenditures	2.9%	2.4%	9.2%	3.7%	2.7%	3.3%	2.8%	3.8%	3.8%	4.7%
<b>Total Current Expenditures</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:**

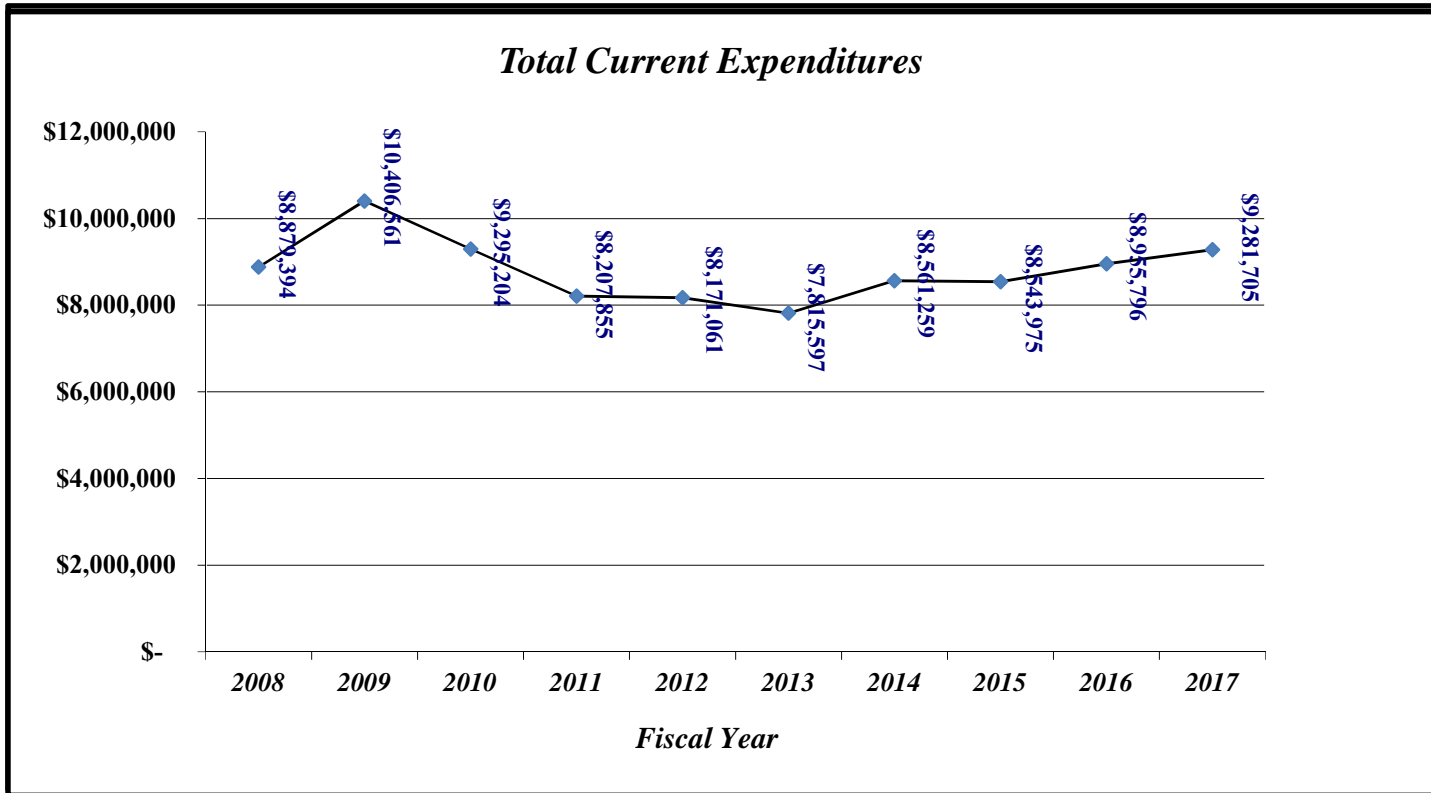
<sup>1</sup> Includes all governmental fund types.

