

CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2001

Prepared by:
Financial Services Department



CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2001

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January 18, 2002

Eric M. Hersh
Mayor

Edwin Jacobson
Commissioner

Alexander "Sandy" Halperin
Commissioner

Robin Bartleman
Commissioner

Barbara Herrera-Hill
Commissioner

John R. Flint
Commissioner

To the Honorable Mayor, City Commissioners and the Residents of the City of Weston, Florida:

The Comprehensive Annual Financial Report of the City of Weston, Florida (the City) for the year ended September 30, 2001, is hereby submitted as mandated by State Statutes. These statutes require that the City annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and compliance. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City's principal elected and appointed officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The compliance section is comprised of the auditor's reports on compliance and internal control over financial as required by *Governmental Auditing Standards* and management letter as required by the Auditor General of the State of Florida.

The financial reporting entity (the City of Weston) includes all the funds and account groups of the primary government (i.e., the City of Weston as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The City provides a full range of services to its residents and businesses through public and private sector contracts. Contracted services include police, fire and emergency medical services (EMS), building code services, solid waste collection, planning and zoning, engineering, finance and administration, parks and recreation, public works, utilities and solid waste collection. These services are contracted through Broward County, the City of Sunrise, Browning Ferris Industries, Moyer, Ward, Wrathell and Associates/Severn Trent Environmental Services and Calvin, Giordano and Associates.

Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included as part of the City. Accordingly, the operations and assets of the Indian Trace Development District (ITDD) are reported in a special revenue fund, capital projects fund, an enterprise fund, an agency fund, and is part of the general fixed asset account group. New for fiscal year 2001 is the Bonaventure Development District (BDD). BDD is the successor of the West Lauderdale Water Control District, which was dissolved effective June 30, 2001 pursuant to a special bill passed by the Florida Legislature. Accordingly, the operations and assets of the BDD are reported in a special revenue fund and is part of the general fixed asset account group.

Governmental Structure, Local Economic Condition and Outlook

The City of Weston, incorporated in 1996, is located in the southeastern part of the State of Florida, considered to be a top growth area in the state and one of the top growth areas in the country. The City has a land area of 25.5 square miles and population estimated at 53,159. The City is empowered to levy a property tax on real property located within its boundaries.

The City has operated under the Commission-Manager form of government since 1996. Policymaking and legislative authority are vested in the City Commission, which consists of a Mayor and four Commissioners. The City Commission is responsible for, among other things, passing ordinances, adopting the budget, appointing boards and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the City, and appointing the heads of the City's departments. The Commission is elected on a non-partisan basis. The four Commission members are elected to four-year staggered terms, and must reside within their respective residential district; however, are elected at large. The Mayor is elected to a four-year term, and is elected at large.

The City enjoys a favorable economic environment and continues to exhibit steady residential and commercial growth. The residents of Weston benefit from a varied array of businesses located within its boundaries. Major corporations with divisions within the City's boundaries include American Express, Office Depot, Hershey

International, Marriott International, Inc., Levi Strauss and Company, Best Buy, Inc. and the Sun-Sentinel. New for fiscal year 2001 is the City's first full-service medical facility, the nationally known Cleveland Clinic Florida and Cleveland Clinic Hospital. In addition, the Weston Town Center was opened and is home to many stores, specialty shops, restaurants, and office suites. A municipal park and outdoor amphitheater border the Town Center where the City hosts numerous concerts and community events throughout the year. The City is also home to timeshare units and five hotels/resorts, four of which were constructed this fiscal year. To date, the City lists over 1,700 licensed businesses.

Major Initiatives

For the Year

The Fire District Fund was established for Fiscal Year 2001. Beginning October 1, 2000, the City gained responsibility for generating the revenues to fund its Fire Protection Services and Emergency Medical Services. This is the result of a June 2000 ruling of the Florida Fourth District Court of Appeals in which the court declared that revenues to fund the Emergency Medical Services portion of the budget for an integrated EMS/Fire Department could not be generated by special assessment, therefore, leaving only ad valorem taxation as a method of revenue generation for Emergency Medical Services. Prior to this date the City was a part of the Broward County Municipal Services Benefit Unit for EMS and fire services whereby the Broward County Commission established the rates and generated the revenues through an assessment levied by the County for both services.

In March 2001 the Community Center, located in the Regional Park, was opened. This multi-purpose facility is the main office headquarters for the Community Services Department and offers over 20 classes for children and adults on a regular basis. The City Commission and Planning and Zoning Board meetings are held in the Community Center, which is also available for use by community groups and residents. An electronic message board was installed at the Regional Park, yet another method of communication to the residents on upcoming City events. To enhance safety, a lightning detection system was also installed at the Regional Park. Gator Run Park received berming, sodding and irrigation to enhance the enjoyment of the park for residents.

The newly constructed Weston Tennis Center opened its doors in April 2001. The City contracted with the Bonaventure Tennis Academy, Inc. to manage and operate this state-of-the-art facility, which includes 16 tennis courts, clubhouse with pro shop and locker rooms. The Weston Tennis Center offers private tennis lessons, leagues, and clinics for all ages, beginners to professional levels, and will play host throughout the year to numerous local, national and international tennis tournaments. In fiscal year 2001 the Center hosted the First Annual Weston Tennis Tournament and the Yonex Youth Cup.

In May 2001 the City entered into a public/private partnership agreement with the Young Men's Christian Association of West Broward, Inc. (YMCA) to build a recreational facility within the Regional Park. This facility will offer a variety of program services to include youth and adult sports and activities, senior activities, after school programs, holiday and summer camps. The City has partnered with the YMCA to obtain a \$1.4 million grant for the construction of a swimming pool on this site.

In June 2001, the City signed a promissory bank note for a \$1,352,671 loan. This loan is for major roadway improvements within Basin II of the Indian Trace Development District, specifically for construction of NW 26th Street and NW 36th Street going from South Post Road to US27. This is an assessment project whereby benefiting property owners are assessed the cost of the project. This loan is to be paid in five annual installments with the first installment becoming due in 2002 at which time the first assessments will be placed on the tax rolls.

During fiscal year 2001 construction of a third permanent Fire/EMS Station was begun and will be completed in March 2002. This station replaces the interim Station No. 55. The new station is being funded by Broward County as provided for in the City's contract with the County for Fire and EMS Services. The City placed Automatic External Defibrillators (A.E.D.'s) in all City owned and contract provider facilities. Fire/EMS Services personnel conducted training for Broward Sheriff's Office, City, and contract provider staff members in the use of A.E.D.'s in emergency situations.

In the area of law enforcement, commencing in fiscal year 2001, a thirteen member Community Strategies Team (CST) was formed and expanded by year-end to nineteen members, replacing private roving patrols. Through specialized training and access to crime data analysis they are provided exclusive insight into areas where crime prevention activities need to be targeted. Arrests attributed to the CST in the past year totaled 399. Some of the significant events handled by the CST range from assisting in the apprehension of an armed robbery suspect to attending Homeowner Association meetings to help educate residents on prevention activities and community issues.

Capital improvements continued at a brisk pace during the 2001 Fiscal Year, with the completion of the \$3.7 million Weston Road Intersection Expansion and Improvements Project to improve traffic flow and enhance landscaping along the Weston Road corridor. The project included the addition of turn and through lanes, signals at five intersections, road overlay, brick paver crosswalks at two intersections, signage and landscaping. To allow easier access to certain schools, U-turns through the medians were added at several locations in the City. Storm water pumping station upgrades were completed to allow redundancy in the removal of rainwater from the drainage system after a storm event. The Bonaventure Master Plan, when completed, will provide the Bonaventure area of the City with public infrastructure aesthetically consistent with the remainder of the City. The first phase of the Bonaventure Master Plan was completed with the installation of new sidewalks. Phase II and III will be completed during fiscal year 2002.

To welcome visitors and residents, numerous monument signs, landscaping and lighting have been added to City parks. Brick paver crosswalks were installed at four intersections throughout Weston to enhance safety and aesthetics.

The Wetland Mitigation Areas in the City were completed and the City continues to provide mandated environmental maintenance. Native plant, animal and bird species have been observed returning to these areas and the City has produced literature to educate residents regarding wetland functions.

Lastly, during Fiscal Year 2001 the City published the 2000 Performance Report and the 2000 Comprehensive Annual Financial Report. The Performance Report, the third in the City's history, highlighted the success that the City has seen since its inception. Additionally, fiscal year 2001 saw the publication of the City of Weston Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2000. This document received the Certificate of Achievement of Excellence in Financial Reporting from the Government Finance Officers Association.

For the Future

The residents of the City of Weston can be assured that during fiscal year 2002 their government will continue to focus on the provision of quality services, which is characteristic of the style and integrity of the City.

Residents of Weston can look forward to the construction of two new parks and a number of improvements to existing park facilities this year. Improvements include an additional restroom/concession stand building and the installation of new sports lighting at Tequesta Trace Park. The Regional Park will receive shade covers, additional play equipment and one of the roller hockey rinks will be converted into a skate park to be operated by a private concessionaire. To ease parking at the Regional Park additional parking will be added along South Post Road. An internal loop road extension will be constructed within the Park for increased traffic flow. The seven-acre Gator Run Park project will be completed with extensive landscaping, tot lot, restrooms, picnic shelters, lighted walkways and parking. The forty-acre Vista Park, located adjacent to the new Cypress Bay High School is scheduled for a Spring 2003 completion date. This \$6 million park project will include four baseball/softball fields, four soccer/football fields, a playground, walkways, restrooms and concession stands, and parking. The Town Center Park will receive a restroom/storage/kiosk building to add to its amenities.

During Fiscal Year 2002 the City will be adding a fourth piece of fire fighting apparatus to the City's compliment of three Engine Companies, a 105' Aerial Company and three EMS/Rescue Companies. Fire and EMS Services also plans to work with the community to promote the citizen awareness programs which include monthly CPR classes and inspections of child safety seats.

In fiscal year 2002, Police Services started the first Senior Citizens Police Academy in Weston. This program is designed to teach seniors about credit card fraud, and crimes against the elderly. They will tour local BSO offices and learn about the police operations. Seven new positions are budgeted for FY 2002 to include one Lieutenant for the night shift command, one Community Policing Deputy to coordinate all community programs and crime prevention, one Investigative Aid for full time data analysis, one new Motor Sergeant, two new Motor Deputies, and one Detective Deputy for anticipated traffic and youth concerns associated with the new 2,875 student high school opening in August 2002.

The City will continue infrastructure improvements to stay ahead of growth. Additional traffic signals have been approved and are being installed throughout the City. The resurfacing of many public roadways will be completed this Fiscal Year and as a part of this resurfacing, bike paths will be added to, or enhanced on several roadways. Illuminated street signs are being added at most major intersections throughout the City. A public works facility is being designed to replace the temporary trailer structures that house employees that maintain the City's infrastructure and waterways.

The Bonaventure Master Plan will be substantially moving toward completion, which will serve to improve drainage, overlay roadways, construct sidewalks, curb medians, and add paver crosswalks, irrigation, entry features and street lighting to the project area. Landscaping will be enhanced in order to create a unified landscaping theme through out the entire City of Weston. Monument signs will be installed at the remaining major entry points to the City.

Department Focus

Each year the City will focus attention on the efforts and accomplishments of a selected department. The City operates on a highly efficient contract basis of organization, whereby various professional contractors provide the essential City services to residents in place of actual City employees. This enables the City to operate with qualified professional staffing in all critical phases and departments of the organizational structure. The only employees of the City are City Manager, City Clerk and one Assistant to the City Manager.

This year the department focus will be on Community Development Services, which is contracted with the consulting firm of Calvin, Giordano and Associates, Inc., which includes the disciplines of Planning and Zoning, Engineering, Traffic Engineering, and Landscape Architecture.

