

# THE CITY OF WESTON

2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Weston, Florida



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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF WESTON, FLORIDA  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

**THE CITY OF WESTON**

**Daniel J. Stermer**  
Mayor

**Angel M. Gomez**  
Commissioner

**Toby Feuer**  
Commissioner

**Jim Norton**  
Commissioner

**Thomas M. Kallman**  
Commissioner

---

**John R. Flint**  
City Manager/CEO

**Weiss Serota Helfman Cole Bierman & Popok, P.L.**  
City Attorney

---

**David E. Keller**  
Assistant City Manager/CFO

**Darrel L. Thomas**  
Assistant City Manager/COO

**Patricia A. Bates, MMC**  
City Clerk

PREPARED BY

**ASSISTANT CITY MANAGER/CHIEF FINANCIAL OFFICER**

David E. Keller

**ACCOUNTING MANAGER**

Cindy Tao

**CITY OF WESTON, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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Daniel J. Stermer  
*Mayor*

Angel M. Gomez  
*Commissioner*

Toby Feuer  
*Commissioner*

Jim Norton  
*Commissioner*

Thomas M. Kallman  
*Commissioner*

John R. Flint  
*City Manager/CEO*

26 May 2016

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

*The Comprehensive Annual Financial Report (the "Report") of the City of Weston, Florida (the "City") for the fiscal year ended September 30, 2015, is hereby submitted as mandated by Florida Statutes. These statutes require that the City annually issue a report on its financial position and activity within nine months of the close of each fiscal year, and that this report be audited by an independent firm of certified public accountants. Financial statements in this Report are presented in conformity with the generally accepted accounting principles ("GAAP") and Governmental Accounting Standards Board ("GASB") Statement Number 34 and audited in accordance with the generally accepted auditing standards.*

*Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurances that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this Report is complete and reliable in all material respects and that it is reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.*

*The City's financial statements have been audited by Grau & Associates, a licensed certified public accountant firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Weston for the fiscal year ended September 30, 2015, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.*

*The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component section of this report.*



GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City MD&A can be found immediately following the report of the independent auditors.

### **City Profile and Governmental Structure**

*The City of Weston is located in the southeastern part of the State of Florida and is considered to be one of the largest master planned communities in the country. The City has a land area of approximately 25 square miles, a population estimated at 65,734 and 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 and is the legislative branch of the City's government. The City Commission is responsible for, among other things, enacting ordinances, adopting the budget, appointing boards, and hiring the City Manager and the City Attorney. 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; they are, however, elected at large. The Mayor is elected to a four-year term, and is elected at large. The City Manager is the Chief Executive Officer of the City and leads the executive branch of the City's government. He is responsible for carrying out the policies and ordinances of the City Commission, preparing the City budget, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.*

*The City provides a full range of services to its residents and businesses through public and private sector contracts. Contracted services include but are not limited to police services through the Broward Sheriff's Office Department of Law Enforcement; emergency medical, fire protection, and fire prevention services through the Broward Sheriff's Office Department of Fire Rescue and Emergency Services; legal services through Weiss Serota Helfman Cole Bierman & Popok, P.L., building code services through C.A.P. Government, Inc.; solid waste and recycling collection through All Service Refuse; planning, zoning, engineering, parks and recreation, public works and utilities services through Calvin, Giordano and Associates, Inc.; and information technology, finance and administration services through Municipal Technologies, LLC.*

*The City is financially accountable for component units consisting of two legally separate development districts and also presents the financial statements for one legally separate cable television service, all of which are reported separately within the City's financial statements. Additional information on all three of these legally separate entities can be found in Note 2 of the notes to the financial statements.*



*The annual budget serves as the foundation of the City's financial planning and control. All departments responsible for City and component unit operations are required to submit their requests for appropriations to the Assistant City Manager/CFO for inclusion in the draft budget by the end of April. The City Manager, assisted by the Assistant City Manager/CFO and the Budget Director, uses these requests as the starting point for developing a proposed budget. The City Manager then presents the tentative or proposed budget to the City Commission and the public at two public hearings. Prior to October 1<sup>st</sup> of every year, the City's annual budget is adopted through the passage of a resolution at the second public hearing. The level of budgetary control at which expenditures may not exceed the budget is the fund level. The General Fund is the lone exception because its budgetary controls are set at the department level. Any transfers within the funds of the City and the funds of its component units are permissible as long as the total level of expenditures does not exceed the total budgeted amount. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 67 through 68 as part of the required supplementary information.*

### **Factors Affecting Financial Condition**

*The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City of Weston operates.*

**Employment.** *Florida is one of the states with the fastest job growth. According to the ADP Regional Employment Report, Florida added 18,600 private-sector jobs in March 2016 up from 14,400 a year ago. Unemployment rates have fallen from their peaks to 4.9% in March 2016. The sectors expected to have strong job growth in Florida are trade, transportation and utilities; professional and business services; and natural resources/mining and construction.*

**Housing.** *According to data from Florida Realtors Industry Data and Analysis department in partnership with local Realtor boards/associations, the statewide median sales price for single-family existing homes in March 2016 was \$209,500, an increase of 10.3% from previous year. According to the National Association of Realtors, the national median sales price for existing single-family homes in February 2016 was \$212,300, an increase of 4.3% from previous year. Closed sales of single-family homes statewide totaled 23,758 in March 2016, a slight decrease of 0.6% from prior year. Florida's housing market reported higher median prices and more new listings. Many homeowners have been able to rebuild home equity from the price growth which can pose a challenge for first-time buyers and move-up buyers.*

*As for townhouse-condo properties, the statewide median sales price in March 2016 was \$155,000, a 3.3% increase compared to last year. The national median existing condo price was \$198,900 in February 2016. The statewide closed sales for townhouse-condo market totaled 10,076 in March 2016, a decrease of 7.1% compared to prior year.*



**Legislative.** In fiscal year 2008, the Florida state legislature mandated a roll-back of many municipal ad valorem tax rates at varying percentages. As a result, the City of Weston was forced to reduce its tax rate from 1.5235, the same rate first adopted in 1997, to 1.3215. Furthermore, in Fiscal Year 2009, the State Legislature instituted an additional Homestead exemption, caps on the taxable value growth of non-Homestead properties (Homestead properties already have a Save Our Homes taxable value growth cap) to 10% annually, an additional taxable value exemption for low-income seniors, an increased exemption for personal property taxable value and a program for Homestead taxable value savings portability. These additional measures have muted the impact of the recovery in the Florida real estate market on local government tax rolls. In Fiscal Year 2010, the bill of most significance that passed was one which increased the waivers for sovereign immunity in tort actions from \$100,000 to \$200,000 for any individual claim. This increased the potential financial liability of every local government in the state.

In Fiscal Year 2012, the State Legislature passed two bills of significant financial impact. The first was a bill related to communications services taxes which is a state and local tax on communications goods and services. The bill allows communications dealers to bundle together goods and services that are subject to various taxes (e.g., communications services taxes and sales taxes) and only identify the portion subject to communications services taxes on their books. This would diminish the tax revenue collected as more communications sellers bundle together goods and services. The second bill of importance was one in which real estate sales associates and broker associates licensed under Chapter 475 of the Florida Statutes were exempted from paying Business Taxes. In the previous fiscal year, a similar exemption was provided to company employees, but this was a significant expansion of the prior exemption because it was specifically aimed to benefit real estate brokers who operate under some type of their own business entity such as a sole proprietorship, a limited liability corporation, or an S corporation. The expectation is that other professional groups will lobby the State Legislature in the coming years for a similar exemption from business taxes. Thus, the theme of reducing or eliminating local government revenues continues.

In several of the most recent legislative sessions, bills have been introduced that would have restructured, capped, limited the use of, or completely eliminated the local business tax. Fortunately for local governments so far these bills have failed for a variety of reasons.

**Long-term Financial Planning.** In Fiscal Year 2015, the City completed its Fiscal Year 2022 Strategic Value and Business Plan to provide a long-term strategic policy document, an operating and financial guide and a financial modeling mechanism for the City of Weston. The plan included updated financial revenue, expense and fund balance projections for all of the City's funds, affirmed some existing financial policies and added new financial policies to support the City in the future. The major result from this document was the City established an ad valorem tax rate of 2.3900 that is intended to sustain the City for the next three fiscal years. During this three-year period, the City will continue monitoring the economy, the real estate market and the state legislative sessions for possible impacts.



*In Fiscal Year 2016, the City began work on its Fiscal Year 2028 Strategic Value and Business Plan to update the previous Plan with recent historical activity and expected short-term events of significant impact. The updated Plan is expected to be completed in Fiscal Year 2018.*

**Significant Financial Policies.** *The 2022 Strategic Value and Business Plan affirmed several financial policies and some new financial policies were added. Of these financial policies, a few were essential in the City's financial operations during the fiscal year. Strategic Policy #3 maintains a Disaster Management Reserve adjusted annually for the change in CPI and a Credit Reserve to maintain a AAA and Aaa credit rating with Standard and Poor's and Moody's respectively. This policy helps the City segregate which funds would be available for response to a disaster, which funds would be available to preserve the City's credit ratings by creating a shock absorber against unforeseen financial events, and which funds would be available for stabilization of the ad valorem tax rate. Strategic Policy #8 develops an Infrastructure Reserve for annual contributions to be set aside each year for ongoing capital maintenance and equipment. This policy helps the City accrue small pro rata amounts to fund future maintenance and equipment expenses instead of funding the entire amount in that fiscal year. By spreading the financial responsibility equally across multiple fiscal years, no one fiscal year or set of taxpayers will be overburdened. Strategic Policy #9 establishes guidelines and specific rules necessary in carrying out the City's use of Debt. Whenever practical and possible the City will attempt to match the length of financing with the useful life of the asset being financed. The City also will utilize borrowing to finance capital improvements or projects instead of City's Excess Revenue Capture Balances and whenever possible, use special assessment debt instead of general obligation debt. Strategic Policy #10 provides framework for the investment activities of the City of Weston and establishes an operational guideline for its investment staff to follow. This applies to the City's short-term and long-term funds, but does not include bond proceeds which may be subject to restrictive covenants.*

*The City focused in Fiscal Year 2015 on executing its "Vision Forward" theme by maintaining essential services at their current levels and adopting an ad valorem tax rate that will help sustain it. Furthermore, the City strove to meet the expectations of our residents, businesses and stakeholders that our elected officials and staff would maintain the foundations upon which the City was built: the maintenance of infrastructure; funding adequate public safety levels; maintaining quality parks and recreations programs; and exercising fiscal responsibility.*

#### **Awards and Acknowledgement**

*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 ("CAFR") for the fiscal year ended September 30, 2014. This was the seventeenth consecutive year that the City of Weston received this award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR, which satisfies both generally accepted accounting principles and applicable legal requirements.*



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

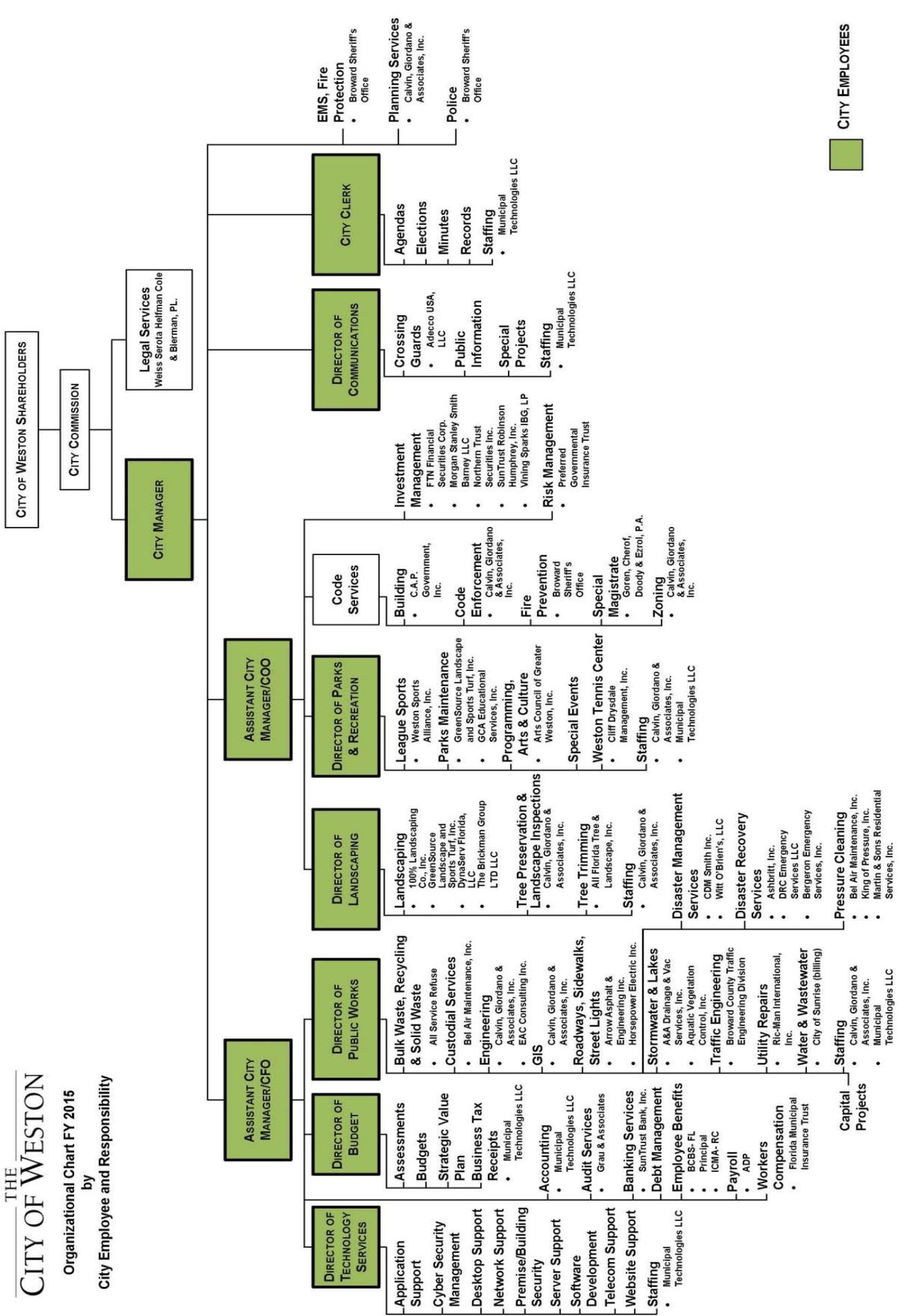
*In addition, the City of Weston has also received the GFOA's Distinguished Budget Presentation Award for the Fiscal Year 2015. This was the thirteenth consecutive year the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document is judged to be proficient in four categories as: a policy document; a financial plan; an operations guide; and a communications device.*

*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 Accounting Manager Cindy Tao, and all those who assisted and contributed to the preparation of this report. Credit is also given to the Mayor and the Commissioners for their interest and support in planning and conducting the operations of the City in a responsible, progressive and business-like manner.*

*Respectfully submitted,*

*John R. Flint  
City Manager*

*David E. Keller  
Assistant City Manager  
Chief Financial Officer*



CITY EMPLOYEES



Government Finance Officers Association

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, 2014**

Executive Director/CEO

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## **Independent Auditor's Report**

To the Honorable Mayor, Members of the  
City Commissioners and City Manager  
City of Weston, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Weston, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the accompanying financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68, effective October 1, 2014. The net position balance of the governmental activities as of October 1, 2014 has been restated. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining non-major fund financial statements, non-major budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The combining non-major fund financial statements, the non-major budgetary comparison schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

#### **Report on Other Legal and Regulatory Requirements**

We have also issued our report dated May 26, 2016, on our consideration of the City's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



May 26, 2016

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

As management of the City of Weston, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the Fiscal Year ended September 30, 2015. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

This report consists of government-wide statements, fund financial statements, notes to the financial statements, combining schedules of nonmajor funds and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as management and administration, legal, police, fire and emergency medical services, community development, recreation and public works. Business-type activities for the City are comprised of the water and sewer operations. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

**Fiscal Year 2015 Financial Highlights**

- The City of Weston's net position at the close of the Fiscal Year is \$340.83 million. Of this amount, \$144.26 million is unrestricted net position to be used to meet the government's ongoing obligations to citizens and creditors.
- During the Fiscal Year, revenues exceeded expenses by \$5.87 million which is the amount of increase in the City's net position.
- As of the close of the Fiscal Year, the City of Weston's governmental funds reported a combined ending fund balance of \$116.02 million. Approximately 13.1% of that amount, or \$15.16 million, is unassigned and available for spending at the City's discretion.
- At the end of the Fiscal Year, the fund balance in the General Fund was \$72.13 million or 201.4% of total General Fund expenditures. This amount includes \$44.23 million committed to Disaster Assistance.
- The City of Weston's total outstanding debt increased by \$1.07 million or 1.6% from prior year due to scheduled principal redemptions. The City had new borrowings in Fiscal Year 2015 for the construction of the Emergency Operations Center and the purchase of fire rescue vehicles and Information Technology projects.
- During the fiscal year ended September 30, 2015, the City restated its fund balance and net position for the prior fiscal year resulting in a reduction of \$5,307,585 for governmental activities and \$1,742,315 for business-type activities.

## CITY OF WESTON, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Weston's basic financial statements. The financial section is one component of the Comprehensive Annual Financial Report. This report also includes the introductory section containing the letter of transmittal, GFOA certificate of achievement, City organizational chart, listing of City elected and appointed officials; and the statistical section which includes financial and non-financial information useful in assessing the City.

The financial section consists of: management's discussion and analysis, basic financial statements, required supplementary information and an additional section that presents combining statements for non-major governmental funds and budgetary comparison schedules. The basic financial statements include components that present different views on the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government by reporting the City's operations in more detail.
  - The *governmental funds* statements illustrate how general governmental functions and services are financed in the short-term and what remains for future spending.
  - The *proprietary funds* statements offer short-term and long-term financial information about activities that the government operates like a business, such as the water and sewer system.
- In addition to the government-wide and fund financial statements, basic financial statements also include notes to the financial statements that explain the numerical information in more detail.

The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Lastly, this report also provides a section of other financial information including combining statements that detail the City's non-major governmental funds.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private business. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that may result in cash flows during future fiscal periods (e.g., uncollected taxes, capital projects).

## CITY OF WESTON, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Both of the government-wide financial statements distinguish functions of the City of Weston that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that merely provide cost recovery through usage fees and charges (business-type activities). The governmental activities of the City of Weston include general government, public safety, public works, parks and recreation and community development. The business-type activities of the City of Weston include the water and sewer operations.

The government-wide financial statements include not only the City of Weston itself, known as the primary government, but also the Town Foundation and two legally separate development districts for which the City of Weston is financially responsible. These units function as sub units of the City of Weston, and therefore have been included as an integral part of the primary government.

The government-wide financial statements are reported on pages 22 and 24 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The City of Weston, like other state and local governments, uses fund accounting to provide compliance with the laws of the State of Florida. All of the funds of the City of Weston can be divided into two categories: governmental, and proprietary.

**Governmental funds.** Governmental funds are used to account for functions similar to those reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of expendable resources and on the balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Weston maintains eight major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the following major funds: General Fund, Indian Trace Development District Special Revenue Fund, Bonaventure Development District Special Revenue Fund, Fire District Special Revenue Fund, Town Foundation Special Revenue Fund, Indian Trace Development District Debt Service Fund, Bonaventure Development District Debt service Fund, and Community Facilities Construction Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

The City of Weston adopts an annual appropriated budget for all governmental and proprietary funds. A budgetary comparison schedule has been provided for the General Fund, Indian Trace Development District Special Revenue Fund, Bonaventure Development District Special Revenue Fund, Fire District Special Revenue Fund, Indian Trace Development District Debt Service Fund, Bonaventure Development District Debt Service Fund and Town Foundation Special Revenue Fund to demonstrate compliance with the budget in addition to the non-major special revenue and capital project funds presented in the combining section.

The basic governmental funds financial statements can be found on pages 25 through 30 of this report.

**Proprietary fund.** The City of Weston maintains one proprietary fund, the Water and Sewer Enterprise Fund. Enterprise funds are used to report business-type activities in the government-wide financial statements. The City uses its enterprise fund to account for water and sewer activities and services. The City has no internal service funds, which are funds used to accumulate and internally allocate costs between various government departments.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The City of Weston's Water and Sewer Enterprise Fund is considered a major fund and the basic financial statements for the fund are provided on pages 31 through 34 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 through 66 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Weston's adopted, amended and actual budgetary data for the General Fund and major special revenue funds. Required supplementary information can be found starting on page 67 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information and budgetary comparisons. Combining and individual fund statements and schedules can be found starting on page 77 of this report.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. **Net results of activities** will increase or decrease current assets and total net position.
2. **Borrowing for capital** will increase current assets and long-term debt.
3. **Spending borrowed proceeds on new capital** will reduce current assets and increase capital assets. Concurrently, an increase in investment in capital assets and an increase in net related debt will not change the net investment in capital assets of the City.
4. **Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets. This will also reduce unrestricted net position and increase net investment in capital assets.
5. **Principal payment on debt** will reduce current assets and reduce long-term debt and also reduce unrestricted net position and increase net investment in capital assets.
6. **Reduction of capital assets through depreciation** will reduce capital assets and net investment in capital assets.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

*TABLE 1  
CITY OF WESTON NET POSITION  
(in thousands of dollars)*

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
<b>Assets:</b>						
Current and						
other assets	\$ 175,304	\$ 175,298	\$ 21,426	\$ 20,344	\$ 196,730	\$ 195,642
Capital assets	153,041	161,165	62,428	61,475	215,469	222,640
<b>Total assets</b>	<b>328,345</b>	<b>336,463</b>	<b>83,854</b>	<b>81,819</b>	<b>412,199</b>	<b>418,282</b>
<b>Deferred outflows of resources:</b>						
FRS Pension	-	99	-	-	-	99
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99</b>
<b>Liabilities:</b>						
Other liabilities	7,258	11,956	2,414	2,424	9,672	14,380
Long-term liabilities						
outstanding	67,567	63,142	-	-	67,567	63,142
<b>Total liabilities</b>	<b>74,825</b>	<b>75,098</b>	<b>2,414</b>	<b>2,424</b>	<b>77,239</b>	<b>77,522</b>
<b>Deferred inflows of resources:</b>						
FRS Pension	-	31	-	-	-	31
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>
<b>Net position:</b>						
Net investment						
in capital assets	149,180	93,466	62,428	61,475	211,608	154,941
Restricted	39,441	41,627	-	-	39,441	41,627
Unrestricted	64,899	126,340	19,012	17,920	83,911	144,260
<b>Total net position</b>	<b>\$ 253,520</b>	<b>\$ 261,433</b>	<b>\$ 81,440</b>	<b>\$ 79,395</b>	<b>\$ 334,960</b>	<b>\$ 340,828</b>

Note: 2014 numbers have been restated for prior period adjustments.