**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)

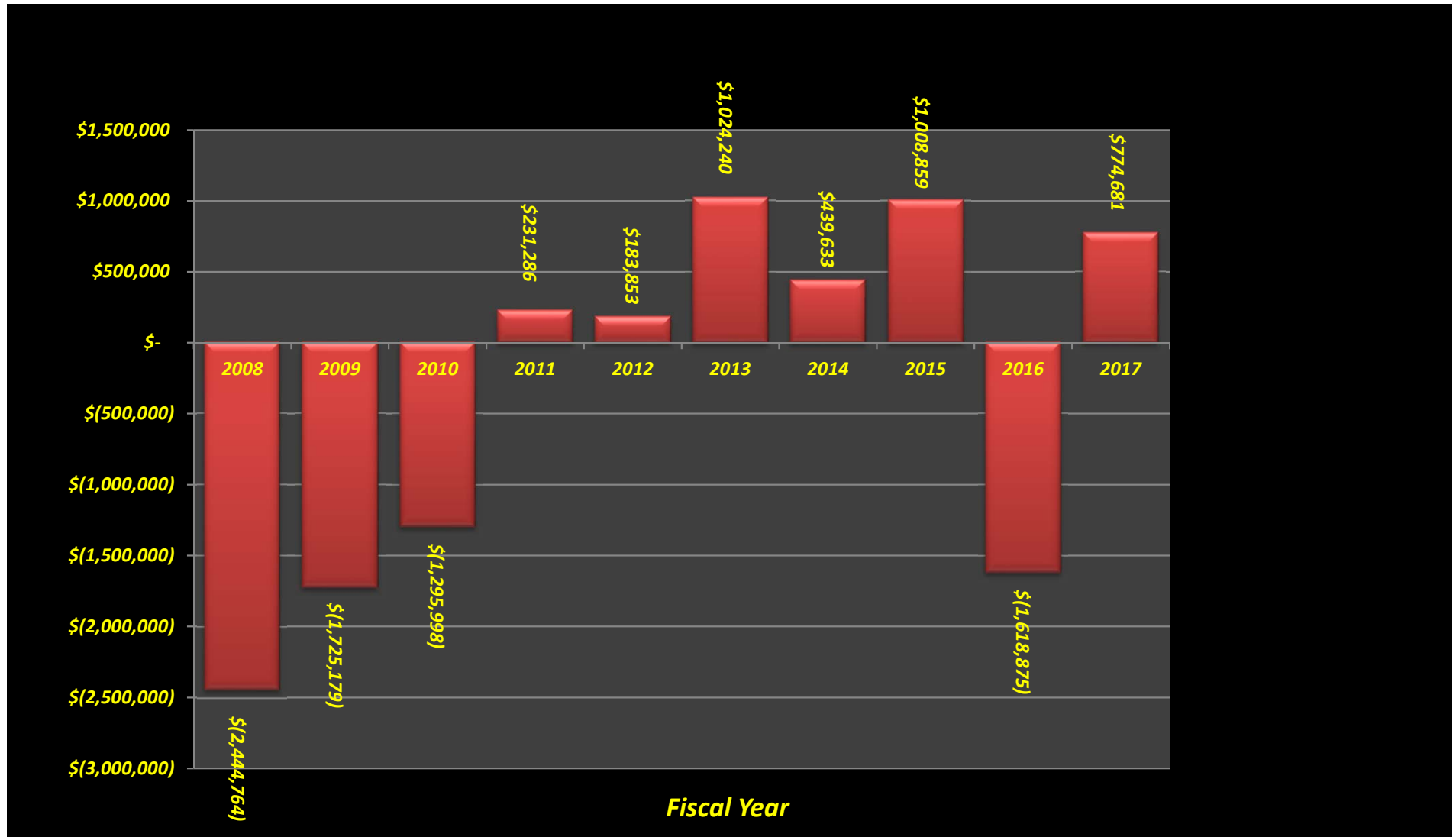


**Town of Southwest Ranches, Florida**  
**Summary of Changes in Fund Balances - Governmental Funds (Unaudited)**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	For the Fiscal Year Ended September 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Total Revenues</b>	\$ 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	\$ 11,595,048
<b>Total Expenditures</b>	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	11,025,794
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,444,764)	(1,785,544)	(1,735,137)	230,080	(305,708)	(1,810,052)	256,306	633,526	(9,554,703)	569,254
<b>Other Financing Sources (Uses)</b>										
Other items	-	60,365	439,139	1,206	360,860	2,659,800	-	206,500	7,750,000	-
Transfers in	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	2,346,797
Transfers out	(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)	(2,141,370)
<b>Total Other Financing Sources (Uses)</b>	-	60,365	439,139	1,206	489,561	2,834,292	183,327	375,333	7,935,828	205,427
<b>Net Change in Fund Balances</b>	<u>\$ (2,444,764)</u>	<u>\$ (1,725,179)</u>	<u>\$ (1,295,998)</u>	<u>\$ 231,286</u>	<u>\$ 183,853</u>	<u>\$ 1,024,240</u>	<u>\$ 439,633</u>	<u>\$ 1,008,859</u>	<u>\$ (1,618,875)</u>	<u>\$ 774,681</u>