Planning and Zoning services include the creation of and the modification to the City ordinances that regulate development within the City and the review of all plans for compliance with the City's applicable ordinances prior to the application for a building permit. Planning and Zoning establishes and enforces development criteria such as setbacks, building heights, landscaping and signs, to assure that Weston's unique appearance is preserved.

Engineering services establish and enforce infrastructure criteria such as water, sewer, paving, and drainage and archives this infrastructure within the City's GIS (Geographic Information System). Engineering services include the creation of and the modification to the City ordinances that regulate infrastructure within the City, and the review of all plans for new development or modifications to existing development for compliance with the City's applicable ordinances. All plans for new, or modifications to existing water lines, sewer lines, roadways and sidewalks, and drainage systems require an Engineering Permit.

Traffic Engineering services include the creation of and modification to the City ordinances that regulate parking criteria as it relates to development, and the performance of studies to determine when and where traffic control devices are warranted.

Landscape Architecture services include the creation of and modification to City ordinances regulating landscaping, review of submitted site plans for compliance with Weston's landscaping code, as well as landscape design services for all City projects.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal, State and Local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the accounting staff of the government.

As part of the City's annual audit, described earlier, tests were made of the City's internal control structure and its compliance with applicable laws and regulations. Although this testing was not sufficient to support an opinion on the City's internal control system or its compliance with laws and regulations, the audit for the year ended September 30, 2001 disclosed no material internal control weakness or material violations of laws and regulations.

The City maintains an operating budget on a generally accepted accounting principles basis for the General, and the Special Revenue Funds. Appropriations lapse at year-end. Transfers of appropriations within a fund and between funds can be performed by management. Only supplemental appropriations require the approval of the

Commission. The legal level of control is the overall government level. There were no supplemental appropriations during the year.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions and General Fund Balance. The following schedule presents a summary of general fund revenues for the years ended September 30, 2001 and 2000.

Revenues	2001 Amount	Percent of Total	2000 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Taxes	\$11,412,376	47.2%	\$9,538,525	\$1,873,851	19.6%
Licenses & Permits	\$1,240,656	5.1%	\$1,664,487	(\$423,831)	-25.5%
Intergovernmental	\$3,320,199	13.7%	\$2,938,609	\$381,590	13.0%
Charges for Services	\$6,487,806	26.8%	\$5,076,150	\$1,411,656	27.8%
Fines	\$288,428	1.2%	\$179,700	\$108,728	60.5%
Infrastructure Fees	\$64,974	0.3%	\$405,283	(\$340,309)	-84.0%
Investment Income	\$1,068,979	4.4%	\$1,020,865	\$48,114	4.7%
Miscellaneous	\$300,011	1.3%	\$439,097	(\$139,086)	-31.7%
Total	\$24,183,429	100.0%	\$21,262,716	\$2,920,713	

Tax revenues include property taxes, sales tax and franchise fees. The increase in tax revenue resulted from new construction of residential and non-residential property within the City, and related increases in retail sales and utility consumption.

Licenses and permits revenue decreased due to a leveling off of the number of new business occupational license applications in excess of the previous year. Effective Code Enforcement has kept businesses current, whereby in the previous year many businesses that did not have an occupational license had to pay for the current and previous year in existence.

The increase in intergovernmental revenues is attributed to an increase in the customer base in Weston from which this income is derived.

The substantial decrease in infrastructure fees was the result of the City eliminating these fees.

Investment income increased as a result of both a higher fund balance from prior year surplus and investment in enhanced securities, which yield a higher rate of return.

The following schedule presents a summary of general fund expenditures for the year ended September 30, 2001.

Expenditures	2001 Amount	Percent of Total	2000 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General Government	\$2,786,877	12.2%	\$3,104,326	(\$317,449)	-10.2%
Public Safety	\$5,832,387	25.6%	\$3,707,050	\$2,125,337	57.3%
Community Development	\$3,084,264	13.6%	\$2,721,309	\$362,955	13.3%
Public Works	\$4,513,468	19.8%	\$4,031,791	\$481,677	11.9%
Parks and Recreation	\$2,534,181	11.1%	\$1,456,609	\$1,077,572	74.0%
Non-departmental	\$148,725	0.7%	\$95,865	\$52,860	55.1%
Capital Outlay	\$3,851,703	16.9%	\$1,365,647	\$2,486,056	182.0%
Total	\$22,751,605	100.0%	\$16,482,597	\$6,269,008	

The decrease in the General Government category was due to leveling off of activity in the services making up the General Government category.

The increase in the Community Development, and Public Works categories was due to expansion in services provided to an ever-expanding base of residents and businesses.

The increase in Community Development expenditures was due to additional services of community planning, civil engineering, traffic engineering, and landscape architecture.

Public works expenditures increased due to increased water management work such as aquatic growth management and additional flood control procedures in the event of possible severe tropical weather.

The increase in Public Safety was due to increased services to the City during the fiscal period for increased patrols and other enhancements in both the police and fire departments.

The increase in Parks and Recreation was due to increased maintenance costs associated with the opening of the City's new 102-acre park. Other increases are due to an expansion of staff to operate this facility.

The increase in Capital Outlay expenditures was comprised of activity related to various park improvements, signage improvements and landscape improvements throughout the City.

General Fund Balance. The fund balance of the general fund increased in 2001. The fourth full year of operation, as discussed previously, contributed significantly to this increase. The \$2,059,110 excess of revenues and other financing sources over expenditures provides the City with the resources necessary to budget more flexibly in the short term and limits the need for property tax increases.

Enterprise Operations. The City's enterprise operation is comprised of a water distribution and wastewater collection system. The City does not operate a water treatment plant or a wastewater treatment facility.

The City has an agreement with another municipality to provide water supply, wastewater treatment and complete meter reading and utility billing services.

The City maintains all distribution lines, repairing line breaks, leaks, and meter installations.

During the Fiscal Year, the total number of customers rose, due to growth in the City due primarily to new residential and business customers.

Meter use fees from new customer connections were a \$526,489 source of revenues, down from \$653,493 last year, a 19.4% decrease. Meter use fee revenue is reliant on new construction completion.

Debt Administration. At year end the City had a number of debt issues outstanding, and these issues, net of applicable unamortized discounts, had a balance of \$1,710,000 of water and sewer revenue bonds, and \$10,087,116 of general long term debt. These bonds are not rated.

The City, through the ITDD, acts as an agent for the payment of special benefit assessment bonds. Neither the City nor the ITDD are obligated in any manner for the repayment of these bonds. The City's responsibility through the ITDD is limited to acting as an agent in collecting the assessments and forwarding the collections to bondholders as bonds and interest payments come due. These amounts are reflected in the Agency Fund. Accordingly, no liability for these bonds have been recorded in the City's general purpose financial statements. The outstanding balance for these bonds at September 30, 2001 was \$107,455,000.

Cash Management Policies and Practices. The City is authorized to invest in obligations of the U.S. Government or obligations which are unconditionally guaranteed by the U.S. Government, certificates of deposit and savings accounts, in State approved depositories and the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration ("State Treasurer's Investment Pool").

The State of Florida requires all qualified public depositories to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits, times the depository's collateral pledging level. As the state requires qualified depositories, all deposits are category 1 credit risk. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in qualified public depositories, no public depositor shall be liable for any loss thereof.

Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, in the State Treasurer's Investment Pool, and in mutual funds. The City earned net investment income of \$3,564,498.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Eleven percent of the investments held by the City are classified in the third category of credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were not categorized as they were in the State Treasurer's Pool and mutual funds.

Risk Management. The City maintains a comprehensive package of insurance coverage to limit exposure to various risks of loss related to general liability, property and casualty, commission errors and omissions, workers' compensation and unemployment compensation claims. All property is fully insured against fire, theft and natural disaster, to the extent losses exceed \$250 per incident.

A nationally recognized commercial carrier with a rating not lower than A+ underwrites all coverages. The City has in place formal programs for safety and a drug free work place, which allows it to take advantage of preferred premium rates.

Other Information

Independent Audit. State statutes require an annual audit by independent certified public accountants. The firm of Grant Thornton LLP was selected by the City. The audit is designed to meet the requirements set forth in state statutes. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on compliance and internal control over financial reporting can be found in the compliance section of this report.

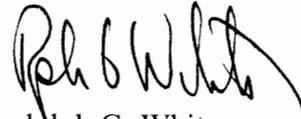
Awards. The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weston; Florida for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2000. This is the third year that the City of Weston has received this award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated services of the many contract professionals of the City of Weston. We would like to express our appreciation to all those who assisted and contributed to the preparation of this report. Credit also should be given to the Mayor and the City Commission for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

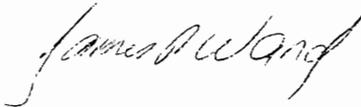
Respectfully submitted,



John R. Flint
City Manager



Randolph G. White
Director of Financial Services



James P. Ward
Assistant City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The City of Weston,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy A. Howe
President

Jeffrey L. Esser
Executive Director

CITY OF WESTON, FLORIDA

CITY OFFICIALS

September 30, 2001

CITY COMMISSION

Eric M. Hersh, Mayor

Edwin Jacobson, Commissioner
Alexander "Sandy" Halperin, Commissioner
Robin Bartleman, Commissioner
Barbara Herrera-Hill, Commissioner

CITY MANAGER

John R. Flint

CITY CLERK

Barbara Showalter, CMC

CITY ATTORNEY

Jamie A. Cole, Weiss, Serota & Helfman, Pastoriza, Guedes, P.A.

FINANCE DIRECTOR

Randolph G. White, Moyer, Ward, Wrathell & Associates

CITY AUDITORS

Grant Thornton, LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

City Commission
City of Weston, Florida

We have audited the accompanying general-purpose financial statements of the City of Weston, Florida, as of and for the year ended September 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Weston, Florida's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Weston, Florida, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2002, on our consideration of the City of Weston, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

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Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of Weston, Florida taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Weston, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The information presented in the Introductory Section and the Statistical Section are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Grant Thornton LLP

Weston, Florida
January 18, 2002



**GENERAL PURPOSE
FINANCIAL STATEMENTS**



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City of Weston, Florida

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2001

	Governmental Fund Types		Proprietary Fund Type Enterprise Fund	Fiduciary Fund Type Agency	Account Groups			Total (Memorandum Only)
	General	Special Revenue			Capital Projects	General Fixed Assets	Long-Term Debt	
ASSETS AND OTHER DEBITS								
Assets								
Cash and investments	\$ 23,122,798	\$ 12,237,276	\$ 3,267,977	\$ -	\$ -	\$ -	\$ 50,575,793	
Receivables	2,091,523	287,270	720	-	-	-	4,080,933	
Due from other funds	263,186	390,875	1,047,718	-	-	-	1,701,779	
Net investment in direct financing lease	-	-	-	-	-	-	1,544,298	
Restricted assets	-	1,522,420	11,958,275	3,856,900	-	-	22,017,083	
Deferred assets	-	-	-	-	-	-	120,060	
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-	148,812,047	-	175,478,886	
Other debits								
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	10,087,116	10,087,116	
Total assets and other debits	<u>\$ 25,477,507</u>	<u>\$ 14,437,841</u>	<u>\$ 16,247,690</u>	<u>\$ 3,856,900</u>	<u>\$ 148,812,047</u>	<u>\$ 10,087,116</u>	<u>\$ 265,605,948</u>	

(continued on following page)

