

CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2002

Prepared by:
Financial Services Department

CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2002

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Eric M. Hersh
Mayor

Edwin Jacobson
Commissioner

Robin Bartleman
Commissioner

Barbara Herrera - Hill
Commissioner

Daniel J. Stermer
Commissioner

John R. Flint
City Manager

February 7, 2003

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, 2002, 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 through the Broward Sheriff's Office; fire and emergency medical services (EMS) through Broward County Safety & Emergency Services; building code services through Broward County Building Code Services, solid waste and recycling collection through BFI Waste Systems; planning, zoning and engineering through Calvin, Giordano and Associates, Inc.; finance and administration, parks and recreation, public works, and utilities through Severn Trent Services.

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 are part of the general fixed asset account group. Additionally, the operations and assets of the Bonaventure Development District (BDD) are reported in a special revenue fund and are 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 have one of the largest master planned communities in the Country. The City has a land area of 25.5 square miles and population estimated at 57,651. 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 incorporation in 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, preparing the City budget, 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 Commissioners are elected to four-year staggered terms, and must reside within their respective residential seat area; however, are elected at large. The Mayor is elected to a four-year term, and is elected at large.

Despite the persistence of the national economic downturn, the City continues to enjoy a relatively favorable economic environment entering maturity as its rapid growth comes to a graduated end with the build-out of its residential as well as commercial components. The residents of Weston benefit from a varied array of businesses located within its boundaries. Major national and international corporations with divisions within the City's boundaries include Vacation Village, Andrx, American Express, Office Depot,

Hershey International, Marriott International, Inc., Levi Strauss and Company, Best Buy, Inc. and the Sun-Sentinel. At the end of Fiscal Year 2002, the City's computerized occupational license system listed 1,310 licensed businesses.

Major Initiatives

For the Year

During Fiscal Year 2002, the City continued adding to and enhancing infrastructure and services available to the residents of Weston. Focusing on the future became more than just a catchy phrase as planning efforts culminated in the adoption of the 2010 Strategic Value Plan and 2010 Business Plan for the City of Weston, both of which are slated to be the blueprints for the City until the end of the current decade.

Early in the Fiscal Year 2002, the City issued the Bonaventure Development District Series 2002 Special Assessment Bonds in the amount of \$12,790,000. Bond proceeds were used to finance the acquisition of the Keep Bonaventure Beautiful Corporation and construction of significant improvements outlined in the Bonaventure Master Plan. The Master Plan, developed with input from the residents residing in the Bonaventure community, is a multi-year effort designed to bring significant improvements to the older Bonaventure community and to provide that community with infrastructure and service levels comparable to those enjoyed by residents of the remainder and newer portion of the City. During Fiscal Year 2002, the work has succeeded with the completion of Phase III and the implementation of Phases IV and V.

Fiscal Year 2002 also marked another year of successes in the area of public safety. With preventing crime as its primary objective, during Fiscal Year 2002, the Broward Sheriff's Office District VIII-Weston, reduced part one offences by 11%, thereby achieving the lowest overall rate of crime of any municipality in Broward County. Aggressively pursuing those crimes that did happen, the City's police force was able to achieve the highest part one crime clearance rate in the County, being able to close 63.8% of all cases. The Weston District also continued and expanded its community outreach programs, implementing operation Safe Schools to educate children attending schools within the City on responses to various school emergencies. Lastly, not forgetting about involving adults, they graduated their first Weston Senior Academy, and its Citizens On Patrol or (COP's) program was increased to involve over 150 volunteers who logged in over 3,900 hours of patrols.

Significant service improvements were also made in the areas of Fire Services and Emergency Medical Services. With the completion of the City's third permanent facility at Fire Station 55, located at Bonaventure Boulevard and West Ridge Drive, the City is now able to respond timely and with the optimal mix of equipment to safeguard the wellbeing of its residents and businesses and protect their property. In order to enhance the effectiveness of fire protection responses, during Fiscal Year 2002, the City's inventory of fire fighting apparatus was increased by one, making the City far less

dependant upon assistance from another jurisdiction. To further sharpen their lifesaving skills and to take full advantage of the existence within City borders of a full-service medical facility in the Cleveland Clinic Florida, the Emergency Medical Services Department worked diligently with the staff of the new facility to develop and perfect optimal emergency protocols, including waterway accidents as well as biohazardous and mass casualty incident response.

As in the past, during Fiscal Year 2002, the Recreation Department continued to expand recreational opportunities to Weston's residents. With sports and athletics being such a big part of the City's identity, the number of league participants exceeded 9,200, representing close to 1/6 of the total population. To provide residents with the best variety of facilities, programs and activities, during Fiscal Year 2002, the City celebrated the opening of a new Extreme Skatepark, new restrooms/concession building and renovated sports field lighting at the Tequesta Trace Park, new restrooms at the Town Center Park and construction of the new Gator Run Park, are just some of the highlights. The City also hosted many special events including sports competitions and seasonal, cultural and holiday celebrations. During Fiscal Year 2002, the City also began offering a variety of classes at its Community Center in the Weston Regional Park. In its first year, the program based on public-private partnerships resulted in nearly 30 classes ranging in subjects from dog obedience to personal financial management and involving over 2,000 participants.

Continuing the tradition of major investments in the City's capital infrastructure, during Fiscal Year 2002, there were many additions and enhancements that were either completed or initiated. Within Basin II of the Indian Trace Development District, construction of SW 36th Street was completed allowing for access to new properties, and the new Manatee Bay Elementary School, in the area. Also in the south part of the City, Vista Park Boulevard was constructed to facilitate access to the new educational complex, the proposed Vista Park, and the new residential development known as Isles at Weston. To welcome residents and visitors to the City, uniform Mediterranean style entry signs were installed at the intersections of Weston Road and Arvida Parkway, Indian Trace and State Road 84 and Fairlake Boulevard and Weston Road. Taking advantage of grant funding secured under the Broward Beautiful program, landscaping improvements were conducted at State Road 84 and Indian Trace, State Road 84 and Arvida Parkway. The City also continued its other roadway and right-of-way improvements including u-turn cuts in strategic locations to allow emergency and priority traffic, final asphalt lifts, landscaping buffers along Weston Road, and several traffic signals.

In order to finance the recreational and public safety infrastructural improvements as described above, as well as the anticipated construction of the Vista Park, in December of 2001 the City secured an \$8.2 million line of credit with the Northern Trust Bank. The note allows the City to draw down up to the maximum amount for up to one year from the date of closing and carries a low, 3.2% rate of interest as well as no penalty for early prepayment. This financing arrangement provides the City with a high degree of operational and financial flexibility.

Lastly, during the Fiscal Year 2002 the City published the 2001 Performance Report entitled *Focus Forward*, the 2001 Comprehensive Annual Financial Report, and prepared a much expanded Fiscal Year 2003 Budget Document for submission to the Government Finance Officers Association for its Distinguished Budget Presentation Award.

For the Future

Focusing on increasing the benefits of residence and property ownership in the City of Weston, the Fiscal Year 2003 Budget provides for ongoing as well as new programs designed to not only maintain but increase property values, service levels, and overall satisfaction from the efforts of this municipal government.

To further the cause of providing residents of Bonaventure with services, infrastructure and aesthetics similar to those found in the remainder of Weston, during Fiscal Year 2003 the City will substantially complete the Bonaventure Master Plan improvements of Phases IV and V and fully implement the rights-of-way operation and maintenance services. To finance these services, as well as to collect funds necessary for repayment of the BDD Bond debt service, during the Fiscal Year 2003 the City will levy its first rights-of-way operation and maintenance and debt service assessments.

During the Fiscal Year 2003, the City will continue to enhance its public safety capabilities, this year with staffing additions in the areas of Police, Fire Services and Emergency Medical Services. Adding to the City's existing Traffic Unit, a Commercial Vehicle Enforcement Officer will be introduced to increase safety levels involving commercial traffic along the US 27 corridor. In the Bonaventure Community, Community Strategies Team members will be introduced to afford that community the benefits of specialized crime prevention and community policing, as is already provided in the remainder of the City. To allow for a more efficient utilization of existing fire fighting apparatus without the need to take crews from one vehicle to properly operate another, two Firefighter/EMT positions will be added to the Quint (ladder) operating from Station 81, bringing the complement operating that apparatus to four.

In addition to the personnel increases planned for the Fire Rescue Services of the City in the Fiscal Year 2003 Budget, is the installation of 150 fire wells along US 27. This investment will likely contribute to the applied for increase in Weston's fire rating with the Insurance Services Organization, benefiting larger properties by decreasing their fire insurance premiums. Also it will provide improved fire fighting capability along the US 27 corridor, protecting the City's mitigation areas as well as the western residences from the threat of brush fires.

Recreational opportunities provided by the City to its residents will continue to expand as well. During Fiscal Year 2003, the City will begin the development of Vista Park which is anticipated to be completed at the end of the current year. To increase public safety at the Tequesta Trace and Vista Parks, BSO special details will be assigned

there to duplicate the highly successful program first introduced in the Weston Regional Park. To operate the Vista Park, an additional Maintenance Manager and Recreation Supervisor will be added to City Staff in the last quarter of the fiscal year. Capital improvements in Weston's parks will include a parking lot, landscaping and athletic field improvements at the Tequesta Trace Park, restroom feature at Gator Run Park, traffic circulation improvements in the Weston Regional Park, passive area development in the Eagle Point Park and playground equipment replacements in the Windmill Ranch, Country Isles and Peace Mound Parks.