As illustrated in Table 1, at the close of the Fiscal Year, assets and deferred outflows of resources of the City of Weston exceeded its liabilities and deferred inflows of resources by \$340.83 million. The largest portion of the City of Weston's net position, \$154.94 million or 45.5%, is invested in capital assets (land, buildings, etc.); less any related debt used to acquire those assets that is still outstanding. Although the City of Weston's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the liabilities.

The unrestricted net position in an amount of \$144.26 million or 42.3% of total net position represents the resources that are available to provide services and/or additional capital assets for the City and also to meet the City's obligations to its creditors. The City also has approximately \$41.63 million or 12.2% of total net position in restricted net position; resources that have a pre-committed future use.

## CITY OF WESTON, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

At the end of the Fiscal Year, the City of Weston is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental activities. Business-type activities have positive balances in net investment in capital assets and unrestricted net position, with zero balance in restricted net position.

The government's net position increased by approximately \$5.86 million during the Fiscal Year, due to a decrease in expenses from governmental activities and an increase in revenues from business-type activities.

Generally, the following impacts can significantly affect annual revenues and by extension change net position:

1. **Economic conditions** can reflect a growing, stable or declining overall economic environment and those conditions can have a significant impact on the underlying drivers of ad valorem taxes, non-ad valorem assessments, sales and use taxes, fees and other revenues derived from the community, as well as those received from other governments.
2. **Changes in tax, assessment and fee rates by the elected officials** directly affect the most fundamental revenue streams and have the most immediate impact of all changes.
3. **Changing patterns in grant and state revenue sharing calculations** may cause significant deviations to City intergovernmental revenues and put added pressure on City-generated revenues.
4. **Market impact on investment income** might cause investment revenues to fluctuate widely from year to year.

Some other basic impacts are responsible for potential changes in annual expenses:

1. **Introduction of new programs** can have substantial impact on department/program expenses by requiring new personnel, capital and operating funds.
2. **Changes in service levels** impacts expenses by changing the levels of already appropriated expenses.
3. **Salary/contract pricing increases** can contribute to increased expenses. Most contracts entered into by the City of Weston have provisions for increases, either automatic or negotiated each year.
4. While **inflation** generally appears to be moderate, it still always impacts the prices the City pays for commodities, supplies, fuels, parts and miscellaneous services it requires through the year.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**Governmental activities.** As illustrated by Table 2, the City's revenues from governmental activities during Fiscal Year 2015 were \$83.22 million and exceeded expenses by \$7.91 million. Expenses from governmental activities represent approximately 28.8% of net position from governmental activities and 90.5% of total revenues from governmental activities.

Revenues from governmental activities were comprised primarily of charges for services at \$41.34 million or approximately 49.7% of total revenues from governmental activities, taxes at \$29.67 million or 35.7% of total revenues from governmental activities, state shared revenues of \$5.60 million or 6.7% of total revenues from governmental activities and several other sources.

Expenses from governmental activities totaled \$75.31 million and were comprised of public safety at \$31.95 million or 42.4% of total expenses from governmental activities, public works at \$20.13 million or 26.7% of total expenses from governmental activities, general government at \$8.60 million or 11.4% of total expenses from governmental activities, parks and recreation at \$7.20 million or 9.6% of total expenses from governmental activities, and several other sources.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE 2  
CHANGES IN NET POSITION  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program revenues:						
Charges for services	\$ 53,311	\$ 41,343	\$ 29,797	\$ 30,622	\$ 83,108	\$ 71,965
Operating grants and contributions	1,556	3,022	-	-	1,556	3,022
Capital grants and contributions	1,166	285	11	137	1,177	422
General revenues:						
Property taxes	12,900	16,195	-	-	12,900	16,195
Other taxes	13,556	13,476	-	-	13,556	13,476
State shared revenues	5,233	5,600	-	-	5,233	5,600
Investment income (loss)	2,661	1,900	423	289	3,084	2,189
Other	654	1,397	778	-	1,432	1,397
<b>Total revenues</b>	<b>91,037</b>	<b>83,218</b>	<b>31,009</b>	<b>31,048</b>	<b>122,046</b>	<b>114,266</b>
Expenses:						
General government	15,514	8,706	-	-	15,514	8,706
Public safety	32,331	32,388	-	-	32,331	32,388
Community development	4,439	4,589	-	-	4,439	4,589
Public works	18,405	19,668	-	-	18,405	19,668
Parks and recreation	6,843	7,122	-	-	6,843	7,122
Interest on long-term debt	1,386	2,832	-	-	1,386	2,832
Water and sewer operations	-	-	32,000	33,093	32,000	33,093
<b>Total expenses</b>	<b>78,918</b>	<b>75,305</b>	<b>32,000</b>	<b>33,093</b>	<b>110,918</b>	<b>108,398</b>
<b>Increase (decrease) in net position</b>	<b>12,119</b>	<b>7,913</b>	<b>(991)</b>	<b>(2,045)</b>	<b>11,128</b>	<b>5,868</b>
Net position at beginning of fiscal year	241,401	253,520	82,431	81,440	323,832	334,960
<b>Net position at end of fiscal year</b>	<b>\$ 253,520</b>	<b>\$ 261,433</b>	<b>\$ 81,440</b>	<b>\$ 79,395</b>	<b>\$ 334,960</b>	<b>\$ 340,828</b>

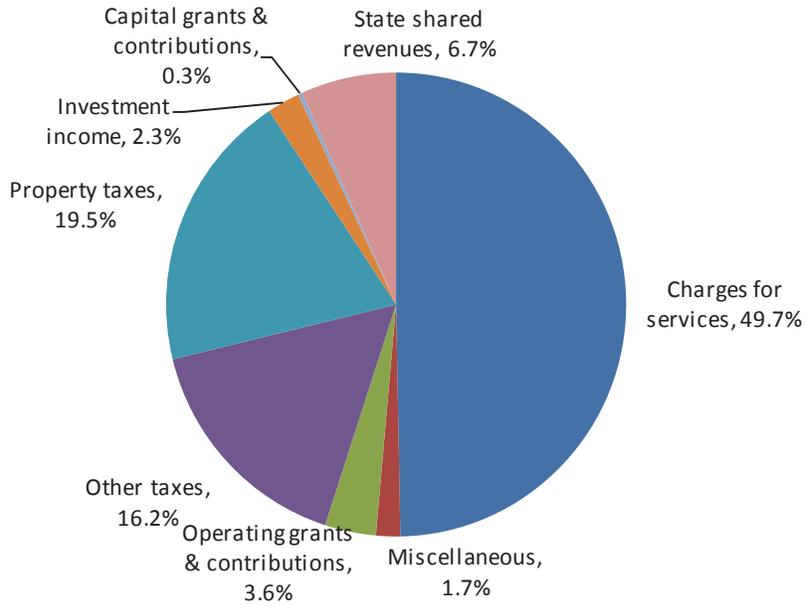
Note: 2014 numbers have been restated for prior period adjustments.

**CITY OF WESTON, FLORIDA**

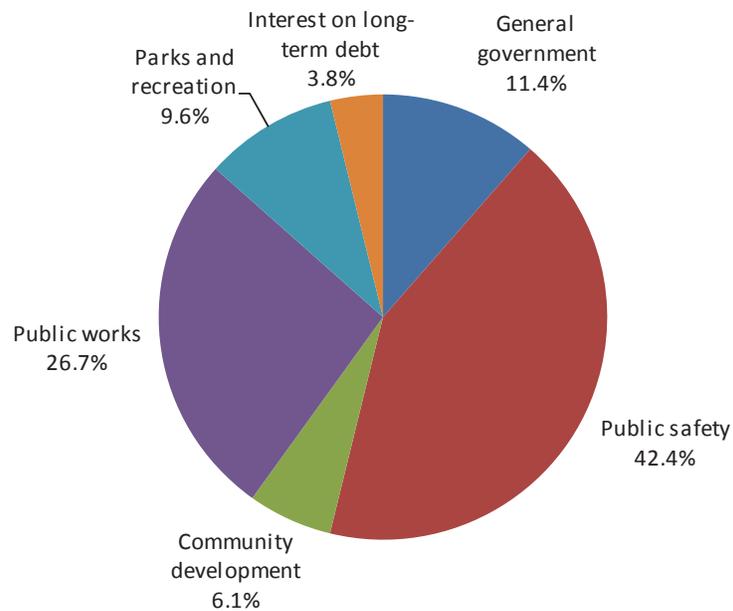
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

*FIGURE A  
REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES*



*FIGURE B  
EXPENSES BY FUNCTION – GOVERNMENTAL ACTIVITIES*



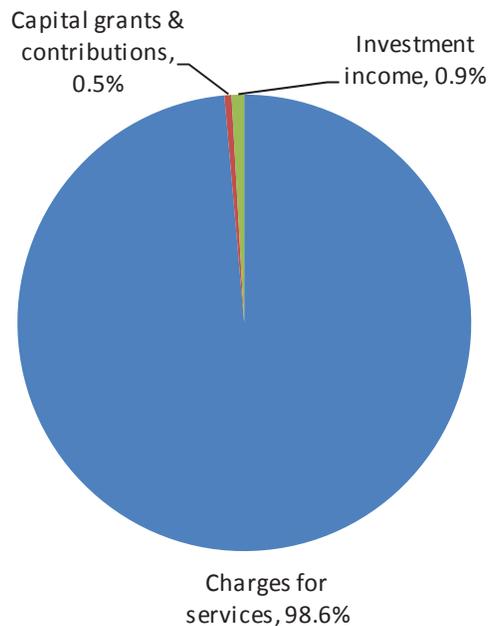
CITY OF WESTON, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

**Business-type activities.** Business-type activities decreased the City’s net position by \$2.05 million from the prior period. At the end of Fiscal Year 2015, net position from business-type activities composed 23.3% of total government-wide net position. For the Fiscal Year, revenues totaled \$31.05 million and included operating revenues and non-operating revenues in the form of water and sewer fees, meter use fees, investment income, connection fees and miscellaneous revenue. The City operates the water and sewer utility system in a “charge-for-services” manner which should generate minimal annual surpluses or deficits; however, the Proprietary Fund shows an operating loss of \$2.47 million. The business-type capital assets created a depreciation expense of \$2.34 million in the current fiscal year, so the water and sewer utility system had an operating loss of approximately \$130,183 if depreciation is excluded. When the total operating and nonoperating activities are adjusted for the depreciation expense a total income of \$295,075 was realized.

FIGURE C  
REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



**Financial Analysis of the Government’s Funds**

**Governmental funds.** The focus of the City of Weston’s governmental funds statements is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of a fiscal year.

## CITY OF WESTON, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

As of the end of the Fiscal Year, the City of Weston's governmental funds reported a combined ending fund balance of \$116.02 million, an increase of \$4.03 million over the prior fiscal year. Approximately \$69,639, or 0.0% of that amount, is nonspendable fund balance for prepaid expenses. The restricted fund balance totaled \$42.03 million or 36.2% of total governmental fund balances to indicate that it has externally enforceable limitations restricted to: 1) pay for District operations and maintenance (\$29.83 million); 2) pay for street maintenance (\$5.75 million); 3) provide for roadway projects (\$166,566); 4) provide for law enforcement non-recurring activities (\$662,340); 5) pay for tree preservation (\$59,522); 6) pay for building code enforcement (\$657,017); and 7) pay for debt service (\$4.90 million). The committed fund balance totaled \$55.06 million or 47.5% of total governmental fund balances to indicate that it has self-imposed limitations set in place prior to the end of the period committed to: 1) pay for disaster assistance (\$44.23 million); 2) pay for credit reserve (\$7.62 million); and 3) provide for capital projects and infrastructure (\$3.21 million). The assigned fund balance amounted to \$3.71 million to indicate that it has limitation resulting from intended use assigned to: 1) pay for compensated absences (\$872,981); 2) pay for solid waste services (\$2.03 million); and 3) provide for subsequent year's expenditures (\$801,400). The remainder of the fund balance of \$15.16 million is unassigned and available for new spending.

The General Fund is the chief operating fund of the City of Weston. At the end of Fiscal Year 2015, total fund balance was \$72.13 million, with \$50,649 of that nonspendable, \$53.82 million committed for specific purposes such as disaster assistance, and \$3.10 million assigned.

The fund balance of the City of Weston's General Fund increased by \$7.41 million during the current year with total revenues increasing by \$5.31 million from prior year to \$44.78 million and total expenditures increasing by \$1.36 million from prior year to \$35.82 million. Table 3 shows the comparison of actual revenues and expenditures for the General Fund for Fiscal Years 2013 through 2015.

The major changes in the General Fund revenue and expenditure levels between Fiscal Years 2014 and 2015 were:

#### Revenues:

- Tax and special assessment revenues increased by \$2.48 million or 8.4% from prior year to \$32.01 million due primarily to the increase in revenue from ad valorem.
- Other revenues have increased by \$1.42 million or 275.1% from prior year to \$1.94 million due to the Asset Litigation Settlement from the Resource Recovery Board and contracting with Manheim to sell five EMS vehicles and other minor fixed assets for the City.
- Licenses and permits revenues increased by \$1.06 million or 167.6% from prior year to \$1.70 million reflecting an increase in revenues from engineering permits.
- Intergovernmental revenues increased by \$341,226 or 6.49% from prior year to \$5.60 million reflecting an increase in revenues from half-cent sales tax and state revenue sharing.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

Expenditures:

- Public safety expenditures increased by \$1.31 million or 7.0% from prior year to \$20.07 million reflecting contractual increases associated with actual costs of services in contracts for police and emergency medical services.
- General government expenditures including costs related to the City Commission, City Manager's Office, Administrative Services, and City Attorney's Office increased by \$723,319 or 16.7% from prior year to \$5.04 million reflecting increases in spending in all general government departments.

The Indian Trace Development District Special Revenue Fund increased its fund balance by \$3.19 million or approximately 17.7% of fund balance at beginning of the year, to a total of \$21.19 million with all of the fund balance restricted. The fund accounts for restricted resources used to provide stormwater management and right-of-way services other than roads to the district and the increased fund balance is the result of increase in non-ad valorem assessments and decrease in capital outlay expenditures.

The Bonaventure Development District Special Revenue Fund decreased its fund balance by \$119,297, or approximately 2.4% of fund balance at beginning of the year, to a total of \$4.79 million with all of the fund balance restricted. The fund accounts for restricted resources used to provide stormwater management and right-of-way services other than roads to the district and the decreased fund balance is the result of higher spending in public works operating expenditures and capital outlay.

The Fire District Special Revenue Fund decreased its fund balance by \$609,543, or approximately 12.0% of fund balance at beginning of the year, to a total of \$4.48 million with all of the fund balance restricted. The fund accounts for restricted resources used to provide fire protection and prevention services. The decreased fund balance is the result of acquiring four fire engines and one tower ladder apparatus.

The Indian Trace Development District and Bonaventure Development District Debt Service Funds increased their fund balances by \$91,738, or 1.9% of fund balances at beginning of the year, to a total of \$4.9 million with the entire fund balances restricted. The funds account for financial resources that are restricted for principal and interest.

The Town Foundation Special Revenue Fund decreased its fund balance by \$1.59 million, or 100.0% of fund balance at beginning of the year, to a total of \$0 in fund balance. The Fund accounted for restricted resources used to provide cable television services to the City. The decreased fund balance is the result from dissolution of the Town Foundation on December 31, 2014. Please note that the Town Foundation has a December 31 year end and therefore the information included in the financial statements is for the year ending December 31, 2014.

The Community Facilities Construction Capital Projects Fund accounts for City-wide capital needs, such as public safety and parks and recreation. The Fund experienced a decrease in fund balance of \$5.38 million, or 81.4% of fund balance at beginning of the year, to a total of \$1.23 million. This decrease in fund balance is a result of spending for capital outlay.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

The City also maintains several non-major funds which are special revenue funds that are used to account for street and right-of-way maintenance, building permitting, transportation, tree preservation, and law enforcement. The non-major funds of the City increased their total fund balances during Fiscal Year 2015 by \$1.03 million or approximately 16.3% of fund balance at beginning of the year, due to decreased spending in operating expenditures and capital outlay.

TABLE 3  
COMPARISON OF GENERAL FUND REVENUES & EXPENDITURES  
(in thousands of dollars)

	2014	2015	Increase (Decrease) Dollars	Increase (Decrease) Percentage
Revenues:				
Taxes and assessments	\$ 29,528	\$ 32,005	2,477	8.4%
Licenses and permits	634	1,697	1,063	167.7%
Intergovernmental	5,259	5,600	341	6.5%
Charges for services	1,527	1,571	44	2.9%
Fines and forfeitures	516	785	269	52.1%
Investment income (loss)	1,498	1,188	(310)	-20.7%
Other	517	1,939	1,422	275.0%
<b>Total revenues</b>	<b>39,479</b>	<b>44,785</b>	<b>5,306</b>	<b>13.4%</b>
Expenditures:				
Current:				
General government	4,321	5,044	723	16.7%
Public safety	18,760	20,071	1,311	7.0%
Community development	1,844	2,090	246	13.3%
Public works	2,700	2,195	(505)	-18.7%
Parks and recreation	5,694	5,852	158	2.8%
Capital outlay	1,137	565	(572)	-50.3%
<b>Total expenditures</b>	<b>34,456</b>	<b>35,817</b>	<b>1,361</b>	<b>3.9%</b>
Excess (deficit) of revenues over expenditures	5,023	8,968		
Other financing sources (uses):				
Transfers out	(9,356)	(1,553)		
<b>Total other financing sources (uses)</b>	<b>(9,356)</b>	<b>(1,553)</b>		
<b>Net change in fund balance</b>	<b>\$ (4,333)</b>	<b>\$ 7,415</b>		

## CITY OF WESTON, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

**Proprietary funds.** The City of Weston maintains only a single proprietary fund that is used to account for the operations of the water and sewer system. The statements of proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water and Sewer Enterprise Fund decreased by \$2.05 million, or 2.5%, to a total of \$79.40 million. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

#### **General Fund Budgetary Highlights**

As required by City Charter, all contracts and major expenses were approved by City Commission.

The Comprehensive Annual Financial Report reports funds committed for disaster response in the General Fund; however, the adopted, amended and final budgets report funds committed for disaster response in a separate fund. Therefore, when comparing the General Fund results to the budget, it is best to use the combined budget comparison schedule located on pages 67 through 69 in this annual report.

The original and final adopted General Fund budget anticipated a current resources surplus of \$644,700 and \$0 respectively. The actual operating results of the City's General Fund resulted in a current resources surplus of \$6.70 million.

Actual revenues exceeded final budget revenues by \$4.28 million and the main differences can be summarized as follows:

- Intergovernmental revenues exceeded the final budget by \$1.04 million due to higher half-cent sales tax revenue and state revenue sharing.
- Other revenues exceeded the final budget by \$930,164 due to the Asset Litigation Settlement from the Resource Recovery Board and contracting with Manheim to sell five EMS vehicles and other minor fixed assets for the City.
- Permits and fees revenues exceeded the final budget by \$690,977 as a result of more construction in the City.

Actual expenditures were lower than the final budget projections by \$2.56 million. The budget-to-actual variations were due to several small factors.

- Public safety expenditures were lower than the original and final budget by \$1.09 million due to vacancy credits.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

- Parks and recreation expenditures were lower than the final budget by \$788,325 as a result of reduced spending in capital outlay.
- General government expenditures were lower than the final budget by \$621,014 as a result of reduced spending in capital outlay.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Weston’s capital assets for its governmental and business-type activities totals \$222.64 million or 65.3% of total net position. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure and construction in progress. Table 4 presents the governmental and business-type capital assets, net of accumulated depreciation, by category for Fiscal Years 2014 through 2015.

During Fiscal Year 2015, the City constructed or acquired several capital assets. Major capital asset events during the Fiscal Year 2015 included the following:

- The construction of the City’s Administrative Services Center on City Hall campus.
- The acquisition of four (4) fire engines (model 2015 year Quantum custom pumpers) and one (1) tower ladder apparatus (model 2015 year Quantum 100 foot aerial platform) to replace our existing fire vehicles.
- Improvements to Regional Park include hockey rink renovations where roller hockey rinks are converted to artificial turf soccer rinks as well as soccer field drainage improvements.

