

**BASIC FINANCIAL
STATEMENTS
AND OTHER SCHEDULES**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2008**

TOWN OF SOUTHWEST RANCHES, FLORIDA





**BASIC FINANCIAL
STATEMENTS
AND OTHER SCHEDULES**

**Town of Southwest Ranches, Florida
September 30, 2008**

**Prepared by:
Town Administration
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Southwest Ranches, FL 33331
(954)434-0008 Fax (954) 434-1490
www.southwestranches.org**

**"The Vision of the Town of Southwest Ranches
is to enhance and preserve
the unique rural character of its community.**

**The Town shall promote, maintain and
protect its agricultural,
residential and equestrian lifestyles,
sensitive to the natural environment."**

MOTTO

"Preserving Our Rural Lifestyle"



TOWN OF SOUTHWEST RANCHES, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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September 30, 2008

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INTRODUCTORY SECTION



Town of Southwest Ranches

Bert Wrains

Interim Town Administrator

6589 S.W. 160th Avenue

Southwest Ranches, FL 33331

Phone: (954) 343 - 7476

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Website: www.southwestranches.org

March 25, 2009

Mayor Jeff Nelson
Vice Mayor Steve Breitreuz
Council Member Aster Knight
Council Member Doug McKay
Council Member Freddy Fisikelli

Dear Mayor, Vice Mayor, and Council Members:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Town of Southwest Ranches, Florida (the "Town"), for the fiscal year that ended September 30, 2008, pursuant to Section 218.39 of the Florida Statutes and Town Charter. The financial statements included in this report conform to the Generally Accepted Accounting Principles (GAAP) in the United States as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The financial statements have been audited by Keefe, McCullough & Co., LLP, Certified Public Accountants. The independent auditors have issued an unqualified opinion that this report fairly represents the financial position of the Town and complies with all reporting standards noted above.

The CAFR is divided into three parts. The Introductory Section provides a summary of the contents of the entire report and general information about the reporting entity. The Financial Section includes the Auditor's Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Information. Other financial information includes budgetary comparison schedules provided to supplement the required financial data. The Statistical Section includes a number of tables that provide historical, social, economic, and financial trend data that offers an overview of the Town's fiscal situation. The contents of the report have been prepared in accordance with GASB pronouncements, including Statement 34 that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds; as well as, MD&A which can be found immediately following the independent auditors' report.

The Reporting Entity and Services

The Town was incorporated on June 6, 2000. The Town's current Charter was amended by the citizens on November 4, 2003 and November 7, 2006. The Town operates under the Council-Administrator form of government where the Mayor and four Council Members must live in residential districts and are elected at large. The Town Council determines the policies that guide the Town's operations. The Town contracts for all major Town services including police, fire, building inspections, planning, and engineering, as well as Town Administrator and Financial Administrator. The Town has one part-time and seven full-time employees to administer all contractors and daily operations of the Town.

In accordance with GASB 14 entitled "The Financial Reporting Entity," the Town must include in its report any entity over which the Town has ultimate financial accountability. For fiscal year 2008, there are no other entities included in this report other than the Town itself.

Southwest Ranches provides basic municipal services including fire, emergency medical services, law enforcement, park and recreation, solid waste collection, code enforcement, and general government services. The Town will be the home to many wonderful parks which are designed to "Preserve Our Rural Lifestyle." The Town has acquired 153 acres of land for open space needs. These acres of land were acquired through grants from the County and the State with minimal cost to the residents of the Town. In addition, our residents "homestead" on minimum one acre sites. We are horse country and most of the homes in the Town are indeed ranches. The Town has no sidewalks, street lights or large developments. For many, the closest neighbors are peacocks, possums, foxes and turtles, to name just a few.

Economic Condition and Outlook

The Town of Southwest Ranches comprises approximately thirteen (13) square miles and is located in the southwest portion of Broward County, a major metropolitan area. The Town is located between the two major urban cities, Pembroke Pines (population 152,090) and Weston (population 62,233). Both of the neighboring cities provide a wealth of attractions and business for use by the residents of the Town. The residents benefit from this close association with the urban neighbors because the Town does not need to provide for these services. The economics of the Town are not focused on the development of a commercial or business base. Southwest Ranches is primarily a residential community. We are expected to reach build out in the Town within the next ten years with a population of 11,000. Based on the 2000 census, the Town's population was 7,203. Diversity of the Town, at that time, was 4,343 of the residents being Caucasian, 220 African-American, 1,390 of Hispanic descent and 1,250 in other races. Interestingly, of the 7,203 persons living in Southwest Ranches, the median age was 37.8 with 2,048 residents under the age of 18 years. The Bureau of Economics and Business Research, Population Division, University of Florida, estimates the 2008 population to be 8,489. The Town expects the 2010 census to have similar diversity statistics.