City of Weston, Florida

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - CONTINUED

September 30, 2001

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Groups			Total (Memorandum Only)		
	General	Special Revenue	Capital Projects			Enterprise Fund	Agency	General		Long-Term Debt	
								Fixed Assets			Long-Term Debt
LIABILITIES											
Accounts payable	\$ 1,882,079	\$ 486,031	\$ 246,452	\$ 40,459	\$ -	\$ -	\$ -	\$ -	\$ 2,655,021		
Deferred revenue	419,206	-	-	-	-	-	-	-	419,206		
Due to other governments	-	944	-	654,124	-	-	-	-	655,068		
Due to other funds	664,384	400,000	608,719	28,676	-	-	-	-	1,701,779		
Payable from restricted assets	-	-	877,717	1,161,072	-	-	-	-	2,038,789		
Security deposits	349,640	-	-	-	-	-	-	-	349,640		
Payable to bond holders	-	-	-	-	3,856,900	-	-	-	3,856,900		
Long-term debt	-	-	-	1,619,474	-	-	10,087,116	-	11,706,590		
Total liabilities	<u>3,315,309</u>	<u>886,975</u>	<u>1,732,888</u>	<u>3,503,805</u>	<u>3,856,900</u>	<u>-</u>	<u>10,087,116</u>	<u>-</u>	<u>23,382,993</u>		
EQUITY AND OTHER CREDITS											
Investment in general fixed assets	-	-	-	-	-	148,812,047	-	-	148,812,047		
Contributed capital	-	-	-	37,430,199	-	-	-	-	37,430,199		
Retained earnings	-	-	-	-	-	-	-	-	-		
Unreserved	-	-	-	5,725,843	-	-	-	-	5,725,843		
Fund balance:											
Reserved for maintenance	-	1,522,420	-	-	-	-	-	-	1,522,420		
Reserved for construction	-	-	10,946,310	-	-	-	-	-	10,946,310		
Unreserved/undesignated	<u>22,162,198</u>	<u>12,028,446</u>	<u>3,595,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,786,136</u>		
Total equity and other credits	<u>22,162,198</u>	<u>13,550,866</u>	<u>14,541,802</u>	<u>43,156,042</u>	<u>-</u>	<u>148,812,047</u>	<u>-</u>	<u>-</u>	<u>242,222,955</u>		
Total liabilities, equity and other credits	<u>\$ 25,477,507</u>	<u>\$ 14,437,841</u>	<u>\$ 16,274,690</u>	<u>\$ 46,659,847</u>	<u>\$ 3,856,900</u>	<u>\$ 148,812,047</u>	<u>\$ 10,087,116</u>	<u>\$ -</u>	<u>\$ 265,605,948</u>		

The accompanying notes are an integral part of this statement.

City of Weston, Florida

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended September 30, 2001

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Revenues				
Taxes	\$ 11,412,376	\$ 10,454,412	\$ 3,016,034	\$ 24,882,822
Licenses and permits	1,240,656	-	-	1,240,656
Intergovernmental	3,320,199	1,112,403	-	4,432,602
Charges for services	6,487,806	-	-	6,487,806
Fines and forfeitures	288,428	-	-	288,428
Infrastructure fees	64,974	-	-	64,974
Investment income	1,068,979	754,629	823,408	2,647,016
Contributions	-	636,831	39,792	676,623
Miscellaneous	300,011	-	-	300,011
Total revenues	24,183,429	12,958,275	3,879,234	41,020,938
Expenditures				
Current				
General government	2,786,877	-	372,152	3,159,029
Public safety	5,832,387	3,090,043	-	8,922,430
Community development	3,084,264	351,840	-	3,436,104
Public works	4,513,468	3,996,596	-	8,510,064
Parks and recreation	2,534,181	-	-	2,534,181
Non-departmental	148,725	111,068	52,880	312,673
Capital outlay	3,851,703	443,224	10,411,509	14,706,436
Debt service	-	21,330	1,549,696	1,571,026
Total expenditures	22,751,605	8,014,101	12,386,237	43,151,943
Excess (deficiency) of revenues over (under) expenditures	1,431,824	4,944,174	(8,507,003)	(2,131,005)
Other financing sources (uses):				
Operating transfers in	627,286	-	400,000	1,027,286
Operating transfers out	-	(1,027,286)	-	(1,027,286)
Proceeds from issuance of notes payable	-	-	1,352,671	1,352,671
Total other financing sources (uses)	627,286	(1,027,286)	1,752,671	1,352,671
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,059,110	3,916,888	(6,754,332)	(778,334)
Fund balance at beginning of year	20,103,088	9,633,978	21,296,134	51,033,200
Fund balance at end of year	\$ 22,162,198	\$ 13,550,866	\$ 14,541,802	\$ 50,254,866

The accompanying notes are an integral part of this statement.

City of Weston, Florida

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS

Year Ended September 30, 2001

	General Fund		Variance Favorable (Unfavorable)	Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
Revenues						
Taxes	\$ 10,238,868	\$ 11,412,376	\$ 1,173,508	\$ 9,433,972	\$ 10,453,615	\$ 1,019,643
Licenses and permits	1,050,000	1,240,656	190,656	-	-	-
Intergovernmental	3,109,893	3,320,199	210,306	979,577	1,112,403	132,826
Charges for services	6,229,000	6,487,806	258,806	-	-	-
Fines and forfeitures	103,000	288,428	185,428	-	-	-
Infrastructure fees	60,000	64,974	4,974	-	-	-
Investment income	550,000	1,068,979	518,979	730,000	749,592	19,592
Miscellaneous	59,623	300,011	240,388	-	-	-
Total revenues	<u>21,400,384</u>	<u>24,183,429</u>	<u>2,783,045</u>	<u>11,143,549</u>	<u>12,315,610</u>	<u>1,172,061</u>
Expenditures						
Current						
General government	2,815,000	2,786,877	28,123	-	-	-
Public safety	5,854,957	5,832,387	22,570	3,088,043	3,090,043	(2,000)
Community development	3,090,000	3,084,264	5,736	1,157,705	345,408	812,297
Public works	4,530,000	4,513,468	16,532	4,649,878	3,996,596	653,282
Parks and recreation	2,550,000	2,534,181	15,819	-	-	-
Non-departmental	150,000	148,725	1,275	102,000	91,218	10,782
Capital outlay	3,855,687	3,851,703	3,984	452,365	443,224	9,141
Debt service	-	-	-	-	-	-
Interest and fiscal changes	-	-	-	248,298	21,330	226,968
Total expenditures	<u>22,845,644</u>	<u>22,751,605</u>	<u>94,039</u>	<u>9,698,289</u>	<u>7,987,819</u>	<u>1,710,470</u>
Excess (deficiency) of revenues over (under) expenditures	(1,445,260)	1,431,824	2,877,084	1,445,260	4,327,791	2,882,531
Other financing (uses)						
Operating transfers in	1,445,260	627,286	(817,974)	-	-	-
Operating transfers out	-	-	-	(1,445,260)	(627,286)	817,974
Total other financing sources (uses)	<u>1,445,260</u>	<u>627,286</u>	<u>(817,974)</u>	<u>(1,445,260)</u>	<u>(627,286)</u>	<u>817,974</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	-	2,059,110	2,059,110	-	3,700,505	3,700,505
Fund balances, at beginning of year	20,103,088	20,103,088	-	9,633,978	9,633,978	-
Fund balances, at end of year	<u>\$ 20,103,088</u>	<u>\$ 22,162,198</u>	<u>\$ 2,059,110</u>	<u>\$ 9,633,978</u>	<u>\$ 13,334,483</u>	<u>\$ 3,700,505</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES**

Year Ended September 30, 2001

	<u>Proprietary Fund Type Enterprise</u>
Operating revenues	
Water and wastewater fees	\$ 12,868,065
Meter use fees	526,489
Miscellaneous	<u>287,407</u>
Total operating revenues	<u>13,681,961</u>
Operating expenses	
Water and wastewater charges	12,413,492
Meter expense	92,274
Depreciation	862,886
Amortization	23,398
Other operating expense	<u>546,646</u>
Total operating expenses	<u>13,938,696</u>
Operating loss	(256,735)
Nonoperating revenues (expenses)	
Investment earnings	897,807
Interest expense	<u>(175,004)</u>
Total nonoperating revenues	722,803
Net income	466,068
Depreciation charged to contributed capital	<u>862,738</u>
Increase in retained earnings	1,328,806
Retained earnings at beginning of year	<u>4,397,037</u>
Retained earnings at end of year	<u>\$ 5,725,843</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES

Year Ended September 30, 2001

	<u>Proprietary Fund Type</u>	
		<u>Enterprise</u>
Cash flows from operating activities:		
Operating loss	\$ (256,735)	
Adjustments to reconcile operating loss to cash provided by operating activities:		
Depreciation	862,886	
Amortization	23,398	
Change in assets and liabilities:		
Decrease in accounts receivable	(96,201)	
Increase in vouchers payable	26,974	
Decrease in due to other governments	(207,817)	
Decrease in customer deposits	<u>195,771</u>	
Total adjustments	<u>805,011</u>	
Net cash provided by operating activities		\$ 548,276
Cash flows from noncapital financing activities		
Decrease in due to other funds	<u>28,676</u>	
Net cash provided by non-capital activities		28,676
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(174,748)	
Principal payments on debt	(260,000)	
Capital lease payments received	268,125	
Interest paid on debt	(179,066)	
Developer contributions	<u>2,436,286</u>	
Net cash flows used in capital and related financing activities		2,090,597
Cash flows from investing activities:		
Investment earnings	<u>902,828</u>	
Net cash flows provided by investing activities		<u>902,828</u>
Net decrease in cash and cash equivalents		3,570,377
Cash and cash equivalents at beginning of year		<u>12,599,523</u>
Cash and cash equivalents at end of year		<u>\$ 16,169,900</u>
Supplemental schedule of:		
Noncash capital and related financing activities:		
Depreciation charged to assets purchased with contributions		<u>\$ 862,738</u>
The following is a reconciliation of cash and cash equivalents for the Enterprise Fund:		
Cash and investments		\$ 11,947,742
Restricted cash and cash equivalents		<u>4,222,158</u>
Cash and cash equivalents on the statement of cash flows		<u>\$ 16,169,900</u>

The accompanying notes are an integral part of this statement.

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City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS

September 30, 2001

NOTE 1 - ORGANIZATION AND PURPOSE

The City of Weston, Florida, (the "City") is a municipal corporation governed by an elected Mayor and a four member commission. The City was incorporated pursuant to the constitution and laws of the State of Florida in September 1996 when the qualified electors voted in favor of incorporation of the City and approved the Charter.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 government's accounting policies are described below.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As required by GAAP, these financial statements present the City and its component unit, an entity for which the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is in substance, part of the City's operations and so data from this unit is combined with data of the primary government.

The reporting entity for the City (the primary government) includes a legally separate organization for which the elected officials of the City are financially accountable. The City is financially accountable if the City Commission appoints a voting majority of an organization's governing body and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial burdens on the City.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - Continued

The Indian Trace Development District (the "ITDD") is a blended component unit and is included in the City's general purpose financial statements pursuant to Government Accounting Standards Board Statement No. 14. The ITDD was formed in 1975 by a Broward County Ordinance and in 1981 was reestablished pursuant to Chapter 190 of the Florida Statutes as an independent, special taxing district in Broward County, Florida, to provide facilities for water and sewer, water management and control, roads and other public improvements. The ITDD's boundaries exclude the community of Bonaventure. The ITDD is independent with the members of the City Commission governing the ITDD as the Board of Supervisors and therefore the City has the ability to impose its will on the ITDD. The ITDD has its own budget and taxing power. The operations and assets of the ITDD are reflected in the Indian Trace Special Revenue Fund, the 1997 Bond Construction Capital Project Fund, the Water and Sewer Enterprise Fund, the Agency Fund and General Fixed Asset Account group. The component unit has a September 30 year end. There were no separately issued financial statements for the component unit.

The Bonaventure Development District ("BDD") is a blended component unit and is included in the City's general-purpose financial statements. The BDD was created on December 21, 1998, however, was inactive until June 30, 2001 when the Florida Legislature dissolved West Lauderdale Water Control District and transferred all of the assets of the former to the BDD. The net assets received by the BDD included cash of \$616,337 and general fixed assets of \$1,417,015. Bonaventure Development District provides water management and control, roads and other public improvements. The BDD is independent with the members of the City Commission governing the BDD as the Board of Supervisors and therefore the City has the ability to impose its will on the BDD. The BDD has its own budget and taxing power. The operations and assets of the BDD are reflected in the Bonaventure Development District Special Revenue Fund and General Fixed Asset Account Group. The component unit has a September 30 year end. There were no separately issued financial statements for the component unit.