*TABLE 4  
CAPITAL ASSETS  
(in thousands of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>
Land	\$ 73,145	\$ 73,588	\$ -	\$ -	\$ 73,145	\$ 73,588
Buildings	19,520	28,557	-	-	19,520	28,557
Machinery and equipment	3,488	175,304	28	21,426	3,516	196,730
Infrastructure	44,329	46,894	60,889	60,362	105,218	107,256
Land improvements	1,168	4,091	-	-	1,168	4,091
Construction in progress	11,391	913	1,511	1,049	12,902	1,962
<b>Total capital assets</b>	<b>\$ 153,041</b>	<b>\$ 482,388</b>	<b>\$ 62,428</b>	<b>\$ 82,901</b>	<b>\$ 215,469</b>	<b>\$ 565,289</b>

Note: 2014 numbers have been restated for prior period adjustments.

Additional information on the City’s capital assets can be found in Note 7 on pages 48 and 49 of this report.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**Long-term debt.** At the end of the current fiscal year, the City of Weston’s total outstanding debt was \$67.70 million in bonds payable and notes payable secured by certain revenues of the City, including non-ad valorem assessments, half cent local option fuel taxes, local business tax revenues, and electric franchise revenues. The City acts as an agent in the collection of assessments and remittance of debt service payments for no-obligation special assessment bonds held by the Indian Trace Development District and Bonaventure Development District. As of the fiscal year end, the two districts held a total of \$53.90 million in special assessment debt. The City has no general obligation debt or debt that is backed by the full faith and credit of the City of Weston. The City of Weston’s total long-term debt decreased by \$1.06 million, or 1.6%, from the prior fiscal year.

*TABLE 5  
NOTES PAYABLE & REVENUE BONDS  
(in thousands of dollars)*

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Bond payable	\$ 57,285	\$ 53,895	\$ -	\$ -	\$ 57,285	\$ 53,895
Notes payable	9,468	13,804	-	-	9,468	13,804
<b>Total debt</b>	<b>\$ 66,753</b>	<b>\$ 67,699</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,753</b>	<b>\$ 67,699</b>

More detailed information about the City’s long-term liabilities is presented in Note 8 on pages 50 to 52 of this report.

**Impact of economic factors on this year’s and next year’s budgets**

The General Fund revenues in Fiscal Year 2015 were slightly higher from the previous fiscal year. Despite some positive signs, continued pressure from the Florida State Legislature will make upcoming years even more challenging. The housing market and the economy have been improving in the South Florida region; however, it will take some time for the effects to materialize for local governments. And there is no telling what the State Legislature will enact in the future to curb local government revenues. The City anticipates continued pressure on municipal governments to fill revenue shortfalls with increases in the ad valorem tax rate.

In Fiscal Year 2015, the City’s Adopted Budget theme was “Vision Forward” which enabled the City to thrive with long-range financial planning, maintenance and enhancement of the physical infrastructure, and the growth of service infrastructure. Unfortunately, the costs to maintain all of the City’s General Fund services without significant reductions have escalated at a rate greater than the growth in taxable property values and the current ad valorem millage rate can support. A Fiscal Year 2015 ad valorem millage rate of 2.3900 mills, an increase from the Fiscal Year 2014 millage rate of 2.0000 mills, was adopted by the City Commission to balance the Fiscal Year 2015 General Fund budget and to adopt a millage rate that is planned to sustain the General Fund through the end of Fiscal Year 2017.

**CITY OF WESTON, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

The City's Fiscal Year 2016 budget theme is "Prepared to be Even Better" which continues the commitment to sustaining a stable and sound financial environment that will enable the City to maintain and enhance the physical and operating infrastructures. Those decisions, which included adopting the same 2.3900 ad valorem millage rate from Fiscal Year 2015, helped the City maintain and enhance the infrastructure and still provide residents with essential service levels such as police, fire rescue and emergency medical services.

The Fiscal Year 2016 General Fund budget revenues, excluding activities related to disaster assistance, are estimated at \$42.2 million, slightly higher from the \$39.8 million estimate from the Fiscal Year 2015 Final Budget.

During Fiscal Year 2012, the City began updating its Strategic Value and Business Plan. The newest version of the plan will project line item revenues, expenditures and capital needs until Fiscal Year 2022. The plan was completed in Fiscal Year 2015.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Weston's finances for all those with an interest in this government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Weston, 17200 Royal Palm Boulevard, Weston, Florida 33326.

CITY OF WESTON, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and equity in pooled cash	\$ 8,633,774	\$ 641,337	\$ 9,275,111
Investments	109,433,232	14,000,115	123,433,347
Restricted assets:			
Restricted investments	-	2,016,593	2,016,593
Assessments receivable, current	3,445,000	-	3,445,000
Accounts receivable, net	2,809,014	3,609,356	6,418,370
Interest receivable	457,219	70,017	527,236
Prepaid costs	69,639	6,287	75,926
<b>Total current assets</b>	<b>124,847,878</b>	<b>20,343,705</b>	<b>145,191,583</b>
Noncurrent assets:			
Assessments receivable	50,450,000	-	50,450,000
Nondepreciable capital assets	74,500,399	1,048,637	75,549,036
Depreciable capital assets, net	86,664,321	60,426,269	147,090,590
<b>Total noncurrent assets</b>	<b>211,614,720</b>	<b>61,474,906</b>	<b>273,089,626</b>
<b>Total assets</b>	<b>336,462,598</b>	<b>81,818,611</b>	<b>418,281,209</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
FRS Pension	99,308	-	99,308
<b>Total deferred outflows of resources</b>	<b>99,308</b>	<b>-</b>	<b>99,308</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	2,841,030	106,339	2,947,369
Unearned revenues	777,754	-	777,754
Contracts and retainage payable	580,681	300,651	881,332
Deposits	1,182,538	-	1,182,538
Customer deposits payable from restricted assets	-	2,016,593	2,016,593
Accrued interest payable	1,012,862	-	1,012,862
Noncurrent liabilities due within one year	5,762,807	-	5,762,807
<b>Total current liabilities</b>	<b>12,157,672</b>	<b>2,423,583</b>	<b>14,581,255</b>
Noncurrent liabilities:			
Net pension liability	131,157	-	131,157
Due in more than one year	62,809,389	-	62,809,389
<b>Total liabilities</b>	<b>75,098,218</b>	<b>2,423,583</b>	<b>77,521,801</b>
Deferred inflows of resources:			
FRS Pension	30,707	-	30,707
<b>Total deferred inflows of resources</b>	<b>30,707</b>	<b>-</b>	<b>30,707</b>
Net position:			
Net investment in capital assets	93,465,505	61,474,906	154,940,411
Restricted for:			
Operations and maintenance	26,021,976	-	26,021,976
Fire protection services	4,476,474	-	4,476,474
Public transportation and road improvements	5,919,855	-	5,919,855
Law enforcement	662,340	-	662,340
Building code enforcement	657,017	-	657,017
Debt service	3,889,558	-	3,889,558
Unrestricted	126,340,256	17,920,122	144,260,378
<b>Total net position</b>	<b>\$ 261,432,981</b>	<b>\$ 79,395,028</b>	<b>\$ 340,828,009</b>

The accompanying notes to basic financial statements are an integral part of these statements

CITY OF WESTON, FLORIDA

STATEMENT OF ACTIVITIES

SEPTEMBER 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,705,627	\$ 4,390,510	\$ -	\$ -
Public safety	32,387,901	11,859,925	1,406,727	284,520
Public works	19,667,919	17,374,843	1,615,458	-
Parks and recreation	7,122,360	676,958	-	-
Community development	4,589,251	4,156,502	-	-
Interest on long-term debt	2,831,842	2,884,277	-	-
Total government activities	<u>75,304,900</u>	<u>41,343,015</u>	<u>3,022,185</u>	<u>284,520</u>
Business-type activities:				
Water and sewer	<u>33,092,855</u>	<u>30,622,285</u>	-	<u>136,574</u>
Total business-type activities	<u>33,092,855</u>	<u>30,622,285</u>	-	<u>136,574</u>
Total primary government	<u>108,397,755</u>	<u>71,965,300</u>	<u>3,022,185</u>	<u>421,094</u>
General revenues:				
Property taxes				
Franchise taxes and utility taxes				
Contributions not restricted to specific programs				
Investment income				
Other revenues				
Total general revenues and transfers				
Change in net position				
Net position - beginning, restated (prior period adjustments - see Note 8)				
Effect of adoption of GASB No. 68 (Note 1)				
Net position - beginning, as restated				
Net position, ending				

The accompanying notes to basic financial statements are an integral part of these statements

**Net Revenue and (Expense)  
Changes in Net Position**

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (4,315,117)	\$ -	\$ (4,315,117)
(18,836,729)	-	(18,836,729)
(677,618)	-	(677,618)
(6,445,402)	-	(6,445,402)
(432,749)	-	(432,749)
52,435	-	52,435
<u>(30,655,180)</u>	<u>-</u>	<u>(30,655,180)</u>
<u>-</u>	<u>(2,333,996)</u>	<u>(2,333,996)</u>
<u>-</u>	<u>(2,333,996)</u>	<u>(2,333,996)</u>
<u>(30,655,180)</u>	<u>(2,333,996)</u>	<u>(32,989,176)</u>
16,194,863	-	16,194,863
13,476,279	-	13,476,279
5,600,328	-	5,600,328
1,900,100	288,684	2,188,784
1,396,769	-	1,396,769
<u>38,568,339</u>	<u>288,684</u>	<u>38,857,023</u>
<u>7,913,159</u>	<u>(2,045,312)</u>	<u>5,867,847</u>
253,579,058	81,440,340	335,019,398
(59,236)	-	(59,236)
<u>253,519,822</u>	<u>81,440,340</u>	<u>334,960,162</u>
<u>\$ 261,432,981</u>	<u>\$ 79,395,028</u>	<u>\$ 340,828,009</u>

CITY OF WESTON, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Major Funds			
	General Fund	Indian Trace Development District	Bonaventure Development District	Fire Services District
<b>ASSETS</b>				
Cash and equity in pooled cash	\$ 7,212,606	\$ -	\$ 203,405	\$ -
Investments	65,188,412	22,957,643	4,679,291	5,893,732
Receivables:				
Assessments receivable		-	-	-
Accounts receivable, net	2,531,438	60,937	42,659	1
Interest receivable	285,030	100,466	20,512	25,795
Prepaid costs	50,649	11,874	3,626	1,034
Due from other funds	-	-	-	-
Total assets	<u>\$ 75,268,135</u>	<u>\$ 23,130,920</u>	<u>\$ 4,949,493</u>	<u>\$ 5,920,562</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,178,031	\$ 1,165,029	\$ 159,287	\$ 3,045
Overdraft cash and equity in pooled cash	-	777,819	-	1,441,043
Unearned revenues	777,754	-	-	-
Contracts and retainage payable	-	-	-	-
Due to other funds	-	308	16	-
Deposits	1,182,538	-	-	-
Total liabilities	<u>3,138,323</u>	<u>1,943,156</u>	<u>159,303</u>	<u>1,444,088</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Non-spendable for prepaid costs	50,649	11,874	3,626	1,034
Restricted for:				
District operations and maintenance	-	21,175,890	4,786,564	3,866,040
Street maintenance	-	-	-	-
Roadway projects	-	-	-	-
Law enforcement	-	-	-	-
Tree preservation	-	-	-	-
Building code enforcement	-	-	-	-
Debt service	-	-	-	-
Committed to:				
Disaster assistance	44,227,362	-	-	-
Credit reserve	7,622,800	-	-	-
Capital projects	-	-	-	-
Infrastructure	1,973,695	-	-	-
Assigned to:				
Compensated absences	872,981	-	-	-
Solid waste services	2,032,491	-	-	-
Subsequent year's expenditures	192,000	-	-	609,400
Unassigned	15,157,834	-	-	-
Total fund balances	<u>72,129,812</u>	<u>21,187,764</u>	<u>4,790,190</u>	<u>4,476,474</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 75,268,135</u>	<u>\$ 23,130,920</u>	<u>\$ 4,949,493</u>	<u>\$ 5,920,562</u>

The accompanying notes to basic financial statements are an integral part of these statements

<b>Bonaventure Development District Debt Service</b>	<b>Indian Trace Development District Debt Service</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 1,928,600	\$ 1,508,025	\$ 10,852,636
2,065,280	2,836,775	12,052	5,800,047	109,433,232
47,945,000	5,950,000	-	-	53,895,000
-	-	-	173,979	2,809,014
-	41	38	25,337	457,219
-	-	-	2,456	69,639
16	308	-	-	324
<u>\$ 50,010,296</u>	<u>\$ 8,787,124</u>	<u>\$ 1,940,690</u>	<u>\$ 7,509,844</u>	<u>\$ 177,517,064</u>
\$ -	\$ -	\$ 126,984	\$ 208,654	\$ 2,841,030
-	-	-	-	2,218,862
-	-	-	-	777,754
-	-	580,681	-	580,681
-	-	-	-	324
-	-	-	-	1,182,538
-	-	707,665	208,654	7,601,189
47,945,000	5,950,000	-	-	53,895,000
47,945,000	5,950,000	-	-	53,895,000
-	-	-	2,456	69,639
-	-	-	-	29,828,494
-	-	-	5,753,289	5,753,289
-	-	-	166,566	166,566
-	-	-	662,340	662,340
-	-	-	59,522	59,522
-	-	-	657,017	657,017
2,065,296	2,837,124	-	-	4,902,420
-	-	-	-	44,227,362
-	-	-	-	7,622,800
-	-	1,233,025	-	1,233,025
-	-	-	-	1,973,695
-	-	-	-	872,981
-	-	-	-	2,032,491
-	-	-	-	801,400
-	-	-	-	15,157,834
<u>2,065,296</u>	<u>2,837,124</u>	<u>1,233,025</u>	<u>7,301,190</u>	<u>116,020,875</u>
<u>\$ 50,010,296</u>	<u>\$ 8,787,124</u>	<u>\$ 1,940,690</u>	<u>\$ 7,509,844</u>	<u>\$ 177,517,064</u>

**CITY OF WESTON, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2015**

Fund balance - governmental funds, page 25 \$ 116,020,875

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial assets therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	246,509,040	
Accumulated depreciation	<u>(85,344,320)</u>	161,164,720

- Assets that are not available to pay for current-period expenditures are unavailable in the governmental fund financial statements.		53,895,000
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The net pension liability is not reported as a liability in the fund financial statements, but is reported as a liability in the government-wide financial statements.		(131,157)
--	--	-----------

Deferred outflows of resources related to the pension are recorded in the statement of net position.		99,308
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Deferred inflows of resources related to the pension are recorded in the statement of net position.		(30,707)
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Bonds payable		(53,895,000)
Notes payable		(13,804,215)
Accrued interest payable		(1,012,862)
Compensated absences		(872,981)

Net position of governmental activities, page 22		<u>\$ 261,432,981</u>
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The accompanying notes to basic financial statements are an integral part of these statements

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CITY OF WESTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Major Funds			
	General Fund	Indian Trace Development District	Bonaventure Development District	Fire Services District
REVENUES:				
Property taxes	\$ 16,194,863	\$ -	\$ -	\$ -
Franchise fees and utility taxes	13,476,279	-	-	-
Permits and fees	1,697,177	-	-	-
Intergovernmental	5,600,328	-	-	-
Charges for services	1,571,290	-	-	-
Fines and forfeitures	784,541	-	-	-
Investment income	1,188,230	410,415	84,639	102,521
Grant revenue	-	168,604	1,024,300	-
Special assessments	2,333,738	13,894,595	2,350,497	11,859,925
Other revenues	1,938,464	499,839	23,215	-
Total revenues	<u>44,784,910</u>	<u>14,973,453</u>	<u>3,482,651</u>	<u>11,962,446</u>
EXPENDITURES:				
Current:				
General government	5,044,186	-	-	2,000
Public safety	20,071,484	-	-	11,177,598
Public works	2,194,610	11,414,709	1,806,453	-
Parks and recreation	5,851,839	-	-	-
Community development	2,089,599	-	-	-
Capital outlay	564,784	344,963	1,795,495	3,671,313
Debt service:				
Principal	-	-	-	545,116
Interest	-	-	-	25,962
Total expenditures	<u>35,816,502</u>	<u>11,759,672</u>	<u>3,601,948</u>	<u>15,421,989</u>
Excess (deficiency) of revenues over expenditures	<u>8,968,408</u>	<u>3,213,781</u>	<u>(119,297)</u>	<u>(3,459,543)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,553,000)	(20,000)	-	-
Issuance of debt	-	-	-	2,850,000
Total other financing sources (uses)	<u>(1,553,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>2,850,000</u>
Net change in fund balances	7,415,408	3,193,781	(119,297)	(609,543)
FUND BALANCES - BEGINNING, AS RESTATED	<u>64,714,404</u>	<u>17,993,983</u>	<u>4,909,487</u>	<u>5,086,017</u>
FUND BALANCES - ENDING	<u>\$ 72,129,812</u>	<u>\$ 21,187,764</u>	<u>\$ 4,790,190</u>	<u>\$ 4,476,474</u>

The accompanying notes to basic financial statements are an integral part of these statements

<b>Town Foundation (As of 12/31/14)</b>	<b>Bonaventure Development District Debt Service</b>	<b>Indian Trace Development District Debt Service</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,194,863
-	-	-	-	-	13,476,279
-	-	-	-	2,459,325	4,156,502
-	-	-	-	1,615,458	7,215,786
377,899	-	-	-	-	1,949,189
-	-	-	-	213,823	998,364
2,653	509	1,109	5,054	104,970	1,900,100
-	-	-	284,520	-	1,477,424
-	996,772	5,277,505	-	-	36,713,032
-	-	-	1,832	63,170	2,526,520
<u>380,552</u>	<u>997,281</u>	<u>5,278,614</u>	<u>291,406</u>	<u>4,456,746</u>	<u>86,608,059</u>
1,965,967	-	-	4,019	87	7,016,259
-	-	-	-	94,411	31,343,493
-	-	-	-	424,832	15,840,604
-	-	-	-	-	5,851,839
-	-	-	-	2,496,319	4,585,918
-	-	-	9,460,697	-	15,837,252
-	665,000	2,725,000	1,139,398	363,868	5,438,382
-	314,381	2,499,776	154,710	51,332	3,046,161
<u>1,965,967</u>	<u>979,381</u>	<u>5,224,776</u>	<u>10,758,824</u>	<u>3,430,849</u>	<u>88,959,908</u>
<u>(1,585,415)</u>	<u>17,900</u>	<u>53,838</u>	<u>(10,467,418)</u>	<u>1,025,897</u>	<u>(2,351,849)</u>
-	-	20,000	1,553,000	-	1,573,000
-	-	-	-	-	(1,573,000)
-	-	-	3,535,000	-	6,385,000
-	-	20,000	5,088,000	-	6,385,000
(1,585,415)	17,900	73,838	(5,379,418)	1,025,897	4,033,151
<u>1,585,415</u>	<u>2,047,396</u>	<u>2,763,286</u>	<u>6,612,443</u>	<u>6,275,293</u>	<u>111,987,724</u>
<u>\$ -</u>	<u>\$ 2,065,296</u>	<u>\$ 2,837,124</u>	<u>\$ 1,233,025</u>	<u>\$ 7,301,190</u>	<u>\$ 116,020,875</u>

CITY OF WESTON, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - total governmental funds, page 28	\$ 4,033,151
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of certain of these assets are eliminated and capitalized as capital assets.	15,384,905
Governmental funds report the face amount of debt issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(6,385,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	(3,390,000)
Repayment of long-term liabilities are reported as expenditures in the governmental funds, but such repayments reduce liabilities in the statement of net position and are eliminated from the statement of activities.	5,438,382
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.	214,319
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:	
Retirement of capital assets	(257,759)
Depreciation of capital assets	(7,003,102)
Change in compensated absences	(118,417)
FRS Pension Expense	(3,320)
Change in net position of governmental activities, page 23	<u>\$ 7,913,159</u>

The accompanying notes to basic financial statements are an integral part of these statements

**CITY OF WESTON, FLORIDA**  
**STATEMENT OF NET POSITION –**  
**PROPRIETARY FUND**

**SEPTEMBER 30, 2015**

	<b>Business-Type Activities</b>
	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current Assets	
Cash and equity in pooled cash	\$ 641,337
Investments	14,000,115
Restricted investments	2,016,593
Receivables:	
Intergovernmental receivables	193,437
Accounts receivable, net	3,415,919
Interest receivable	70,017
Prepaid costs	6,287
<b>Total current assets</b>	<b>20,343,705</b>
Capital Assets	
Construction in progress	1,048,637
Infrastructure	112,993,031
Property and equipment	334,179
<b>Total capital assets</b>	<b>114,375,847</b>
Less accumulated depreciation	52,900,941
<b>Net capital assets</b>	<b>61,474,906</b>
<b>Total noncurrent assets</b>	<b>61,474,906</b>
<b>Total assets</b>	<b>81,818,611</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued liabilities	106,339
Contracts and retainage payable	300,651
Customer deposits payable from restricted assets	2,016,593
<b>Total current liabilities</b>	<b>2,423,583</b>
<b>Total Liabilities</b>	<b>2,423,583</b>
<b>NET POSITION</b>	
Net investment in capital assets	61,474,906
Unrestricted	17,920,122
<b>Total net position</b>	<b>\$ 79,395,028</b>

The accompanying notes to basic financial statements are an integral part of these statements

CITY OF WESTON, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
 PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<b>Business-Type Activities</b>
	<b>Water and Sewer Fund</b>
OPERATING REVENUES:	
Water and sewer fees	\$ 30,115,628
Miscellaneous revenue	497,606
Other operating revenues	9,051
Total operating revenues	<u>30,622,285</u>
OPERATING EXPENSES:	
Personnel	196,480
Other operating expenses	28,898,119
General and administrative	1,657,869
Depreciation	2,340,387
Total operating expenses	<u>33,092,855</u>
Operating income (loss)	<u>(2,470,570)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment income	288,684
Total nonoperating revenues (expenses)	<u>288,684</u>
Income before capital contributions	<u>(2,181,886)</u>
Capital contributions	136,574
Change in net position	(2,045,312)
NET POSITION - BEGINNING, AS RESTATED	<u>81,440,340</u>
NET POSITION - ENDING	<u>\$ 79,395,028</u>

The accompanying notes to basic financial statements are an integral part of these statements

**CITY OF WESTON, FLORIDA**  
**STATEMENT OF CASH FLOWS –**  
**PROPRIETARY FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-Type Activities</b>
	<b>Water and Sewer Fund</b>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 30,202,248
Payments to suppliers	(30,604,635)
Payments to employees	(196,480)
<b>Net cash provided by (used in) operating activities</b>	<b>(598,867)</b>
CASH FLOWS FROM CAPITAL AND RELATED Financing Activities	
Developer contributions received	136,574
Purchase of capital assets	(1,342,373)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,205,799)</b>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,021,543)
Interest received	280,045
<b>Net cash provided by (used in) investing activities</b>	<b>(741,498)</b>
Net increase (decrease) in cash and cash equivalents	(2,546,164)
CASH AND CASH EQUIVALENTS, BEGINNING	3,187,501
CASH AND CASH EQUIVALENTS, ENDING	\$ 641,337

The accompanying notes to basic financial statements are an integral part of these statements

CITY OF WESTON, FLORIDA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 (Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Business-Type Activities</u> <u>Water and Sewer Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income (loss)	\$ (2,470,570)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	2,340,387
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(329,053)
(Increase) decrease in due from other governments	(113,311)
(Increase) decrease in prepaid costs	9,524
Increase (decrease) in accounts payable	(58,171)
Increase (decrease) in payables from restricted assets	22,327
Total adjustments	<u>1,871,703</u>
Net cash provided by (used in) operating activities	<u>\$ (598,867)</u>
NONCASH TRANSACTION:	
Change in fair value of investments	<u>\$ (4,962)</u>

The accompanying notes to basic financial statements are an integral part of these statements

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

The City of Weston, Florida (the “City”) is a municipal corporation governed by an elected Mayor and a four member commission providing the following services: general government; public safety; community development; public works; and parks and recreation. Additional services provided by the City are subcontracted (Note 10) such as: water and sewer services; emergency medical services; fire protection and prevention services; police services; engineering services; building code services; code enforcement; and plan review and inspection services. 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the City and its blended component units, entities for which the City is considered to be financially accountable, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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. Blended component units, although legally separate entities, are in substance part of the City’s operations, and so, data from these units is combined with data of the primary government.