The City will also continue its transportation infrastructure and rights-of-way improvements. Taking advantage of the funding partnership of the Florida Department of Transportation, the City will implement signalization improvements to the I-75/Arvida Parkway off ramp. Other improvements also funded from the City's Street Maintenance Fund will include signage and safety and operational modifications to the Arvida Parkway/Weston Road intersection, new signal installation at the intersection of Bonaventure Boulevard/Vista Park Boulevard, traffic signal reconstructions at the intersections of Indian Trace/Three Village Road, Indian Trace/Springs Boulevard and Indian Trace/Falls Boulevard; video detection upgrades to traffic signals at the intersections of Arvida Parkway/Saddle Club Road, Indian Trace/Bonaventure Boulevard and Bonaventure Boulevard/Vista Park Boulevard; and swale reconstructions in school zones at various locations throughout the City. Additionally, more projects will be financed through the Capital Projects Fund – Community Development, with new traffic signals at the intersections of Bonaventure Boulevard/Racquet Club Road and Arvida Parkway/Glades Circle and monument entry signs at the intersections of Weston Road/Griffin Road and State Road 84/Arvida Parkway.

Lastly, significant efforts will also be directed to refurbish and repair infrastructure in the Indian Trace Development District. In the area of Water Management, the District will rehabilitate some of its master pumps in phase one of a multi-year program. With respect to rights-of-way operations, significant resources will be dedicated to landscape, sidewalk, street light and irrigation improvements to preserve and enhance the systems as identified in the City's 2010 Strategic Value and Business Plans.

Department Focus

Each year the CAFR will focus attention on a selected department. This year the focus will be on the City Manager's Department, which consists of the positions of the City Manager, City Clerk, and Assistant to the City Manager, the only employees of the City of Weston.

With the incorporation of the City in September 1996, a conscious decision was made to implement a contract style of management whereby services would be provided under contract by both public and private providers, and city employees would be kept to a bare minimum. The driving force behind this decision was for the City to have the ability to secure the required services in the most cost effective manner while retaining

the ability to adjust those provided services based upon market conditions. Further, with this decision the City has eliminated the time consumption and burdensome overhead associated with the employment of numerous employees.

The goal of the City Manager's Department is to provide municipal governance that represents the needs of its community and provides quality infrastructure and services in an efficient, cost effective, and professional manner. To this end, the department is principally charged with assisting the City Commission in policy development and implementing adopted policy, managing all primary service providers, directing the preparation of all budgets and the implementation of all expenditures funded therein, preparation of Commission meeting agendas, records management, elections, and most important, communicating with residents and businesses through the City's media outlets. The City Manager meets weekly with each member of the City Commission to review agendas for each Commission Meeting and keep them advised of current City matters.

The City Manager, as Chief Executive Officer of the municipal corporation, represents the executive branch of the City's government, and is responsible for the day-to-day operations of the City. The Manager serves as the intermediary between all of the City's service providers and the Commission, or legislative branch, and represents the City to other governmental and private entities, and the public. The City Manager holds a weekly staff meeting where all primary service providers are in attendance to interact with the Manager and each other regarding current and proposed matters of the City.

The success enjoyed by the City thus far in its chosen style of management and its accomplishments to date have been in large measure due to the ability of the City Manager and the City's public and private contract service providers to embrace this style of management and work efficiently and harmoniously among each other and external constituency groups.

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 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, 2002 disclosed no material internal control weakness or material violations of laws and regulations.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the general fund and the special revenue funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the overall government level. Appropriations lapse at year end. Only supplemental appropriations require the approval of the Commission – there were none this 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, 2002 and 2001.

Revenues	2002 Amount	Percent of Total	2001 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Taxes	\$12,624,125	45.2%	\$11,412,376	\$1,211,749	10.62%
Licenses and Permits	\$1,115,369	4.0%	\$1,240,656	(\$125,287)	(10.10%)
Intergovernmental	\$3,578,905	12.8%	\$3,320,199	\$258,706	7.79%
Charges for Services	\$6,878,414	24.6%	\$6,487,806	\$390,608	6.02%
Fines	\$407,788	1.5%	\$288,428	\$119,360	41.38%
Infrastructure Fees	\$1,068,452	3.8%	\$64,974	\$1,003,478	1544.43%
Investment Income	\$652,059	2.3%	\$1,068,979	(\$416,920)	(39.00%)
Miscellaneous	\$1,592,886	5.7%	\$300,011	\$1,292,875	430.94%
Total	\$27,917,998	100.0%	\$24,183,429	\$3,734,569	

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 as the rapid pace of growth in the City has slowly decelerated.

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

The substantial increase in infrastructure fees was the result of the City Engineer and staff collecting fees related to construction of the Isles at Weston and Weston Commons.

Investment income decreased due to general economic conditions and resulting lower yields on City's investments.

The following schedule presents a summary of general fund expenditures for the year ended September 30, 2002.

Expenditures	2002 Amount	Percent of Total	2001 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General Government	\$3,784,835	13.4%	\$2,786,877	\$997,958	35.81%
Public Safety	\$6,625,599	23.5%	\$5,832,387	\$793,212	13.60%
Community Development	\$3,885,102	13.8%	\$3,084,264	\$800,838	25.97%
Public Works	\$4,001,532	14.2%	\$4,513,468	(\$511,936)	(11.34%)
Parks and Recreation	\$2,968,139	10.5%	\$2,534,181	\$433,958	17.12%
Non- Departmental	\$221,170	0.8%	\$148,725	\$72,445	48.71%
Capital Outlay	\$2,009,712	7.1%	\$3,851,703	(\$1,841,991)	(47.82%)
Total	\$23,496,089	83.4%	\$22,751,605	\$744,484	

The increases in the General Government, Public Safety and Community Development categories were due to expansion in services provided to an ever expanding base of residents and businesses.

In general government, continued enhancements to the City's information infrastructure accompanied increased spending on resident communications and refining City codes.

The increase in community development expenditures was due to the additional services of community planning, a civil engineer, a traffic engineer, and a landscape architect. Public safety and parks and recreation expenditures increased due to an even increasing level of services.

Public works expenditures decreased due to a lower level of public works activity.

The decrease in Capital Outlay expenditures was comprised of activity more normal to a typical year following completion of major capital projects in the prior period.

General Fund Balance. The fund balance of the general fund increased significantly in 2002. The fifth full year of operation, as discussed previously, contributed significantly to this increase. The \$3,594,690 increase 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 presently 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 was a \$480,486 source of revenues, down from \$526,489 last year, an 8.7% 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 \$1,349,532 of water and sewer revenue bonds. These bonds are not rated.

The City, through the Districts, acts as an agent for the payment of special benefit assessment bonds. Neither the City nor the Districts are obligated in any manner for the repayment of these bonds. The City's responsibility through the Districts is limited to acting as an agent in collecting the assessments and forwarding the collections to bondholders as bonds and interest payments come due. Bonaventure residents are not obligated to pay Indian Trace Development District special benefit assessments. These amounts are reflected in the Agency Fund. Indian Trace residents are not obligated to pay Bonaventure Development District special benefit assessments. Accordingly, no liability for these bonds have been recorded in the City's general purpose financial statements. The outstanding balance for Indian Trace Development District bonds at September 30, 2002 was \$102,095,000 and Bonaventure Development District bonds at \$12,790,000.

Additionally, at year end, the City had five general long-term debt issues outstanding in the aggregate amount of \$8,320,313. These issues financed construction of park, roadway and street lighting capital infrastructure and were not rated.

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 \$2,451,540.

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.

All coverages are underwritten by a nationally recognized commercial carrier with a rating not lower than A+. 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.

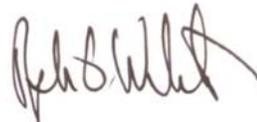
Awards. The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weston, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2001. This is the fourth 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 Commissioners 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, 2001

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.