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

The City has the following fund types and account groups:

Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis. Under the modified accrual basis, revenue is recorded when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon thereafter to pay liabilities of the current period. Revenues are available if they are collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred. Property taxes, franchise fees, licenses, intergovernmental revenue and interest are susceptible to accrual.

Governmental funds include the following fund types:

General Fund - used to account for all revenue and expenditures applicable to the general operations of the City. All financial resources not restricted or designated as to use by outside sources or not required to be recorded in other funds are recorded in the General Fund.

Special Revenue Funds - used to account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities except those accounted for in the proprietary fund type.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when they are incurred. Costs which are expected to benefit future periods are deferred and amortized over such future periods. All of the applicable Financial Accounting Standards Board (“FASB”) pronouncements in accounting and reporting issued on or before November 30, 1989 are applied for the proprietary operations.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Proprietary fund includes the following fund type:

Enterprise Fund - used to account for the water and wastewater operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing services are generally recovered through user charges. Fees on new water and wastewater connections commonly referred to as connection fees, are collected to fund debt service on certain bond issues. Such fees are recorded as additions to contributed capital.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Agency Fund - is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

Accounts Groups - The *General Fixed Assets Account Group* is used to account for the fixed assets of the governmental funds including public domain infrastructure. Assets in this group are recorded at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General fixed assets are not depreciated. Upon disposal, the related cost is removed from the accounts. Maintenance and repairs are recorded as expenditures in the governmental funds as incurred and are not capitalized. Interest costs incurred in connection with general fixed assets are not capitalized. The *General Long-Term Debt Account Group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

Budgets and Budgetary Accounting

Florida Statutes require that all City governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. Accordingly, the City has established budgeting procedures.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgets and Budgetary Accounting - Continued

Prior to August 15, City management submits to the City Commission, a proposed operating budget for the Fiscal Year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. During September, public hearings are conducted to obtain citizen comments on the tentative budget and proposed millage. The final budget is prepared and legally adopted through passage of an ordinance prior to September 30.

The City adopts an operating budget on a generally accepted accounting principles basis for the General, and the Special Revenue Funds. Appropriations lapse at year-end. Transfers of appropriations within a fund and between funds can be performed by management. Only supplemental appropriations require the approval of the Commission. The legal level of control is the overall government level. There were no supplemental appropriations during the year.

Budget Reconciliation

The Bonaventure Water Management Fund in Special Revenue was not legally required to be budgeted. The following is a reconciliation of budgeted funds to the combined funds:

<u>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</u>	<u>Special Revenue</u>
Combining statement of revenues, expenditures and changes in fund balances - budget and actual	
Budgeted funds	\$ 3,700,505
Nonbudgeted funds	
Bonaventure water management	<u>216,383</u>
Combining statement of revenues, expenditures and changes in fund balances	<u>\$ 3,916,888</u>

Encumbrances

Current year appropriations are encumbered when purchase orders are issued. Encumbered amounts lapse at year end. However, outstanding encumbrances generally are reappropriated as part of the following years budget.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as demand deposits, money market accounts, Florida State Board of Administration treasurer's pool investments and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value, which is based on quoted market prices.

Interfunds Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the Fiscal Year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/due from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Fixed Assets

Fixed assets used in governmental fund types are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Public domain (infrastructure) general fixed assets are capitalized. Donated fixed asset are recorded at their estimated fair value at the date of donation. Assets in the general fixed asset account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group or capitalized in the proprietary funds.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fixed Assets - Continued

Plant and equipment acquired by the proprietary fund is stated at cost or, if donated, at estimated fair value at the date of donation. Property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives of 20 to 40 years for plant and improvements, and 5 years for equipment.

Major outlays for capital assets and improvements are capitalized in the proprietary fund as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Interest costs incurred in connection with plant and equipment net of interest earned on the invested proceeds over the same period were immaterial.

Restricted Assets

Restricted assets at September 30, 2001, consist of the following:

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Maintenance accounts	\$ 1,522,420	\$ -	\$ -	\$ -	\$ 1,522,420
Customer deposits	-	-	1,108,811	-	1,108,811
Sinking accounts	-	-	374,464	-	374,464
Reserve accounts	-	-	450,904	-	450,904
Construction accounts	-	11,958,275	2,745,309	3,856,900	18,560,484
	<u>\$ 1,522,420</u>	<u>\$ 11,958,275</u>	<u>\$ 4,679,488</u>	<u>\$ 3,856,900</u>	<u>\$ 22,017,083</u>
Cash and investments	\$ 1,522,420	\$ 10,985,867	\$ 4,672,133	\$ 3,856,900	\$ 21,037,320
Receivables	-	972,408	7,355	-	979,763
	<u>\$ 1,522,420</u>	<u>\$ 11,958,275</u>	<u>\$ 4,679,488</u>	<u>\$ 3,856,900</u>	<u>\$ 22,017,083</u>

The above accounts, except for customer deposits and amounts held from property owners, are required to be restricted under covenants of the bond resolutions to service debt and fund construction of certain water, wastewater and water management facilities. Amounts held from property owners are held for future payment of special benefit assessment bond principal and interest payments (see Note 5).

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted Assets - Continued

Amounts payable from restricted assets at September 30, 2001, consist of the following:

	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Payable from restricted assets				
Customer deposits	\$ -	\$ 1,108,811	\$ -	\$ 1,108,811
Accrued interest payable	-	27,788	-	27,788
Accounts payable	338,318	-	-	338,318
Due to other funds	385,305	-	-	385,305
Contracts payable	121,281	12,057	-	133,338
Retainages payable	<u>32,813</u>	<u>12,416</u>	-	<u>45,229</u>
	<u>\$ 877,717</u>	<u>\$ 1,161,072</u>	<u>\$ -</u>	<u>\$ 2,038,789</u>
Payable to bondholders	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,856,900</u>	<u>\$ 3,856,900</u>

Long-Term Obligations

Long-term debt and other obligations financed by proprietary fund types are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Compensated Absences

It is the City's policy to permit employees to accumulate limited amounts of earned but unused vacation and sick pay benefits. There are no employees in the proprietary fund. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Accruals for compensated absences at September 30, 2001 were not material.

(continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

Total Columns on Combined Statements

Total columns in the combined statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

New Accounting Standards

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Generally, this statement establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. It establishes that the basic financial statements and required supplementary information for general purpose governments should consist of: management's discussion and analysis, basic financial statements, and required supplementary information. The requirements of this statement are effective for the City in the fiscal year ended September 30, 2003. Management has not yet determined the effect of this statement on its financial statements.

In April 2000, the GASB issued Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues - an amendment of GASB Statement No. 33*. Generally, this Statement provides symmetrical accounting treatment for certain shared revenues by superseding a portion of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The requirements of this statement are effective for the City in the fiscal year ended September 30, 2003. Management has not yet determined the impact of this statement on its financial statements.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as Public Deposits. All the public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" ("the Act"). In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits, times the depository's collateral pledging level.

The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All deposits are Category 1 credit risk.

Investments

Florida Statutes authorize investments in obligations of the U.S. Government or obligations which are unconditionally guaranteed by the U.S. Government, certificates of deposit and savings accounts, in approved depositories and the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration. ("State Treasurer's Investment Pool").

The City invests in repurchase agreements and U.S. Treasury bills and notes through the State Board of Administration. Under Section 215.47, Florida Statutes, investments held by the State Board of Administration are entirely collateralized and insured by the State. The State Board of Administration is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury, its agencies and instrumentalities and repurchase and reverse repurchase agreements collateralized by U.S. securities. These investments are valued using the pool share price which is the same as the fair value.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

The City also invests monies in the State's general pool of investments. The State Treasurer pools funds from all departments. Included in the pool are time deposits, U.S. Government securities, banker's acceptances, commercial paper, corporate notes, repurchase agreements and reverse repurchase agreements through a securities lending program. The State Board of Administration exercises oversight responsibility over the State pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. The City's share of this investment pool was approximately \$5.2 million at September 30, 2001. No allocation will be made as to City's share of the types of investments or their risk categories. The City's share of the assets and liabilities arising from the reverse repurchase agreements will likewise not be carried on the balance sheet since the State Treasury operates on a pooled basis and to do so may give the misleading impression that the City itself has entered into such agreements. For further information refer to the State of Florida's Comprehensive Annual Financial Report or publications on the State Treasurer's Office.

Certain investments are required to be categorized to give an indication of the level of credit risk assumed by the City through the District at year-end. The three categories of risk as defined by Government Accounting Standards Board (GASB) Statement No. 3 are as follows:

1. Insured or registered, or securities held by the entity or its agent in the entity's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name; and
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

State Treasurer's Investment Pool and Mutual Funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Mutual funds are not insured or guaranteed, however, the underlying portfolio consists of U.S. Treasury securities.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

The State Treasurer's Investment Pool invests in various instruments, the approximate mix of which follows:

	<u>Percentage Held at September 30, 2001</u>
Treasury bills, notes, and bonds	12.6%
Federal agency obligations	53.0
Repurchase agreements	5.3
Commercial paper	24.5
Certificates of deposit	3.6
Medium term & floating rate notes	<u>1.0</u>
Total	<u>100.0%</u>

Investments as of September 30, 2001 were as follows:

	<u>Reported Amount/ Fair Value</u>
Investments not subject to categorization:	
State Treasurer's investment pool	\$ 5,190,261
Mutual funds	<u>54,905,099</u>
Total investments	<u>\$60,095,360</u>

A reconciliation of cash and investments as shown on the Combined Balance Sheet follows:

	<u>Cash</u>	<u>Investments</u>	<u>Accrued Interest Receivable</u>	<u>Total</u>
Cash and investments	\$ 11,517,753	\$ 39,058,040	\$ -	\$ 50,575,793
Restricted assets	<u>-</u>	<u>21,037,320</u>	<u>979,763</u>	<u>22,017,083</u>
	<u>\$11,517,753</u>	<u>\$60,095,360</u>	<u>\$ 979,763</u>	<u>\$72,592,876</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 4 - PROPERTY TAXES

Property taxes are levied on October 1 of each year. Ad valorem property taxes are based on property value. Non ad valorem property taxes are based on per unit. The tax bill may be paid at declining discounts from November through February. All unpaid taxes become delinquent on April 1 of the year following the year in which taxes were levied and are subject to the issuance of tax sale certificates as of June 1. Broward County bills and collects all property taxes for the City.

NOTE 5 - NO OBLIGATION SPECIAL BENEFIT ASSESSMENTS

The City through the ITDD acts an agent for the payment of special benefit assessment bonds. Neither the City nor the ITDD are obligated in any manner for the repayment of these bonds. The City's responsibility through the ITDD is limited to acting as an agent in collecting the assessments and forwarding the collections to bondholders as bonds and interest payments come due. These amounts are reflected in the Agency Fund. Accordingly, no liability for these bonds have been recorded in the City's general purpose financial statements. The principal amount of outstanding debt was \$107,455,000 at September 30, 2001.