**Data Source:**  
Applicable years' comprehensive annual financial report.

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



**Town of Southwest Ranches, Florida**  
**Fund Balances - Governmental Funds (Unaudited)**  
**Fiscal Years 2008 - 2010**  
*(modified accrual basis of accounting)*

	2008	September 30, 2009	2010
<b>General Fund</b>			
Reserved	\$ 249,718	\$ 186,184	\$ 182,955
Unreserved	2,175,366	1,817,328	1,910,184
<b>Total General Fund</b>	<u>2,425,084</u>	<u>2,003,512</u>	<u>2,093,139</u>
<b>General Fund % Change</b>			
<b>From Prior Year</b>	<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	215,354	298,154	680,602
Capital Projects Funds	376,340	276,862	270,115
Debt Service Funds	2,265,093	2,281,595	528,242
<b>Total All Other Governmental Funds</b>	<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>-25.0%</u>	<u>0.0%</u>	<u>-47.2%</u>
<b>Total Governmental Funds</b>			
Reserved	249,718	186,184	213,236
Unreserved	4,655,813	4,397,077	3,119,028
<b>Total Governmental Funds</b>	<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>-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 three years.

**Data Source:**

Applicable years' comprehensive annual financial report.

**Town of Southwest Ranches, Florida**  
**Fund Balances - Governmental Funds (Unaudited)**  
**Fiscal Year 2017 and Six Years Prior**  
**(modified accrual basis of accounting)**

	2011	2012	2013	September 30, 2014	2015	2016	2017
<b>General Fund</b>							
Nonspendable:							
Prepaid items	\$ 31,432	\$ 207,568	\$ 25,222	\$ 27,058	\$ 28,763	\$ 28,382	\$ 29,569
Inventory/Assets held for resale	138,848	138,848	482,720	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	512,289
Restricted for:							
Fire Control	-	-	-	128,291	308,982	363,897	484,719
Public safety	3,663	6,445	10,933	11,020	12,550	6,470	7,579
Town hall brick program	16,800	18,200	-	-	-	-	-
Building Technology	-	-	-	-	-	181,033	178,979
Total restricted	20,463	24,645	10,933	139,311	321,532	551,400	671,277
Committed to:							
Tree preservation	20,877	20,877	3,086	3,086	3,086	-	-
Public Safety	-	-	-	-	-	-	20,324
Capital projects	-	-	9,850	-	-	-	-
Total committed	20,877	20,877	12,936	3,086	3,086	-	20,324
Unassigned	2,360,778	2,494,249	3,458,623	3,830,892	4,365,118	2,484,910	2,704,947
<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>\$ 3,908,837</b>
<b>General Fund % Change From Prior Year</b>	<b>24.1%</b>	<b>11.1%</b>	<b>38.3%</b>	<b>12.3%</b>	<b>16.0%</b>	<b>-31.8%</b>	<b>10.2%</b>
<b>All Other Governmental Funds</b>							
Nonspendable:							
Prepaid items	\$ 810	\$ 3,349	\$ 3,654	\$ 3,857	\$ 1,574	\$ 2,242	\$ 2,534
Deposits	15,000	-	-	-	-	-	-
Total nonspendable	15,810	3,349	3,654	3,857	1,574	2,242	2,534
Restricted for:							
Transportation surtax	696,179	517,455	312,740	389,361	331,973	636,587	537,821
Fire Control	-	-	-	-	206,500	100,000	100,000
Volunteer fire services	40,376	40,807	47,248	70,977	75,156	61,137	68,937
Total restricted	736,555	558,262	359,988	460,338	613,629	797,724	706,758
Committed for:							
Capital Projects	-	150,000	60,376	209,053	359,943	149,213	224,661
Transportation	-	-	-	-	-	129,678	593,825
Total committed	-	150,000	60,376	209,053	359,943	278,891	818,486
Assigned to:							
Debt service	164,278	37,548	15,069	28,448	36,534	12,079	25,266
Public safety	129,750	-	-	-	-	-	-
Fire wells	80,000	-	-	-	-	-	-
Capital projects	109,873	354,621	584,686	269,077	249,800	205,476	156,624
Total assigned	483,901	392,169	599,755	297,525	286,334	217,555	181,890
<b>Total All Other Governmental Funds</b>	<b>\$ 1,236,266</b>	<b>\$ 1,103,780</b>	<b>\$ 1,023,773</b>	<b>\$ 970,773</b>	<b>\$ 1,261,480</b>	<b>\$ 1,296,412</b>	<b>\$ 1,709,668</b>
<b>All Other Governmental Funds % Change From Prior Year</b>	<b>-18.1%</b>	<b>-10.7%</b>	<b>-7.2%</b>	<b>-5.2%</b>	<b>29.9%</b>	<b>2.8%</b>	<b>31.9%</b>
<b>Total Governmental Funds</b>	<b>\$ 3,833,665</b>	<b>\$ 3,989,967</b>	<b>\$ 5,014,207</b>	<b>\$ 5,453,840</b>	<b>\$ 6,462,699</b>	<b>\$ 4,843,824</b>	<b>\$ 5,618,505</b>
<b>All Governmental Funds % Change From Prior Year</b>	<b>15.1%</b>	<b>4.1%</b>	<b>25.7%</b>	<b>8.8%</b>	<b>18.5%</b>	<b>-25.0%</b>	<b>16.0%</b>