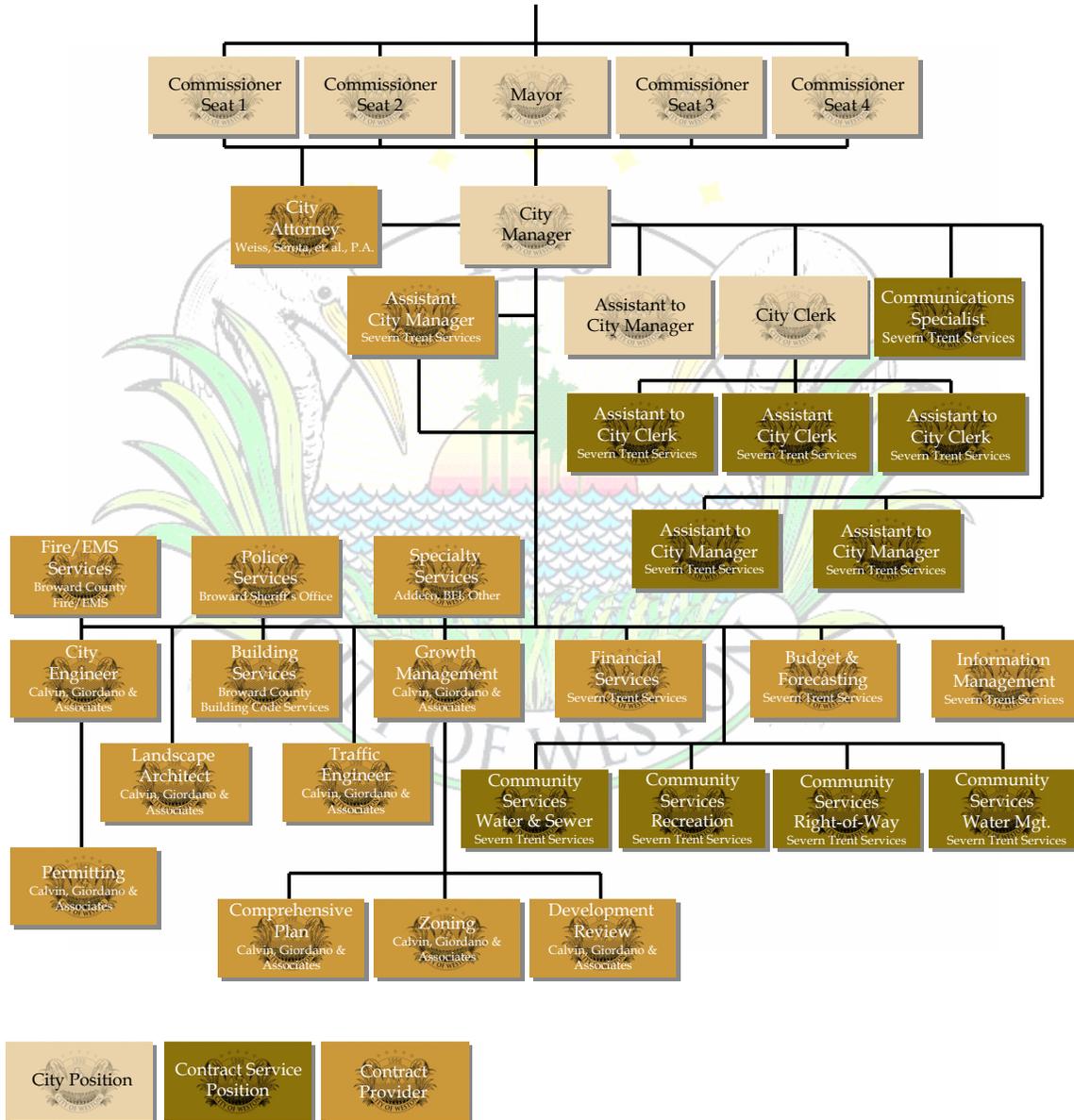


William Patrick Pate
President

Jeffrey L. Essler
Executive Director

Organizational Chart

Residents of Weston



City Position designates personnel employed directly by the City.

Contract Service Position designates personnel who work exclusively for the City but are employed by Contract Service Providers.

Contract Provider designates services supplied by public and private entities engaged by the City under contracts to provide those services.

CITY OF WESTON, FLORIDA

CITY OFFICIALS

September 30, 2002

CITY COMMISSION

Eric M. Hersh, Mayor
Edwin Jacobson, Commissioner
Robin Bartleman, Commissioner
Barbara Herrera-Hill, Commissioner
Daniel J. Stermer, Commissioner

CITY MANAGER

John R. Flint

CITY CLERK

Barbara Showalter

CITY ATTORNEY

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

FINANCE DIRECTOR

Randolph G. White - Severn Trent Services

INDEPEDENT 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, 2002, 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, 2002, 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 February 7, 2003, 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, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 LLA

Weston, Florida
February 7, 2003

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

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City of Weston, Florida

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2002

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)		
	General	Special Revenue	Debt Service	Capital Projects			Enterprise Fund	Agency		General	Long-Term Debt
										Fixed Assets	
ASSETS											
AND OTHER DEBITS											
Assets											
Cash and investments	\$ 24,220,528	\$ 13,383,899	\$ -	\$ 6,564,914	\$ 14,378,793	\$ -	\$ -	\$ -	\$ 58,548,134		
Receivables	3,115,328	134,546	156	428,531	1,138,300	-	-	-	4,816,862		
Due from other funds	1,275,172	250,033	3,560	406,187	-	-	-	-	1,934,952		
Due from other governments	-	171,331	-	-	-	-	-	-	171,331		
Net investment in direct financing lease	-	-	-	-	1,255,198	-	-	-	1,255,198		
Restricted assets	-	2,690,238	153,667	11,317,452	4,550,564	3,695,539	-	-	22,407,460		
Deferred assets	-	-	-	-	106,720	-	-	-	106,720		
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-	26,328,456	-	163,340,980	-	189,669,436		
Other debits											
Amount available in debt service fund	-	-	-	-	-	-	-	149,469	149,469		
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	8,170,844	8,170,844		
Total assets and other debits	\$ 28,611,029	\$ 16,630,047	\$ 157,383	\$ 18,717,084	\$ 47,758,031	\$ 3,695,539	\$ 163,340,980	\$ 8,320,313	\$ 287,230,406		

(continued on following page)

City of Weston, Florida

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

September 30, 2002

	Governmental Fund Types			Capital Projects	Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service		Enterprise Fund	Agency	General	Fixed Assets	Long-Term Debt			
LIABILITIES												
Accounts payable	\$ 1,218,071	\$ 414,288	\$ -	\$ 847,240	\$ 35,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,515,530
Deferred revenue	662,569	-	7,914	164,627	-	-	-	-	-	-	-	835,110
Due to other governments	-	-	-	-	654,124	-	-	-	-	-	-	654,124
Due to other funds	761,195	189,992	-	1,260,550	118,418	-	-	-	-	-	-	2,330,155
Payable from restricted assets	-	-	-	370,161	1,383,607	-	-	-	-	-	-	1,753,768
Security deposits	664,452	-	-	-	-	-	-	-	-	-	-	664,452
Payable to bond holders	-	-	-	-	-	3,695,539	-	-	-	-	-	3,695,539
Long-term debt	-	-	-	-	1,349,532	-	-	-	-	8,320,313	-	9,669,845
Total liabilities	<u>3,306,287</u>	<u>604,280</u>	<u>7,914</u>	<u>2,642,578</u>	<u>3,541,612</u>	<u>3,695,539</u>	<u>-</u>	<u>8,320,313</u>	<u>-</u>	<u>8,320,313</u>	<u>-</u>	<u>22,118,523</u>
EQUITY AND OTHER CREDITS												
Investment in general fixed assets	-	-	-	-	-	-	-	-	-	163,340,980	-	163,340,980
Contributed capital	-	-	-	-	34,131,173	-	-	-	-	-	-	34,131,173
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	10,085,246	-	-	-	-	-	-	10,085,246
Fund balance:												
Reserve for debt service	-	-	149,469	-	-	-	-	-	-	-	-	149,469
Reserved for maintenance	-	2,690,238	-	-	-	-	-	-	-	-	-	2,690,238
Reserved for construction	-	-	-	10,469,209	-	-	-	-	-	-	-	10,469,209
Unreserved/undesignated	25,304,742	13,335,529	-	5,605,297	-	-	-	-	-	-	-	44,245,568
Total equity and other credits	<u>25,304,742</u>	<u>16,025,767</u>	<u>149,469</u>	<u>16,074,506</u>	<u>44,216,419</u>	<u>-</u>	<u>-</u>	<u>163,340,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,111,883</u>
Total liabilities, equity and other credits	<u>\$ 28,611,029</u>	<u>\$ 16,630,047</u>	<u>\$ 157,383</u>	<u>\$ 18,717,084</u>	<u>\$ 47,758,031</u>	<u>\$ 3,695,539</u>	<u>\$ -</u>	<u>\$ 163,340,980</u>	<u>\$ 8,320,313</u>	<u>\$ 8,320,313</u>	<u>\$ -</u>	<u>\$ 287,230,406</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, 2002

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues					
Taxes	\$ 12,624,125	\$ 11,327,427	\$ 930,965	\$ 2,732,145	\$ 27,614,662
Licenses and permits	1,115,369	-	-	-	1,115,369
Intergovernmental	3,578,905	1,194,124	-	-	4,773,029
Charges for services	6,878,414	-	-	-	6,878,414
Fines and forfeitures	407,788	-	-	-	407,788
Infrastructure fees	1,068,452	-	-	-	1,068,452
Investment income	652,059	526,657	1,885	659,464	1,840,065
Contributions	-	-	-	11,320,984	11,320,984
Miscellaneous	1,592,886	39,747	-	25,000	1,657,633
Total revenues	<u>27,917,998</u>	<u>13,087,955</u>	<u>932,850</u>	<u>14,737,593</u>	<u>56,676,396</u>
Expenditures					
Current					
General government	3,784,835	-	-	16,583	3,801,418
Public safety	6,625,599	3,948,850	-	-	10,574,449
Community development	3,885,102	2,369,973	-	-	6,255,075
Public works	4,001,532	3,552,213	-	-	7,553,745
Parks and recreation	2,968,139	-	-	-	2,968,139
Non-departmental	221,170	57,675	-	50,631	329,476
Capital outlay	2,009,712	1,244,661	-	11,272,770	14,527,143
Debt service	-	74,572	819,519	2,221,096	3,115,187
Total expenditures	<u>23,496,089</u>	<u>11,247,944</u>	<u>819,519</u>	<u>13,561,080</u>	<u>49,124,632</u>
Excess of revenues over expenditures	4,421,909	1,840,011	113,331	1,176,513	7,551,764
Other financing sources (uses):					
Operating transfers in	100,000	734,890	36,138	192,329	1,063,357
Operating transfers out	(927,219)	(100,000)	-	(36,138)	(1,063,357)
Proceeds from issuance of notes	-	-	-	200,000	200,000
Total other financing sources (uses)	(827,219)	634,890	36,138	356,191	200,000
Excess of revenues and other financing sources over expenditures and other financing uses	3,594,690	2,474,901	149,469	1,532,704	7,751,764
Fund balance at beginning of year, restated	<u>21,710,052</u>	<u>13,550,866</u>	<u>-</u>	<u>14,541,802</u>	<u>49,802,720</u>
Fund balance at end of year	<u>\$ 25,304,742</u>	<u>\$ 16,025,767</u>	<u>\$ 149,469</u>	<u>\$ 16,074,506</u>	<u>\$ 57,554,484</u>