**Blended Component Units**

Indian Trace Development District (“ITDD”) is a blended component unit. 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, stormwater management and control, roads and other public improvements. ITDD’s boundaries exclude the community of Bonaventure. ITDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on ITDD. In addition, the City has operational responsibility for the District. ITDD has its own budget and taxing power. The operations and assets of ITDD are reflected in Indian Trace Development District Special Revenue and Debt Service Funds. The component unit has a September 30 year end. There were no separately issued financial statements for this component unit.

Bonaventure Development District (“BDD”) is a blended component unit. BDD was created on December 21, 1998, however, it 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 BDD. BDD provides stormwater management and control, roads and other public improvements. BDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on BDD. In addition, the City has operational responsibility for the District. BDD has its own budget and taxing power. The operations and assets of BDD are reflected in the Bonaventure Development District Special Revenue and Debt Service Funds. The component unit has a September 30 year end. There were no separately issued financial statements for this component unit.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town Foundation became a component unit of the City of Weston on April 30, 2003, when the members of the City Commission became the Board of Directors of the Foundation. The Town Foundation provided cable services to certain residents of the City. The component unit has a December 31 year end and, therefore, the information presented is for the year ended December 31, 2014. On October 1, 2014 an agreement was signed between the City and the Town Foundation for the termination of the Town Foundation. The Foundation was no longer needed for its original purpose and was dissolved on December 31, 2014. A copy of the separately issued financial statements for the component unit can be obtained at the Weston City Hall, located at 17200 Royal Palm Boulevard, Weston, Florida 33326.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as non-major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, other intergovernmental revenues, licenses and permits, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds (Indian Trace Development District, Bonaventure Development District, Fire Services District and the Town Foundation) account for special assessments that are legally restricted to expenditure for District and Foundation operations and maintenance. Indian Trace Development District and Bonaventure Development District account for the maintenance of the stormwater management infrastructure and the non-roadway portions of the public right of way within the boundaries of the Districts. The Fire District accounts for revenues generated by special assessments legally restricted to fund fire protection and prevention services in the City. The Town Foundation received cable fees that were restricted by enabling legislation for specified purposes.

The Debt Service Funds (Indian Trace Development District and Bonaventure Development District) account for special assessments that are legally restricted to principal and interest expenditures.

The Capital Projects Fund (Community Facilities Construction) accounts for the acquisition of equipment and construction/rehabilitation of major capital projects not being financed by proprietary funds.

The City reports the following major proprietary fund:

The Enterprise Fund is used to account for the water and sewer 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.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule the effect of interfund activity has been eliminated from the government wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government, if applicable. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund services provided and used are not eliminated in the process of consolidation.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and provision for depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

D. New Accounting Standards Adopted

During fiscal year 2015, the City adopted three new accounting standards as follows:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. Statement No. 67, Financial Reporting for Pension Plans, revises existing standards of financial reporting for most pension plans.

This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*GASB Statement No. 69, Government Combinations and Disposals of Government Operations*

The objective of this Statement is to improve accounting and financial reporting for U.S. state and local governments' combinations and disposals of government operations by providing guidance specific to the situations and circumstances encountered within the governmental environment.

*GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The implementation of GASB 68 had the following effect on beginning net position in fiscal year 2015:

	Governmental Activities
Net position - beginning, previously restated	\$ 253,579,058
Adjustment for FRS	(42,529)
Adjustment for HIS	(16,707)
Net position - beginning, as restated	<u>\$ 253,519,822</u>

E. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

Cash and cash equivalents are defined as demand deposits, money market accounts, and short term investments with original maturities of three months or less from the date of acquisition.

Investments are carried at fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized.

2. Receivables

Receivables include amounts due from other governments and others for services provided by the City. In addition, amounts owed from residents for the payment of District Bonds are reported as receivables. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes are levied and are recognized as receivables on October 1 of each year. Ad valorem property taxes are based on property value. Non ad valorem property taxes are based on per acre or per unit type. 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.

3. Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portions of interfund loans). Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as “internal balances.”

4. Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in the government-wide and governmental fund financial statements. The City utilizes the consumption method to account for these costs.

5. Restricted Assets

Certain proceeds of the City’s bond resolutions, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Amounts held from property owners are held for future payment of special benefit assessment bond principal and interest payments. Customer deposits are classified as restricted assets because they are held on behalf of the customer.

6. Capital Assets

Capital assets which include land, construction in progress, infrastructure, buildings, land improvements and machinery and equipment are reported in the applicable governmental or business type activities columns in the government wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Asset</u>	<u>Years</u>
Buildings and improvements	10-50
Infrastructure	10-50
Land improvements	15-30
Machinery and equipment	5-15

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

7. Compensated Absences

It is the City's policy to permit its employees to accumulate amounts of earned but unused vacation and sick pay benefits. Accumulated compensated absences are recorded as an expense in the government-wide financial statements when earned. Expenditures for compensated absences are recorded in the governmental funds only for employees who had terminated their employment as of the end of the fiscal year. As of September 30, 2015, the City reports accrued compensated absences amounting to \$872,981 in the statement of net position, which is expected to be paid from reserves set aside for this purpose. Additionally, the City has not recorded compensated absences in the governmental funds because amounts outstanding have not matured as of fiscal year end. The General Fund has typically been used in prior years to liquidate compensated absences.

8. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund statements in the fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the City would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the City reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

11. Net Position

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the City's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Net position restricted for operations and maintenance and fire protection services represent limitations placed on net position use by enabling legislation. Net position restricted for public transportation and road improvements represent limitations placed on net position use by state enabling legislation from proceeds distributed to the City from state revenue sharing and local option gas tax collections. Net position restricted for law enforcement is to be used only for certain law enforcement related expenses. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fund Balance

The City follows GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of the City Commission. These amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned: This classification includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through resolution by the City Commission authorizing this responsibility to the City Manager. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally can only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

GASB Statement No. 40, Deposit and Investment Risk Disclosures requires governments to disclose deposits and investments exposed to custodial credit risk. For deposits, this is the risk that, in the event of the failure of a depository financial institution, a government may not be able to recover deposits nor be able to recover collateral securities that are in the possession of an outside party.

The City's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

B. Investments

The City's investment policy permits investment or reinvestment of the City's funds primarily in: 1) United States Treasury and government agency/instrumentality obligations; 2) obligations of state and local governments; 3) certain highly rated foreign government obligations; 4) the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool pursuant to Florida Statute 163.01;

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

5) obligations of any corporate financial institution (excluding life and casualty companies); 6) certain highly rated mortgage backed securities or collateralized mortgage obligations; 7) repurchase agreements collateralized by United States Treasury or government agency and instrumentality securities; 8) money market mutual funds; and 9) commercial paper.

Investments as of September 30, 2015 were as follows:

	Fair Value
U.S. Treasury / Agency securities	\$ 69,150,782
Money market mutual funds and other cash equivalents	30,857,290
Municipal bonds	3,572,233
Corporate bonds	21,869,635
	\$ 125,449,940

1. Credit Risk

The City’s investment policy was established to limit credit risk, the risk of loss due to default by the issuer, securities broker/dealer or financial institution, by:

- Limiting investments to investment grade securities as rated by any nationally recognized agency in the United States.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business.
- Diversifying the investment portfolio to reduce the impact of potential losses from any one type of security, or any individual issuer or backer.

The City’s investments have been rated by Standard and Poor’s or Moody’s as follows:

	RATINGS				
	AAA	AA	A	A+	A-
Government and government sponsored bonds*	\$ -	\$ 27,455,877	\$ -	\$ -	\$ -
Corporate bonds	-	9,563,815	4,609,913	2,575,810	5,120,097
Municipal bonds	2,530,025	1,042,208	-	-	-

\*All of The City's mortgage and asset backed securities are unrated

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

2. Interest Rate Risk

The City’s investment policy was established to minimize the risk that the value of securities in the investment portfolio will fall due to changes in interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities to the open market prior to maturity.
- Investing operating funds primarily in short term securities, money market mutual funds, or similar investment pools and limiting the weighted average maturity of the portfolio.
- Limiting the price sensitivity (modified or effective duration) of the investments in the portfolio.

The City has an investment policy that, unless matched to a specific cash flow, limits the purchase of securities to maturities of no more than ten years from the date of purchase and additionally limits the purchase of any securities not rated in the highest tier to maturities of less than five years from the date of purchase. At fiscal year end, the weighted average life of the maturities is as follows:

	Maturity Value	Average Maturity (years)
Corporate bonds	\$ 20,761,000	1.98
U.S. Treasury bonds	\$ 5,000,000	4.33
U.S. Agency and municipal bonds	\$ 29,520,000	3.26

The investments at September 30, 2015 met the City’s investment policy restrictions.

3. Concentration Credit Risk

The City’s investment policy limits its investments to no more than 5% of total assets valued at cost in any one security issue and no more than 50% of its total assets valued at cost in any one security type, with certain exceptions. Federal government and agency debt obligations are exempt from both restrictions and cash equivalent investments are exempt from the issuer restriction. GASB Statement 40 requires disclosure when the percentage is 5% or more in any one issuer. At September 30, 2015, the City is in compliance with its policy.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 4 – RESTRICTED ASSETS**

Restricted assets include cash and cash equivalents that are restricted for the payment of customer security deposits recorded in the Water and Sewer Fund in the amount of \$2,016,593.

**NOTE 5 – RECEIVABLES**

Receivables	General Fund	Indian Trace Development District	Bonaventure Development District	Fire Services Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer
Accounts	\$ 62,808	\$ 15,407	\$ 42,659	\$ 1	\$ -	\$ 6,864	\$ 3,478,357
Interest	285,030	100,507	20,512	25,795	38	25,337	70,017
Franchise fees and utility taxes	1,658,282	-	-	-	-	-	-
Intergovernmental	810,348	45,530	-	-	-	167,115	193,437
Gross receivables	2,816,468	161,444	63,171	25,796	38	199,316	3,741,811
Less allowance for uncollectibles	-	-	-	-	-	-	(62,438)
Net total receivables	<u>\$ 2,816,468</u>	<u>\$ 161,444</u>	<u>\$ 63,171</u>	<u>\$ 25,796</u>	<u>\$ 38</u>	<u>\$ 199,316</u>	<u>\$ 3,679,373</u>

In addition, the Indian Trace and Bonaventure Development Districts Debt Service Funds report special assessments receivables for amounts owed from property owners for making debt service payments on the outstanding Bonds.

**NOTE 6 – INTERFUND TRANSACTIONS**

Interfund transfers for the year ended September 30, 2015 are as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ -	\$ (1,553,000)
Indian Trace Development District	-	(20,000)
Indian Trace Development District Debt Service Fund	20,000	-
Capital Projects Fund	1,553,000	-
	<u>\$ 1,573,000</u>	<u>\$ (1,573,000)</u>

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them. Transfers from the general fund to the capital projects fund and from the ITDD to ITDD Debt Service fund are for moving resources to make debt service payments.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 7 – CAPITAL ASSETS**

A summary of changes in the governmental activities capital assets for the fiscal year ended September 30, 2015 is presented as follows:

	Beginning Balance (Restated)	Additions	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 73,145,260	\$ 442,350	\$ -	\$ 73,587,610
Construction in progress	11,391,124	9,409,967	(19,888,302)	912,789
Total capital assets, not being depreciated	<u>84,536,384</u>	<u>9,852,317</u>	<u>(19,888,302)</u>	<u>74,500,399</u>
Capital assets, being depreciated:				
Infrastructure	106,325,574	6,876,767	-	113,202,341
Buildings	26,456,927	9,748,775	-	36,205,702
Land Improvements	4,471,859	3,299,679	-	7,771,538
Machinery and equipment	10,270,697	5,495,669	(937,306)	14,829,060
Total capital assets, being depreciated	<u>147,525,057</u>	<u>25,420,890</u>	<u>(937,306)</u>	<u>172,008,641</u>
Less accumulated depreciation:				
Infrastructure	(61,996,881)	(4,311,527)	-	(66,308,408)
Buildings	(6,937,176)	(711,451)	-	(7,648,627)
Land Improvements	(3,304,128)	(375,924)	-	(3,680,052)
Machinery and equipment	(6,782,580)	(1,604,200)	679,547	(7,707,233)
Total accumulated depreciation	<u>(79,020,765)</u>	<u>(7,003,102)</u>	<u>679,547</u>	<u>(85,344,320)</u>
Total capital assets, being depreciated, net	<u>68,504,292</u>	<u>18,417,788</u>	<u>(257,759)</u>	<u>86,664,321</u>
Governmental activities capital assets, net	<u>\$ 153,040,676</u>	<u>\$ 28,270,105</u>	<u>\$ (20,146,061)</u>	<u>\$ 161,164,720</u>

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 7 – CAPITAL ASSETS (Continued)**

A summary of changes in the business-type activities capital assets for the fiscal year ended September 30, 2015 is presented as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 1,510,777	\$ 1,342,852	\$ (1,804,992)	\$ 1,048,637
Total capital assets, not being depreciated	<u>1,510,777</u>	<u>1,342,852</u>	<u>(1,804,992)</u>	<u>1,048,637</u>
Capital assets, being depreciated:				
Infrastructure	111,213,325	1,779,706	-	112,993,031
Machinery and equipment	264,070	70,109	-	334,179
Total capital assets, being depreciated	<u>111,477,395</u>	<u>1,849,815</u>	<u>-</u>	<u>113,327,210</u>
Less accumulated depreciation:				
Infrastructure	(50,324,108)	(2,307,328)	-	(52,631,436)
Machinery and equipment	(236,446)	(33,059)	-	(269,505)
Total accumulated depreciation	<u>(50,560,554)</u>	<u>(2,340,387)</u>	<u>-</u>	<u>(52,900,941)</u>
Total capital assets, being depreciated, net	<u>60,916,841</u>	<u>(490,572)</u>	<u>-</u>	<u>60,426,269</u>
Business-type activities capital assets, net	<u>\$ 62,427,618</u>	<u>\$ 852,280</u>	<u>\$ (1,804,992)</u>	<u>\$ 61,474,906</u>

Depreciation expense was charged to the following function/programs as follows:

Governmental activities:	
General government	\$ 857,525
Public safety	1,044,408
Public works	3,827,315
Parks and recreation	1,270,521
Community development	3,333
Total depreciation expense, governmental activities	<u>\$ 7,003,102</u>
Business-type activities:	
Water and sewer	<u>\$ 2,340,387</u>

Construction Commitments

The City has several active construction projects as of September 30, 2015. The remaining amounts committed for these projects are as follows:

Project	Spent-To-Date	Remaining Commitment
Restroom Renovation at City Parks	\$ 615,168	\$ 1,168,579
Country Isles Water Service Replacements	958,046	121,120
Total	<u>\$ 1,573,214</u>	<u>\$ 1,289,699</u>

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 8 – LONG-TERM DEBT

Bonds Payable

At September 30, 2015, Bond issues were as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Series 1997 ITDD	July 1997	\$ 41,635,000	4%-5%	May 1, 2027
Series 2002 BDD	January 2002	12,790,000	1.75%-5.125%	November 1, 2022
Series 2003 Isles at Westc	June 2003	9,330,000	5.50%	May 1, 2033
Series 2005 ITDD	February 2005	46,380,000	2.5%-5%	May 1, 2027

The Series 1997, 2002, 2003, and 2005 Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the Indian Trace Development District and Bonaventure Development District. The 2005 Bonds were issued by Indian Trace Development District for the purpose of currently refunding and defeasing Series 1995A-1 Bonds and advance refunding and defeasing a portion of Series 1997 Bonds.

Interest is to be paid semiannually for each Bond series on each May 1 and November 1. Principal is to be paid serially for the 1997 Bonds each May 1, starting May 1, 2022. Principal is to be paid serially for the 2003 and 2005 Bonds each May 1. Principal is to be paid serially for the 2002 Bonds each November 1.

The Series 1997, 2002, 2003, and 2005 Bonds are subject to redemption prior to maturity. The Series 1997, 2002 and 2003 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The 1997, 2002 and 2003 Bond Indentures established debt service reserve requirements. The 2005 Bond Indenture provides for a surety bond to be obtained in place of funding for the debt service reserve fund (the "Reserve Fund"). The debt service reserve fund surety bond constitutes a debt service reserve fund insurance policy under the Bond Indenture. The City has obtained the required bonding for the 2005 Bonds and is in compliance with the reserve requirements for Series 1997, 2002 and 2003.

The Bond Indentures established certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed on assessments to property owners. The City agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The City was in compliance with the requirements at September 30, 2015.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 8 – LONG-TERM DEBT (Continued)**

Notes Payable

At September 30, 2015, the City had Community Facilities Notes as follows:

\$3,000,000 Series 2008 promissory note with principal and interest due semiannually with a 3.12% fixed interest rate that matured on March 3, 2015. Funds were used for the purchase of fire and rescue vehicles. The note was collateralized by non-ad valorem fire assessments of the City.

\$3,000,000 Series 2011 promissory note with principal and interest due semiannually with a 2.53% fixed interest rate maturing on November 1, 2019. Funds have been primarily used for the roadway resurfacings within the City. The note is collateralized by half cent local option fuel taxes which totaled \$681,984 in the current fiscal year.

\$7,450,000 Series 2013 promissory note with principal and interest due every three months with fixed interest rates ranging from 1.24% to 2.05% maturing on November 1, 2023. Funds have been primarily used for the construction of the emergency operations center within the City, City park renovations and the purchase of emergency rescue vehicles. The note is collateralized by the local business tax revenues and the electric franchise revenues, which totaled \$1,008,525 and \$5,032,124 respectively for the current fiscal year.

\$6,385,000 Series 2014 promissory note with principal and interest due semiannually with fixed interest rates ranging from 1.07% to 2.23% maturing on November 1, 2024. Funds have been primarily used for the construction of the emergency operations center within the City, certain information technology projects and the purchase of emergency rescue vehicles. The note is collateralized by a pledge of the electric franchise revenues and fire assessments of the City. Assessments totaled \$11,859,925.