**Notes:**

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

**Data Source:**

Applicable years' comprehensive annual financial report.

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

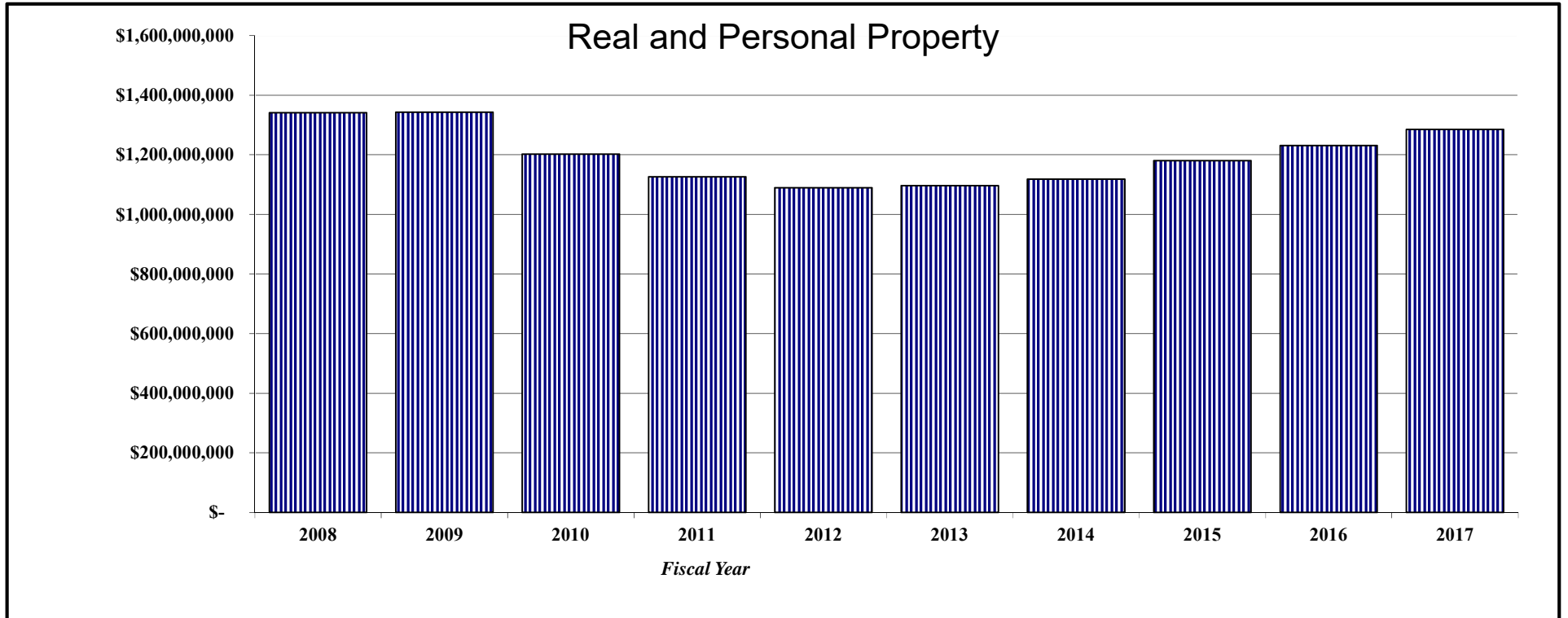
Fiscal Year	Real Property				Personal Property	Less: Tax Exemptions	Total Taxable Assessed Value	Total Annual Percentage Change	Town Direct Tax Rate <sup>2</sup>	Total Estimated Market Value	Total Taxable Assessed Value as a Percentage of Market Value
	Residential Property	Commercial Property	Agricultural Property	Other <sup>1</sup>							
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%
2017	1,173,456,760	49,986,360	109,225,190	178,296,050	48,718,150	274,686,748	1,284,995,762	4.40%	4.4629	2,048,999,020	62.71%
*	\$ 1,069,153,160	\$ 49,371,374	\$ 120,272,901	\$ 168,408,453	\$ 45,975,769	\$ 251,902,388	\$ 1,201,279,269			\$ 2,009,187,082	59.79%
**	3.6%	3.8%	-3.6%	2.3%	11.5%	60.1%	-4.2%				