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, 2002

	General Fund		Variance Favorable (Unfavorable)	Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
Revenues						
Taxes	\$ 11,074,469	\$ 12,624,125	\$ 1,549,656	\$ 10,633,612	\$ 11,327,427	\$ 693,815
Licenses and permits	1,121,520	1,115,369	(6,151)	-	-	-
Intergovernmental	3,502,066	3,578,905	76,839	1,088,019	1,194,124	106,105
Charges for services	6,978,140	6,878,414	(99,726)	-	-	-
Fines and forfeitures	176,000	407,788	231,788	-	-	-
Community fees	985,952	1,068,452	82,500	-	-	-
Investment income	650,264	652,059	1,435	162,048	526,657	364,609
Contributions	-	-	-	-	-	-
Miscellaneous	342,080	1,592,886	1,250,806	1,000	39,747	38,747
Total revenues	24,830,851	27,917,998	3,087,147	11,884,679	13,087,955	1,203,276
Expenditures						
Current						
General government	3,793,234	3,784,835	8,399	-	-	-
Public safety	6,625,804	6,625,599	205	3,948,850	3,948,850	-
Community development	4,946,044	3,885,102	1,060,942	3,405,810	2,369,973	1,035,837
Public works	4,343,576	4,001,532	342,044	3,648,738	3,552,213	96,525
Parks and recreation	2,971,204	2,968,139	3,065	-	-	-
Non-departmental	221,034	221,170	(136)	43,300	57,675	(14,375)
Capital outlay	1,924,718	2,009,712	(84,994)	1,657,000	1,244,661	412,339
Debt service	-	-	-	74,581	74,570	11
Interest and fiscal changes	-	-	-	12,778,279	11,247,944	1,530,335
Total expenditures	23,839,662	23,496,089	1,329,525	(893,600)	1,840,011	2,733,890
Excess (deficiency) of revenues over (under) expenditures	5,237	4,421,909	4,416,672			
Other financing (uses)						
Operating transfers in	100,000	100,000	-	734,890	734,890	-
Operating transfers out	(927,219)	(927,219)	-	(100,000)	(100,000)	-
Total other financing sources (uses)	(827,219)	(827,219)	-	634,890	634,890	-
Excess (deficiency) of revenues over (under) expenditures and other financing uses	821,982	3,594,690	4,416,672	(258,710)	2,474,901	2,733,611
Fund balances, at beginning of year, restated	21,710,052	21,710,052	-	13,550,866	13,550,866	-
Fund balances, at end of year	20,888,070	25,304,742	4,416,672	13,292,156	16,025,767	2,733,611

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, 2002

	<u>Proprietary Fund Type Enterprise</u>
Operating revenues	
Water and wastewater fees	\$ 14,102,822
Meter use fees	480,486
Miscellaneous	<u>212,186</u>
Total operating revenues	<u>14,795,494</u>
Operating expenses	
Water and wastewater charges	13,580,968
Meter expense	46,572
Depreciation	912,361
Amortization	23,398
Administrative services	117,450
Trustee fees	1,595
Other operating expense	<u>421,182</u>
Total operating expenses	<u>15,103,526</u>
Operating loss	(308,032)
Nonoperating revenues (expenses)	
Investment earnings	611,475
Interest expense	<u>(148,540)</u>
Total nonoperating revenues	462,935
Capital contributed-connection fees	905,476
Net income	1,060,379
Depreciation charged to contributed capital	<u>862,738</u>
Increase in retained earnings	1,923,117
Retained earnings at beginning of year	<u>8,162,129</u>
Retained earnings at end of year	<u>\$ 10,085,246</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, 2002

	Proprietary Fund Type	
	Enterprise	
Cash flows from operating activities:		
Operating loss	\$ (308,032)	
Adjustments to reconcile operating loss to cash provided by operating activities:		
Depreciation	912,361	
Amortization	23,398	
(Increase) decrease in operating assets:		
Accounts receivable	(261,875)	
Increase (decrease) in operating liabilities:		
Vouchers payable	(4,528)	
Due to other governments	824,994	
Customer deposits	<u>227,084</u>	
Total adjustments	<u>1,721,434</u>	
Net cash provided by operating activities		\$ 1,413,402
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(573,980)	
Principal payments on debt	(280,000)	
Capital lease payments received	289,100	
Interest paid on debt	(153,090)	
Developer contributions	<u>905,476</u>	
Net cash provided by capital and related financing activities		187,506
Cash flows from non-capital financing activities		
Decrease in due to other funds	<u>89,742</u>	
Net cash provided by non-capital activities		89,742
Cash flows from investing activities:		
Purchase of investments	(8,528,638)	
Investment earnings	<u>645,608</u>	
Net cash flows used in investing activities		<u>(7,883,030)</u>
Net decrease in cash and cash equivalents		(6,192,380)
Cash and cash equivalents at beginning of year		<u>16,169,900</u>
Cash and cash equivalents at end of year		<u>\$ 9,977,520</u>
Supplemental schedule of:		
Noncash capital and related financing activities:		
Depreciation charged to assets purchased with contributions		<u>\$ 862,738</u>
Noncash investing activities:		
Change in fair value of investments		<u>\$ (36,439)</u>

(continued)

City of Weston, Florida

STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUND TYPES

Year Ended September 30, 2002

The following is a reconciliation of cash and cash equivalents for the Enterprise Fund:

	Cash and Cash Equivalents of Cash Flows	Other Cash and Investment	Balance Sheet Total
Cash and investments	\$ 7,359,656	\$ 7,019,137	\$ 14,378,793
Restricted assets	<u>2,617,864</u>	<u>1,932,700</u>	4,550,564
Total	<u>\$ 9,977,520</u>	<u>\$ 8,951,837</u>	

The accompanying notes are an integral part of this statement.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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.

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

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - Continued

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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

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).

Debt Service Fund - Used to account for the funding and payment of principal and interest on the Roadway Improvements note reported in the general long-term debt account group.

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, 2002

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, 2002

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.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as demand deposits, money market accounts, mutual funds, 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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted Assets

Restricted assets at September 30, 2002, consist of the following:

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Maintenance accounts	\$ 2,690,238	\$ -	\$ -	\$ -	\$ -	\$ 2,690,238
Customer deposits	-	-	-	1,329,697	-	1,329,697
Sinking accounts	-	153,667	-	415,242	-	568,909
Reserve accounts	-	-	-	450,406	-	450,906
Construction accounts	-	-	11,317,452	2,355,219	3,695,539	17,368,210
Total	<u>\$ 2,690,238</u>	<u>\$ 153,667</u>	<u>\$ 11,317,452</u>	<u>\$ 4,550,564</u>	<u>\$ 3,695,539</u>	<u>\$ 22,407,460</u>
Cash and investments	\$ 2,690,238	\$ 153,667	\$ 10,909,146	\$ 4,540,902	\$ 3,695,539	\$ 21,989,492
Receivables	-	-	10,541	9,662	-	20,203
Due from other funds	-	-	397,765	-	-	397,765
Total	<u>\$ 2,690,238</u>	<u>\$ 153,667</u>	<u>\$ 11,317,452</u>	<u>\$ 4,550,564</u>	<u>\$ 3,695,539</u>	<u>\$ 22,407,460</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).

Amounts payable from restricted assets at September 30, 2002, consist of the following:

	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Payable from restricted assets				
Customer deposits	\$ -	\$ 1,329,697	\$ -	\$ 1,329,697
Accrued interest payable	-	23,238	-	23,238
Due to other funds	137,970	-	-	137,970
Contracts payable	188,111	30,672	-	218,783
Retainages payable	44,080	-	-	44,080
Total	<u>\$ 370,161</u>	<u>\$ 1,383,607</u>	<u>\$ -</u>	<u>\$ 1,753,768</u>
Payable to bondholders	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,695,539</u>	<u>\$ 3,695,539</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2002 were not material.

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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 ending 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.

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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Deposits - Continued

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.

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 \$5.3 million at September 30, 2002. 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.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

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.

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

	<u>Percentage Held at September 30, 2002</u>
Treasury bills, notes, and bonds	26.70%
Federal agency obligations	20.70
Repurchase agreements	6.00
Commercial paper	44.50
Certificates of deposit	1.40
Medium term & floating rate notes	<u>.70</u>
Total	<u>100.00%</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

Investments as of September 30, 2002 were as follows:

	Reported Amount/ Fair Value	Category of Credit Risk
U.S. Government and Agency Securities	\$ 34,635,235	1
Investments not subject to categorization: State Treasurer's investment pool	5,269,277	
Mutual funds	38,422,981	
Total investments	\$ 78,327,493	

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

	Cash	Investments	Receivable	Due from Other Funds	Total
Cash and investments	\$ 1,898,758	\$ 56,649,376	\$ -	\$ -	\$ 58,548,134
Restricted assets	-	21,678,114	196,170	533,173	22,407,460
	\$ 1,898,758	\$ 78,327,493	\$ 196,170	\$ 533,173	\$ 80,955,594

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.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 5 - NO OBLIGATION SPECIAL ASSESSMENTS

The City through the ITDD and BDD acts an agent for the payment of special assessment bonds. Neither the City nor the ITDD nor the BDD are obligated in any manner for the repayment of these bonds. The City's responsibility through the ITDD and BDD 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 \$114,885,000 at September 30, 2002.