The Water Management Special Benefit Assessment Bonds outstanding are relating to the following issues:

<u>Bond Issue</u>	<u>Issue/Reissue Date</u>	<u>Original Principal</u>	<u>Interest Rate</u>	<u>Debt Requirement at September 30, 2001</u>
1995A	February 1995	\$ 65,565,000	5 - 5.75%	\$ 45,595,000
1995B	February 1995	33,010,000	8.25%	22,430,000
1997	July 1997	<u>41,635,000</u>	4 - 5%	<u>39,430,000</u>
		<u>\$ 140,210,000</u>		<u>\$ 107,455,000</u>

All Water Management issues relate to the District and are secured by a pledge of the proceeds of the bonds, non-ad valorem special assessments, and moneys and investments on deposit. The Series 1995A and 1995B Bond's proceeds are for various construction projects. Series 1995B Bonds are subordinate to Series 1995A Bonds. The Series 1997 Bonds' proceeds are to be used to pay costs of certain improvements to the water management system.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 6 - RECEIVABLES

Receivables as of year end are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Receivables					
Interest	\$ 31,778	\$ 25,947	\$ -	\$ 15,089	\$ 72,814
Accounts	2,059,745	261,323	720	861,336	3,183,124
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>824,995</u>	<u>824,995</u>
Gross and net receivables	<u>\$2,091,523</u>	<u>\$ 287,270</u>	<u>\$ 720</u>	<u>\$ 1,701,420</u>	<u>\$ 4,080,933</u>
Restricted receivables (included in restricted assets)					
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972,408</u>	<u>\$ 7,355</u>	<u>\$ 979,763</u>

There was no allowance necessary for these receivables as of September 30, 2001.

NOTE 7 - ENTERPRISE BONDS PAYABLE

The Water and Sewer Revenue Bonds outstanding relate to the following issues:

<u>Bond Issue</u>	<u>Issue Date</u>	<u>Original Principal</u>	<u>Interest Rate</u>	<u>Debt Requirement at September 30, 2001</u>
Water and Sewer Revenue Bonds Series 1985 ("1985 Bonds")	December 1985	\$ 3,900,000	9.375% to 9.75% to	\$ 1,710,000
Less: Bond Discount				<u>90,526</u>
				<u>\$ 1,619,474</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 7 - ENTERPRISE BONDS PAYABLE - Continued

The proceeds of the Bonds were used to pay \$1,075,000 due to the City of Sunrise (see Note 14) and advances received from Arvida. The Bonds are payable from the lease revenues from the City of Sunrise (see Note 14).

The Water and Sewer Revenue Bonds require the establishment of certain cash and investment accounts and determines the order in which transfers are to be made to these cash and investment accounts.

The Water and Sewer Revenue Bonds outstanding as of September 30, 2001, and a summary of debt activity for the year then ended, are as follows:

Balance at October 1, 2000	\$ 1,869,416
Amortization of bond discount	10,058
Debt retired	<u>(260,000)</u>
Balance at September 30, 2001	<u>\$ 1,619,474</u>

The Series 1985 bonds are subject to prior redemption at the option of the City through the District, in whole or in part, in inverse order of maturity on any interest payment date on or after December 1, 1995, at redemption prices ranging from 103% to 100% of par plus accrued interest.

Mandatory sinking fund requirements as of each Fiscal Year are as follows:

2002	\$ 280,000
2003	310,000
2004	340,000
2005	370,000
2006	<u>410,000</u>
	1,710,000
Less bond discount	<u>90,526</u>
	<u>\$ 1,619,474</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 8 - GENERAL LONG-TERM DEBT - Continued

The following is a summary of changes in general long-term liabilities for the year ended September 30, 2001 reported in the general long-term debt account group:

	Balance October 1, 2000	Additions	Retirements	Balance September 30, 2001
Community facilities note	\$ 8,803,983	\$ -	\$ 901,315	\$ 7,902,668
Street lighting note	506,000	-	-	506,000
Tequesta trace note	476,998	-	151,221	325,777
Roadway improvements note	-	1,352,671	-	1,352,671
Total general long-term debt	<u>\$ 9,786,981</u>	<u>\$ 1,352,671</u>	<u>\$ 1,052,536</u>	<u>\$ 10,087,116</u>

Annual debt service requirements to maturity are as follows at September 30, 2001:

Fiscal Year Ending September 30,	<u>Community Facilities Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 966,446	\$ 399,241	\$ 1,365,687
2003	1,015,386	350,301	1,365,687
2004	1,066,803	298,884	1,365,687
2005	1,120,825	244,862	1,365,687
2006	1,177,582	188,105	1,365,687
Thereafter	<u>2,555,626</u>	<u>194,297</u>	<u>2,749,923</u>
	<u>\$ 7,902,668</u>	<u>\$ 1,675,690</u>	<u>\$ 9,578,358</u>

Fiscal Year Ending September 30,	<u>*Street Lighting Note</u>
2002	\$ 51,000
2003	145,000
2004	150,000
2005	<u>160,000</u>
Total	<u>\$ 506,000</u>

*Only principal requirements are shown due to variable interest.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 8 - GENERAL LONG-TERM DEBT - Continued

Fiscal Year Ending September 30,	Tequesta Trace Note		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 158,912	\$ 16,289	\$ 175,201
2003	<u>166,865</u>	<u>8,343</u>	<u>175,208</u>
	<u>\$ 325,777</u>	<u>\$ 24,632</u>	<u>\$ 350,409</u>

Fiscal Year Ending September 30,	Roadway Improvements Note		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 125,122	\$ 42,878	\$ 168,000
2003	278,642	57,358	336,000
2004	292,606	43,394	336,000
2005	307,270	28,730	336,000
2006	<u>349,031</u>	<u>13,333</u>	<u>362,364</u>
	<u>\$ 1,352,671</u>	<u>\$ 185,693</u>	<u>\$ 1,538,364</u>

NOTE 9 - FIXED ASSETS

Activity in the general fixed asset group for the year ended September 30, 2001 was as follows:

	<u>Balance October 1, 2000</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance September 30, 2001</u>
Buildings	\$ 2,428,241	\$ 320,781	\$ -	\$ 2,749,022
Improvements other than buildings	104,837,291	7,836,766	25,314,531	137,988,588
Equipment	1,675,082	134,259	-	1,809,341
Construction in progress	<u>15,368,525</u>	<u>16,211,102</u>	<u>(25,314,531)</u>	<u>6,265,096</u>
	<u>\$ 124,309,139</u>	<u>\$ 24,502,908</u>	<u>\$ -</u>	<u>\$ 148,812,047</u>

Included in additions are approximately \$9,800,000 of fixed asset contributions from other governments and a developer.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 9 - FIXED ASSETS - Continued

The following is a summary of proprietary fund type fixed assets at September 30, 2001:

	<u>Enterprise Fund</u>
Construction in progress	\$ 421,876
Improvements other than buildings	33,209,607
Equipment	<u>84,372</u>
	33,715,855
Less: accumulated depreciation	<u>7,049,016</u>
	<u>\$ 26,666,839</u>

NOTE 10 - LEASES

Operating Leases

The City entered into a 10 year operating lease agreement on October 1, 1997 for office space. Total cost for such lease was \$90,022 for the year ended September 30, 2001. The following is a schedule by year of future minimum lease payments as of September 30, 2001:

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 92,022
2003	94,022
2004	96,022
2005	98,022
2006	100,022
Thereafter	<u>102,022</u>
Total	<u>\$ 582,132</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

A summary of due to/from other funds as of September 30, 2001 is as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 263,186	\$ 664,384
Special Revenue Funds		
Street Maintenance	8,333	-
Indian Trace Development District	101,448	-
Fire District	8,333	-
Bonaventure Development District	272,761	400,000
Capital Projects Funds		
Community Facilities Construction	118,671	-
Bonaventure	400,000	375,687
Street Lighting	529,047	233,032
Enterprise Fund	-	28,676
Total	\$ 1,701,779	\$ 1,701,779

NOTE 12 - CONTRIBUTED CAPITAL

During the year ended September 30, 2001, changes in contributed capital consisted of the following:

Contributed capital, beginning of year	\$ 35,856,650
Connection fees	2,436,287
Depreciation charged to contributed capital	(862,738)
Contributed capital, end of year	\$ 37,430,199

NOTE 13 - INSURANCE

The City is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the City renewed the insurance policy to cover general liability and property damage.

The Insurance policy provides coverage up to a \$2,000,000 maximum for each general liability and property damage in combination with a maximum annual aggregate of approximately \$6,000,000 for the policy year ending September 30, 2001. Settled claims did not exceed this commercial coverage during the last three fiscal years.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 14 - COMMITMENTS AND CONTINGENCIES

City of Sunrise Water and Sewer Agreement

A settlement agreement between the City of Sunrise and the District was executed on June 30, 1993, for a term of 30 years with an option to renew for an additional 30 years. The City of Sunrise agrees to supply to the District, water and sewer service and provide the related billing and collection services to the District's customers based on the City of Sunrise's rate structure. The customers remain with the District, but the District is performing only certain services under the agreement. The pumping and storage facility funded by the 1985 Water and Sewer Revenue Bond proceeds is being leased to the City of Sunrise based on a semi-annual payment schedule to cover the District's debt service on that facility. The direct financing lease minimum lease receivable at September 30, 2001 is \$1,937,426 with related unearned income of \$393,128, for a net investment direct financing lease of \$1,544,298.

The following is a schedule by year of future minimum lease payments to be received, as lessor, from the City of Sunrise as of September 30, 2001:

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 443,976
2003	444,238
2004	441,575
2005	428,012
2006	<u>179,625</u>
Total	1,937,426
Less: interest	<u>393,128</u>
	<u>\$ 1,544,298</u>

Construction Commitments

The City through the District has outstanding commitments for the construction of plant and equipment of approximately \$389,000 in the Enterprise Fund, and of approximately \$1,618,000 in Capital Projects Fund as of September 30, 2001.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE 14 - COMMITMENTS AND CONTINGENCIES - Continued

Broward County Emergency Medical and Fire Services Agreement

The City entered into an agreement with Broward County to provide emergency medical and fire protection services. Per the agreement, the City now provides housing for fire and rescue units and is responsible for major repairs and maintenance. The County provided the City \$1,100,000 for a new fire/rescue station. The County provides emergency medical and fire protection services to the City on a 24-hour, 7-days a week basis. The County also provides 3 rescue transport units, 2 fire engine units, 1 fire aerial unit, and personnel. The City will pay to the County as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 5,234,250
2003	5,483,500
2004	5,732,750
2005	<u>5,982,000</u>
Total minimum payments	<u>\$ 22,432,500</u>

Payments are due in monthly installments. The term of the agreement commenced October 1, 2000 for five years ending September 30, 2005. The City may request renewal for an additional five years. The first year of the renewal term is fiscal year 2005-2006 and would be \$6,231,250. Payment amounts would increase \$318,100 thereafter.

If during the initial term, the City requests an increase or decrease in the number of emergency medical service or fire engine units provided by County, the payment amount will be adjusted by \$1,135,580 per fire engine unit per year and \$696,390 per emergency medical services unit per year.

Keep Bonaventure Beautiful Stock Purchase Commitment

The City has entered into an agreement with Newbon Land Partners, Ltd. to purchase the stock of Keep Bonaventure Beautiful Corporation for a sum \$5.2 million. On October 2, 2000, a resolution was passed approving the share purchase. The transaction was placed in escrow until after year-end when the bonds will be issued and the purchase will be finalized.