\* 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)*

Fiscal Year	Overlapping Rates <sup>1</sup>													
	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					
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	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	18.3814
2017	4.0579	0.4050	4.4629	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.3307	0.0320	0.4882	0.1615	18.0506

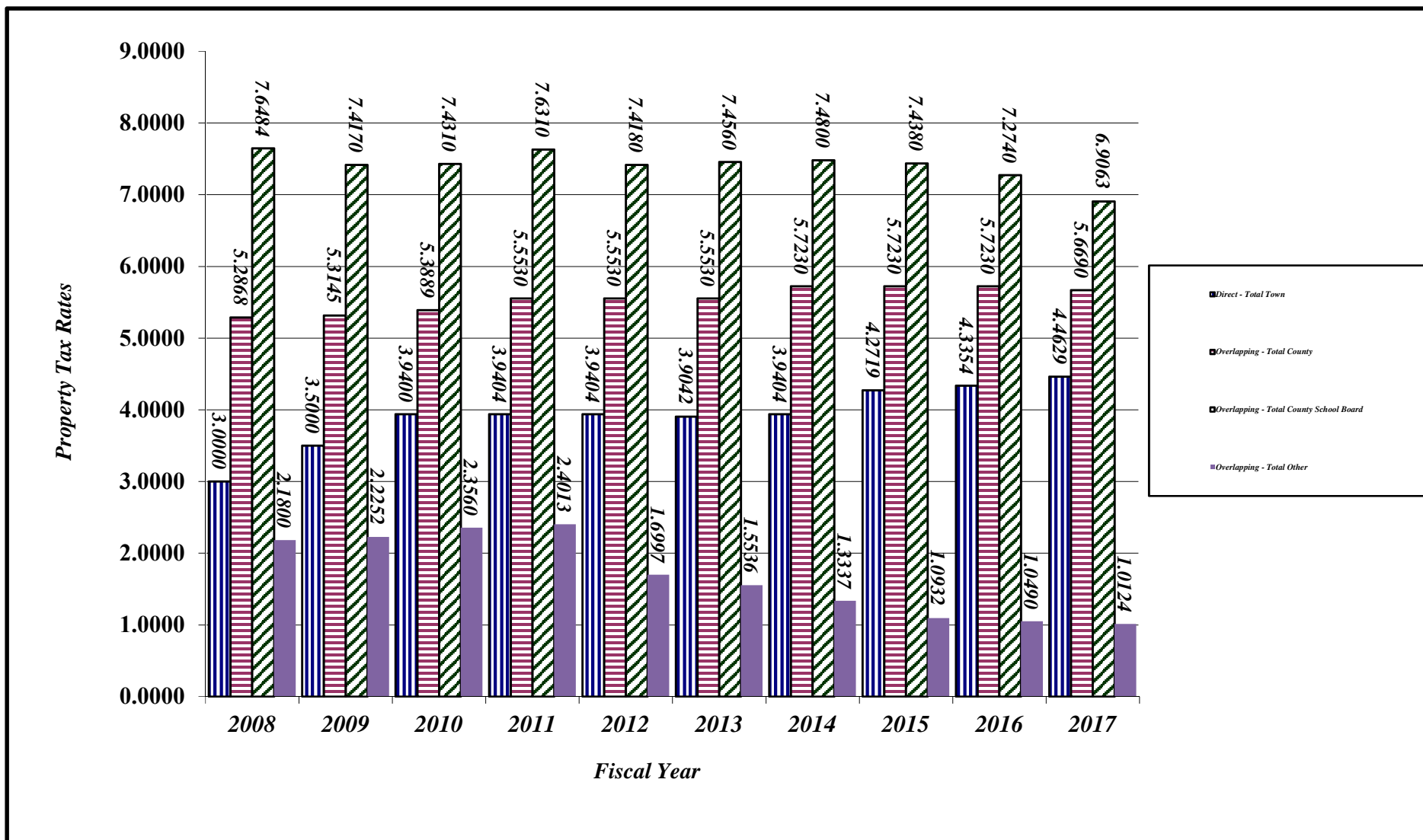
**Notes:**

- <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
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%	(9,075)	4,380,860	98.82%
2015	5,142,216	4,964,524	96.54%	2,061	4,966,585	96.58%
2016	5,412,895	5,285,675	97.65%	1,128	5,286,803	97.67%
2017	5,800,986	5,687,676	98.05%	-	5,687,676	98.05%

**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 2017				FY 2008			
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	\$ 18,482,010	1	1.49%	Lowes Home Centers, Inc.	\$ 14,285,710	1	1.10%
Lowes Home Centers, Inc.	11,715,530	2	0.95%	Canyon Creeks Estates	7,462,700	2	0.58%
Pintaluga, Eric & Robyn	6,750,000	3	0.55%	Landmark Custom Ranches	6,151,550	3	0.47%
Florida Power & Light	6,233,100	4	0.50%	Janes, Jerome	4,681,600	4	0.36%
Fove East Land	5,897,790	5	0.48%	Caprio, Joseph & Dean	4,463,730	5	0.34%
Cubesmart LP	5,797,880	6	0.47%	Finkel, Nathan & Jacqueline	3,857,990	6	0.30%
Moses, Raymond & Baidwatte	5,659,860	7	0.46%	Levine, Susan	3,367,390	7	0.26%
Yacoob, Mohamed, F Yacood, Corvette	5,391,980	8	0.44%	Vivo, Evelyn & Rene	3,221,500	8	0.25%
200 Leucadendra LLC	4,770,640	9	0.39%	US Retail Income Fund	3,138,070	9	0.24%
Cutri, Michele	4,417,400	10	0.36%	Jodasni Properties	3,091,200	10	0.24%
<b>Total Principal Taxpayers</b>	75,116,190		6.08%	<b>Total Principal Taxpayers</b>	53,721,440		4.14%