**Long-term Debt Activity**

Changes in long-term liability activity for the fiscal year ended September 30, 2015 were as follows:

	Beginning Balances (Restated)	Additions	Reductions	Total	Amount Due Within One Year
<b>Bonds payable:</b>					
Series 1997 ITDD	\$ 12,885,000	\$ -	\$ -	\$ 12,885,000	\$ -
Series 2002 BDD	6,615,000	-	(665,000)	5,950,000	630,000
Series 2003 Isles at Weston	7,225,000	-	(245,000)	6,980,000	245,000
Series 2005 ITDD	30,560,000	-	(2,480,000)	28,080,000	2,570,000
<b>Notes payable:</b>					
2008	350,477	-	(350,477)	-	-
2011	2,119,347	-	(363,868)	1,755,479	373,132
2013	6,997,773	-	(904,453)	6,093,320	904,453
2014	-	6,385,000	(429,584)	5,955,416	838,055
Compensated Absences	754,564	221,786	(103,369)	872,981	202,167
	<u>\$ 67,507,161</u>	<u>\$ 6,606,786</u>	<u>\$ (5,541,751)</u>	<u>\$ 68,572,196</u>	<u>\$ 5,762,807</u>

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 8 – LONG-TERM DEBT (Continued)**

At September 30, 2015, the scheduled debt service requirements on the long-term debt were as follows:

Year Ending September 30,	Principal	Interest	Total
2016	\$ 5,560,640	\$ 2,948,645	\$ 8,509,285
2017	5,740,333	2,770,131	8,510,464
2018	5,854,841	2,547,091	8,401,932
2019	5,783,171	2,315,411	8,098,582
2020	5,731,487	2,075,697	7,807,184
2021-2025	26,538,742	6,697,080	33,235,822
2026-2030	11,005,000	1,465,500	12,470,500
2031-2033	1,485,001	151,800	1,636,801
	<u>\$67,699,215</u>	<u>\$ 20,971,355</u>	<u>\$ 88,670,570</u>

**NOTE 9 – PRIOR PERIOD ADJUSTMENTS**

The 2015 report has adjusted the following items listed in the 2014 report:

	Governmental Activities	Indian Trace Development District	Bonaventure Development District	Bonaventure Development District Debt Service Fund	Indian Trace Development District Debt Service Fund
Net position/fund balance - beginning, previously stated	\$ 248,271,473	\$ 17,853,002	\$ 4,308,464	\$ -	\$ -
Understatement of capital assets	932,882	-	-	-	-
Understatement of long-term liabilities	(57,285,000)	-	-	-	-
Understatement of assessments receivable	57,285,000	-	-	-	-
Understatement of intergovernmental receivable	742,004	140,981	601,023	-	-
Understatement of prior year accrued interest	(1,177,983)	-	-	-	-
Understatement of investments	4,810,682	-	-	2,763,286	2,047,396
Net position/fund balance - beginning, as restated	<u>\$ 253,579,058</u>	<u>\$ 17,993,983</u>	<u>\$ 4,909,487</u>	<u>\$ 2,763,286</u>	<u>\$ 2,047,396</u>

	Business-Type Activities
	Water and Sewer Fund
Net position/fund balance - beginning, previously stated	\$ 79,698,025
Understatement of accounts receivable	1,742,315
Net position/fund balance - beginning, as restated	<u>\$ 81,440,340</u>

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 10 – RISK MANAGEMENT**

The City is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illness of and injuries to employees; and natural disasters.

The City purchased an insurance policy that provided coverage of up to \$ 1,000,000 maximum for each general liability occurrence in combination with a maximum annual aggregate coverage of approximately \$ 3,000,000 for the policy for the fiscal year ended September 30, 2015. Other insurance policies carried by City during the fiscal year included: automobile, crime, environmental liability, inland marine, property (building and contents), public officials liability/employment practices liability, crime coverage and workers' compensation. Deductible amounts ranged from \$1,000 to \$ 25,000. Settlement amounts have not exceeded insurance coverage during the last three fiscal years.

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

City of Sunrise Water and Sewer Services Agreement

An agreement between the City of Sunrise and 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 water and sewer service to ITDD and provide the related billing and collection services to ITDD's customers based on the City of Sunrise's rate structure. The customers remain with ITDD, but ITDD is performing only certain services under the agreement.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the City. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Broward Sheriff's Office Emergency Medical, Fire Protection and Prevention Services Agreement

The City previously entered into an agreement with the Broward Sheriff's Office ("BSO") to provide emergency medical, fire protection and fire prevention services through September 30, 2013. After its initial term, the agreement could be renewed for an additional five year period. The agreement may be terminated by either party by giving no fewer than 270 days written notice to the other party in accordance with certain provisions contained within the contract. Under the agreement, the City provides certain facilities and vehicles for use by BSO. The City is responsible for the repairs and maintenance to the facilities while BSO is responsible for repairs and maintenance to the vehicles. The City Commission approved an addendum to extend the agreement on a month to month basis while the parties continue negotiations for a new emergency medical, fire protection and fire prevention services agreement. Under the terms of the addendum, the City will pay \$ 1,679,783 per month until a new agreement has been reached. For the fiscal year ended September 30, 2015, the City had the following costs: \$ 8,691,160 for emergency medical services; \$10,452,719 for fire protection services; and \$ 601,836 for fire prevention services.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

Broward Sheriff's Office Police Services Agreement

The City of Weston entered into an agreement with the Broward Sheriff's Office ("BSO") to provide for professional police services through September 2013 with an optional five year renewal period. Under this agreement, BSO provided all necessary labor, supervision, equipment, vehicles, communication facilities and supplies necessary for the purpose of performing the services. Per the agreement, the City provides a police district's office, for which the City is responsible for major improvements and repairs. BSO pays for all utility costs including, but not limited to, telephone, electric, and water services. Either party may terminate this agreement effective on September 30 of any year by giving no fewer than 270 days written notice to the other party. In September 2013, the City Commission approved an addendum to extend the agreement on a month to month basis while the parties continued negotiations for a new police services agreement.

On September 29, 2014, the City Commission approved a new police services agreement. The agreement term is October 1, 2014 through September 30, 2019 and is renewable for one five year term upon the City and BSO agreeing to a renewal and the terms and conditions related thereto. The consideration for all services shall be subject to an annual increase based on BSO's budgeted costs for the following year. For costs other than health insurance premiums, workers' compensation premiums and pension contributions, the maximum increase calculated based on the consideration paid in the previous year, shall be 5.00%. BSO's budgeted costs for health insurance premiums will be based on projected costs. The maximum increase for these costs shall be 9.00% of the budgeted costs in the preceding year. There is no limitation for the increase in the amount attributable to workers' compensation premiums and pension contributions. BSO's budgeted costs for these costs will be based on projected costs supported with third party documentation. The City is entitled to a credit for any vacancies that occur during the fiscal year subject to certain limitations as provided for in the agreement. Expenditures totaled approximately \$13,217,507 (which includes a variance credit of \$384,398) related to the agreement for the fiscal year ended September 30, 2015.

Calvin Giordano and Associates Professional Services Agreement

The City entered into an agreement with a consulting firm to provide for planning, zoning and engineering services. This agreement has no expiration date; however, it may be terminated without cause by the City within 120 days upon written notice prior to termination, and, with cause by either party within five days upon written notice prior to termination. The contractor is compensated under this contract based on a monthly standard fee and an hourly fee schedule structure, based on several service categories, for which both are subject to a maximum 5% annual increase. For the fiscal year ended September 30, 2015, the monthly standard fees ranged from approximately \$ 10,200 to approximately \$ 54,500 while the hourly fee ranged from approximately \$86 per hour to approximately \$430 per hour.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)

Calvin Giordano and Associates Professional Services Agreement (Continued)

The City and the consulting firm previously amended the agreement in order for the consulting firm to provide designated employees for certain supplemental services, such as: parks and recreation, rights of way and public works. The fee to be paid by the City for the supplemental services is 145% (120% for overtime compensation) of the actual salary paid to the employees of the consultant performing the services.

In addition, and as required by the City Manager, the consultant provides the necessary personnel and equipment for special project design, permitting, inspections, special reports, studies and related services. These additional services are quoted/priced and authorized under separate work authorizations.

CAP Government Building Code Services Agreement

The City entered into an agreement with a consulting firm to provide for plan review and inspection services. The agreement, effective through September 2015, includes an additional five year period renewal option and may be terminated by either party within sixty (60) days after written notice. The consideration for all services is based on a standard schedule of fees and is subject to an annual increase by an amount equal to the Consumer Price Index increase, with a maximum annual increase not to exceed 5% unless both parties mutually agree in writing to an alternative arrangement. Payments to the contractor are made for projects with estimated permit fees of less than \$ 100,000 as follows: 60% of the fee is payable upon submission of the application and 40% is payable at the time of the issuance of the certificate of occupancy or a certificate of completion or final inspection or abandonment, whichever is latest and applicable. Payments to the contractor are made for projects with estimated permit fees of \$ 100,000 or greater as follows: 60% of the fee is payable in equal monthly installments commencing with submission of the application through completion of plan review, pursuant to an approved time schedule, and 40% is payable in equal monthly installments commencing with the first inspection through the estimated time of completion, pursuant to an approved time schedule. The City processes payments to the contractor on a monthly basis, paying all amounts that become due for the prior month in arrears.

For the year ended September 30, 2015, costs related to the services provided by the consultant amounted to approximately \$ 1,395,200.

Municipal Technologies Administrative and Technology Services Agreement

The City previously entered into an agreement with a consulting firm to provide for technology services as follows: desktop, server, application, telecom, infrastructure, document and records management, business process, procurement and additional City projects. This agreement has no expiration date; however, the City may terminate this contract with or without cause immediately upon written notice while the contractor may terminate this contract within 180 days upon written notice prior to termination.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued)**

The agreement was previously amended to primarily provide for administrative and financial services. For fiscal year ended September 30, 2015, the monthly base compensation to be paid by the City is approximately \$ 98,100 and \$ 110,900 for technology and administrative/financial services, respectively, for which both are subject to a maximum 5% annual increase. The fee for technology services is established as a fixed fee. The fee for administrative and financial services is established at 145% (120% for overtime compensation) of the actual salaries paid to certain designated employees of the consultant performing the services.

For the fiscal year ended September 30, 2015, costs related to the services provided by the consultant amounted to approximately \$ 2,377,179.

**NOTE 12 – EMPLOYEE RETIREMENT PLANS**

Florida Retirement System (FRS)

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the City are eligible to enroll as members of the FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The City's pension expense totaled \$25,254 for the fiscal year ended September 30, 2015

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

FRS Pension Plan

*Plan Description* – The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The classes of membership within the City are as follows:

- Elected Local Officers Class – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

*Benefits Provided* – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Elected Local Officers	3.00

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u> <u>October 1, 2014 to June 30, 2015</u>		<u>Percent of Gross Salary</u> <u>July 1, 2015 to September 30,</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Elected Local Officers	3.00	43.24	3.00	45.8

(1) Employer rates include a postemployment HIS contribution rate of 1.26% through June 30, 2015 and 1.66% from July 1 to September 30, 2015. Also, employer rates include .04% for administrative costs of the Investment plan.

The City’s contributions to the Plan totaled \$24,421 (which includes \$1,590 of employee contributions) for the fiscal year ended September 30, 2015. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a liability of \$113,341 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City’s proportionate share of the net pension liability was based on the City’s contributions for the year ended June 30, 2015 relative to the contributions made during the year ended June 30, 2014 of all participating members. At June 30, 2015, the City’s proportionate share was .000877500% percent, which was an increase of .000171% from its proportionate share measured as of June 30, 2014.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

For the fiscal year ended September 30, 2015 the City recognized pension expense of \$24,101 related to the Pension Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,965	\$ (2,688)
Change of assumptions	7,523	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(27,064)
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	73,020	-
City FRS contributions subsequent to the measurement date	5,168	-
Total	<u>\$ 97,676</u>	<u>\$ (29,752)</u>

The deferred outflows of resources related to pensions, totaling \$5,168, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2016	\$ 7,031
2017	7,031
2018	7,031
2019	29,360
2020	10,356
Thereafter	1,947
<b>Total</b>	<u>\$ 62,756</u>

Actuarial Assumptions – The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Arithmetic Return	(Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.1%	1.7%
Fixed income	18.0%	4.8%	4.7%	4.7%
Global equity	53.0%	8.5%	7.2%	17.7%
Real estate (property)	10.0%	6.8%	3.2%	12.0%
Private equity	6.0%	11.9%	8.2%	30.0%
Strategic investments	12.0%	6.7%	6.1%	114.0%
<b>Total</b>	<b>100.0%</b>			
Assumed inflation - mean		2.6%		1.9%

(1) As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	6.65%	7.65%	8.65%
Net Pension Liability	\$ 293,692	\$ 113,341	\$ (36,741)

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2015, the City did not report a payable to the Plan for the fiscal year ended September 30, 2015.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

HIS Pension Plan

Plan Description – The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided – For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the contribution rate was 1.26% of payroll from October 1, 2014 through June 30, 2015 and 1.66% of payroll for July 1, 2015 through September 30, 2015 pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$721 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a net pension liability of \$17,816 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on the year ended June 30, 2015 contributions relative to the year ended June 30, 2014 contributions of all participating members. At June 30, 2015, the City's proportionate share was .000174697%, which was a decrease of .000003685% from its proportionate share measured as of June 30, 2014.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

For the fiscal year ended September 30, 2015 the City recognized pension expense of \$1,153 related to the HIS Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	1,402	-
Net difference between projected and actual earnings on FRS pension plan investments	10	-
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	-	(955)
City FRS contributions subsequent to the measurement date	220	-
Total	<u>\$ 1,632</u>	<u>\$ (955)</u>

The deferred outflows of resources related to pensions, totaling \$220, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2016	\$ 69
2017	69
2018	69
2019	67
2020	67
Thereafter	<u>116</u>
<b>Total</b>	<b>\$ 457</b>

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.80%

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009, through June 30, 2014.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point higher (4.80%) than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	2.80%	3.80%	4.80%
Net Pension Liability	\$ 20,301	\$ 17,816	\$ 15,745

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2015, the City did not report a payable to the HIS Plan for the fiscal year ended September 30, 2015

Deferred Compensation Plans

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual’s account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant’s account, the returns earned on investments of those contributions, and forfeitures of other participants’ benefits that may be reallocated to such participant’s account.

Pursuant to resolution number 97-20, the City adopted a pension plan and trust for the sole benefit of the employees of the City. The City contributes to a Money Purchase Plan (“MPP”), which is a defined contribution pension plan. The City’s contributions and related earnings are 100% vested immediately after acceptance of employment. MPP participants are not required to contribute as a condition of participation in MPP.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)**

During the fiscal year ended September 30, 2015, the City was required to contribute 16% of each eligible employee's gross earnings. Under an existing employment contract agreement, the City is also required to contribute the maximum allowed by pension regulations to the City Manager's account under MPP.

The contribution requirement and actual contributions made for the fiscal year ended September 30, 2015, was \$ 240,350. Under MPP, all assets and income of MPP are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of MPP are not included in the City's financial statements.

In addition, and pursuant to resolution 97 – 21, the City offers its employees an optional deferred compensation plan. The City has adopted the provisions of IRS Code Section 457(g) and GASB Statement No. 32, "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans." Under these provisions, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not included in the City's financial statements.

Both deferred compensation plans are administered by the ICMA Retirement Corporation.

The City does not provide any post-retirement benefits to employees. In addition, the City assigns both eligible active employees and eligible retirees equal, age adjusted premiums and makes available to both groups the same plan options. Since both groups are assigned the same age adjusted premiums, there is no implicit City subsidy, and there is no remaining City liability to recognize under GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions."

**NOTE 13 – SUBSEQUENT EVENT**

Subsequent to fiscal year end the District issued Series 2016 Florida Park Improvement Revenue Bonds for \$6,225,000 for financing capital improvements to various parks within the City. The Bond has a due date of May 1, 2026 and a fixed interest rate of 2.66%. Principal and interest are payable semi-annually on May 1 and November 1 of each year commencing November 1, 2016. The Bonds are collateralized by pledged revenues from electric utility service taxes.

**NOTE 14 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

*GASB Statement No. 72, Fair Value Measurement and Application*

The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

**NOTE 14 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (Continued)**

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015.

**CITY OF WESTON, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2015**

NOTE 14 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (Continued)

GASB Statement No. 77, Tax Abatement Disclosures

This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*

The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

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CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 16,079,700	\$16,079,700	\$ 16,194,863	\$ 115,163
Franchise fees and utility taxes	12,948,500	12,948,500	13,476,279	527,779
Permits and fees	1,006,200	1,006,200	1,697,177	690,977
Intergovernmental	4,560,700	4,560,700	5,600,328	1,039,628
Charges for services	1,427,100	1,427,100	1,571,290	144,190
Fines and forfeitures	210,000	210,000	784,541	574,541
Interest income	300,000	300,000	466,039	166,039
Special assessments	2,243,700	2,243,700	2,333,738	90,038
Other revenues	408,300	1,008,300	1,938,464	930,164
Total revenues	<u>39,184,200</u>	<u>39,784,200</u>	<u>44,062,719</u>	<u>4,278,519</u>
<b>EXPENDITURES:</b>				
General Government:				
City Commission	219,900	230,000	220,782	9,218
City Manager	1,263,300	1,263,300	1,232,236	31,064
Administrative	2,482,900	2,676,900	2,792,242	(115,342)
Legal	929,500	929,500	798,926	130,574
Total general government	<u>4,895,600</u>	<u>5,099,700</u>	<u>5,044,186</u>	<u>55,514</u>
Public Safety:				
Police	11,693,500	11,693,500	10,819,598	873,902
Emergency medical services	9,080,500	9,080,500	8,743,471	337,029
Crossing guard	565,500	565,500	508,415	57,085
Total public safety	<u>21,339,500</u>	<u>21,339,500</u>	<u>20,071,484</u>	<u>1,268,016</u>

See accompanying notes to required supplementary Information

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Public Works				
Operating expenditures	2,243,700	2,243,700	2,194,610	49,090
Total public works	2,243,700	2,243,700	2,194,610	49,090
Parks and Recreation:				
Personal services	442,400	442,400	456,549	(14,149)
Operating expenditures	5,642,800	5,647,764	5,395,290	252,474
Total culture and recreation	6,085,200	6,090,164	5,851,839	238,325
Community Development:				
Operating expenditures	1,735,100	2,135,100	2,089,599	45,501
Total community development	1,735,100	2,135,100	2,089,599	45,501
Capital outlay	687,400	1,467,400	562,519	904,881
Total capital outlay	687,400	1,467,400	562,519	904,881
Total expenditures	36,986,500	38,375,564	35,814,237	2,561,327
Excess (deficiency) of revenues over expenditures	2,197,700	1,408,636	8,248,482	6,839,846
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,553,000)	(2,652,500)	(1,553,000)	1,099,500
Total other financing sources (uses)	(1,553,000)	(2,652,500)	(1,553,000)	1,099,500
Net change in fund balance	\$ 644,700	\$ (1,243,864)	\$ 6,695,482	\$ 7,939,346

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXPLANATION OF DIFFERENCES BETWEEN CHANGE IN FUND BALANCE  
BUDGET TO ACTUAL AND STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GENERAL FUND

Net change in fund balance, Page 68 \$6,695,482

Amounts reported for budget to actual are different because:

The net change in fund balance in the City's Disaster Management Fund is reported in the Disaster management Fund for the budgetary purposes but in the General Fund for the purpose of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:

Net change in fund balance - Disaster Management Fund 722,191

Net change in encumbrances - General Fund (2,265)

General Fund net change in fund balance per the Statement of Revenues,  
Expenditures, and Changes in Fund Balances - Governmental Funds, Page 28 \$7,415,408

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
INDIAN TRACE DEVELOPMENT DISTRICT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest income	\$ 207,400	\$ 207,400	\$ 410,415	\$ 203,015
Grant revenue	-	-	168,604	168,604
Special assessments	13,665,000	13,665,000	13,894,595	229,595
Other revenues	324,000	324,000	499,839	175,839
Total revenues	<u>14,196,400</u>	<u>14,196,400</u>	<u>14,973,453</u>	<u>777,053</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	13,000,700	13,000,700	11,414,709	1,585,991
Capital outlay	324,000	324,000	494,658	(170,658)
Total expenditures	<u>13,324,700</u>	<u>13,324,700</u>	<u>11,909,367</u>	<u>1,415,333</u>
Excess (deficiency) of revenues over expenditures	<u>871,700</u>	<u>871,700</u>	<u>3,064,086</u>	<u>2,192,386</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(20,000)	(20,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
Net change in fund balances	<u>\$ 871,700</u>	<u>\$ 871,700</u>	<u>\$ 3,044,086</u>	<u>\$ 2,172,386</u>

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
BONAVENTURE DEVELOPMENT DISTRICT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest income	\$ 55,200	\$ 55,200	\$ 84,639	\$ 29,439
Grant revenue	-	-	1,024,300	1,024,300
Special assessments	2,307,700	2,307,700	2,350,497	42,797
Other revenues	-	-	23,215	23,215
Total revenues	<u>2,362,900</u>	<u>2,362,900</u>	<u>3,482,651</u>	<u>1,119,751</u>
EXPENDITURES:				
Current:				
Public works	2,248,600	2,248,600	1,806,453	442,147
Capital outlay	<u>337,600</u>	<u>644,771</u>	<u>2,768,699</u>	<u>(2,123,928)</u>
Total expenditures	<u>2,586,200</u>	<u>2,893,371</u>	<u>4,575,152</u>	<u>(1,681,781)</u>
Excess (deficiency) of revenues over expenditures	<u>(223,300)</u>	<u>(530,471)</u>	<u>(1,092,501)</u>	<u>(562,030)</u>
OTHER FINANCING SOURCES (USES):				
Use of fund balance	<u>223,300</u>	<u>530,471</u>	<u>-</u>	<u>(530,471)</u>
Total other financing sources (uses)	<u>223,300</u>	<u>530,471</u>	<u>-</u>	<u>(530,471)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,092,501)</u>	<u>\$ (1,092,501)</u>

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
FIRE SERVICES DISTRICT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest income	\$ 60,600	\$ 60,600	\$ 102,521	\$ 41,921
Special assessments	11,737,600	11,737,600	11,859,925	122,325
Total revenues	<u>11,798,200</u>	<u>11,798,200</u>	<u>11,962,446</u>	<u>164,246</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	2,000	(2,000)
Public safety	11,278,900	11,278,900	11,177,598	101,302
Capital outlay	3,692,700	3,692,700	3,671,313	21,387
Debt service:				
Principal	217,300	545,300	545,116	184
Interest	41,300	26,000	25,962	38
Total expenditures	<u>15,230,200</u>	<u>15,542,900</u>	<u>15,421,989</u>	<u>120,911</u>
Excess (deficiency) of revenues over expenditures	<u>(3,432,000)</u>	<u>(3,744,700)</u>	<u>(3,459,543)</u>	<u>285,157</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Use of fund balance	132,000	444,700	-	(444,700)
Issuance of debt	3,300,000	3,300,000	2,850,000	(450,000)
Total other financing sources (uses)	<u>3,432,000</u>	<u>3,744,700</u>	<u>2,850,000</u>	<u>(894,700)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (609,543)</u>	<u>\$ (609,543)</u>

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
TOWN FOUNDATION

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
<b>REVENUES:</b>			
Charges for services	\$ 942,792	\$ 377,899	\$ (564,893)
Interest income	-	2,653	2,653
Total revenues	<u>942,792</u>	<u>380,552</u>	<u>(562,240)</u>
<b>EXPENDITURES:</b>			
Current:			
General government	<u>2,522,443</u>	<u>1,965,967</u>	<u>556,476</u>
Total expenditures	<u>2,522,443</u>	<u>1,965,967</u>	<u>556,476</u>
Excess (deficiency) of revenues over expenditures	<u>(1,579,651)</u>	<u>(1,585,415)</u>	<u>(5,764)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Use of fund balance	<u>1,579,651</u>	<u>1,585,415</u>	<u>5,764</u>
Total other financing sources (uses)	<u>1,579,651</u>	<u>1,585,415</u>	<u>5,764</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to required supplementary Information

**CITY OF WESTON, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**NOTES TO BUDGETARY COMPARISON SCHEDULES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

The following procedures are used to establish the budgetary data reflected in the financial statements:

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.