Southwest Ranches had experienced rapid tax base growth since incorporation in 2000. This growth was reflected in the Town's taxable assessed value and the value of new construction. The past year the overall land values have stabilized and in a few cases decreased slightly.

Major Initiatives

The Town through a creative and aggressive grant application plan has acquired significant open space and park sites to meet the Town's Comprehensive Plan for parks and the preservation of open space in support of our rural life style. The challenge of the Plan was to acquire these sites with no financial impact on the residents of the Town. The Plan has resulted in the Town acquiring 153 acres of open space and park land within the first five (5) years since incorporation.

Following the acquisition of the open space and park land, the Town is implementing the development and operations of the sites. We will again be committed to provide these services with minimal financial impact on the Town residents. We have already identified many grants, funding partnerships, and revenue sources to support the development of the sites.

The Town on October 1, 2008 changed the past practice of contracting fire and medical rescue services from more than one surrounding fire department. The Town contracted with the Broward Sheriff's Office (BSO) Public Safety Agency for fire and rescue services for the entire Town. This provided the Town and its residents a quality level of service as a part of a regional delivery of these services. The Town is hiring an architectural firm to design the Town's first Public Safety Facility to house the Town's Police and Fire Departments which are both provided by the BSO Public Safety Agency.

The Town is also focused on providing a new Town Hall. A five (5) acre portion of the acquired lands will be dedicated to a Town Hall and Public Safety Facility site. This site will be surrounded by open space and park land and will be designed to support our rural image. This image was created by Town residents at a visioning session during the development of our Comprehensive Plan. Again, we have identified funding partnerships and revenue sources to support this development. The Town Council has developed a comprehensive Capital Improvement Plan and funding strategies during fiscal year 2008.

Southwest Ranches ambitious Capital Improvement Plan will provide the infrastructure and facilities for the Town's present and future needs. The focus that supports this Plan is based upon low cost to the residents and "Preserving Our Rural Lifestyle."

Financial Information

Town Administration is responsible for establishing and maintaining internal control designed to ensure that the assets of the Town are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the government is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. Internal control is subject to periodic evaluation by management.

In addition, the Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. A five-year capital project plan is also provided to Town Council with the current year of the capital plan appropriated by the Town Council, similar to the other funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the department level within each fund.

The Town's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are generally determined by the Town Council based on the recommendation of the Town Administrator for establishing accepted accounting policies and procedures as well as the number of funds maintained.

Cash Management

The Town's investment policy is designed to effectively and prudently manage the investment of Town funds while ensuring preservation of principal, maintaining sufficient liquidity, and maximizing investment earnings, in that order.

Debt Administration

The Town previously entered into a loan agreement with the Florida Municipal Loan Council (FMLC) for \$ 4,985,000. These loan proceeds were used to payoff certain outstanding obligations, to acquire certain parks and recreational land, construct improvements and recreational facilities. The interest rate at September 30, 2008 was 4.84 %. All required payments of principal and interest were made during the year. The principal balance at September 30, 2008 was \$ 4,460,000.

The Town previously obtained two lines of credit totaling \$ 13,000,000 to provide funding for acquisition of property for the Town's Capital Improvement Program and hurricane cleanup. The outstanding balance of these loans as of September 30, 2008 was \$ 2,500,000 and is due December 6, 2011.

Long Term Financial Planning

The Town has established a Capital Improvement Program that provides for construction of a municipal building, including the Town Hall and Public Safety Facility that would include the Town's Police and Fire Departments. The plan also identifies park developments, as well as road and drainage projects.

The current commitments for some of these capital projects are from long term bonds. The amount and timing of these projects are dependent on the Town's ability to identify and commit funds to service the debt obligations.

Independent Audit

In accordance with Florida Statutes Section 218.39, the Town has engaged the firm of Keefe, McCullough & Co., LLP to perform the independent audit of the Town's financial statements. The Independent Auditors' Report is included in the financial section of this Comprehensive Annual Financial Report.