<b>All Other Taxpayers</b>	1,161,161,422		93.92%	<b>All Other Taxpayers</b>	1,243,503,860		95.86%
<b>Total Taxable Assessed Value</b>	<u>\$ 1,236,277,612</u>		<u>100.00%</u>	<b>Total Taxable Assessed Value</b>	<u>\$ 1,297,225,300</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 2017				FY 2008			
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.	\$ 36,387,156	1	74.69%	Florida Power and Light Co.	\$ 28,594,326	1	65.46%
Bellsouth Telecommunications	1,768,593	2	3.63%	Southern Bell Tel Co	3,357,317	2	7.69%
Publix Supermarkets # 619	1,197,813	3	2.46%	Lowes Home Centers	1,522,998	3	3.49%
ECN Financial LLC Grant Thornton	1,183,409	4	2.43%	Publix Supermarkets # 619	719,250	4	1.65%
Kelly Tractor	1,029,066	5	2.11%	Shell Oil # 165042	684,635	5	1.57%
Lowes Home Centers, Inc.	930,276	6	1.91%	Freedom Pipeline Corp	560,317	6	1.28%
Comcast	753,108	7	1.55%	FPL Fibernet LLC	555,049	7	1.27%
Sprint	471,301	8	0.97%	National Rent USA	552,106	8	1.26%
AT&T Mobility	457,685	9	0.94%	Applebees	550,039	9	1.26%
Shell	425,048	10	0.87%	Apple Tree Montessori School	533,666	10	1.22%
<b>Total Principal Taxpayers</b>	<b>44,603,455</b>		<b>91.55%</b>	<b>Total Principal Taxpayers</b>	<b>37,629,703</b>		<b>86.14%</b>
<b>All Other Taxpayers</b>	<b>4,114,695</b>		<b>8.45%</b>	<b>All Other Taxpayers</b>	<b>6,054,470</b>		<b>13.86%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 48,718,150</b>		<b>100.00%</b>	<b>Total Taxable Assessed Value</b>	<b>\$ 43,684,173</b>		<b>100.00%</b>

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
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	0.0137%	1,519
2017	-	-	1,146,061	1,917,300	406,540	-	162,082	7,750,000	11,381,983	{i}	1,442