The Special 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, 2002</u>
1995A ITDD	February 1995	\$ 65,565,000	5 - 5.75%	\$ 42,390,000
1995B ITDD	February 1995	33,010,000	8.25%	21,070,000
1997 ITDD	July 1997	41,635,000	4 - 5%	38,635,000
2002 BDD	January 2002	<u>12,790,000</u>	1.75% - 5.25%	<u>12,790,000</u>
		<u>\$ 153,000,000</u>		<u>\$ 114,885,000</u>

All Water Management issues relate to the ITDD 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. The Series 2002 Bond proceeds are to be used to acquire the Keep Bonaventure Beautiful and commence construction of the balance of the Bonaventure Plan.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 6 - RECEIVABLES

Receivables as of year end are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Receivables						
Interest	\$ 56,593	\$ 134,546	\$ 147	\$ 6,006	\$ 135,981	\$ 333,273
Accounts	3,058,735	-	9	422,525	732,671	4,213,940
Intergovern- mental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	269,648	269,648
Gross and net receivables	<u>\$ 3,115,328</u>	<u>\$ 134,546</u>	<u>\$ 156</u>	<u>\$ 428,531</u>	<u>\$ 1,138,300</u>	<u>\$ 4,816,861</u>
Restricted receivables (included in restricted assets)						
Interest	<u>\$ -</u>	<u>\$ 175,966</u>	<u>\$ -</u>	<u>\$ 10,543</u>	<u>\$ 9,661</u>	<u>\$ 196,170</u>

There was no allowance necessary for these receivables as of September 30, 2002.

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, 2002</u>
Water and Sewer Revenue Bonds Series 1985 ("1985 Bonds")	December 1985	\$ 3,900,000	9.375% to 9.75% to	\$ 1,430,000
Less: Bond Discount				<u>80,468</u>
				<u>\$ 1,349,532</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

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, 2002, and a summary of debt activity for the year then ended, are as follows:

Balance at October 1, 2001	\$ 1,619,474
Amortization of bond discount	10,058
Debt retired	<u>(280,000)</u>
Balance at September 30, 2002	<u>\$ 1,349,532</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:

2003	\$ 310,000
2004	340,000
2005	370,000
2006	<u>410,000</u>
	1,430,000
Less bond discount	<u>80,468</u>
	<u>\$ 1,349,532</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 8 - GENERAL LONG-TERM DEBT

	Debt Outstanding at September 30, 2002
<u>Community Facilities Notes - 1</u>	
\$10,000,000 line of credit note, bearing interest at 4.95% with principal and interest due annually maturing April 1, 2008. The note is collateralized by franchise fees.	\$ 6,920,813
<u>Community Facilities Notes - 2</u>	
\$8,181,992 line of credit note, bearing interest at 3.20% with principal and interest due annually maturing April 1, 2009. The note is collateralized by franchise fees and the Public Service Tax.	200,000
On October 11, 2002, the City refinanced both community facilities note with another lender. The new note bears interest at 2.59% - 2.91% with principal and interest due annually maturing April 1, 2008 and April 1, 2009.	
<u>Special Assessment Debt with Government Obligation - Street Lighting Note</u>	
\$730,000 note through Florida Local Government Finance Commission (FLGFC) with principal and interest due annually maturing February 1, 2005. Interest rate is variable. Monies are used to construct and install street lights. Note is collateralized by special assessments. In the event of a delinquency in payment of any assessment, the City may cover any deficiencies in the payment of debt.	455,000
<u>Tequesta Trace Note</u>	
\$805,000 debt assumed through transfer of various public parks from Broward County with principal and interest due annually with interest rate ranging from 3% - 5%. Debt is collateralized by real property.	166,865
<u>Special Assessment Debt with Government Obligation - Roadway Improvements Note</u>	
\$1,352,671 note through a Bank with principal and interest due semi-annually with a 4.95% fixed interest rate maturing on May 1, 2006. Monies are used for roadway improvements. Note is collateralized by special assessments. In the event of a delinquency in payment of any assessment, the City may cover any deficiencies in the payment of debt.	<u>577,635</u>
Total general long-term debt	<u>\$ 8,320,313</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

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, 2002 reported in the general long-term debt account group:

	<u>Balance October 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2002</u>
Community facilities - Note 1	\$ 7,902,668	\$ -	\$ 981,855	\$ 6,920,813
Community facilities - Note 2	-	200,000	-	200,000
Street lighting note	506,000	-	51,000	455,000
Tequesta trace note	325,777	-	158,912	166,865
Roadway improvements note	<u>1,352,671</u>	<u>-</u>	<u>775,036</u>	<u>577,635</u>
Total general long-term debt	<u>\$ 10,087,116</u>	<u>\$ 200,000</u>	<u>\$ 1,966,803</u>	<u>\$ 8,320,313</u>

Annual debt service requirements to maturity are as follows at September 30, 2002:

<u>Fiscal Year Ending September 30,</u>	<u>Community Facilities - Note 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 1,189,841	\$ 167,585	\$ 1,357,426
2004	1,216,822	140,604	1,357,426
2005	1,248,542	108,884	1,357,426
2006	1,281,089	76,338	1,357,426
Thereafter	<u>1,984,519</u>	<u>51,620</u>	<u>2,036,139</u>
	<u>\$ 6,920,813</u>	<u>\$ 545,030</u>	<u>\$ 7,465,843</u>

<u>Fiscal Year Ending September 30,</u>	<u>Community Facilities - Note 2</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 36,948	\$ 8,285	\$ 45,233
2004	27,106	4,822	31,928
2005	27,987	3,942	31,929
2006	28,895	3,033	31,928
2007	29,834	2,095	31,929
Thereafter	<u>49,230</u>	<u>1,323</u>	<u>50,553</u>
	<u>\$ 200,000</u>	<u>\$ 23,500</u>	<u>\$ 223,500</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 8 - GENERAL LONG-TERM DEBT - Continued

Fiscal Year Ending September 30,	<u>*Street Lighting Note</u>
2003	\$ 145,000
2004	150,000
2005	<u>160,000</u>
Total	<u>\$ 455,000</u>

*Only principal requirements are shown due to variable interest.

Fiscal Year Ending September 30,	<u>Tequesta Trace Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	<u>\$ 166,865</u>	<u>\$ 8,343</u>	<u>\$ 175,208</u>
	<u>\$ 166,865</u>	<u>\$ 8,343</u>	<u>\$ 175,208</u>

Fiscal Year Ending September 30,	<u>Roadway Improvements Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 154,979	\$ 25,108	\$ 180,087
2004	162,827	17,260	180,087
2005	171,072	9,015	180,087
2006	<u>88,757</u>	<u>1,286</u>	<u>90,043</u>
	<u>\$ 577,635</u>	<u>\$ 52,669</u>	<u>\$ 630,304</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 9 - FIXED ASSETS

Activity in the general fixed asset group for the year ended September 30, 2002 was as follows:

	Balance October 1, 2001	Additions	Transfers	Balance September 30, 2002
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Buildings	\$ 2,749,022	\$ -	\$ 1,528,705	\$ 4,277,727
Improvements other than buildings	137,988,588	7,967,135	2,048,798	148,004,521
Equipment	1,809,341	114,960	-	1,924,301
Construction in progress	<u>6,265,096</u>	<u>6,446,838</u>	<u>(3,577,503)</u>	<u>9,134,431</u>
	<u>\$ 148,812,047</u>	<u>\$ 14,528,933</u>	<u>\$ -</u>	<u>\$ 163,340,980</u>

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

The following is a summary of proprietary fund type fixed assets at September 30, 2002:

	Enterprise Fund
	<u> </u>
Construction in progress	\$ 877,437
Improvements other than buildings	33,209,607
Equipment	<u>202,790</u>
	34,289,833
Less: accumulated depreciation	<u>(7,961,377)</u>
	<u>\$ 26,328,456</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

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 \$92,022 for the year ended September 30, 2002. The following is a schedule by year of future minimum lease payments as of September 30, 2002:

<u>Fiscal Year</u>	<u>Amount</u>
2003	\$ 94,022
2004	96,022
2005	98,022
2006	100,022
2007	<u>102,022</u>
Total	<u>\$ 490,110</u>

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

A summary of due to/from other funds as of September 30, 2002 is as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 1,275,172	\$ 761,195
Special Revenue Funds		
Indian Trace Development District	-	3,560
Bonaventure Development District	-	178,099
Fire District	250,033	8,333
Debt Service Fund	3,560	-
Capital Projects Funds		
Community Facilities Construction	-	750,000
Bonaventure Development District	178,099	112,131
Roadway Improvements	228,088	398,419
Enterprise Fund	<u>-</u>	<u>118,418</u>
Subtotal	1,934,952	2,330,155

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES - Continued

	<u>Receivables</u>	<u>Payables</u>
Restricted assets/payable from restricted assets:		
Special Revenue Funds		
Street maintenance	\$ 135,408	\$ -
Capital Project Fund		
1997 Bond Construction	-	137,970
Street lighting	397,765	-
Total	\$ 2,468,125	\$ 2,468,125

NOTE 12 - CONTRIBUTED CAPITAL

During the year ended September 30, 2002, changes in contributed capital consisted of the following:

Contributed capital, beginning of year	\$ 34,993,915
Depreciation charged to contributed capital	(862,738)
Contributed capital, end of year	\$ 34,131,173

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.