Prior to August 15, management submits to the City Commission proposed operating budgets for the fiscal year commencing the following October 1. The operating budgets include proposed expenditures and the means of financing them. During September, public hearings are conducted to obtain citizen comments on the tentative budgets and proposed millage. The final budgets are prepared and legally adopted through passage of a resolution prior to September 30.

The City adopts the operating budgets on a basis of accounting other than GAAP for all governmental and proprietary funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. At September 30, 2015, encumbrances outstanding are as follows:

General Fund	\$ 5,370
Community Facilities Construction Fund	<u>1,168,826</u>
	<u>\$ 1,174,196</u>

Transfers of appropriations within a fund or a department can be performed by management. Only supplemental appropriations require the approval of the City Commission. The legal level of control is the fund level, except for the General Fund whose legal level of control is the department level.

The following is a reconciliation of budgetary basis to GAAP basis for the results of operations of various funds for the year ended September 30, 2015:

	<u>Excess of Revenues over Expenditures</u>			
	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>
	<u>Indian Trace Development District</u>	<u>Bonaventure Development District</u>	<u>Street Maintenance Fund</u>	<u>Community Facilities Construction</u>
	(1)	(1)	(2)	(3)
Statement of revenues, expenditures and changes in fund balances	\$ 3,193,781	\$ (119,297)	\$ 825,998	\$ (5,379,418)
Net changes in encumbrances	149,695	973,204	167,043	4,718,646
Budgetary comparison schedule	<u>\$ 3,044,086</u>	<u>\$ (1,092,501)</u>	<u>\$ 658,955</u>	<u>\$ (10,098,064)</u>
	(4)	(5)	(6)	(7)

(1) see page 28      (3) see page 29      (5) see page 71      (7) see page 88  
(2) see page 79      (4) see page 70      (6) see page 81

**CITY OF WESTON, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**PENSION PLAN LIABILITY**

**Schedule of the City's Proportionate Share of the Net Pension Liability -  
Florida Retirement System Pension Plan  
Last 10 Years (1) (2)**

	2015	2014
City's proportion of the FRS net pension liability	0.000877500%	0.000706637%
City's proportionate share of the FRS net pension liability	113,341	43,115
City's covered employee payroll	53,000	53,000
City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	214%	81%
FRS plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

**Schedule of the City's Proportionate Share of the Net Pension Liability -  
Health Insurance Subsidy Pension Plan  
Last 10 Years (1) (2)**

	2015	2014
City's proportion of the HIS net pension liability	0.000174697%	0.000178382%
City's proportionate share of the HIS net pension liability	17,816	16,679
City's covered employee payroll	53,000	53,000
City's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	33.62%	31.47%
HIS plan fiduciation net position as a percentage of the total pension liability	0.50%	0.99%

(1) The amounts presented for each year were determined as of the measurement date, June 30.

(2) Information is not available for years prior to 2014.

**CITY OF WESTON, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS**

**Schedule of the City Contributions -  
Florida Retirement System Pension Plan  
Last 10 Fiscal Years (1)**

	<u>2015</u>
Contractually required FRS contribution	\$ 22,822
FRS contributions in relation to the contractually required contribution	<u>(22,822)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>
City's covered employee payroll	\$ 53,000
FRS contributions as a percentage of covered employee payroll	43.06%

**Schedule of the City Contributions -  
Health Insurance Subsidy Pension Plan  
Last 10 Fiscal Years (1)**

	<u>2015</u>
Contractually required HIS contribution	\$ 774
HIS contributions in relation to the contractually required contribution	<u>(774)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>
City's covered employee payroll	\$ 53,000
HIS contributions as a percentage of covered employee payroll	1.46%

(1) Information is not available for periods prior to 2015.

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## NON MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Street Maintenance Fund – This fund accounts for resources (state revenue sharing and certain local option gas taxes) whose expenditures are limited by law to transportation related operating, maintenance or capital costs.

Transportation Fund --This fund is used to account for resources (certain local option gas taxes), whose expenditures are limited by law to public transportation.

Building Fee Fund - - This fund accounts for revenues generated from fees charged for the review of building plans, issuance of permits and inspections, and expenditures associated with those services to administer the City's zoning code and the Florida Building Code.

Law Enforcement Trust Fund -This fund accounts for revenues generated from assets seized in the course of criminal activities occurring in the City. Expenditures from this fund are restricted to non-recurring law enforcement related goods or services.

Tree Fund This fund accounts for revenues generated from fines from violations of the City's Tree Preservation Code.

CITY OF WESTON, FLORIDA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	<u>Special Revenue Funds</u>				
	<u>Street Maintenance Fund</u>	<u>Transportation Fund</u>	<u>Building Fee Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Tree Fund</u>
<b>ASSETS</b>					
Cash and equity in pooled cash	\$ 1,047,080	\$ 53,653	\$ 20,092	\$ 371,705	\$ 15,495
Investments	4,645,163	108,157	779,143	223,748	43,836
Receivables:					
Accounts receivable, net	94,248	6,750	6,864	66,117	-
Interest receivable	20,291	472	3,406	977	191
Prepaid costs	-	-	2,456	-	-
Total assets	<u>\$ 5,806,782</u>	<u>\$ 169,032</u>	<u>\$ 811,961</u>	<u>\$ 662,547</u>	<u>\$ 59,522</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	<u>\$ 53,493</u>	<u>\$ 2,466</u>	<u>\$ 152,488</u>	<u>\$ 207</u>	<u>\$ -</u>
Total liabilities	<u>53,493</u>	<u>2,466</u>	<u>152,488</u>	<u>207</u>	<u>-</u>
Fund balances:					
Non-spendable for prepaid costs	-	-	2,456	-	-
Restricted for:					
Street maintenance	5,753,289	-	-	-	-
Roadway projects	-	166,566	-	-	-
Law enforcement	-	-	-	662,340	-
Tree preservation	-	-	-	-	59,522
Building code enforcement	-	-	657,017	-	-
Debt service	-	-	-	-	-
Total fund balances	<u>5,753,289</u>	<u>166,566</u>	<u>659,473</u>	<u>662,340</u>	<u>59,522</u>
Total liabilities and fund balances	<u>\$ 5,806,782</u>	<u>\$ 169,032</u>	<u>\$ 811,961</u>	<u>\$ 662,547</u>	<u>\$ 59,522</u>

**Total  
Governmental  
Funds**

\$ 1,508,025  
5,800,047

173,979  
25,337  
2,456

\$ 7,509,844

\$ 208,654  
208,654

2,456

5,753,289  
166,566  
662,340  
59,522  
657,017

-

7,301,190

\$ 7,509,844

CITY OF WESTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds				
	Street Maintenance Fund	Transportation Fund	Building Fee Fund	Law Enforcement Trust Fund	Tree Fund
REVENUES:					
Permits and fees	\$ -	\$ -	\$ 2,459,325	\$ -	\$ -
Intergovernmental	1,536,561	78,897	-	-	-
Fines and forfeitures	-	-	-	213,823	-
Interest income	85,741	-	14,014	4,393	822
Other revenues	17,057	2,062	28,191	-	15,860
Total revenues	<u>1,639,359</u>	<u>80,959</u>	<u>2,501,530</u>	<u>218,216</u>	<u>16,682</u>
EXPENDITURES:					
Current:					
General government	-	-	-	87	-
Public safety	-	-	-	94,411	-
Public works	398,161	26,671	-	-	-
Community development	-	-	2,496,319	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	363,868	-	-	-	-
Interest	51,332	-	-	-	-
Total expenditures	<u>813,361</u>	<u>26,671</u>	<u>2,496,319</u>	<u>94,498</u>	<u>-</u>
Net change in fund balances	825,998	54,288	5,211	123,718	16,682
FUND BALANCES - BEGINNING	<u>4,927,291</u>	<u>112,278</u>	<u>654,262</u>	<u>538,622</u>	<u>42,840</u>
FUND BALANCES - ENDING	<u>\$ 5,753,289</u>	<u>\$ 166,566</u>	<u>\$ 659,473</u>	<u>\$ 662,340</u>	<u>\$ 59,522</u>

**Total  
Governmental  
Funds**

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\$ 2,459,325  
1,615,458  
213,823  
104,970  

---

63,170  

---

4,456,746

87  
94,411  
424,832  
2,496,319  
-

363,868  
51,332  

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3,430,849

1,025,897

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6,275,293  
  

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\$ 7,301,190

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS –  
 STREET MAINTENANCE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget-</u> <u>Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 1,423,100	\$ 1,536,561	\$ 113,461
Interest income	25,000	85,741	60,741
Other revenues	-	17,057	17,057
Total revenues	<u>1,448,100</u>	<u>1,639,359</u>	<u>191,259</u>
EXPENDITURES:			
Current:			
Public works	725,500	398,161	327,339
Debt service:			
Principal	363,900	363,868	32
Interest	60,400	51,332	9,068
Capital outlay	-	167,043	(167,043)
Total expenditures	<u>1,149,800</u>	<u>980,404</u>	<u>169,396</u>
Excess (deficiency) of revenues over expenditures	<u>298,300</u>	<u>658,955</u>	<u>360,655</u>
Net change in fund balances	<u>\$ 298,300</u>	<u>\$ 658,955</u>	<u>\$ 360,655</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS –  
 TRANSPORTATION FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 81,700	\$ 81,700	\$ 78,897	\$ (2,803)
Other revenues	-	-	2,062	2,062
Total revenues	<u>81,700</u>	<u>81,700</u>	<u>80,959</u>	<u>(741)</u>
EXPENDITURES:				
Current:				
Public works	<u>26,100</u>	<u>28,100</u>	<u>26,671</u>	<u>1,429</u>
Total expenditures	<u>26,100</u>	<u>28,100</u>	<u>26,671</u>	<u>1,429</u>
Excess (deficiency) of revenues over expenditures	<u>55,600</u>	<u>53,600</u>	<u>54,288</u>	<u>688</u>
Net change in fund balances	<u>\$ 55,600</u>	<u>\$ 53,600</u>	<u>\$ 54,288</u>	<u>\$ 688</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS –  
 BUILDING FEE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Permits and fees	\$ 2,456,100	\$ 2,456,100	\$ 2,459,325	\$ 3,225
Interest income	100	100	14,014	13,914
Other revenues	-	-	28,191	28,191
Total revenues	<u>2,456,200</u>	<u>2,456,200</u>	<u>2,501,530</u>	<u>45,330</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>2,426,300</u>	<u>2,626,300</u>	<u>2,496,319</u>	<u>129,981</u>
Total expenditures	<u>2,426,300</u>	<u>2,626,300</u>	<u>2,496,319</u>	<u>129,981</u>
Excess (deficiency) of revenues over expenditures	<u>29,900</u>	<u>(170,100)</u>	<u>5,211</u>	<u>175,311</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Use of fund balance	<u>-</u>	<u>170,100</u>	<u>-</u>	<u>(170,100)</u>
Total other financing sources (uses)	<u>-</u>	<u>170,100</u>	<u>-</u>	<u>(170,100)</u>
Net change in fund balances	<u>\$ 29,900</u>	<u>\$ -</u>	<u>\$ 5,211</u>	<u>\$ 5,211</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –  
LAW ENFORCEMENT TRUST FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 213,823	\$ 203,823
Interest income	100	100	4,393	4,293
Total revenues	<u>10,100</u>	<u>10,100</u>	<u>218,216</u>	<u>208,116</u>
EXPENDITURES:				
Current:				
General government	-	-	87	(87)
Public safety	<u>11,100</u>	<u>100,400</u>	<u>94,411</u>	<u>5,989</u>
Total expenditures	<u>11,100</u>	<u>100,400</u>	<u>94,498</u>	<u>5,902</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000)</u>	<u>(90,300)</u>	<u>123,718</u>	<u>214,018</u>
OTHER FINANCING SOURCES (USES):				
Use of fund balance	<u>1,000</u>	<u>90,300</u>	<u>-</u>	<u>(90,300)</u>
Total other financing sources (uses)	<u>1,000</u>	<u>90,300</u>	<u>-</u>	<u>(90,300)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,718</u>	<u>\$ 123,718</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS –  
 TREE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES:			
Interest income	\$ 100	\$ 822	\$ 722
Other revenues	<u>10,000</u>	<u>15,860</u>	<u>5,860</u>
Total revenues	<u>10,100</u>	<u>16,682</u>	<u>6,582</u>
EXPENDITURES:			
Current:			
Public works	<u>10,100</u>	<u>-</u>	<u>10,100</u>
Total expenditures	<u>10,100</u>	<u>-</u>	<u>10,100</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>16,682</u>	<u>16,682</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 16,682</u>	<u>\$ 16,682</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL –MAJOR GOVERNMENTAL FUNDS –  
 INDIAN TRACE DEVELOPMENT DISTRICT DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest income	\$ 400	\$ 20,000	\$ 1,109	\$ (18,891)
Special assessments	5,190,300	5,190,300	5,277,505	87,205
Total revenues	<u>5,190,700</u>	<u>5,210,300</u>	<u>5,278,614</u>	<u>68,314</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	2,710,000	2,725,000	2,725,000	-
Interest	<u>2,500,300</u>	<u>2,500,300</u>	<u>2,499,776</u>	<u>524</u>
Total expenditures	<u>5,210,300</u>	<u>5,225,300</u>	<u>5,224,776</u>	<u>524</u>
Excess (deficiency) of revenues over expenditures	<u>(19,600)</u>	<u>(15,000)</u>	<u>53,838</u>	<u>68,838</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Net change in fund balances	<u>\$ (19,600)</u>	<u>\$ (15,000)</u>	<u>\$ 73,838</u>	<u>\$ 88,838</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL –MAJOR GOVERNMENTAL FUNDS –  
 BONAVENTURE DEVELOPMENT DISTRICT DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Interest income	\$ -	\$ -	\$ 509	\$ 509
Special assessments	986,100	986,100	996,772	10,672
Total revenues	986,100	986,100	997,281	11,181
EXPENDITURES:				
Current:				
Principal	660,000	665,000	665,000	-
Interest	315,300	315,300	314,381	919
Total expenditures	975,300	980,300	979,381	919
Excess (deficiency) of revenues over expenditures	10,800	5,800	17,900	12,100
Net change in fund balances	\$ 10,800	\$ 5,800	\$ 17,900	\$ 12,100

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest income	\$ 50,500	\$ 50,500	\$ 5,054	\$ (45,446)
Grant revenue	-	-	284,520	284,520
Other revenues	-	-	1,832	1,832
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>291,406</u>	<u>240,906</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	4,019	(4,019)
Capital outlay	4,435,000	5,476,700	14,179,343	(8,702,643)
Debt service:				
Principal	1,061,200	1,136,200	1,139,398	(3,198)
Interest	172,200	155,000	154,710	290
Total expenditures	<u>5,668,400</u>	<u>6,767,900</u>	<u>15,477,470</u>	<u>(8,709,570)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,617,900)</u>	<u>(6,717,400)</u>	<u>(15,186,064)</u>	<u>(8,468,664)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Use of fund balance	529,900	529,900	-	(529,900)
Transfers in	1,553,000	2,652,500	1,553,000	(1,099,500)
Issuance of debt	3,535,000	3,535,000	3,535,000	-
Total other financing sources (uses)	<u>5,617,900</u>	<u>6,717,400</u>	<u>5,088,000</u>	<u>(1,629,400)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,098,064)</u>	<u>\$ (10,098,064)</u>

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**CITY OF WESTON, FLORIDA**

**STATISTICAL SECTION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u><b>Contents</b></u>	<u><b>Page</b></u>
<b>Financial Trends</b>		89-98
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>		
<b>Revenue Capacity</b>		99-103
<p>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</p>		
<b>Debt Capacity</b>		104-109
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>		
<b>Demographic and Economic Information</b>		110-112
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>		
<b>Operating and Other Information</b>		113-116
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>		

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year.*

**CITY OF WESTON, FLORIDA**

**TABLE 1  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Net investment in capital assets	\$ 183,105,340	\$ 145,676,374	\$ 142,566,294	\$ 145,206,178
Restricted	21,617,160	21,550,053	20,257,945	21,662,019
Unrestricted	<u>40,426,341</u>	<u>50,372,082</u>	<u>60,628,269</u>	<u>60,421,771</u>
Total governmental activities, net position	<u>\$ 245,148,841</u>	<u>\$ 217,598,509</u>	<u>\$ 223,452,508</u>	<u>\$ 227,289,968</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Net investment in capital assets	\$ 27,970,953	\$ 74,434,723	\$ 72,197,150	\$ 69,962,573
Restricted	1,882,627	-	-	-
Unrestricted	<u>19,727,526</u>	<u>22,668,052</u>	<u>22,807,179</u>	<u>22,711,490</u>
Total business-type activities, net position	<u>\$ 49,581,106</u>	<u>\$ 97,102,775</u>	<u>\$ 95,004,329</u>	<u>\$ 92,674,063</u>
<b>PRIMARY GOVERNMENT:</b>				
Net investment in capital assets	\$ 211,076,293	\$ 220,111,097	\$ 214,763,444	\$ 215,168,751
Restricted	23,499,787	21,550,053	20,257,945	21,662,019
Unrestricted	<u>60,153,867</u>	<u>73,040,134</u>	<u>83,435,448</u>	<u>83,133,261</u>
Total primary government, net position	<u>\$ 294,729,947</u>	<u>\$ 314,701,284</u>	<u>\$ 318,456,837</u>	<u>\$ 319,964,031</u>

Note: Net position has been restated to include all infrastructure assets and have been reclassified to the activity (governmental and/or business-type) benefitted by its use. These changes are reflected only in the 2007 numbers. In addition, net position was restated in 2014 to account for prior period adjustments.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
145,362,221	\$ 144,551,678	\$ 141,207,361	\$ 138,689,946	\$ 149,179,975	\$ 93,465,505
22,651,755	24,409,220	27,262,791	29,959,840	39,440,053	41,627,220
<u>62,068,556</u>	<u>64,408,184</u>	<u>69,260,974</u>	<u>72,751,236</u>	<u>64,959,030</u>	<u>126,340,256</u>
<u>230,082,532</u>	<u>\$ 233,369,082</u>	<u>\$ 237,731,126</u>	<u>\$ 241,401,022</u>	<u>\$ 253,579,058</u>	<u>\$ 261,432,981</u>
67,759,066	\$ 66,388,195	\$ 64,379,020	\$ 63,333,387	\$ 62,427,618	\$ 61,474,906
-	-	-	-	-	-
<u>22,693,543</u>	<u>21,527,549</u>	<u>21,034,674</u>	<u>19,097,332</u>	<u>19,012,722</u>	<u>17,920,122</u>
<u>90,452,609</u>	<u>\$ 87,915,744</u>	<u>\$ 85,413,694</u>	<u>\$ 82,430,719</u>	<u>\$ 81,440,340</u>	<u>\$ 79,395,028</u>
213,121,287	\$ 210,939,873	\$ 205,586,381	\$ 202,023,333	\$ 211,607,593	\$ 154,940,411
22,651,755	24,409,220	27,262,791	29,959,840	39,440,053	41,627,220
<u>84,762,099</u>	<u>85,935,733</u>	<u>90,295,648</u>	<u>91,848,568</u>	<u>83,971,752</u>	<u>144,260,378</u>
<u>320,535,141</u>	<u>\$ 321,284,826</u>	<u>\$ 323,144,820</u>	<u>\$ 323,831,741</u>	<u>\$ 335,019,398</u>	<u>\$ 340,828,009</u>