Awards

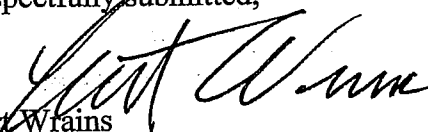
The Town has applied for and was awarded the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental Finance Officers Association (GFOA) of the United States and Canada for the Town's first ever CAFR in 2003 and again in 2005 and 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

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

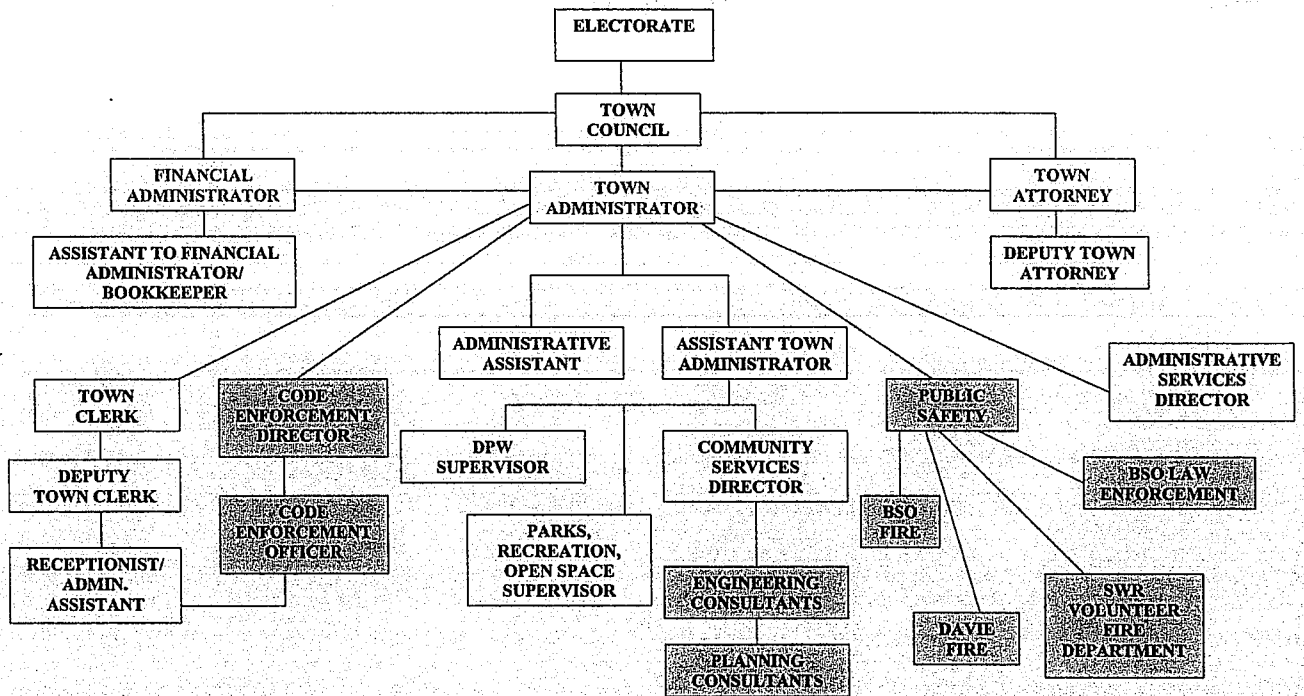
Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Town and the Town's auditing firm, Keefe, McCullough & Co., LLP. We express our appreciation to them for their interest and support in planning and conducting the audit of the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,


Bert Wrains
Interim Town Administrator

TOWN OF SOUTHWEST RANCHES ORGANIZATIONAL CHART



Town of Southwest Ranches, Florida
Council Administrator Form of Government
Town Charter approved by a majority of qualified voters of the Town on June 6, 2000

TOWN COUNCIL



MECCA FINK
Mayor



JEFF NELSON
Vice Mayor



STEVE BREITKREUZ
Council Member



ASTER KNIGHT
Council Member



DON MAINES
Council Member

TOWN ADMINISTRATION

TOWN ADMINISTRATOR
Christopher J. Russo

ASSISTANT TOWN ADMINISTRATOR
Bert Wrains

TOWN CLERK
Susan A. Owens, CMC

ADMINISTRATIVE SERVICES DIRECTOR
Lee Rickles

**PARKS RECREATION AND OPEN SPACE
SUPERVISOR**
December Lauretano-Haines

TOWN ATTORNEY
Gary Poliakoff, J.D.