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 \$5,000,000 for the policy year ending September 30, 2002. 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, 2002

NOTE 14 - COMMITMENTS AND CONTINGENCIES

City of Sunrise Water and Sewer Agreement

A settlement agreement between the City of Sunrise and the ITDD 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 ITDD, water and sewer service and provide the related billing and collection services to the ITDD's customers based on the City of Sunrise's rate structure. The customers remain with the ITDD, but the ITDD 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 ITDD's debt service on that facility. The direct financing lease minimum lease receivable at September 30, 2002 is \$1,504,351 with related unearned income of \$249,153, for a net investment direct financing lease of \$1,255,198.

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, 2002:

<u>Fiscal Year</u>	<u>Amount</u>
2003	\$ 444,238
2004	441,575
2005	428,012
2006	<u>190,526</u>
Total	1,504,351
Less: interest	<u>249,153</u>
	<u>\$ 1,255,198</u>

Construction Commitments

The City through the District has outstanding commitments for the construction of plant and equipment of approximately \$29,449 in the Enterprise Fund, and of approximately \$2,475,946 in Capital Projects Fund as of September 30, 2002.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 14 - COMMITMENTS AND CONTINGENCIES - Continued

Litigation

The City is subject to two lawsuits that are in the early stages of discovery and therefore an estimate of losses cannot be determined. The City believes that such lawsuits should not have a material adverse effect on the financial statements.

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>
2003	\$ 5,483,500
2004	5,732,750
2005	5,982,000
2006	<u>6,231,250</u>
Total minimum payments	<u>\$ 23,429,500</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.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2002

NOTE 15 - PRIOR PERIOD ADJUSTMENT

The fund balance in the general fund as of September 30, 2001 has been restated to reflect the correction of an overstatement of \$452,146 caused by an understatement of expenditures and accrual of a liability. This amount has accumulated over a number of years and pertains to recycling fees due to the vendor. Fund balance is restated as follows:

Fund balance at September 30, 2001, originally stated	\$ 22,162,198
Resolution of solid waste payments	<u>(452,146)</u>
Fund balance at September 30, 2001, restated	<u>\$ 21,710,052</u>

**COMBINING & INDIVIDUAL
FUND STATEMENTS**

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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, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes			
Ad valorem - current	\$ 5,592,261	\$ 5,689,620	\$ 97,359
Franchise fees			
Simplified communications tax	1,683,108	3,112,570	1,429,462
Solid waste	200,829	281,844	81,015
Utility taxes			
Electric	3,558,271	3,490,141	(68,130)
Gas	40,000	49,950	9,950
Total tax revenue	11,074,469	12,624,125	1,549,656
Licenses and permits			
City occupational licenses	320,000	320,928	928
Building permits	350,000	344,928	(5,072)
Engineering permits	451,520	449,513	(2,007)
Total licenses and permit revenues	1,121,520	1,115,369	(6,151)
Intergovernmental			
Alcohol beverage licenses	10,803	13,602	2,799
Half cent sales tax	2,790,869	2,861,217	70,348
State revenue sharing	509,394	475,137	(25,257)
Grant revenue	200,000	228,949	28,949
Total intergovernmental revenues	3,502,066	3,578,905	76,839
Changes for services			
Development review fees	2,626,962	2,508,406	(118,556)
Solid waste fees	4,101,178	4,101,600	422
Recreation fees	250,000	268,408	18,408
Total charges for services	6,978,140	6,878,414	(99,726)
Fines and forfeitures			
Court fines and forfeitures	176,000	407,788	231,788
Community fees	985,952	1,068,452	82,500
Investment income			
Interest income	650,624	652,059	1,435
Miscellaneous revenues			
Other miscellaneous revenues	342,080	1,592,886	1,250,806
Total revenues	\$ 24,830,851	\$ 27,917,998	\$ 3,087,147

City of Weston, Florida

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

Year Ended September 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
Current			
General government			
City Commission	\$ 54,500	\$ 53,901	\$ 599
City Manager/City Clerk	978,256	975,353	2,903
Administrative services	2,029,978	2,027,068	2,910
Legal	730,500	728,513	1,987
Total general government	3,793,234	3,784,835	8,399
Public safety			
Police services	4,631,099	4,631,208	(109)
Fire services	1,994,705	1,994,391	314
Total public safety	6,625,804	6,625,599	205
Community development			
Planning and zoning	4,946,044	3,885,102	1,060,942
Total community development	4,946,044	3,885,102	1,060,942
Public works			
Maintenance	28,900	28,500	400
Solid waste	4,314,676	3,973,032	341,644
Total public works	4,343,576	4,001,532	342,044
Parks and recreation			
Parks	2,971,204	2,968,139	3,065
Total parks and recreation	2,971,204	2,968,139	3,065
Non-departmental	221,034	221,170	(136)
Capital outlay	1,924,718	2,009,712	(84,994)
Total expenditures	24,825,614	23,496,089	1,329,525
Excess (deficiency) of revenues over (under) expenditures	5,237	4,421,909	4,416,672
Other financing sources			
Operating transfers in	100,000	100,000	-
Operating transfers out	(927,219)	(927,219)	-
Total other financing sources	(827,219)	(827,219)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(821,982)	3,594,690	4,416,672
Fund balance at beginning of year	21,710,052	21,710,052	-
Fund balance at end of year	\$ 20,888,070	\$ 25,304,742	\$ 4,416,672

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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, 2002

	<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	\$ 11,918,040	\$ 129,671	\$ 367,734	\$ 968,454	\$ 13,383,899
Receivables	127,020	-	814	6,712	134,546
Due from other funds	-	-	-	250,033	250,033
Due from other governments	171,331	-	-	-	171,331
Restricted assets	<u>-</u>	<u>2,690,238</u>	<u>-</u>	<u>-</u>	<u>2,690,238</u>
Total assets	<u>\$ 12,216,391</u>	<u>\$ 2,819,909</u>	<u>\$ 368,548</u>	<u>\$ 1,225,199</u>	<u>\$ 16,630,047</u>
LIABILITIES AND FUND BALANCE					
Accounts payable	\$ 396,432	\$ 9,306	\$ 8,550	\$ -	\$ 414,288
Due to other funds	<u>3,560</u>	<u>-</u>	<u>178,099</u>	<u>8,333</u>	<u>189,992</u>
Total liabilities	<u>399,992</u>	<u>9,306</u>	<u>186,649</u>	<u>8,333</u>	<u>604,280</u>
Fund balance					
Reserved					
Reserved for maintenance	-	2,690,238	-	-	2,690,238
Unreserved					
Undesignated	<u>11,816,399</u>	<u>120,365</u>	<u>181,899</u>	<u>1,216,866</u>	<u>13,335,529</u>
Total fund balances	<u>11,816,399</u>	<u>2,810,603</u>	<u>181,899</u>	<u>1,216,866</u>	<u>16,025,767</u>
Total liabilities and fund balances	<u>\$ 12,216,391</u>	<u>\$ 2,819,909</u>	<u>\$ 368,548</u>	<u>\$ 1,225,199</u>	<u>\$ 16,630,047</u>

City of Weston, Florida

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

Year Ended September 30, 2002

	Indian Trace Development District	Street Maintenance	Bonaventure Development District	Fire District	Total
Revenues					
Taxes					
Non ad valorem assessments	\$ 6,760,782	\$ -	\$ 130,914	\$ 4,435,731	\$ 11,327,427
Intergovernmental					
Local option gas tax	-	933,424	-	-	933,424
State revenue sharing	-	260,700	-	-	260,700
Total inter- governmental revenues	-	1,194,124	-	-	1,194,124
Investment income					
Interest income	363,395	87,614	6,702	68,946	526,657
Miscellaneous					
Contributions from developers	39,747	-	-	-	39,747
Total revenues	7,163,924	1,281,738	137,616	4,504,677	13,087,955
Expenditures					
Current					
Community development					
Field maintenance	639,493	-	54,803	-	694,296
Administrative services	1,367,262	-	308,415	-	1,675,677
	2,006,755	-	363,218	-	2,369,973
Public safety-fire	-	-	-	3,948,850	3,948,850
Public works	3,385,420	148,535	18,258	-	3,552,213
Non-departmental	-	-	57,675	-	57,675
Capital outlay	756,774	456,231	31,656	-	1,244,661
Debt service					
Interest and fiscal charges	64,431	5,452	1,293	3,396	74,572
Total expenditures	6,213,380	610,218	472,100	3,952,246	11,247,944
Excess (deficiency) of revenues over (under) expenditures	950,544	671,520	(334,484)	552,431	1,840,011
Other financing sources (uses):					
Operating transfers in	-	-	300,000	434,890	734,890
Operating transfers out	-	-	-	(100,000)	(100,000)
Total other financing sources	-	-	300,000	334,890	634,890
Excess (deficiency) of revenues over (under) expenditure and other financing uses	950,544	671,520	(34,484)	887,321	2,474,901
Fund balances at beginning of year	10,865,855	2,139,083	216,383	329,545	13,550,866
Fund balances at end of year	\$ 11,816,399	\$ 2,810,603	\$ 181,899	\$ 1,216,866	\$ 16,025,767