**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 2017, 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			Total Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	*****/Maximum Additional Bond Test/*****				
	Adjusted Non-Advalorem Revenues	Adjusted Essential Expenditures	Non-Advalorem Revenues Available for Debt Service					Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2017	\$ 5,634	\$ 1,936	\$ 3,698	\$ 925	6.09 %	1.30 %	4.79 %	\$ 1,152	\$ 2,546	2.21 %	1.50 %	0.71 %
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			Total Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	*****/Maximum Additional Bond Test/*****				
	Non-Advalorem Revenues Available for Debt Service	Total Annual Debt Service	Net Cash Flow					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			Total Max Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
	Adjusted Non-Advalorem Revenues	Adjusted Essential Expenditures	Non-Advalorem Revenues Available for Debt Service				
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 Max Annual Debt Service	Debt Service Coverage Percentage	Maximum Allowed Percentage	Excess Percentage
	Net total Governmental Funds Revenue	Net total Governmental Funds Revenue				
2015	\$ 11,376	\$ 734		6.45 %	20.00 %	13.55 %
2014	\$ 10,192	\$ 723		7.09 %	20.00 %	12.91 %
2013 <sup>2</sup>	\$ 9,369	\$ 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, 2017**

<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	\$ 221,269,000	0.007217%	\$ 15,968
Broward County School Board	1,751,076,000	0.007165%	<u>125,462</u>
<b>Sub-Total Overlapping Debt</b>			141,430
Town Direct Debt			<u>11,381,983</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 11,523,413</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>
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	86,987,787	46,906	4.6%	5.0%	4.9%
2017	7,892	{i}	{i}	3.3%	3.8%	4.2%

**Notes:**

There are no public schools located within the Town.

**Data Sources:**

<sup>1</sup> Florida Legislative Office of Economic and Demographic Research  
2016 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, 2017 and 2010 <sup>1</sup>

Employer	Type of Business	2017	
		Number of Employees	Rank
Lowe's Home Centers, Inc.	Retail	153	1
Publix Supermarkets	Retail	122	2
Archbishop McCarthy High School	Private School	80	3
Romeus Cuban Restaurant	Restaurant	45	4
McDonald's	Restaurant	35	5
Starbucks Coffee Company	Restaurant	28	6
Apple Montessori School	Private School	24	7
Original Pancake House	Restaurant	22	8
Walgreens	Retail.	21	9
R&R Garden Center	Nursery	9	10
<b>Total Principal Employers</b>		<b>539</b>	

Employer	Type of Business	2010	
		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**

<b>Function/program</b>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Town Commission</b>	5	5	5	5	5	5	5	5	5	5
<b>General Government</b>										
Town management	3	3	6	5	5	3	3	3	3	3
Community services <sup>1</sup>	6	8	10	10	10	14	13	13	15	13
<b>Total General Government</b>	9	11	16	15	15	17	16	16	18	16
<b>Contracted Employees:</b>										
General government management services	4	5	4	4	4	4	4	4	4	4
Fire rescue	3	12	12	43	43	50	50	44	44	46
Emergency medical services	3	9	9	4	4	15	15	15	15	15
Police protection	15	15	15	15	15	15	16	16	16	16
<b>Total Contracted Employees</b>	25	41	40	66	66	84	85	79	79	81
<b>Total</b>	39	57	61	86	86	106	106	100	102	102
<b>Percentage Change From Prior Year</b>	2.6%	46.2%	7.0%	41.0%	0.0%	23.3%	0.0%	-5.7%	2.0%	0.0%