**CITY OF WESTON, FLORIDA**

**TABLE 2  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>EXPENSES:</b>				
Governmental activities:				
General government	\$ 12,876,372	\$ 13,894,479	\$ 13,706,456	\$ 14,082,852
Public safety	17,881,279	19,722,412	23,474,747	28,277,210
Community development	4,018,553	4,381,202	3,780,251	3,815,921
Public works	12,037,924	17,932,943	19,690,553	19,483,491
Parks and recreation	7,608,388	7,365,532	7,248,171	7,797,451
Interest on long-term debt	194,548	188,113	572,983	556,824
Hurricane expenses	<u>13,840,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities expenses	<u>68,457,520</u>	<u>63,484,681</u>	<u>68,473,161</u>	<u>74,013,749</u>
Business-type activities:				
Water and sewer	<u>17,072,029</u>	<u>18,026,354</u>	<u>19,001,545</u>	<u>21,749,227</u>
Total business-type activities expenses	<u>17,072,029</u>	<u>18,026,354</u>	<u>19,001,545</u>	<u>21,749,227</u>
Total primary government expenses	<u>\$ 85,529,549</u>	<u>\$ 81,511,035</u>	<u>\$ 87,474,706</u>	<u>\$ 95,762,976</u>
<b>PROGRAM REVENUES:</b>				
Governmental activities:				
Charges for services:				
Public safety	\$ 8,015,129	\$ 8,238,614	\$ 8,661,385	\$ 12,885,012
General government	8,947,381	9,338,434	9,379,703	9,701,806
Public works	12,137,125	13,838,607	15,239,085	15,290,434
Parks and recreation	434,573	533,025	491,562	433,137
Community development	3,091,095	2,990,298	2,934,422	1,947,138
Interest on long-term debt	-	-	-	-
Operating grants and contributions:				
General government	-	-	-	-
Public safety	-	-	-	4,204
Public works	1,535,424	5,480,477	1,840,091	1,404,819
Hurricane expenses	6,320,071	-	-	-
Capital grants and contributions:				
Public safety	-	-	-	-
Public works	330,953	55,279	1,931,680	2,079,725
Parks and recreation	1,100,000	1,322,839	200,000	135,611
Community development	-	-	-	-
Total governmental activities program revenues	<u>41,911,751</u>	<u>41,797,573</u>	<u>40,677,928</u>	<u>43,881,886</u>
Business-type activities:				
Charges for services	15,651,294	15,383,570	15,989,521	18,741,127
Capital grants and contributions	<u>33,048</u>	<u>139,205</u>	<u>27,296</u>	<u>913</u>
Total business-type activities program revenues	<u>15,684,342</u>	<u>15,522,775</u>	<u>16,016,817</u>	<u>18,742,040</u>
Total primary government program revenues	<u>\$ 57,596,093</u>	<u>\$ 57,320,348</u>	<u>\$ 56,694,745</u>	<u>\$ 62,623,926</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	14,436,864	\$ 14,479,978	\$ 14,720,515	\$ 15,328,415	\$ 15,453,764	\$ 8,602,964
	29,736,970	31,259,379	30,000,624	30,257,585	32,331,049	31,947,488
	3,583,588	3,562,247	4,063,861	3,979,269	4,439,038	4,590,660
	18,227,358	19,448,387	19,423,235	19,796,874	18,405,486	20,130,687
	7,142,671	6,499,557	6,488,400	6,814,089	6,842,681	7,201,259
	550,579	476,920	474,391	434,448	1,386,322	2,831,842
	-	-	-	-	-	-
	<u>73,678,030</u>	<u>75,726,468</u>	<u>75,171,026</u>	<u>76,610,680</u>	<u>78,858,340</u>	<u>75,304,900</u>
	<u>27,030,052</u>	<u>27,774,974</u>	<u>28,239,315</u>	<u>30,235,566</u>	<u>31,999,842</u>	<u>33,092,855</u>
	<u>27,030,052</u>	<u>27,774,974</u>	<u>28,239,315</u>	<u>30,235,566</u>	<u>31,999,842</u>	<u>33,092,855</u>
\$	<u>100,708,082</u>	<u>103,501,442</u>	<u>103,410,341</u>	<u>106,846,246</u>	<u>110,858,182</u>	<u>108,397,755</u>
\$	13,144,579	\$ 13,751,058	\$ 13,903,705	\$ 14,089,809	\$ 15,229,073	\$ 11,859,925
	10,330,343	11,148,540	12,142,210	12,373,841	12,703,086	4,390,510
	15,284,218	16,421,301	15,326,696	16,687,298	15,790,123	17,374,843
	510,972	502,994	555,680	551,413	610,857	676,958
	1,973,902	2,183,929	2,446,512	2,850,164	4,166,866	4,156,502
	-	-	-	-	4,810,682	2,884,277
	-	-	-	-	-	-
	6,003	-	3,491	8,705	-	1,406,727
	1,386,838	1,407,257	1,563,353	2,173,686	1,555,743	1,615,458
	-	-	-	-	-	-
	-	-	-	-	742,004	284,520
	88,975	594,600	-	-	283,686	-
	-	168,800	64,201	21,676	140,399	-
	-	-	-	-	-	-
	<u>42,725,830</u>	<u>46,178,479</u>	<u>46,005,848</u>	<u>48,756,592</u>	<u>56,032,519</u>	<u>44,649,720</u>
	<u>23,812,724</u>	<u>24,323,304</u>	<u>24,727,624</u>	<u>26,852,447</u>	<u>29,796,857</u>	<u>30,622,285</u>
	<u>18,591</u>	<u>1,637</u>	<u>19,875</u>	<u>11,404</u>	<u>11,771</u>	<u>136,574</u>
	<u>23,831,315</u>	<u>24,324,941</u>	<u>24,747,499</u>	<u>26,863,851</u>	<u>29,808,628</u>	<u>30,758,859</u>
\$	<u>66,557,145</u>	<u>70,503,420</u>	<u>70,753,347</u>	<u>75,620,443</u>	<u>85,841,147</u>	<u>75,408,579</u>

**TABLE 2  
(CONTINUED)  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
NET (EXPENSE)/REVENUE:				
Governmental activities:	\$ (26,545,769)	\$ (21,687,108)	\$ (27,795,233)	\$ (30,131,863)
Business-type activities	<u>(1,387,687)</u>	<u>(2,503,579)</u>	<u>(2,984,728)</u>	<u>(3,007,187)</u>
 Total primary government net expense	 <u>\$ (27,933,456)</u>	 <u>\$ (24,190,687)</u>	 <u>\$ (30,779,961)</u>	 <u>\$ (33,139,050)</u>
 GENERAL REVENUE AND OTHER CHANGES IN NET POSITION:				
Governmental activities:				
Property taxes	\$ 9,687,605	\$ 11,498,012	\$ 10,740,243	\$ 11,690,337
Utilities taxes	4,200,623	4,201,399	4,298,249	4,234,529
Franchise taxes	8,997,082	9,166,395	9,339,310	9,954,522
Intergovernmental	4,887,711	4,703,474	4,394,585	3,920,277
Investment income (loss)	3,263,740	4,610,583	3,888,121	3,376,320
Contributions not restricted to specific programs	-	-	-	-
Miscellaneous	360,907	456,851	615,232	491,475
Gain on disposal of fixed assets	-	-	6,552	-
Transfers in	-	1,900,000	366,940	409,120
Transfers out	-	-	-	(107,257)
Special Item	-	-	-	-
Total governmental activities	<u>31,397,668</u>	<u>36,536,714</u>	<u>33,649,232</u>	<u>33,969,323</u>
Business-type activities:				
Investment Income (loss)	889,661	1,322,537	1,051,502	905,750
Miscellaneous	827,135	-	201,720	180,291
Transfers out	<u>-</u>	<u>-</u>	<u>(366,940)</u>	<u>(409,120)</u>
Total business-type activities	<u>1,716,796</u>	<u>1,322,537</u>	<u>886,282</u>	<u>676,921</u>
Total primary government	<u>33,114,464</u>	<u>37,859,251</u>	<u>34,535,514</u>	<u>34,646,244</u>
 CHANGES IN NET POSITION:				
Governmental activities	4,851,899	14,849,606	5,853,999	3,837,460
Business-type activities	<u>329,109</u>	<u>(1,181,042)</u>	<u>(2,098,446)</u>	<u>(2,330,266)</u>
Total primary government	<u>\$ 5,181,008</u>	<u>\$ 13,668,564</u>	<u>\$ 3,755,553</u>	<u>\$ 1,507,194</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	(30,952,200)	\$ (29,547,989)	\$ (29,165,178)	\$ (27,854,088)	\$ (22,825,821)	\$ (30,655,180)
	<u>(3,198,737)</u>	<u>(3,450,033)</u>	<u>(3,491,816)</u>	<u>(3,371,715)</u>	<u>(2,191,214)</u>	<u>(2,333,996)</u>
\$	<u><u>(34,150,937)</u></u>	<u><u>(32,998,022)</u></u>	<u><u>(32,656,994)</u></u>	<u><u>(31,225,803)</u></u>	<u><u>(25,017,035)</u></u>	<u><u>(32,989,176)</u></u>
\$	11,951,934	\$ 12,012,358	\$ 12,182,114	\$ 12,576,540	\$ 12,899,908	\$ 16,194,863
	4,594,025	4,511,449	4,543,769	4,781,714	5,123,237	5,108,304
	9,660,085	9,186,690	8,843,916	8,655,727	8,431,980	8,367,975
	3,884,759	4,095,602	4,475,639	4,883,143	5,233,462	-
	3,236,029	2,043,278	2,860,056	(1,579,817)	2,660,971	1,900,100
	-	-	-	-	-	5,600,328
	417,932	985,162	621,728	2,206,677	654,299	1,396,769
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>33,744,764</u>	<u>32,834,539</u>	<u>33,527,222</u>	<u>31,523,984</u>	<u>35,003,857</u>	<u>38,568,339</u>
	799,922	481,575	592,027	(258,334)	423,116	288,684
	177,361	431,593	397,739	647,074	777,719	-
	-	-	-	-	-	-
	<u>977,283</u>	<u>913,168</u>	<u>989,766</u>	<u>388,740</u>	<u>1,200,835</u>	<u>288,684</u>
	<u>34,722,047</u>	<u>33,747,707</u>	<u>34,516,988</u>	<u>31,912,724</u>	<u>36,204,692</u>	<u>38,857,023</u>
	2,792,564	3,286,550	4,362,044	3,669,896	12,178,036	7,913,159
	<u>(2,221,454)</u>	<u>(2,536,865)</u>	<u>(2,502,050)</u>	<u>(2,982,975)</u>	<u>(990,379)</u>	<u>(2,045,312)</u>
\$	<u><u>571,110</u></u>	<u><u>749,685</u></u>	<u><u>1,859,994</u></u>	<u><u>686,921</u></u>	<u><u>11,187,657</u></u>	<u><u>5,867,847</u></u>

**CITY OF WESTON, FLORIDA**

**TABLE 3  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund:				
Reserved	\$ 910,641	\$ 748,436	\$ 852,107	\$ 444,010
Unreserved	34,815,681	47,132,648	49,382,790	52,668,026
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	\$ <u>35,726,322</u>	\$ <u>47,881,084</u>	\$ <u>50,234,897</u>	\$ <u>53,112,036</u>
All other governmental funds:				
Reserved	\$ 10,631,319	\$ 5,049,194	\$ 5,031,606	\$ 1,834,113
Unreserved, reported in				
Special Revenue Funds	17,757,033	18,241,029	19,450,795	22,268,087
Capital Project Funds	(1,781,446)	1,101,411	7,982,247	5,616,548
Debt Service Funds	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total all other governmental funds	\$ <u>26,606,906</u>	\$ <u>24,391,634</u>	\$ <u>32,464,648</u>	\$ <u>29,718,748</u>

Note: Information for fiscal years 2004 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications. In addition, 2014 has been restated for prior period adjustments.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 414,245	\$ -	\$ -	\$ -	\$ -	\$ -
56,788,740	-	-	-	-	-
-	119,742	430,842	24,788	185,855	50,649
-	-	-	-	-	-
-	49,694,689	51,367,202	51,151,093	52,030,265	53,823,857
-	1,198,410	1,730,813	10,482,765	1,509,192	3,097,472
-	9,818,155	11,987,132	7,389,259	10,989,092	15,157,834
<u>\$ 57,202,985</u>	<u>\$ 60,830,996</u>	<u>\$ 65,515,989</u>	<u>\$ 69,047,905</u>	<u>\$ 64,714,404</u>	<u>\$ 72,129,812</u>
\$ 2,398,627	\$ -	\$ -	\$ -	\$ -	\$ -
21,285,644	-	-	-	-	-
4,613,454	-	-	-	-	-
-	-	-	-	-	-
-	74,079	356,543	13,396	86,732	18,990
-	24,350,991	29,764,862	30,621,067	40,574,144	42,029,648
-	4,673,918	4,854,924	4,655,729	6,612,443	1,233,025
-	-	-	-	-	609,400
-	(226,690)	(278,442)	(154,925)	-	-
<u>\$ 28,297,725</u>	<u>\$ 28,872,298</u>	<u>\$ 34,697,887</u>	<u>\$ 35,135,267</u>	<u>\$ 47,273,319</u>	<u>\$ 43,891,063</u>

**CITY OF WESTON, FLORIDA**

**TABLE 4  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>REVENUES:</b>				
Taxes	\$ 39,765,959	\$ 43,163,166	\$ 47,361,582	\$ 53,420,243
Special Assessments	-	-	-	-
Licenses and permits	2,946,683	3,218,086	3,773,985	2,672,471
Intergovernmental	14,174,159	11,562,069	7,453,153	7,566,730
Charges for services	12,184,966	13,138,272	9,593,925	9,786,648
Fines and forfeitures	320,073	285,259	335,993	235,459
Investment Income (loss)	3,263,740	4,610,583	3,888,121	3,376,320
Developer contributions	-	-	931,680	-
Grant revenue	-	-	-	-
Miscellaneous	<u>653,839</u>	<u>456,851</u>	<u>609,519</u>	<u>491,475</u>
<b>Total revenues</b>	<u><b>73,309,419</b></u>	<u><b>76,434,286</b></u>	<u><b>73,947,958</b></u>	<u><b>77,549,346</b></u>
<b>EXPENDITURES:</b>				
Current:				
General government	12,780,145	13,711,841	13,222,487	13,711,292
Public safety	17,702,588	19,574,663	23,351,507	27,768,240
Community development	3,974,971	4,344,411	3,750,578	3,671,423
Public works	10,940,335	11,365,215	13,166,920	14,182,391
Parks and recreation	6,669,242	5,925,916	6,152,104	6,374,698
Hurricane expenses	16,420,915	-	-	-
Capital outlay	6,258,158	16,552,216	14,810,553	7,679,062
Debt service:				
Principal	2,515,796	2,580,784	3,284,509	3,678,085
Interest	<u>225,091</u>	<u>160,104</u>	<u>344,060</u>	<u>654,779</u>
<b>Total expenditures</b>	<u><b>77,487,241</b></u>	<u><b>74,215,150</b></u>	<u><b>78,082,718</b></u>	<u><b>77,719,970</b></u>
Excess of revenues over expenditures	<u>(4,177,822)</u>	<u>2,219,136</u>	<u>(4,134,760)</u>	<u>(170,624)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bonds/notes issued	-	5,820,354	14,179,647	-
Transfers in	2,716,360	3,449,113	866,940	746,348
Transfers out	(2,716,360)	(1,549,113)	(500,000)	(444,485)
Insurance proceeds	<u>2,580,459</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources</b>	<u><b>2,580,459</b></u>	<u><b>7,720,354</b></u>	<u><b>14,561,587</b></u>	<u><b>301,863</b></u>
<b>Net change in fund balances</b>	\$ <u><u><b>(1,597,363)</b></u></u>	\$ <u><u><b>9,939,490</b></u></u>	\$ <u><u><b>10,426,827</b></u></u>	\$ <u><u><b>131,239</b></u></u>
<b>Debt service as a percentage of noncapital expenditures</b>	3.85%	4.43%	5.46%	5.99%

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	53,627,280	\$ 54,956,105	\$ 54,578,503	\$ 55,891,712	\$ 57,403,734	\$ 29,671,142
	-	-	-	-	-	36,713,032
	2,822,226	3,213,133	2,374,029	2,704,681	4,043,669	4,156,502
	5,328,365	6,283,356	6,124,337	7,104,593	7,238,930	7,215,786
	10,560,509	11,124,164	12,095,130	13,139,980	12,642,730	1,949,189
	421,253	407,820	555,227	495,050	554,314	998,364
	3,236,029	2,043,278	2,860,056	(1,579,817)	2,660,972	1,900,100
	57,000	-	-	-	-	-
	-	-	-	-	-	1,477,424
	<u>417,932</u>	<u>985,162</u>	<u>945,788</u>	<u>2,524,377</u>	<u>939,341</u>	<u>2,526,520</u>
	<u>76,470,594</u>	<u>79,013,018</u>	<u>79,533,070</u>	<u>80,280,576</u>	<u>85,483,690</u>	<u>86,608,059</u>
	13,883,095	13,692,445	13,881,110	14,494,868	15,458,074	7,016,259
	29,242,713	30,764,415	29,500,203	29,751,058	31,821,657	31,343,493
	3,553,248	3,551,789	4,059,861	3,975,269	4,435,038	4,585,918
	14,120,717	15,333,068	15,052,335	15,467,250	13,459,368	15,840,604
	5,930,723	5,306,959	5,314,952	5,672,729	5,694,169	5,851,839
	-	-	-	-	-	-
	4,320,526	3,414,027	1,848,256	4,700,945	9,341,368	15,837,252
	2,170,522	2,241,545	1,895,912	1,791,261	9,923,832	5,438,382
	<u>579,124</u>	<u>506,186</u>	<u>469,859</u>	<u>457,900</u>	<u>329,969</u>	<u>3,046,161</u>
	<u>73,800,668</u>	<u>74,810,434</u>	<u>72,022,488</u>	<u>76,311,280</u>	<u>90,463,475</u>	<u>88,959,908</u>
	<u>2,669,926</u>	<u>4,202,584</u>	<u>7,510,582</u>	<u>3,969,296</u>	<u>(4,979,785)</u>	<u>(2,351,849)</u>
	-	-	3,000,000	-	7,450,000	6,385,000
	149,527	-	-	-	9,356,330	1,573,000
	(149,527)	-	-	-	(9,356,330)	(1,573,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>7,450,000</u>	<u>6,385,000</u>
\$	<u><u>2,669,926</u></u>	<u><u>4,202,584</u></u>	<u><u>10,510,582</u></u>	<u><u>3,969,296</u></u>	<u><u>2,470,215</u></u>	<u><u>4,033,151</u></u>
	3.92%	3.82%	3.34%	3.11%	12.47%	11.53%

**CITY OF WESTON, FLORIDA**

**TABLE 5  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other (1)</u>	<u>Less: Tax-Exemptions</u>	<u>Total Taxable Assessed Value</u>
2006	6,044,216,480	497,258,120	220,516,620	259,935,000	604,627,480	6,417,298,740
2007	7,106,462,440	612,896,850	268,209,720	358,087,050	712,343,790	7,633,312,270
2008	7,636,649,860	731,394,770	266,068,170	488,028,810	911,020,360	8,211,121,250
2009	7,614,491,080	739,195,620	284,938,620	508,674,880	1,307,878,750	7,839,421,450
2010	6,631,906,250	769,372,880	299,028,020	535,850,260	1,329,626,330	6,906,531,080
2011	5,957,509,640	701,624,650	266,723,910	528,046,740	1,309,811,320	6,144,093,620
2012	6,072,523,670	640,260,760	253,136,080	537,256,420	1,299,798,940	6,203,377,990
2013	6,232,539,600	621,642,020	254,413,020	541,165,180	1,288,779,930	6,360,979,890
2014	6,396,736,340	605,269,150	258,913,240	561,875,970	1,266,330,560	6,556,464,140
2015	6,734,658,950	621,904,640	277,767,330	561,136,830	1,275,172,520	6,920,295,230

Source: Broward County Property Appraiser.

(1): Other includes agricultural, institutional, government, miscellaneous and non-agricultural acreage

<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Assessed Value as a % of Actual Taxable Value</u>
1.5235	8,389,658,410	76.49%
1.5235	10,757,629,530	70.96%
1.3215	11,835,368,160	69.38%
1.5235	10,943,959,890	71.63%
1.7670	9,066,487,940	76.18%
2.0000	7,858,340,790	78.19%
2.0000	8,297,770,920	74.76%
2.0000	8,443,970,600	75.33%
2.0000	8,705,746,940	75.31%
2.3900	9,637,541,430	71.81%

**CITY OF WESTON, FLORIDA**

**TABLE 6  
PROPERTY TAX RATES (PER \$1,000)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	City Operating Millage	Broward County	Broward School District	Overlapping County District Rates			Hospital District (either or)	
				South Florida Water Management District	Florida Inland Navigation District	Children's Services Council	North Broward Hospital District	South Broward Hospital District
2006	1.5235	6.7830	8.0623	0.6970	0.0385	0.4231	2.1746	1.4500
2007	1.5235	6.0661	7.8687	0.6970	0.0385	0.4073	1.8317	1.3300
2008	1.3215	5.2868	7.6484	0.6240	0.0345	0.3572	1.6255	1.1643
2009	1.5235	5.3145	7.4170	0.6240	0.0345	0.3754	1.7059	1.1913
2010	1.7670	5.3889	7.4310	0.6240	0.0345	0.4243	1.7059	1.2732
2011	2.0000	5.5530	7.6310	0.6240	0.0345	0.4696	1.8750	1.2732
2012	2.0000	5.5530	7.4180	0.4363	0.0345	0.4789	1.8750	0.7500
2013	2.0000	5.5530	7.4560	0.4289	0.0345	0.4902	1.8564	0.6000
2014	2.0000	5.7230	7.4800	0.4110	0.0345	0.4882	1.7554	0.4000
2015	2.3900	5.7230	7.4380	0.3842	0.0345	0.4882	1.5939	0.1863

Source: Broward County Property Appraiser

Note 1: All rates are per \$1,000 of assessed taxable value.