City of Weston, Florida

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

Year Ended September 30, 2002

	Indian Trace Development District		Street Maintenance		Bonaventure Development District		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
Revenues							
Taxes							
Non ad valorem assessments	\$ 6,457,752	\$ 6,760,782	\$ -	\$ -	\$ 127,010	\$ 130,914	\$ 3,904
Intergovernmental	-	-	827,548	933,424	-	-	-
Local option gas tax	-	-	260,471	260,700	-	-	-
State revenue sharing	-	-	1,088,019	1,194,124	-	-	-
Total intergovernmental revenues	-	-	86,048	87,614	25,000	6,702	(18,298)
Investment income	50,000	363,395	-	-	-	-	-
Interest income	1,000	39,747	1,174,067	1,281,738	152,010	137,616	(14,394)
Miscellaneous income	6,508,752	7,163,924	-	-	-	-	-
Total revenues							
	1,047,440	639,493	407,947	-	45,648	54,803	(9,155)
Expenditures							
Current							
Community development	-	-	79,279	-	-	-	-
Field maintenance	-	-	254,788	-	-	-	-
Planning and zoning	-	-	-	-	-	-	-
Road and streets	1,909,443	1,367,262	334,067	-	324,000	308,415	15,585
Administrative services	2,956,883	2,006,755	950,128	-	369,648	363,218	6,430
Public safety	-	-	-	-	-	-	-
Public works	3,397,238	3,385,420	11,818	148,535	37,000	18,258	18,742
Non-departmental	-	-	-	-	43,300	57,675	(14,375)
Capital outlay	1,010,000	756,774	253,226	456,231	27,000	31,656	(4,656)
Debt service	-	-	-	-	-	-	-
Interest and fiscal charges	64,431	64,431	5,500	5,452	1,275	1,293	(18)
Total expenditures	7,428,552	6,213,380	1,215,172	610,218	478,223	472,100	6,123
Excess (deficiency) of revenues over (under) expenditures	(919,800)	950,544	1,870,344	671,520	(326,213)	334,484	(8,271)
Other financing sources (uses):							
Operating transfer in	-	-	-	-	300,000	300,000	-
Operating transfer out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	300,000	300,000	-
Excess (deficiency) of revenues over (under) expenditure and other financing uses	(919,800)	950,544	1,870,344	671,520	(26,213)	34,484	(8,271)
Fund balances at beginning of year	10,865,855	10,865,855	-	2,139,083	216,383	216,383	-
Fund balances at end of year	\$ 9,946,055	\$ 11,816,399	\$ 1,870,344	\$ 2,810,603	\$ 190,170	\$ 181,899	\$ (8,271)

City of Weston, Florida

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

Year Ended September 30, 2002

	Fire District Fund		Total	Variance Favorable (Unfavorable)
	Budget	Actual		
Revenues				
Taxes				
Non ad valorem assessments	\$ 4,048,850	\$ 4,435,731	\$ 10,633,612	\$ 693,815
Intergovernmental	-	-	827,548	105,876
Local option gas tax	-	-	260,700	229
State revenue sharing	-	-	1,194,124	106,105
Total intergovernmental revenues	-	-	-	-
Investment income	1,000	68,946	162,048	415,609
Interest income	-	-	1,000	39,747
Miscellaneous income	-	-	11,884,679	1,203,276
Total revenues	4,049,850	4,504,677	13,087,955	-
Expenditures				
Current				
Community development	-	-	1,347,876	653,580
Field maintenance	-	-	79,279	79,279
Planning and zoning	-	-	-	-
Road and streets	-	-	254,788	254,788
Administrative services	-	-	2,233,443	557,766
Public safety	-	-	3,915,386	1,545,413
Public works	3,948,850	3,948,850	3,948,850	-
Non-departmental	-	-	3,648,738	96,525
Capital outlay	-	-	43,300	(14,375)
Debt service	-	-	1,657,000	412,339
Interest and fiscal charges	3,375	3,396	74,581	11
Total expenditures	3,952,225	3,952,246	13,033,067	2,039,911
Excess (deficiency) of revenues over (under) expenditures	97,625	552,431	(822,175)	2,996,670
Other financing sources (uses):				
Operating transfer in	484,890	434,890	734,890	-
Operating transfer out	(100,000)	(100,000)	(100,000)	-
Total other financing sources	334,890	334,890	200,000	634,890
Excess (deficiency) of revenues over (under) expenditure and other financing uses	432,515	887,321	(513,498)	1,961,403
Fund balances at beginning of year	329,545	329,545	13,550,866	-
Fund balances at end of year	762,060	1,216,866	13,037,368	1,961,403

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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, 2002

	1997 Bond Construction	Community Facilities Construction	Street Lighting	Bonaventure	Roadway Improvements	Total
ASSETS						
Cash	\$ -	\$ 1,607,125	\$ -	\$ 4,739,831	\$ 217,958	\$ 6,564,914
Receivables	-	259,004	164,627	4,624	276	428,531
Due from other funds	-	-	-	178,099	228,088	406,187
Restricted assets						
Cash and investments	10,828,906	-	80,317	-	-	10,909,223
Receivables	10,464	-	-	-	-	10,464
Due from other funds	-	-	397,765	-	-	397,765
Total restricted assets	<u>10,839,370</u>	<u>-</u>	<u>478,082</u>	<u>-</u>	<u>-</u>	<u>11,317,452</u>
Total assets	<u>\$ 10,839,370</u>	<u>\$ 1,866,129</u>	<u>\$ 642,709</u>	<u>\$ 5,144,455</u>	<u>\$ 446,322</u>	<u>\$ 18,717,084</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ 595,043	\$ -	\$ 252,197	\$ -	\$ 847,240
Due to other funds	-	750,000	-	112,131	398,419	1,260,550
Deferred revenue	-	-	164,627	-	-	164,627
Payable from restricted assets						
Accounts payable	-	-	-	-	-	-
Due to other funds	137,970	-	-	-	-	137,970
Retainage payable	44,080	-	-	-	-	44,080
Contracts payable	188,111	-	-	-	-	188,111
Total payable from restricted assets	<u>370,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,161</u>
Total liabilities	370,161	1,345,043	164,627	364,328	398,419	2,642,578
Fund balances						
Reserved for construction	10,469,209	-	-	-	-	10,469,209
Unreserved/undesignated	-	521,086	478,082	4,558,226	47,903	5,605,297
Total fund balances	<u>10,469,209</u>	<u>521,086</u>	<u>478,082</u>	<u>4,558,226</u>	<u>47,903</u>	<u>16,074,506</u>
Total liabilities and fund balances	<u>\$ 10,839,370</u>	<u>\$ 1,866,129</u>	<u>\$ 642,709</u>	<u>\$ 4,922,554</u>	<u>\$ 446,322</u>	<u>\$ 18,717,084</u>

City of Weston, Florida

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

Year Ended September 30, 2002

	1997 Bond Construction	Community Facilities Construction	Street Lighting	Bonaventure	Roadway Improvements	Total
Taxes						
Franchise fees	\$ -	\$ 2,623,121	\$ -	\$ -	\$ -	\$ 2,623,121
Non-ad valorem assessments	-	-	109,024	-	-	109,024
	-	2,623,121	109,024	-	-	2,732,145
Investment income						
Investment income	561,193	49,763	2,141	42,353	4,014	659,464
	561,193	49,763	2,141	42,353	4,014	659,464
Contributions						
Contributions from property owners	-	-	-	11,320,984	-	11,320,984
Contributions from developers	-	25,000	-	-	-	25,000
Total revenues	561,193	2,697,884	111,165	11,363,337	4,014	14,737,593
Expenditures						
Current						
General government						
Administrative services	-	-	-	16,583	-	16,583
Nondepartmental	39,389	10,169	395	-	678	50,631
Capital outlay	998,905	3,448,967	-	6,335,814	489,084	11,272,770
Debt service						
Payment of principal	-	1,140,767	51,000	-	-	1,191,767
Interest expense	-	549,062	11,951	-	-	561,013
Debt issuance cost	-	-	-	468,316	-	468,316
Total debt service	-	1,689,829	62,951	468,316	489,084	2,221,096
Total expenditures	1,038,294	5,148,965	63,346	6,820,713	489,762	13,561,080
Excess (deficiency) of revenues over (under) expenditures	477,101	(2,451,081)	47,819	4,542,624	485,748	1,176,513
Other financing sources (uses):						
Operating transfers in	-	-	-	-	192,329	192,329
Operating transfers out	-	-	-	-	(36,138)	(36,138)
Proceeds from issuance of note payable	-	200,000	-	-	-	200,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	477,101	(2,251,081)	47,819	4,542,624	329,557	1,532,704
Fund balances at beginning of year	10,946,310	2,772,167	430,263	15,602	377,460	14,541,802
Fund balances, at end of year	\$ 10,469,209	\$ 521,086	\$ 478,082	\$ 4,558,226	\$ 47,903	\$ 16,074,506

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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, 2002

ASSETS

Restricted assets	
Investments	<u>\$ 3,695,539</u>

LIABILITIES

Payable to bond holders	<u>\$ 3,695,539</u>
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**SPECIAL BENEFIT ASSESSMENT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

Year Ended September 30, 2002

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
ASSETS				
Restricted assets				
Investments	<u>\$ 3,856,900</u>	<u>\$ 11,519,387</u>	<u>\$ 11,680,748</u>	<u>\$ 3,695,539</u>
LIABILITIES				
Payable to bond holders	<u>\$ 3,856,900</u>	<u>\$ 11,519,387</u>	<u>\$ 11,680,748</u>	<u>\$ 3,695,539</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, 2002

General fixed assets	
Buildings	\$ 4,277,727
Improvements other than buildings	148,004,521
Equipment	1,924,301
Construction in progress	<u>9,134,431</u>
Total general fixed assets	<u>\$ 163,340,980</u>
Investment in general fixed assets by source	
General fund	\$ 7,463,010
Special revenue funds	2,089,648
Capital projects fund	143,943,654
Donations	<u>9,844,668</u>
Total investment in general fixed assets	<u>\$ 163,340,980</u>