**COMBINING & INDIVIDUAL
FUND STATEMENTS**



GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

City of Weston, Florida

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

Year Ended September 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes			
Ad valorem - current	\$ 4,800,000	\$ 4,897,028	\$ 97,028
Franchise fees			
Electric	725,651	1,022,438	296,787
Telephone	85,499	163,928	78,429
Cable television	256,498	274,928	18,430
Solid waste	192,458	291,589	99,131
Utility taxes			
Electric	3,000,000	3,108,886	108,886
Telephone	1,128,762	1,594,992	466,230
Gas	50,000	58,587	8,587
Total tax revenue	<u>10,238,868</u>	<u>11,412,376</u>	<u>1,173,508</u>
Licenses and permits			
City occupational licenses	200,000	367,883	167,883
Building permits	650,000	658,356	8,356
Engineering permits	200,000	214,417	14,417
Total licenses and permit revenues	<u>1,050,000</u>	<u>1,240,656</u>	<u>190,656</u>
Intergovernmental			
Alcohol beverage licenses	5,700	5,717	17
Half cent sales tax	2,897,193	3,022,728	125,535
Motor fuel tax	2,000	2,566	566
State revenue sharing	45,000	124,230	79,230
Grant revenue	160,000	164,958	4,958
Total intergovernmental revenues	<u>3,109,893</u>	<u>3,320,199</u>	<u>210,306</u>
Changes for services			
Development review fees	1,400,000	1,413,475	13,475
Planning and zoning fees	1,000,000	1,103,547	103,547
Solid waste fees	3,500,000	3,572,957	72,957
Fire and EMS	200,000	212,212	12,212
Recreation fees	129,000	185,615	56,615
Total charges for services	<u>6,229,000</u>	<u>6,487,806</u>	<u>258,806</u>
Fines and forfeitures			
Court fines and forfeitures	103,000	288,428	185,428
Infrastructure fees			
Traffic infrastructure fees	60,000	64,974	4,974
Total infrastructure fees	<u>60,000</u>	<u>64,974</u>	<u>4,974</u>
Investment income			
Interest income	550,000	1,068,979	518,979
Miscellaneous revenues			
Other miscellaneous revenues	59,623	300,011	240,388
Total revenues	<u>\$ 21,400,384</u>	<u>\$ 24,183,429</u>	<u>\$ 2,783,045</u>

City of Weston, Florida

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED**

Year Ended September 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Expenditures			
Current			
General government			
City Commission	\$ 65,000	\$ 63,473	\$ 1,527
City Manager/City Clerk	915,000	907,429	7,571
Administrative services	1,460,000	1,454,209	5,791
Legal	<u>375,000</u>	<u>361,766</u>	<u>13,234</u>
Total general government	2,815,000	2,786,877	28,123
Public safety			
Police services	3,950,000	3,929,785	20,215
Fire services	<u>1,904,957</u>	<u>1,902,602</u>	<u>2,355</u>
Total public safety	5,854,957	5,832,387	22,570
Community development			
Planning and zoning	<u>3,090,000</u>	<u>3,084,264</u>	<u>5,736</u>
Public works			
Maintenance	900,000	888,637	11,363
Solid waste	<u>3,630,000</u>	<u>3,624,831</u>	<u>5,169</u>
Total public works	4,530,000	4,513,468	16,532
Parks and recreation			
Parks	<u>2,550,000</u>	<u>2,534,181</u>	<u>15,819</u>
Total parks and recreation			
Non-departmental	150,000	148,725	1,275
Capital outlay	<u>3,855,687</u>	<u>3,851,703</u>	<u>3,984</u>
Total expenditures	<u>22,845,644</u>	<u>22,751,605</u>	<u>94,039</u>
Excess (deficiency) of revenues over (under) expenditures	(1,445,260)	1,431,824	2,877,084
Other financing sources			
Operating transfers in	<u>1,445,260</u>	<u>627,286</u>	<u>(817,974)</u>
Total other financing sources	1,445,260	627,286	(817,974)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	2,059,110	2,059,110
Fund balance at beginning of year	<u>20,103,088</u>	<u>20,103,088</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,103,088</u>	<u>\$ 22,162,198</u>	<u>\$ 2,059,110</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Indian Trace Development District Fund

This fund is used to account for the City's construction and maintenance of the water management system within the boundaries of Indian Trace Development District.

Street Maintenance Fund

This fund is used to account for revenues received from State and County government which may only be expended for those items prescribed by law.

Bonaventure Development District Fund

This fund accounts for capital construction, operation, and maintenance activities of the water management and control facilities with the Bonaventure Development District.

Fire District Fund

This fund is used to account for resources and expenditures that are available for the City's Fire Protection Services.

City of Weston, Florida

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

September 30, 2001

	<u>Indian Trace Development District</u>	<u>Street Maintenance</u>	<u>Bonaventure Development District</u>	<u>Fire District</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 9,217,297	\$ 2,104,670	\$ 343,236	\$ 572,073	\$ 12,237,276
Receivables	196,995	78,490	5,141	6,644	287,270
Due from other funds	101,448	8,333	272,761	8,333	390,875
Restricted assets	<u>1,522,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,522,420</u>
Total assets	<u>\$ 11,038,160</u>	<u>\$ 2,191,493</u>	<u>\$ 621,138</u>	<u>\$ 587,050</u>	<u>\$ 14,437,841</u>
LIABILITIES AND FUND BALANCE					
Accounts payable	\$ 171,361	\$ 52,410	\$ 4,756	\$ 257,504	\$ 486,031
Due to other governments	944	-	-	-	944
Due to other funds	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total liabilities	<u>172,305</u>	<u>52,410</u>	<u>404,756</u>	<u>257,504</u>	<u>886,975</u>
Fund balance					
Reserved					
Reserved for maintenance	1,522,420	-	-	-	1,522,420
Unreserved					
Undesignated	<u>9,343,435</u>	<u>2,139,083</u>	<u>216,383</u>	<u>329,545</u>	<u>12,028,446</u>
Total fund balances	<u>10,865,855</u>	<u>2,139,083</u>	<u>216,383</u>	<u>329,545</u>	<u>13,550,866</u>
Total liabilities and fund balances	<u>\$ 11,038,160</u>	<u>\$ 2,191,493</u>	<u>\$ 621,139</u>	<u>\$ 587,049</u>	<u>\$ 14,437,841</u>

City of Weston, Florida

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended September 30, 2001

	Indian Trace Development District	Street Maintenance	Bonaventure Development District	Fire District	Total
Revenues					
Taxes					
Non ad valorem assessments	\$ 6,956,165	\$ -	\$ 797	\$ 3,497,450	\$ 10,454,412
Intergovernmental					
Local option gas tax	-	851,573	-	-	851,573
State revenue sharing	-	260,830	-	-	260,830
Total inter- governmental revenues	-	1,112,403	-	-	1,112,403
Investment income					
Interest income	640,718	84,838	5,037	24,036	754,629
Contributions					
Contributions from property owners	-	-	20,494	-	20,494
Contributions from other governments	-	-	616,337	-	616,337
Total contributions	-	-	636,831	-	636,831
Total revenues	7,596,883	1,197,241	642,665	3,521,486	12,958,275
Expenditures					
Current					
Public safety-fire	-	-	-	3,090,043	3,090,043
Community development					
Field maintenance	242,463	546	6,432	-	249,441
Planning and zoning	-	2,399	-	-	2,399
Administrative services	100,000	-	-	-	100,000
	342,463	2,945	6,432	-	351,840
Public works	3,937,026	59,570	-	-	3,996,596
Non-departmental	41,546	47,774	19,850	1,898	111,068
Capital outlay	96,333	346,891	-	-	443,224
Debt service					
Interest and fiscal charges	21,330	-	-	-	21,330
Total expenditures	4,438,698	457,180	26,282	3,091,941	8,014,101
Excess of revenues over expenditures	3,158,185	740,061	616,383	429,545	4,944,174
Other financing uses					
Operating transfers out	(427,286)	(100,000)	(400,000)	(100,000)	(1,027,286)
Total other financing uses	(427,286)	(100,000)	(400,000)	(100,000)	(1,027,286)
Excess (deficiency) of revenues over (under) expenditure and other financing uses	2,730,899	640,061	216,383	329,545	3,916,888
Fund balances at beginning of year	8,134,956	1,499,022	-	-	9,633,978
Fund balances at end of year	\$ 10,865,855	\$ 2,139,083	\$ 216,383	\$ 329,545	\$ 13,550,866

City of Weston, Florida

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

Year Ended September 30, 2001

	Indian Trace		Street Maintenance		Fire District Fund		Total		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Revenues									
Taxes									
Non ad valorem assessments	\$ 6,263,979	\$ 6,956,165	\$ -	\$ -	\$ 3,170,043	\$ 3,497,450	\$ 9,433,972	\$ 10,453,615	\$ 1,019,643
Intergovernmental	-	-	719,577	851,573	-	-	719,577	851,573	131,996
Local option gas tax	-	-	260,000	260,830	-	-	260,000	260,830	830
State revenue sharing	-	-	979,577	1,112,403	-	-	979,577	1,112,403	132,826
Total intergovernmental revenues	-	-	1,959,154	2,233,706	-	-	1,959,154	2,233,706	267,456
Investment income	-	-	-	-	-	-	-	-	-
Interest income	630,000	640,718	80,000	84,838	20,000	24,036	730,000	749,592	19,592
Total revenues	6,893,979	7,596,883	1,059,577	1,197,241	3,190,043	3,521,486	11,143,549	12,315,610	1,172,061
Expenditures									
Current									
Public safety	-	-	-	-	3,088,043	3,090,043	3,088,043	3,090,043	(2,000)
Community development	-	-	-	-	-	-	-	-	-
Field maintenance	804,786	242,463	249,919	546	-	-	1,054,705	243,009	811,696
Planning and zoning	-	-	3,000	2,399	-	-	3,000	2,399	601
Administrative services	100,000	100,000	-	-	-	-	100,000	100,000	-
	904,786	342,463	252,919	2,945	-	-	1,157,705	345,408	812,297
Public works	4,345,585	3,937,026	304,293	59,570	-	-	4,649,878	3,996,596	653,282
Non-departmental	50,000	41,546	50,000	47,774	2,000	1,898	102,000	91,218	10,782
Capital outlay	100,000	96,333	352,365	346,891	-	-	452,365	443,224	9,141
Debt service	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	248,298	21,330	-	-	-	-	248,298	21,330	226,968
Total expenditures	5,648,669	4,438,698	959,577	457,180	3,090,043	3,091,941	9,698,289	7,987,819	1,710,470
Excess of revenues over expenditures	1,245,260	3,158,185	1,912,925	740,061	100,000	429,545	1,445,260	4,327,791	2,882,531
Other financing uses:									
Operating transfer out	(1,245,260)	(427,286)	(100,000)	(100,000)	(100,000)	(100,000)	(1,445,260)	(627,286)	817,974
Total other financing sources	(1,245,260)	(427,286)	(100,000)	(100,000)	(100,000)	(100,000)	(1,445,260)	(627,286)	817,974
Excess (deficiency) of revenues over (under) expenditure and other financing uses	-	2,730,899	2,730,899	640,061	-	329,545	-	3,700,505	3,700,505
Fund balances at beginning of year	8,134,956	8,134,956	1,499,022	1,499,022	-	-	9,633,978	9,633,978	-
Fund balances at end of year	\$ 8,134,956	\$ 10,865,855	\$ 1,499,022	\$ 2,139,083	\$ -	\$ 329,545	\$ 9,633,978	\$ 13,334,483	\$ 3,700,505

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

1997 Bond Construction Fund

This fund is used to account for various construction projects of the water management system and various roadway improvements funded with special benefit assessment bond proceeds.

Community Facilities Construction Fund

This fund is used to account for various construction projects of community-wide infrastructure funded with a bank note.

Street Lighting Fund

This fund is used to account for installation of street lights along a strip of Weston Road and is funded via special assessments and loan proceeds.

Bonaventure Fund

This fund is used to account for the financing of the cost of infrastructure and facilities benefiting district lands and the acquisition of capital stock of keep Bonaventure Beautiful Corporation.

Roadway Improvements Fund

This fund is used to account for various roadway improvements funded with special assessments to the surrounding property owners.