DEPUTY TOWN ATTORNEY
Keith Poliakoff

TOWN FINANCIAL ADMINISTRATOR
Jean Watson

COMMUNITY SERVICES DIRECTOR
Emily McCord

PUBLIC WORKS SUPERVISOR
Malini Siew-Narine



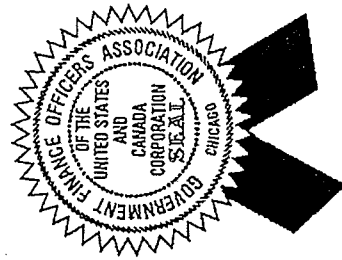
The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
Town of Southwest Ranches, Florida

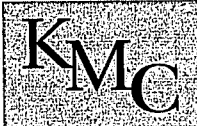


The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date October 31, 2008

FINANCIAL SECTION



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.

CYNTHIA L. CALVERT, C.P.A.
ISRAEL J. GOMEZ, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

JAMES R. LARAWAY, C.P.A.
HILLARY B. DAIGLE, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.
SAMUEL RAMIREZ, C.P.A.

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Vice Mayor, Town Council Members and Interim Town Administrator
Town of Southwest Ranches, Florida
Southwest Ranches, Florida

We have audited the accompanying financial statements of governmental activities, each major fund and the aggregate remaining fund information of Town of Southwest Ranches, Florida (the Town), as of and for the year ended September 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above, present fairly, in all material respects, the respective financial positions of the governmental activities, each major fund and the aggregate remaining fund information of Town of Southwest Ranches, Florida at September 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2009, on our consideration of Town of Southwest Ranches' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

Town of Southwest Ranches, Florida

Management's Discussion and Analysis is not a required part of the basic financial statements, but is required supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Southwest Ranches, Florida's basic financial statements. The introductory section, required supplementary information, other financial information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required supplementary information and other financial information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Keefe, McCullough & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 25, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

As management of the Town of Southwest Ranches, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal years ended September 30, 2008 and 2007. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, the Town's financial statements and the other required supplemental information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The information contained within this section should be considered only as a part of a greater whole.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the fiscal year ending September 30, 2008:

- The assets of the Town of Southwest Ranches exceeded its liabilities at the close of the fiscal year by \$ 49,349,246 (net assets). Of this amount, \$ 44,125,155 is invested in capital assets and \$ 5,224,091 is unrestricted.
- The Town's total net assets increased by \$ 1,829,011 during the 2008 fiscal year. The Town's net assets increased as a result of this year's operating grants and contributions.
- During the year, the General Fund had revenues that were \$ 196,076 less than the \$ 9,921,542 of expenditures and other financing uses for governmental programs.
- The General Fund's fund balance decreased to \$ 2,425,084 as of September 30, 2008. The decrease was mainly due to increased public safety expenditures.
- The Town's total debt decreased \$ 3,109,776 to a total of \$ 7,118,767. Total debt includes notes payable of \$ 6,960,000 and a capital lease payable for \$ 100,274 and other unamortized costs of issuance of \$ 58,493. The Debt Service Fund has \$ 2,265,093 designated at the end of the 2008 fiscal year to make debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements and the required supplementary information*. The Town did not present *combining statements* for nonmajor governmental funds since the only such fund was the Special Revenue Transportation Fund. The basic financial statements include two kinds of statements that present different views of the Town:

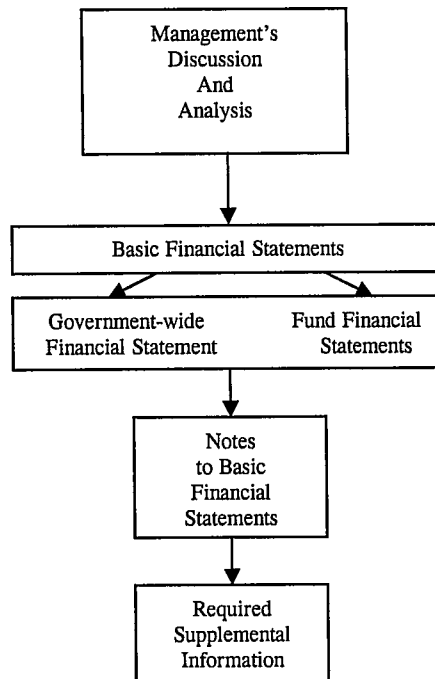
- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
- The *governmental fund* statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and are related to one another.