**CITY OF WESTON, FLORIDA**

**TABLE 7  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND TEN YEARS AGO  
SEPTEMBER 30, 2015**

Taxpayer	2015			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Teachers Insurance and Annuity	\$ 51,955,570	1	0.74%	\$ -	-	-
Weston Apartments Corp.	45,919,500	2	0.65%	35,446,860	7	0.60%
Meridian Business Campus	39,458,520	3	0.56%	42,336,410	5	0.70%
Cocowalk Development Inc.	39,417,440	4	0.56%	135,567,100	1	2.30%
Trea Weston LLC	35,766,950	5	0.51%	-	-	-
Liberty Property LP	34,851,760	6	0.50%	-	-	-
Fairlake at Weston LP	32,557,510	7	0.46%	28,638,760	9	0.50%
Weston TC LTD	29,773,050	8	0.42%	-	-	-
Berkley Vacation Resorts, Inc.	28,484,420	9	0.41%	57,000,000	3	1.00%
El-Ad San Michele LLC	28,114,690	10	0.40%	-	-	-
Westview Resorts, Inc.	-	-	-	76,215,920	2	1.30%
TCC Partners	-	-	-	55,841,830	4	0.90%
San Michelle II LLC	-	-	-	37,744,910	6	0.60%
Estates of Swan Lake	-	-	-	34,646,670	8	0.60%
San Michelle Joint Venture	-	-	-	26,230,870	10	0.40%
<b>Total</b>	<b>\$ 366,299,410</b>		<b>5.21%</b>	<b>\$ 529,669,330</b>		<b>8.90%</b>

Source: Broward County Property Appraiser

**CITY OF WESTON, FLORIDA**

**TABLE 8  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2006	\$ 35,422,685	\$ 34,312,913	96.87%	\$ -	\$ 26,861,186	96.87%
2007	39,517,549	38,874,441	98.37%	-	29,795,372	98.37%
2008	42,793,141	41,720,381	97.49%	-	33,724,023	97.49%
2009	49,893,982	49,094,027	98.40%	-	49,094,027	98.40%
2010	49,943,620	48,353,004	96.82%	-	48,353,004	96.82%
2011	50,547,590	47,450,130	93.87%	-	47,450,130	93.87%
2012	40,129,000	40,077,789	99.87%	-	40,077,789	99.87%
2013	50,128,740	46,870,951	93.50%	-	46,870,951	93.50%
2014	51,530,436	49,367,106	95.80%	-	49,367,106	95.80%
2015	53,014,999	52,864,584	99.72%	-	52,864,584	99.72%

Source: City of Weston budgets and CAFRs

**CITY OF WESTON, FLORIDA**

**TABLE 9  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			BDD Series 2002	Total Primary Government	Percentage of Personal Income	Per Capita
	Community Facilities Construction Notes	ITDD Series 1997 Series 2003 Isles of Weston Series 2005					
2006	\$ 6,584,046	\$ -	\$ -	\$ -	\$ 6,584,046	0.27%	\$ 107
2007	9,823,616	-	-	-	9,823,616	0.41%	158
2008	20,718,754	-	-	-	20,718,754	0.81%	334
2009	17,040,669	-	-	-	17,040,669	0.65%	276
2010	14,870,147	-	-	-	14,870,147	0.56%	240
2011	12,628,602	-	-	-	12,628,602	0.46%	194
2012	13,732,690	-	-	-	13,732,690	0.51%	210
2013	11,941,429	-	-	-	11,941,429	0.45%	182
2014	9,467,597	50,670,000	6,615,000		66,752,597	2.50%	1,016
2015	13,804,215	47,945,000	5,950,000		67,699,215	2.55%	1,030

Source: City of Weston prior years' CAFRs and Office of Economic and Demographic Research.

**CITY OF WESTON, FLORIDA**

**TABLE 10  
RATIO OF GENERAL BONDED DEBT OUTSTANDING**

The City currently has no general obligation debt.

**CITY OF WESTON, FLORIDA**

**TABLE 11  
DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITY DEBT  
SEPTEMBER 30, 2015**

Government Unit	Net Debt Outstanding	Percentage Applicable to Weston (1)	Amount Applicable to Weston
Broward County	\$ 279,630,000	5.06%	\$ 14,149,828
Broward County School Board	1,975,470,000	4.64%	<u>91,740,485</u>
Subtotal, overlapping debt			105,890,313
The City of Weston, direct debt			<u>13,804,215</u>
Total direct and overlapping debt (2)			\$ <u><u>119,694,528</u></u>

Source: Broward County 2014 CAFR, Broward County School Board 2014 CAFR,  
and Broward County Property Appraiser

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Broward County's taxable assessed value that is within the City of Weston's boundaries and dividing it by Broward County's total taxable assessed value.

(2) Includes all governmental activities debt.

**CITY OF WESTON, FLORIDA**

**TABLE 12  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

The City Charter does not set a debt margin.

**CITY OF WESTON, FLORIDA**

**TABLE 13  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 15,651,294	\$ 17,072,029	\$ (1,420,735)	\$ 410,000	\$ 19,898	-
2007	15,383,570	18,026,354	(2,642,784)	-	-	-
2008	16,191,241	19,001,545	(2,810,304)	-	-	-
2009	18,921,418	21,749,227	(2,827,809)	-	-	-
2010	23,990,085	27,030,052	(3,039,967)	-	-	-
2011	24,754,897	27,774,974	(3,020,077)	-	-	-
2012	25,125,363	28,239,315	(3,113,952)	-	-	-
2013	27,499,521	30,235,566	(2,736,045)	-	-	-
2014	28,832,261	31,999,842	(3,167,581)	-	-	-
2015	30,622,285	33,092,855	(2,470,570)	-	-	-

**CITY OF WESTON, FLORIDA**

**TABLE 13  
(Continued)  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Community Facilities Construction Notes						Debt Service		Coverage
	Franchise Fees	Simplified Communication Tax	Non-ad Valorem Assessments	Half Cent Local Option Fuel Taxes	Business Tax Revenue	Principal	Interest		
2006	\$ 2,740,888	\$ -	\$ -	\$ -		2,511,620	\$ 229,267	1.00	
2007	2,740,888	-	-	-		2,580,784	160,104	2.90	
2008	2,740,900	887,300	7,090,361	-		3,284,509	344,060	4.14	
2009	1,383,370	1,347,800	10,721,745	-		2,269,787	463,156	5.47	
2010	-	1,350,903	10,217,512	-		897,006	453,708	10.48	
2011	-	1,350,900	10,697,026	-		931,130	419,585	10.64	
2012	-	1,350,900	10,407,320	651,376		965,463	385,252	10.83	
2013	-	1,351,000	10,623,940	647,930		997,696	353,018	10.97	
2014	4,006,946	-	11,476,161	658,377	992,395	9,107,186	248,168	1.83	
2015	4,006,341	-	11,859,925	681,984	1,008,525	1,139,398	154,710	13.57	

Fiscal Year	Bond Payable							
	Series 2002 BDD				Series 1997, 2005 ITDD, Series 2003 Isles at Weston			
	Special Assessments	Principal	Interest	Coverage	Special Assessments	Principal	Interest	Coverage
2014	\$ 1,158,357	\$ 580,000	\$ 342,364	1.26	\$ 5,352,629	\$ 2,610,000	\$ 2,596,250	1.03
2015	\$ 953,460	\$ 610,000	\$ 314,381	1.03	\$ 5,277,506	\$ 2,710,000	\$ 2,499,775	1.01

**Note:** The City began to report bond payable information on the financials in 2015

**CITY OF WESTON, FLORIDA**

**TABLE 14  
STATISTICS  
DEMOGRAPHICS AND ECONOMICS  
SEPTEMBER 30, 2015**

<u>Calendar Year</u>	<u>Estimated Population</u>	<u>Estimated Personal Income (Thousands of Dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>High School or Higher</u>	<u>Bachelor's Degree or Higher</u>	<u>Median Home Value</u>	<u>Unemployment Rate</u>
2006	61,629	\$ 2,442,234	\$ 39,628	\$ 83,313	34.2	96.7	58.9	\$ 431,200	2.4%
2007	62,233	2,386,884	38,354	83,313	34.2	96.7	58.9	431,200	2.9%
2008	62,088	2,548,464	41,046	95,454	35.9	95.8	58.2	494,100	4.4%
2009	61,697	2,607,192	42,258	95,454	35.9	95.8	58.2	494,100	6.9%
2010	61,840	2,448,369	39,592	95,454	35.9	95.8	58.2	494,100	8.1%
2011	65,237	2,637,662	40,432	93,553	35.3	95.9	58.5	451,600	7.6%
2012	65,448	2,744,955	41,941	94,084	37.5	96.1	58.1	421,300	6.2%
2013	65,677	2,671,412	40,675	93,886	38.0	96.3	57.8	390,700	5.4%
2014	65,672	2,669,829	40,654	93,074	37.9	96.6	58.5	375,100	4.9%
2015	65,734	2,659,072	40,452	91,613	38.8	97.0	57.9	382,900	4.0%

**Source:**

City population data from University of Florida, Bureau of Economic and Business Research; Per Capita Income data from the U.S. Department of Commerce, Bureau of Economic Analysis for Broward County; Unemployment data from U.S. Department of Labor, Bureau of Labor Statistics for the City of Weston. All other data from U.S. Census American Community Survey which did not start reporting Weston until 2005.

**CITY OF WESTON, FLORIDA**

**TABLE 15  
PRINCIPAL EMPLOYERS  
CURRENT AND TEN YEARS AGO  
SEPTEMBER 30, 2015**

The information was not available from the City's Chamber of Commerce and the City does not have a Department of Economic Development. Information on the largest employers is available in the City's Annual Performance Report.

**CITY OF WESTON, FLORIDA**

**TABLE 16  
FULL TIME EQUIVALENT GOVERNMENT POSITIONS BY FUNCTION  
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of September 30th									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Commission	5	5	5	5	5	5	5	5	5	5
City Management	3	3	9	9	9	9	9	9	9	9
Contracted employees:										
General government:										
Administrative services	7	8	6	6	5.5	5.5	6	10	10	10
Finance services	3	3	3	3	3	3	3	4	4	4
Community services*	23	25	24	25.5	29	29	25.5	23	23	23
Information technology services	4	4	5	5	5	5	7	7	7	7
Fire rescue and inspection	65	65	65	65	65	65	66	67	67	67
Emergency medical services	41	54	54	54	54	54	54	54	54	54
Police protection	<u>98</u>	<u>103</u>								
Total	<u>249</u>	<u>270</u>	<u>274</u>	<u>276</u>	<u>279</u>	<u>279</u>	<u>279</u>	<u>282</u>	<u>282</u>	<u>282</u>

**Source:** City of Weston Finance Department and Communications Department.

\*Community services includes public works and parks and recreation.

**CITY OF WESTON, FLORIDA**

**TABLE 17  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General government:</b>				
Building permits issued	6,431	5,740	2,589	2,352
Building inspections conducted	11,809	16,748	3,054	2,846
Business tax receipts	2,156	3,075	2,382	5,319
<b>Fire:</b>				
Emergency responses	4,768	4,467	4,233	4,492
Inspections	2,391	2,593	2,968	3,999
<b>Police:</b>				
Physical arrests <sup>1</sup>	2,368	1,191	1,081	887
Parking violations	248	252	227	565
Traffic violations <sup>1</sup>	7,795	5,682	4,913	5,971
<b>Refuse collection:</b>				
Refuse collected (tons per year)	26,911	26,166	24,566	24,061
Recyclables collected (tons per year)	3,320	3,396	3,578	3,997
<b>Parks and recreation:</b>				
Athletic programs	10	15	12	11
Sports alliance registrants	10,400	8,075	8,404	7,500
Community center admissions (program participants) <sup>2</sup>	4,500	4,350	1,086	1,098
<b>Water:</b>				
New connections	22	46	5	3
Water main breaks	3	-	1	1
Average daily consumption (thousands of gallons)	9,875	9,396	9,494	8,051
Peak monthly consumption (thousands of gallons) <sup>3</sup>	348,589	314,339	301,520	287,141
<b>Wastewater:</b>				
Average daily sewage treatment (thousands of gallons) <sup>4</sup>	8,378	8,207	9,163	6,843

**Source:** City of Weston Building Department, Public Works, Recreational Department, Communications Department and the City of Sunrise.

\* Data not available.

1 The format of collecting data has changed from 2003 to 2009.

2 Prior to FY'08, the numbers were estimated.

3 Based on billed consumption generated through the City's utility billing system.

4 Based on metered water service along with the residential consumption caps that are in place.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
2,697	2,631	2,451	2,662	2,378	2,506
7,571	11,249	10,576	11,810	11,943	13,495
3,368	4,547	3,826	3,249	3,153	3,264
4,278	4,276	4,149	4,000	4,300	4,343
3,070	3,525	3,784	3,115	3,182	2,247
560	492	562	411	479	410
717	560	436	410	331	432
6,888	4,383	7,204	8,778	6,963	6,148
23,519	27,998	31,870	32,147	36,451	35,427
3,605	3,582	3,795	3,324	4,335	4,641
11	12	11	11	12	11
6,600	6,596	6,165	6,463	6,428	6,869
1,056	1,021	1,163	1,452	1,063	1,152
4	3	1	-	8	6
-	1	-	-	-	-
7,671	7,908	7,311	7,499	7,436	7,091
261,627	271,531	272,832	273,177	248,579	271,705
6,398	6,490	6,145	6,310	6,277	6,476

## CITY OF WESTON, FLORIDA

### TABLE 18 CAPITAL ASSETS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009
<b>Fire:</b>				
Stations	3	3	3	3
Rescue units	*	*	*	4
Rescue/Suppression units	*	*	*	4
Fire rescue personnel (full time equivalent)	106	119	119	119
<b>Police:</b>				
Stations	1	1	1	1
Patrol units	82	104	70	64
Sworn personnel	*	*	*	*
<b>Refuse collection:</b>				
Collection trucks	7	7	7	7
<b>Other public works:</b>				
Streets (miles) <sup>1</sup>	41	41	41	41
Bike lanes (miles) <sup>1</sup>	46	46	46	46
Highways (miles) <sup>1</sup>	42	42	42	42
Streetlights <sup>2,3,9</sup>	1,323	1,323	1,323	1,252
Traffic signals	*	*	*	156
<b>Parks and recreation:</b>				
Acreage <sup>4</sup>	232	245	245	245
Playgrounds	11	11	11	11
Basball/softball diamonds	21	21	21	21
Soccer/football fields	18	18	18	18
Basketball courts	9	9	9	9
Roller Hockey rinks	8	8	8	8
Turf Soccer rinks	-	-	-	-
Tennis courts	18	18	18	18
Skate parks	1	1	1	1
Amphitheater	1	1	1	1
Outdoor concert stage	1	1	1	1
Community centers	1	1	1	1
<b>Water:</b>				
Water mains (miles) <sup>1,8</sup>	205	205	205	205
Fire hydrants <sup>1,8</sup>	1,518	1,518	1,518	1,518
Storage capacity (mgd) <sup>5,6</sup>	18.8	18.8	23.8	23.8
Lakes and canals (acres) <sup>1</sup>	1,877	1,877	1,877	1,877
<b>Wastewater:</b>				
Sanitary sewers (miles) <sup>1</sup>	127	127	127	127
Storm sewers (miles)	30	30	30	30
Treatment capacity (million gallons per day) <sup>7</sup>	30.99	30.45	30.45	30.45

**Source:** City of Weston Building Department, Public Works, Recreational Department, Communications Department and the City of Sunrise.

\* Data not available.

- 1 GIS updated to reflect current numbers in 2010.
- 2 GIS updated to reflect current numbers in 2009.
- 3 The City added 31 street lights along Manatee Isles Drive in 2010.
- 4 Opening of Vista Park in 2005
- 5 0.8 MGD at Park City was taken out of service after Hurricane Wilma in 2006.
- 6 A 5 MGD storage tank was completed at Sawgrass in 2008.
- 7 Wastewater treatment capacity numbers were revised from 30.99 to 30.45 in 2007 when capacity at City of Sunrise's southwest wastewater treatment plant was reduced from .99 to .45 MGD
- 8 Fire hydrants and water mains only account for ITDD infrastructure
- 9 Owned and maintained by City of Weston

2010	2011	2012	2013	2014	2015
3	3	3	3	3	3
4	4	4	4	4	4
4	4	4	4	4	4
119	119	120	121	121	121
1	1	1	1	1	1
64	85	74	74	74	74
*	73	74	74	78	78
7	7	7	7	7	7
49	49	49	49	53	53
45	45	45	45	45	45
34	34	34	34	34	34
1,283	1,283	1,344	1,406	1,390	1,390
156	156	156	156	156	156
245	245	245	245	245	245
11	11	11	11	11	11
21	21	21	21	21	21
18	18	18	18	18	18
9	9	9	9	9	9
8	8	8	8	8	4
-	-	-	-	-	4
18	18	18	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
210	210	210	212	212	212
1,936	1,936	1,789	1,789	1,789	1,789
23.8	23.8	23.8	23.8	23.8	23.8
2,140	2,140	2,140	2,140	2,140	2,140
182	182	182	182	196	196
30	30	30	30	30	30
30.45	30.45	30.45	30.45	30.45	30.99

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**CITY OF WESTON, FLORIDA**

**COMPLIANCE SECTION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor, Members of the  
City Commissioners and City Manager  
City of Weston, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weston, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 26, 2016, which includes an emphasis of matter paragraph.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express

such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Other Matter**

We noted certain matters involving the internal control over financial reporting that we have described in the accompanying schedule of findings and questioned costs and Management Letter.

#### **Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and Management Letter. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 26, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor, Members of the  
City Commissioners and City Manager  
City of Weston, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the City of Weston, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2015. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2015.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-03. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



May 26, 2016

CITY OF WESTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security direct program:			
Hazard Mitigation Grant	97.039	1609-84-R 09HM-37-11-16-02-054	\$ 1,192,904
Total Expenditure of Federal Awards			<u>\$ 1,192,904</u>

**CITY OF WESTON, FLORIDA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Weston, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133 Audits of States and Local Governments, and Non-Profit Organization*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures are reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained within *OMB Circular A-87, Cost Principles from State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CITY OF WESTON, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the City.
2. No going concern emphasis-of-matter paragraph is included in the auditor's report.
3. No material weaknesses relating to the audit of the financial statements are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the financial statements are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
5. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
6. No significant deficiencies or material weaknesses relating to the audit of the major federal awards programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by OMB Circular A-133.
7. The independent auditor's report on compliance for each major federal awards program for the City expresses an unmodified opinion.
8. There was an audit finding relative to the major federal awards tested for the City involving the internal control over financial reporting.
9. The programs/projects tested as major include:

<u>Federal Program</u>	<u>CFDA No.</u>
Hazard Mitigation Grant	97.039

10. The dollar threshold used to distinguish between Type A and Type B federal programs was \$300,000.
11. The City did not qualify to be a low-risk auditee pursuant to OMB Circular A-133.

FINDINGS – FINANCIAL STATEMENTS AUDIT

See management letter

CITY OF WESTON, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS (Continued)

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS

**2015-03: Expenditure Reimbursement Requests:**

Observation: During the audit, it was noted that the City requested reimbursement for invoices twice. As a result, they were reimbursed twice by the grantor agency for the invoices. The invoices totaled \$10,746.

Recommendation: The City should ensure that expenditure reimbursement requests are only submitted a single time.

Management Response: The City has been made aware of the auditors' single audit issues and will make appropriate changes in procedure during Fiscal Year 2016. The City will ensure that the expenditure reimbursements are submitted only one time.

**OTHER ISSUES**

No summary schedule of prior audit findings and corrective action plan is required because there were no prior audit findings related to federal awards programs.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, Members of the  
City Commissioners and City Manager  
City of Weston, Florida

We have examined the City of Weston, Florida's ("City") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Honorable Mayor and Members of the City Commission of the City of Weston, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

May 26, 2016



**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE  
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, Members of the  
City Commissioners and City Manager  
City of Weston, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the City of Weston, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 26, 2016, which includes an emphasis of matter paragraph.

**Auditor's Responsibility**

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

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 26, 2016, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the City, as described in the first paragraph, we report the following:

- I. **Current year findings and recommendations.**
- II. **Prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the members of the City Commission of the City of Weston, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank City of Weston, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

A handwritten signature in blue ink that reads "Shaw & Associates".

May 26, 2016

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

#### **2015-01: Payroll Documentation**

Observation: It was noted during testing procedures that certain payroll documents were not included in employee files as required. In addition pay rate and election forms were not included in files so we could not verify employee salaries or withholding.

Recommendation: The City should ensure that payroll files are in compliance with regulations and a payroll action form be filled out and approved by the City Manager for all salary changes.

Management Response: All payroll documents are present and accounted for in the files of the City. Files on election forms and withholding are filed in the monthly payroll files and the Auditors were advised of this several times during the course of the audit. The City has developed Personnel Action Forms to use in the future for salary adjustments.

#### **2015-02: Accounting**

Observation: During the audit, the following items were noted: a) the water and sewer receivable was materially understated (\$1.9 million); 2) grant revenue related to expenditures of the prior fiscal year was recorded as current year revenue (approx. \$742K); 3) costs related to the emergency operation center were not recorded as "construction in progress" in the prior fiscal year. Total additions were approx. \$933K. Prior period adjustments were necessary to correctly reflect balances at the end of the prior fiscal year.

Recommendation: The City should ensure that a comprehensive review and reconciliation of balances be done to ensure reported amounts are accurate and all compliance requirements have been met.

Management Response: The City has been made aware of the auditors' accounting issues and will make appropriate changes in procedure during Fiscal Year 2016. Management will do a comprehensive review and reconciliation of balances and make sure that all compliance requirements are met.

#### **Other Finding**

#### **2015-03: Single Audit**

Observation: During the single audit, it was noted that the City requested reimbursement for two invoices twice that total \$10,746.

Recommendation: The City should ensure that expenditure reimbursements requests are only submitted a single time.

Management Response: The City has been made aware of the auditors' single audit issues and will make appropriate changes in procedure during Fiscal Year 2016. The City will ensure that the expenditure reimbursements are submitted only one time.

## REPORT TO MANAGEMENT (Continued)

### II. PRIOR YEAR FINDINGS AND CURRENT YEAR STATUS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2014.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2015, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2015, except as noted above.

4. The name or official title and legal authority of the City are disclosed in the notes to the financial statements.

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2015 financial audit report.

6. The City has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2015. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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## THE CITY OF WESTON

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