City of Weston, Florida

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

September 30, 2001

	1997 Bond Construction	Community Facilities Construction	Street Lighting	Bonaventure	Roadway Improvements	Total
ASSETS						
Cash	\$ -	\$ 2,692,387	\$ -	\$ 92	\$ 575,498	\$ 3,267,977
Receivables	-	-	-	-	720	720
Due from other funds	-	118,671	529,047	400,000	-	1,047,718
Restricted assets						
Cash and investments	10,853,085	-	134,248	-	-	10,987,333
Receivables	585,637	-	385,305	-	-	970,942
Total restricted assets	11,438,722	-	519,553	-	-	11,958,275
Total assets	\$ 11,438,722	\$ 2,811,058	\$ 1,048,600	\$ 400,092	\$ 576,218	\$ 16,274,690
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ 38,891	\$ -	\$ 8,803	\$ 198,758	\$ 246,452
Due to other funds	-	-	233,032	375,687	-	608,719
Deferred revenue	-	-	-	-	-	-
Payable from restricted assets						
Accounts payable	338,318	-	-	-	-	338,318
Due to other funds	-	-	385,305	-	-	385,305
Retainage payable	32,813	-	-	-	-	32,813
Contracts payable	121,281	-	-	-	-	121,281
Total payable from restricted assets	492,412	-	385,305	-	-	877,717
Total liabilities	492,412	38,891	618,337	384,490	198,758	1,732,888
Fund balances						
Reserved for construction	10,946,310	-	-	-	-	10,946,310
Unreserved/undesignated	-	2,772,167	430,263	15,602	377,460	3,595,492
Total fund balances	10,946,310	2,772,167	430,263	15,602	377,460	14,541,802
Total liabilities and fund balances	\$ 11,438,722	\$ 2,811,058	\$ 1,048,600	\$ 400,092	\$ 576,218	\$ 16,274,690

City of Weston, Florida

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

Year Ended September 30, 2001

	1997 Bond Construction	Community Facilities Construction	Street Lighting	Bonaventure	Roadway Improvements	Total
Taxes						
Franchise fees	\$ -	\$ 1,423,548	\$ -	\$ -	\$ -	\$ 1,423,548
Non-ad valorem assessments	-	1,100,000	456,349	-	36,137	1,592,486
	-	2,523,548	456,349	-	36,137	3,016,034
Investment income						
Interest income	665,375	155,772	21,111	-	825	843,083
Net decrease in fair value of investments	(19,675)	-	-	-	-	(19,675)
Contributions	645,700	155,772	21,111	-	825	823,408
Contributions from developers	37,292	2,500	-	-	-	39,792
Total revenues	682,992	2,681,820	477,460	-	36,962	3,879,234
Expenditures						
Current						
General government						
Legal	-	-	-	-	-	29,452
Administrative services	-	-	-	-	-	342,700
Total general government	-	-	-	-	-	372,152
Nondepartmental	40,753	10,902	1,122	-	103	52,880
Capital outlay	6,437,895	2,440,744	520,800	-	1,012,070	10,411,509
Debt service						
Payment of principal	-	1,052,536	-	-	-	1,052,536
Interest expense	-	464,292	20,622	-	-	484,914
Debt issuance cost	-	-	-	12,246	-	12,246
Total debt service	-	1,516,828	20,622	12,246	-	1,549,696
Total expenditures	6,478,648	3,968,474	542,544	384,398	1,012,173	12,386,237
Excess (deficiency) of revenues over (under) expenditures	(5,795,656)	(1,286,654)	(65,084)	(384,398)	(975,211)	(8,507,003)
Other financing sources:						
Operating transfers in	-	-	-	400,000	-	400,000
Proceeds from issuance of note payable	-	-	-	-	1,352,671	1,352,671
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,795,656)	(1,286,654)	(65,084)	15,602	377,460	(6,754,332)
Fund balances at beginning of year	16,741,966	4,058,821	495,347	-	-	21,296,134
Fund balances, at end of year	\$ 10,946,310	\$ 2,772,167	\$ 430,263	\$ 15,602	\$ 377,460	\$ 14,541,802

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AGENCY FUND

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Agency Fund - Special Benefit Assessments

This fund is used to account for assessments collected from property owners and forwarded to bondholders as bond principal and interest payments come due.

City of Weston, Florida

AGENCY FUND
BALANCE SHEET

September 30, 2001

ASSETS

Restricted assets Investments	<u>\$ 3,856,900</u>
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LIABILITIES

Payable to bond holders	<u>\$ 3,856,900</u>
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SPECIAL BENEFIT ASSESSMENT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended September 30, 2001

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
ASSETS				
Restricted assets Investments	<u>\$ 4,750,138</u>	<u>\$ 10,787,510</u>	<u>\$ 11,680,748</u>	<u>\$ 3,856,900</u>
	<u>\$ 4,750,138</u>	<u>\$ 10,787,510</u>	<u>\$ 11,680,748</u>	<u>\$ 3,856,900</u>
LIABILITIES				
Payable to bond holders	<u>\$ 4,750,138</u>	<u>\$ 10,787,510</u>	<u>\$ 11,680,748</u>	<u>\$ 3,856,900</u>

**GENERAL FIXED ASSETS
ACCOUNTS GROUP**

This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

City of Weston, Florida

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE

September 30, 2001

General fixed assets	
Buildings	\$ 2,749,022
Improvements other than buildings	137,988,588
Equipment	1,809,341
Construction in progress	<u>6,265,096</u>
Total general fixed assets	<u>\$ 148,812,047</u>
Investment in general fixed assets by source	
General fund	\$ 5,543,414
Special revenue funds	939,694
Capital projects fund	132,484,271
Donations	<u>9,844,668</u>
Total investment in general fixed assets	<u>\$ 148,812,047</u>

City of Weston, Florida

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

September 30, 2001

<u>Function and Activity</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General government					
City Commission	\$ -	\$ 4,774	\$ 33,005	\$ -	\$ 37,779
City Manager/City Clerk	-	379	87,666	-	88,045
Total general government	-	5,153	120,671	-	125,824
Public safety					
Fire services	775,213	8,726	87,421	-	871,360
Police services	<u>1,653,028</u>	<u>14,189</u>	<u>7,163</u>	-	<u>1,674,380</u>
Total public safety	2,428,241	22,915	94,584	-	2,545,740
Community development					
Field maintenance	-	-	22,991	-	22,991
Parks and recreation					
Parks	-	17,457,301	515,862	980,996	18,954,159
Public works					
Signs/signals	-	590,508	-	-	590,508
Roadways	-	306,813	-	1,991,088	2,297,901
Rights of way	-	254,384	-	1,012,070	1,266,454
Street lights	-	96,333	-	1,049,847	1,146,180
Water management	<u>320,781</u>	<u>119,255,181</u>	<u>1,055,233</u>	<u>1,231,095</u>	<u>121,862,290</u>
Total public works	<u>320,781</u>	<u>120,503,219</u>	<u>1,055,233</u>	<u>5,284,100</u>	<u>127,163,333</u>
Total general fixed assets	<u>\$ 2,749,022</u>	<u>\$ 137,988,588</u>	<u>\$ 1,809,341</u>	<u>\$ 6,265,096</u>	<u>\$ 148,812,047</u>

City of Weston, Florida

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY**

Year Ended September 30, 2001

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 2001</u>
General government				
City Commission	\$ 33,005	\$ 4,774	\$ -	\$ 37,779
City Manager/City Clerk	<u>85,924</u>	<u>2,121</u>	<u>-</u>	<u>88,045</u>
Total general government	118,929	6,895	-	125,824
Public safety				
Fire services	827,603	43,757	-	871,360
Police services	<u>1,660,191</u>	<u>14,189</u>	<u>-</u>	<u>1,674,380</u>
Total public safety	2,487,794	57,946	-	2,545,740
Community development				
Field maintenance	22,991	-	-	22,991
Parks and recreation				
Parks	7,468,265	11,485,894	-	18,954,159
Public works				
Signs/signals	-	590,508	-	590,508
Roadways	-	2,297,901	-	2,297,901
Rights of way	-	1,266,454	-	1,266,454
Streetlights	-	1,146,180	-	1,146,180
Water management	<u>114,211,160</u>	<u>7,651,130</u>	<u>-</u>	<u>121,862,290</u>
Total public works	<u>114,211,160</u>	<u>12,952,173</u>	<u>-</u>	<u>127,163,333</u>
Total general fixed assets	<u>\$ 124,309,139</u>	<u>\$ 24,502,908</u>	<u>\$ -</u>	<u>\$ 148,812,047</u>

City of Weston, Florida

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years (2)

Fiscal Year	General Government	Public Safety	Community Development	Public Works	Parks and Recreation	Non- Departmental	Capital Outlay	Debt Service	Total
1997	\$ 2,053,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,641,057	\$ 277,854	5,972,699
1998	\$ 1,524,735	\$ 2,921,948	\$ 1,351,368	\$ 2,766,202	\$ 992,768	\$ 34,444	\$ 5,550,670	\$ 218,214	\$ 15,360,349
1999	\$ 2,380,791	\$ 2,818,246	\$ 2,578,571	\$ 3,805,705	\$ 1,072,662	\$ 36,650	\$ 9,464,074	\$ 343,766	\$ 22,500,465
2000	\$ 3,104,326	\$ 3,707,050	\$ 3,357,182	\$ 8,115,619	\$ 1,456,609	\$ 2,841,008	\$ 17,940,391	\$ 1,825,403	\$ 42,347,588
2001	\$ 3,159,029	\$ 8,922,430	\$ 3,436,104	\$ 8,510,064	\$ 2,534,181	\$ 312,673	\$ 14,706,436	\$ 1,571,026	\$ 43,151,943

(1) Includes general, special revenue and capital projects funds.

(2) City established September 2, 1996 with operations commencing October 1, 1996.

City of Weston, Florida

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years (2)

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Service	Fines and Forfeitures	Infrastructure Fees	Investment Income	Contributions	Miscellaneous	Total
1997	\$ 1,492,976	\$ 81,891	\$ -	\$ -	\$ 41,419	\$ -	\$ 577,902	\$ -	\$ 341,372	\$ 2,535,560
1998	\$ 9,482,866	\$ 1,652,134	\$ 2,363,872	\$ 2,789,301	\$ 126,156	\$ 1,552,909	\$ 2,469,941	\$ -	\$ 181,150	\$ 20,618,329
1999	\$ 12,362,730	\$ 2,484,535	\$ 3,263,657	\$ 3,234,461	\$ 142,006	\$ 3,244,706	\$ 2,202,881	\$ -	\$ 212,633	\$ 27,147,609
2000	\$ 17,968,080	\$ 2,539,807	\$ 4,481,279	\$ 4,200,830	\$ 179,700	\$ 405,283	\$ 2,598,117	\$ -	\$ 5,817,033	\$ 38,190,129
2001	\$ 24,882,822	\$ 1,240,656	\$ 4,432,602	\$ 6,487,806	\$ 288,428	\$ 64,974	\$ 2,647,016	\$ 676,623	\$ 300,011	\$ 41,020,938

(1) Includes general, special revenue and capital projects funds.

(2) City established September 2, 1996 with operations commencing October 1, 1996.

City of Weston, Florida

PROPERTY TAX LEVIES AND COLLECTIONS (2)

Last Ten Fiscal Years (1)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1998	\$ 4,611,453	\$ 4,434,429	96.2%	\$ -	\$ 4,434,429	96.2%	\$ 177,024	3.8%
1999	\$ 6,136,219	\$ 5,863,038	95.5%	\$ 177,024	\$ 6,040,062	98.4%	\$ 347,779	5.7%
2000	\$ 11,617,637	\$ 11,208,680	96.5%	\$ 84,140	\$ 11,292,820	97.2%	\$ 672,596	5.8%
2001	\$ 16,943,926	\$ 16,337,190	96.4%	\$ 70,266	\$ 16,407,416	96.8%	\$ 1,209,106	7.1%

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

(2) Includes ad valorem and non ad valorem tax assessments.