Figure 1
Required Components of the
Basic Financial Statements and Other Schedules



Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Southwest Ranches' finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Southwest Ranches is improving or deteriorating.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets 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 will only result in cash flows in a future fiscal period (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the Town of Southwest Ranches include fire and rescue, police services, public works, parks and recreation, code enforcement, roadways and general government services. The Town does not have any business-type activities.

The government-wide financial statements can be founded on pages 11 and 12 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 or objectives. The Town of Southwest Ranches, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Southwest Ranches are governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 near-term financing decisions. Both the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town of Southwest Ranches maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances for the General Fund, Transportation Fund, Debt Service Fund and the Capital Project Fund, which are considered to be major funds. The basic governmental funds financial statements can be found on pages 13 to 17 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to 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 18 to 30 of this report.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

1. *Net results of activities* will impact (increase/decrease) current assets and unrestricted net assets.
2. *Borrowing for capital* will increase current assets and long-term debt.
3. *Spending borrowed proceeds on new capital assets* will reduce current assets and increase capital assets. In addition, there is a second impact, an increase in capital assets and an increase in related net debt which will not change the investment in capital assets, net of related debt.
4. *Spending of nonborrowed current assets on new capital assets* will reduce current assets, increase capital assets, reduce unrestricted net assets, and increase investment in capital assets, net of related debt.
5. *Principal payments on debt* will reduce current assets, reduce long-term debt, reduce unrestricted net assets, and increase investment in capital assets, net of related debt.
6. *Reduction of capital assets through depreciation* will reduce capital assets and investment in capital assets, net of related debt.

The Town's net assets increased to \$ 49,349,246 between fiscal years 2008 and 2007 (see Table 1). However, a large portion of the net assets (89.4 percent) is invested in capital assets (land, buildings and equipment, etc.). The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town'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 liquidate these liabilities.

Table 1
TOWN OF SOUTHWEST RANCHES, FLORIDA
NET ASSETS

	Governmental Activities	
	2008	2007
CURRENT AND OTHER ASSETS	\$ 5,478,810	\$ 7,134,733
CAPITAL ASSETS	51,243,922	51,376,667
Total assets	56,722,732	58,511,400
OTHER LIABILITIES	254,719	762,622
LONG-TERM DEBT		
OUTSTANDING	7,118,767	10,228,543
Total liabilities	7,373,486	10,991,165
NET ASSETS:		
Invested in capital assets, net of related debt	44,125,155	41,148,124
Unrestricted	5,224,091	6,372,111
Total net assets	\$ 49,349,246	\$ 47,520,235

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

A portion of the Town's net assets (\$ 44,125,155 or 89.4 percent) represents resources that are invested in the Town's capital assets. The remaining balance of *unrestricted net assets* \$ 5,224,091 may be used to meet the Town's ongoing obligations to citizens and creditors. During the 2008 fiscal year, invested in capital assets increased by \$ 2,977,031; however, unrestricted net assets decreased by \$ 1,148,020. At the end of the current fiscal year, the Town of Southwest Ranches is able to report positive balances in its two categories of net assets. The same situation held true for prior fiscal years.

Summary of changes in net assets. The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

1. *Economic condition* can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
2. The Town Council has significant authority to set *increases or decreases in Town's millage rates* and user fees.
3. *Changing patterns in intergovernmental and grant revenues* (both recurring and nonrecurring) can significantly change and impact annual comparisons.
4. *Market impacts on investment income* may cause investment revenues to fluctuate from the prior year. The market is very volatile at this time and this volatility is having a negative impact on the interest earned on investments.

Some other basic impacts on expenses are reflected below:

1. *Introduction of new programs* can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer-spending habits for building permits, user fees and consumption.
2. *Changes in service demand levels* can cause the Town to increase or decrease spending on contracted services.

For 2008, the Town's expenses cover a range of services with 36.4% related to public safety.

Governmental Activities

The Town's total revenues increased by 34.3 percent to \$ 11,742,714 (see Table 2). The significant increase in revenues is due to grant revenue for Hurricane Wilma being received in fiscal year 2008. Over 17.2% of the Town's revenues come from grants and contributions, 33.4% comes from property taxes, 29.4% from fees charged for services, 18.6% from intergovernmental revenues and other state regulated taxes and 1.4% from other revenue sources.