City of Weston, Florida

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

September 30, 2002

<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	<u>-</u>	<u>379</u>	<u>91,808</u>	<u>-</u>	<u>92,187</u>
Total general government	-	5,153	124,813	-	129,966
Public safety					
Fire services	2,303,918	8,726	87,421	-	2,400,065
Police services	<u>1,653,028</u>	<u>14,189</u>	<u>57,405</u>	<u>-</u>	<u>1,724,622</u>
Total public safety	3,956,946	22,915	144,826	-	4,124,687
Community development					
Field maintenance	-	717,172	22,991	-	740,163
Parks and recreation					
Parks	-	19,074,566	576,438	1,362,850	21,013,854
Public works					
Signs/signals	-	1,349,087	-	-	1,349,087
Roadways	-	1,507,727	-	3,410,850	4,918,577
Rights of way	-	5,139,833	-	1,729,242	6,869,075
Street lights	-	263,793	-	1,049,847	1,313,640
Water management	<u>320,781</u>	<u>119,924,275</u>	<u>1,055,233</u>	<u>1,581,641</u>	<u>122,881,931</u>
Total public works	<u>320,781</u>	<u>128,184,715</u>	<u>1,055,233</u>	<u>7,771,581</u>	<u>137,332,310</u>
Total general fixed assets	<u>\$ 4,277,727</u>	<u>\$148,004,521</u>	<u>\$ 1,924,301</u>	<u>\$ 9,134,431</u>	<u>\$163,340,980</u>

City of Weston, Florida

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

Year Ended September 30, 2002

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 2002</u>
General government				
City Commission	\$ 37,779	\$ -	\$ -	\$ 37,779
City Manager/City Clerk	<u>88,045</u>	<u>4,142</u>	<u>-</u>	<u>92,187</u>
Total general government	125,824	4,142	-	129,966
Public safety				
Fire services	871,360	1,528,705	-	2,400,065
Police services	<u>1,674,380</u>	<u>50,242</u>	<u>-</u>	<u>1,724,622</u>
Total public safety	2,545,740	1,578,947	-	4,124,687
Community development				
Field maintenance	22,991	717,172	-	740,163
Parks and recreation				
Parks	18,954,159	2,059,695	-	21,013,854
Public works				
Signs/signals	590,508	758,579	-	1,349,087
Roadways	2,297,901	2,620,676	-	4,918,577
Rights of way	1,266,454	5,602,621	-	6,869,075
Streetlights	1,146,180	167,460	-	1,313,640
Water management	<u>121,862,290</u>	<u>1,019,641</u>	<u>-</u>	<u>122,881,931</u>
Total public works	<u>127,163,333</u>	<u>10,168,977</u>	<u>-</u>	<u>137,332,310</u>
Total general fixed assets	<u>\$ 148,812,047</u>	<u>\$ 14,528,933</u>	<u>\$ -</u>	<u>\$ 163,340,980</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
2002	\$ 3,801,418	\$ 10,574,449	\$ 6,255,075	\$ 7,553,745	\$ 2,968,139	\$ 329,476	\$ 14,527,143	\$ 3,115,187	\$ 49,124,632

(1) Includes general, special revenue, debt service 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
2002	\$ 27,614,662	\$ 1,115,369	\$ 4,773,029	\$ 6,878,414	\$ 407,788	\$ 985,952	\$ 1,840,065	\$ 11,403,484	\$ 1,657,633	\$ 56,676,396

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

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

Table 3

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		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
			Current Taxes Collected	Delinquent Tax Collections					
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%	
2002	\$ 17,559,645	\$ 16,788,309	95.6%	\$ 20,015	\$ 16,808,324	95.7%	\$ 755,064	4.3%	

(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.

Table 4

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	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1998	\$2,279,996,380	\$2,253,898,570	\$ 72,799,316	\$ 81,346,511	\$ 278,211,390	\$ 2,335,245,081	\$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	\$2,846,466,915	\$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	\$3,231,992,564	\$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	\$3,779,796,308	\$3,345,551,482	\$3,779,796,308	88.51%
2002	\$3,742,177,160	\$4,370,115,510	\$ 154,395,895	\$ 155,296,809	\$ 425,112,420	\$4,525,412,319	\$3,896,573,055	\$4,525,412,319	86.10%

(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
2002	1.5235	-	1.5235	6.6677	.7328	7.401	8.359	.3951	8.7541	3.5213	21.1994

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

Table 6**City of Weston, Florida****PRINCIPAL TAXPAYERS****September 30, 2002***(amounts expressed in thousands)*

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Berkley Vacation Resorts Inc.	Timeshare	\$ 54,840,320	1.2%
Cocowalk Development Inc.	Timeshare	48,660,070	1.0%
Meridian Business Campus	I.O.C. Center	37,707,500	0.8%
San Michelle II LLC	Apartment Complex	31,712,850	0.7%
Principal Mutual Life Insurance Co.	Insurance Company	31,389,310	0.7%
Weston Apartments Corp.	Apartment Complex	30,472,100	0.7%
Arvida/JMB Partners	Community Developer	25,696,700	0.6%
Fairlake at Weston LP	Rental Community	24,146,100	0.5%
San Michelle Joint Venture	Apartment Complex	21,734,460	0.5%
Patriot American Hospitality	Hotel & Resort Complex	<u>20,025,210</u>	<u>0.4%</u>
		<u>\$ 326,384,620</u>	<u>7.0%</u>

City of Weston, Florida

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

September 30, 2002

<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
2002	\$ 107,512	\$ 109,024	\$ 4,048,850	\$ 4,185,698

(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, 2002

Assessed valuation

\$ 4,637,410,339

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, 2002

<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	\$ 361,204,926	5.14%	18,565,933
Broward School District	\$ 149,948,717	5.14%	<u>7,707,364</u>
Total			<u>\$ 26,273,297</u>

(1) Based on ratio of net assessed valuation of \$4,637,410,339, \$90,203,721,537 and \$90,203,721,537, respectively.

Source: Broward County Accounting Division
School Board of Broward County

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	\$ 218,171	\$ 433,171	4.08
2000	\$ 13,640,176	\$ 11,689,959	\$ 1,950,217	\$ 235,000	\$ 196,608	\$ 431,608	4.52
2001	\$ 14,579,768	\$ 13,052,412	\$ 1,527,356	\$ 260,000	\$ 172,820	\$ 432,820	3.53
2002	\$ 15,406,969	\$ 14,167,767	\$ 1,239,202	\$ 280,000	\$ 146,251	\$ 426,251	2.91

(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, 2002
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)	\$ 80,920 (2)	34.1 (2)	Not Available	16,047	3.9%
2002	57,651 (7)	Not Available (5)	Not Available (5)	Not Available	16,233	5.9%

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, Three Village Montessori School.
- (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)*			Exemptions	Total	Commercial Construction (3)		Residential Construction (3)		Bank Deposits (4)
	Commercial	Residential	Agricultural			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
2002	\$ 557,138,780	\$ 3,782,199,000	\$ 27,414,710	\$ 425,112,420	\$ 3,941,640,070	49	\$ 20,851,591	990	\$ 218,775,784	\$ 712,806,000

* 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, 2002

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	1,323
Culture and recreation:	
Community Centers	1
Parks	13
Park acreage	243
Swimming pools	0
Tennis courts	18
Fire protection:	
Number of stations	3
Number of fire personnel and officers	83
Number of calls answered	5,249
Number of inspections conducted	3,151
Police protection:	
Number of stations	1
Number of police personnel and officers	79
Number of patrol units	69
Number of law violations:	
Arrests	
Felony	267
Misdemeanor	218
NTA	281
By warrant	149
Traffic arrests	1,107
D.U.I.	63
Traffic Violations	
Moving citations	6,741
Non-moving citations	3,675
Parking violations	2,335
Sewerage system:	
Miles of sanitary sewers (public)	127
Miles of storm sewers (public)	95
Number of treatment plants	0
Number of service connections	16,861
Daily average treatment in gallons	5,344,766
Maximum daily capacity of treatment plant in gallons	N/A

City of Weston, Florida

MISCELLANEOUS STATISTICS - CONTINUED

September 30, 2002

Water System:	
Miles of water mains (public)	190
Number of service connections	17,058
Number of fire hydrants	1,518
Daily average consumption in gallons	7,235,219
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	298.9
Number of satellite receiving stations	57
Education:	
Number of elementary schools	10
Number of elementary school instructors	435
Number of secondary schools	5
Number of secondary school instructors	339
Facilities and services not included in the reporting entity:	
Hospitals:	
Number of hospitals	1
Number of patient beds	150

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, 2002, and have issued our report thereon dated February 7, 2003. 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
February 7, 2003

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, 2002, and have issued our report thereon dated February 7, 2003.

We have issued our Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting dated February 7, 2003. 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 within the scope of 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 failures to properly record financial transactions requiring audit adjustments; there were no other inaccuracies, shortages, defalcations or instances of fraud discovered by or that come to the attention of 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.

The Rules of the Auditor General (Section 10.554 (1) (g) 6a & c.), requires a statement on the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." Management of the City of Weston has 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. In connection with our audit of the basic financial statements of the City of Weston, Florida, the results of our tests did not indicate that the City is in a state of financial emergency as a consequence of the conditions in Section 218.503(1). 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, 2002, 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, 2002.

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
February 7, 2003