City of Weston, Florida

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (3)

Last Ten Fiscal Years (1)

Fiscal Year	Real Property		Personal Property		Exemptions (2)		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property	Assessed Value	Estimated Actual Value		
1998	\$2,279,996,380	\$2,253,898,570	\$ 72,799,316	\$ 81,346,511	\$ 278,211,390	\$2,074,584,306	\$2,335,245,081	88.84%	
1999	\$2,410,632,770	\$2,747,883,570	\$ 98,398,335	\$ 98,583,345	\$ 292,438,300	\$2,509,031,105	\$2,846,466,915	88.15%	
2000	\$2,751,630,140	\$3,124,035,570	\$ 106,495,712	\$ 107,956,994	\$ 325,941,770	\$2,858,125,852	\$3,231,992,564	88.43%	
2001	\$3,213,009,630	\$3,646,101,100	\$ 132,541,852	\$ 133,695,208	\$ 378,305,560	\$3,345,551,482	\$3,779,796,308	88.51%	

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

(2) Includes homestead exemption of \$25,000 per qualifying household.

(3) Source: Broward County Property Appraiser's Office.

City of Weston, Florida
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENT
Last Ten Fiscal Years (1)

Fiscal Year	City of Weston			County			School District			Total	
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
1997	-(1)	-(1)	-(1)	7.1487	.6893	7.838	9.446	.5285	9.9745	3.1557	23.1047
1998	1.5235	-	1.5235	6.9145	.6565	7.571	9.239	.4866	9.7256	3.2440	22.6952
1999	1.5235	-	1.5235	6.8947	.6763	7.571	8.674	.4543	9.1283	3.2305	21.4533
2000	1.5235	-	1.5235	6.8903	.6347	7.525	8.541	.4143	8.9553	3.2183	21.2221
2001	1.5235	-	1.5235	6.8903	.6347	7.525	8.541	.4143	8.9553	3.2183	21.2221

(1) City established September 2, 1996 with operations commencing October 1, 1996.
 First year of tax was fiscal 1998.

City of Weston, Florida

PRINCIPAL TAXPAYERS

September 30, 2001

(amounts expressed in thousands)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Berkley Vacation Resorts Inc.	Timeshare	\$ 52,756,260	1.4%
Meridian Business Campus	I.O.C. Center	34,766,560	.9%
San Michelle II LLC	Apartment Complex	29,642,700	.8%
Cocowalk Development Inc.	Community Developer	24,024,000	.6%
Arvida/JMB Partners	Community Developer	22,897,600	.6%
Fairlake at Weston LP	Rental Community	22,622,810	.6%
Patriot American Hospitality	Hotel & Resort Complex	22,134,530	.6%
San Michelle Joint Venture	Apartment Complex	20,118,600	.5%
Principal Mutual Life Insurance Co.	Insurance Company	14,766,200	.4%
Florida Power & Light	Utility	<u>14,524,790</u>	<u>.4%</u>
		<u>\$ 258,254,050</u>	<u>6.8%</u>

City of Weston, Florida

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS (2)**

September 30, 2001

<u>Fiscal Year</u>	<u>Street Lighting</u>		<u>Fire District</u>	
	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected (1)</u>
2001	\$ 169,000	\$ 131,000	\$ 3,190,000	\$ 3,492,000

(1) Includes prepayments and foreclosures.

(2) The City's first special assessment billing occurred during fiscal 2001.

City of Weston, Florida

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2001

Assessed valuation

\$ 3,823,611,665

Debt Limit - The City Charter does not set a limit of Bond Indebtedness.

City of Weston, Florida

COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT

September 30, 2001

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Weston</u>	<u>Amount Applicable to City of Weston</u>
City of Weston	\$ -	-%	\$ -
Broward County	\$ 392,817,036	.52%	2,042,649
Broward School District	\$ 172,340,104	.126%	<u>217,149</u>
Total			<u>\$ 2,259,798</u>

(1) Based on ratio of net assessed valuation of \$3,823,611,665, \$74,984,033,876 and \$74,984,033,876, respectively.

Source: Broward County Accounting Division

City of Weston, Florida

**REVENUE BOND COVERAGE
WATER AND SEWER ENTERPRISE FUND**

Last Ten Fiscal Years (1)

Fiscal Year	Gross Revenues (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage
				Principal	Interest	Total	
1997	\$ 7,808,294	\$ 5,915,056	\$ 1,893,238	\$ 180,000	\$ 254,336	\$ 434,336	4.36
1998	\$ 9,857,171	\$ 8,203,719	\$ 1,653,452	\$ 195,000	\$ 236,285	\$ 431,285	3.83
1999	\$11,821,015	\$10,052,723	\$ 1,768,292	\$ 215,000	\$ 182,501	\$ 397,501	4.45
2000	\$13,640,176	\$11,689,959	\$ 1,950,217	\$ 235,000	\$ 198,444	\$ 433,444	4.50
2001	\$14,579,768	\$13,052,412	\$ 1,527,356	\$ 280,000	\$ 83,362	\$ 363,362	4.20

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) Total revenues (including interest) exclusive of the tap fees.

(3) Total operating expenses exclusive of depreciation, amortization and interest.

(4) Includes principal and interest of the 1985 water and sewer revenue bonds only, which are paid from operations.

City of Weston, Florida

DEMOGRAPHIC STATISTICS

September 30, 2001
Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>Population</u>	<u>Household Income (3)</u>	<u>Median Age (2)</u>	<u>Formal Schooling</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (6)</u>
1998	38,752 (2)	\$ 63,770	33.8	Not Available	7,167	5.1%
1999	42,522 (7)	Not Available (5)	Not Available (5)	Not Available	8,122	5.1%
2000	48,543 (7)	Not Available (5)	Not Available (5)	Not Available	15,389	3.7%
2001	53,159 (7)	Not Available (5)	34.1 (2)	Not Available	16,047	3.9%

Data Sources:

- (1) City established September 2, 1996 with operations commencing October 1, 1996.
- (2) U.S. Department of Commerce Bureau of Census.
- (3) U.S. Bureau of the Census and THK Associates, Inc.
- (4) School Board of Broward County, Sagemont Academy and First Baptist Church of Weston.
- (5) Not available for the City of Weston.
- (6) Rate unavailable for Weston. This is the unemployment rate for the City of Fort Lauderdale.
- (7) University of Florida, Bureau of Economic and Business Research.

City of Weston, Florida

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years (1)

Fiscal Year	Property Value (2)*				Commercial Construction (3)		Residential Construction (3)		Bank Deposits (4)	
	Commercial	Residential	Agricultural	Exemptions	Total	Number of Units	Value*	Number of Units		Value*
1998	\$ 211,454,700	\$ 2,383,548,331	\$ 18,453,440	\$ 278,211,390	\$ 2,335,245,081	43	\$ 29,513,746	1,246	\$ 186,247,950	\$ 399,182,000
1999	\$ 348,110,770	\$ 2,759,789,190	\$ 13,161,500	\$ 326,312,960	\$ 2,794,748,500	57	\$ 151,450,840	1,592	\$ 265,868,570	\$ 500,318,000
2000	\$ 348,178,950	\$ 2,759,789,190	\$ 13,161,500	\$ 325,941,770	\$ 2,795,187,870	96	\$ 174,004,581	1,654	\$ 279,797,612	\$ 591,871,000
2001	\$ 478,786,400	\$ 3,148,445,610	\$ 18,993,450	\$ 378,305,560	\$ 3,267,919,900	83	\$ 135,704,129	1,524	\$ 340,296,286	\$ 601,889,000

* Amounts expressed in thousands.

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) Source: Broward County Property Appraiser's Office.

(3) Source: Broward County Building Department

(4) Source: Federal Deposit Insurance Corporation as of June 30th

City of Weston, Florida

MISCELLANEOUS STATISTICS

September 30, 2001

Date of Incorporation	September 3, 1996
Form of Government	Commission - Manager
Number of employees (excluding police and fire)	
Classified	0
Exempt	3
Area in square miles	25.5
City of Weston facilities and services:	
Miles of streets (public)	41
Number of street lights	1,300
Culture and recreation:	
Community Centers	1
Parks	11
Park acreage	230
Swimming pools	0
Tennis courts	17
Fire protection:	
Number of stations	3
Number of fire personnel and officers	60
Number of calls answered	4,454
Number of inspections conducted	2,223
Police protection:	
Number of stations	1
Number of police personnel and officers	102
Number of patrol units	65
Number of law violations:	
Arrests	
Felony	209
Misdemeanor	249
NTA	349
By warrant	174
Traffic arrests	770
D.U.I.	67
Traffic Violations	
Moving citations	6,695
Non-moving citations	4,133
Parking violations	1,807
Sewerage system:	
Miles of sanitary sewers (public)	118.13
Miles of storm sewers (public)	95.34
Number of treatment plants	0
Number of service connections	15,037
Daily average treatment in gallons	4,933,625
Maximum daily capacity of treatment plant in gallons	N/A

City of Weston, Florida

MISCELLANEOUS STATISTICS - CONTINUED

September 30, 2001

Water System:	
Miles of water mains (public)	119
Number of service connections	15,690
Number of fire hydrants	2,100
Daily average consumption in gallons	6,542,343
Maximum daily capacity of plant in gallons	N/A
Electric Distribution System:	
Miles of service	N/A
Number of distribution stations	N/A
Facilities and services not included in the City:	
Cable Television System:	
Miles of service	270.8
Number of satellite receiving stations	5
Education:	
Number of elementary schools	10
Number of elementary school instructors	384
Number of secondary schools	4
Number of secondary school instructors	397
Facilities and services not included in the reporting entity:	
Hospitals:	
Number of hospitals	1
Number of patient beds	150

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor, Members of Commission and City Manager
City of Weston, Florida

We have audited the general-purpose financial statements of the City of Weston, Florida, as of and for the year ended September 30, 2001, and have issued our report thereon dated January 18, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Weston, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Weston, Florida's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the City Commission, management and others within the City, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Weston, Florida
January 18, 2002

MANAGEMENT LETTER REQUIRED BY
SECTION 10.554(g) OF THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor, Members of the City Commission and City Manager
City of Weston, Florida

We have audited the financial statements of the City of Weston, Florida, (the "City") as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated January 18, 2002.

We have issued our Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting dated January 18, 2002. Disclosures in this report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554 (1) (g) 1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1) (g) 1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit.

The Rules of the Auditor General (Section 10.554 (1) (g) 2.) require that we comment as to whether or not the City has complied with Section 218.415, Florida Statutes, regarding the investment of public funds. The City has complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554 (1) (g) 3.) require disclosure in the management letter of any recommendations to improve financial management, accounting procedures and internal controls. There were no written recommendations to improve financial management, accounting procedures, and internal controls.

The Rules of the Auditor General (Section 10.554 (1) (g)4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on the internal control structure or compliance: there were no violations of laws, rules, regulations and contractual provisions which may or may not materially affect the financial statements that were discovered during the audit; there were no illegal or improper expenditures which may materially affect the financial statements; there were no improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); there were no failures to properly record financial transactions; or other inaccuracies, irregularities, shortages, or defalcations discovered by the auditor.

The Rules of the Auditor General (Section 10.554 (1) (g) 5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The City of Weston, Florida, was established pursuant to Chapter 96-3130, Laws of Florida. Indian Trace Community Development District, a blended component unit of the City of Weston, Florida was established by Chapter 80-407, Laws of Florida. Bonaventure Development District, a blended component unit of the City of Weston, Florida was established by City of Weston Ordinance #98-61.

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 6a & c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the City of Weston, Florida, is not in a state of financial emergency as a consequence of the conditions described by Section 218.503(1), Florida Statutes. The financial condition assessment procedures pursuant to Rule 10.556 (8) were applied in this determination.

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 6b.), we determined that the annual financial report for the City of Weston, Florida, for the fiscal year ended September 30, 2001, was filed with the Department of Banking and Finance pursuant to Section 218.32 (1) (a), Florida Statutes, and is in agreement with the annual financial audit report for the fiscal year ended September 30, 2001.

This management letter is intended solely for the information of the City of Weston, Florida and management and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Weston, Florida
January 18, 2002