**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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GENERAL GOVERNMENT:</b>										
Building Permits Issued <sup>2</sup>	473	540	321	433	422	403	407	377	531	566
Building inspections conducted :										
CAP Government Services Inc.:	N/A	3,256	2,798	-	-	-	-	-	-	-
Electrical <sup>2</sup>	N/A	N/A	N/A	381	366	440	417	471	472	683
Fire <sup>2</sup>	N/A	N/A	N/A	24	19	11	17	19	5	8
Mechanical <sup>2</sup>	N/A	N/A	N/A	163	126	169	134	246	249	251
Plumbing <sup>2</sup>	N/A	N/A	N/A	306	300	332	414	538	482	590
Structural <sup>2</sup>	N/A	N/A	N/A	1283	1457	1410	1526	1818	1624	1965
Zoning <sup>2</sup>	N/A	N/A	N/A	35	7	11	74	75	104	153
Other <sup>2</sup>	N/A	N/A	N/A	13	2	3	28	24	20	39
Total building inspections	-	3,256	2,798	2,205	2,277	2,376	2,610	3,191	2,956	3,689
Local Business Tax certificates issued <sup>2</sup>	335	-	-	-	-	-	-	-	-	-
Certificates of use registrations <sup>4</sup>	33	20	28	35	23	11	14	2	4	17
Planning & Zoning Permits Issued <sup>4</sup>				213	177	153	148	196	230	318
<b>FIRE:</b>										
Emergency responses <sup>5</sup>	228	739	779	403	437	685	747	791	912	789
Station 112 Average Response Time <sup>5</sup>						5:58	6:13	5:52	5:10	5:17
Inspections	-	30	55	40	31	98	98	165	84	146
<b>POLICE: <sup>6</sup></b>										
Physical arrests	183	126	112	132	77	54	43	43	33	29
Parking violations	12	10	9	2	-	2	0	0	0	3
Traffic violations	2,839	2,779	2,192	3,025	1,225	1,011	2,174	2,416	1,773	1,369
<b>REFUSE COLLECTION: <sup>7</sup></b>										
Residential SW- mo. avg in tons	14.72	36.40	11.60	10.89	26.45	287.54	262.29	258.71	257.34	344.16
Residential Recycling - mo. avg in tons	2.84	2.35	5.44	7.63	8.51	36.54	51.20	62.98	64.01	67.46
Residential Bulk - mo. avg in tons	61.77	65.75	82.56	78.90	70.11	593.63	698.53	790.07	719.54	1,283.00
<b>OTHER PUBLIC WORKS: <sup>7</sup></b>										
Street resurfacing (in miles)	-	0.50	6.00	-	0.95	-	-	-	2.28	-
Potholes repaired	360	360	400	107	112	88	93	107	222	224
<b>WATER: <sup>8</sup></b>										
New connections	10	2	2	1	1	-	1	3	4	3
Average daily consumption (thousands of gallons)	8.75	9.85	10.83	13.47	12.02	11.52	10.26	10.66	12.16	13.63
Peak monthly consumption (thousands of gallons)	396	425	479	556	440	419	428	417	420	483
<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%	5.22%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Franchises</b>										
Electric	6%	6%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Solid Waste (commercial)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Towing	-	13%	13%	13%	13%	13%	13%	15%	15%	15%

**Notes:**<sup>1</sup> Information not presented is not available.<sup>2</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 Davie (2014-Present) & BSO (2008-2013)<sup>7</sup> Information provided by Town Contractors. 2013 Change from daily average to monthly.<sup>8</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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>FIRE:</b>										
Stations <sup>1</sup>	-	-	1	1	1	1	1	1	1	1
Vehicles owned <sup>1</sup>	-	-	-	3	3	3	3	3	3	3
<b>POLICE:</b>										
Stations <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Patrol units	15	15	15	15	15	15	16	16	16	16
<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	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	1
Playgrounds	1	1	1	1	1	2	2	2	2	3
Equestrian ring	2	2	2	2	2	2	2	2	2	2
Picnic pavilion	1	1	1	1	1	1	1	2	2	4
Restroom facilities	1	1	1	1	1	1	1	3	3	3
Nature trails (miles)	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	5	5
Multi-use trails (miles)	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35
<b>WATER:</b>										
Water mains (miles) <sup>3</sup>	12	12	12	12	12	12	12	12	12	12
Fire wells	283	283	283	285	285	285	286	286	286	286
Fire hydrants <sup>4</sup>	-	-	-	-	-	-	-	-	-	95
Lakes (acres) <sup>5</sup>	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) <sup>6</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

<sup>4</sup> Information provided by Town of Davie Fire Marshall in FY 2017. Fire Hydrants owned and maintained by City of Sunrise

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

<sup>6</sup> Information provided by South Broward Drainage District and Central Broward Water Control District.

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# REPORTING SECTION



2017 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, 2017 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 6, 2018.

**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  
June 6, 2018

**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, 2017, and have issued our report thereon dated June 6, 2018.

**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 Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June XX, 2018, 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 and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and 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 for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The assessment was done as of the fiscal year end.

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

## **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, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

## **Additional Matters**

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

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, 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  
June 6, 2018

**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' (the Town) compliance with Section 218.415 Florida Statutes during the fiscal year ended September 30, 2017. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Town of Southwest Ranches complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2017.

This report is intended to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

*Marcum LLP*

Fort Lauderdale, FL  
June 6, 2018



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