Governmental expenses totaled \$ 9,913,703 with the largest expense for public safety at \$ 3.6 million or 36.4% of total expenses. Expenses increased by 18.9% due mainly to the increase in public safety expenses.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

Table 2
TOWN OF SOUTHWEST RANCHES, FLORIDA
CHANGES IN NET ASSETS

	Governmental Activities	
	2008	2007
REVENUES:		
Program revenue:		
Grants and contributions	\$ 2,015,952	\$ 281,908
Charges for services	3,451,059	2,521,890
GENERAL REVENUES:		
Ad valorem taxes	3,920,509	3,488,788
Other taxes	1,636,478	1,436,457
Intergovernmental	552,210	583,506
Investment income	141,347	300,938
Miscellaneous	25,159	132,727
Total revenues	11,742,714	8,746,214
EXPENSES:		
General government	1,516,047	1,668,655
Public safety	3,610,699	2,527,126
Parks and recreation	507,966	430,541
Public works	1,640,272	1,089,096
Roadways	261,536	326,384
Community services	2,036,933	1,796,043
Interest and other debt service costs	340,250	498,034
Total expenses	9,913,703	8,335,879
Change in net assets	\$ 1,829,011	\$ 410,335

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed the year, its governmental funds reported combined fund balances of \$ 5,281,871, a decrease of \$ 1,147,873 from last year's combined fund balance of \$ 6,429,744.

General Fund Budgetary Highlights

The General Fund Public Works Department budget for solid waste pick up doubled this year due to negotiating a new contract between the Town and the Hauler. The old contract was negotiated with the County and the Hauler before the Town was incorporated. The Attorneys Department came in slightly over budget. There was a budget adjustment made to this department but the amendment slightly understated the over expenditure in this department due to an increase in activity in the legal department.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

Capital Assets

As of September 30, 2008, the Town's investment in capital assets amounted to \$ 51,243,922 (net of accumulated depreciation). The increase in capital assets during the year was due to capital project costs related to a number of ongoing projects. Capital assets held by the Town at the end of the current year are summarized as follows:

TOWN OF SOUTHWEST RANCHES, FLORIDA
CAPITAL ASSETS
(net of accumulated depreciation)

		<u>Governmental</u>	
		<u>Activities</u>	
Land	\$	33,086,540	
Infrastructure		10,230,931	
Construction in progress		4,760,598	
Improvements other than buildings		2,160,542	
Buildings		680,123	
Furniture and equipment		319,406	
Leasehold improvements		<u>5,782</u>	
Total capital assets, net	\$	<u>51,243,922</u>	

Additional information on the Town's capital assets can be found in Note 4 on pages 23 and 24.

Debt Administration

The Town has a line of credit debt outstanding from prior years of \$ 2,500,000, which was for planned and budgeted capital projects. The Debt Service Fund has a fund balance designation of \$ 2,265,093 at year end to repay the line of credit balance relating to capital projects and other debt service payments.

At the end of the year, the Town had total debt outstanding of \$ 7,118,767. The majority of this debt is secured by pledged non-ad valorem revenue sources of the Town. Changes in the Town's debt are summarized as follows:

TOWN OF SOUTHWEST RANCHES, FLORIDA
OUTSTANDING DEBT

	<u>Balance</u>		<u>Balance</u>
	<u>October 1,</u>	<u>Additions</u>	<u>September 30,</u>
	<u>2007</u>	<u>Deletions</u>	<u>2008</u>
Notes and loans payable and capital leases	\$ <u>10,228,543</u>	\$ <u>-</u>	\$ <u>3,109,776</u>
			\$ <u>7,118,767</u>

Additional information on the Town's debt can be found in Note 7 on pages 25 and 26 of this report.

TOWN OF SOUTHWEST RANCHES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2008

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Broward County is currently 6.1 percent which is 2.3% higher than the rate of last year. This compares favorably to the state's average unemployment rate of 8.6 percent and the national average rate of 6.21 percent.
- The occupancy rate of the Town's central business district has remained stable for the past two years.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town of Southwest Ranches' budget for the 2009 fiscal year.

During the 2008 fiscal year, fund balance in the General Fund decreased to \$ 2,425,084. The Town will budget the audited fund balance in the 2009 fiscal year budget. It is intended that the use of available fund balance will be reserved for future needs, financial stability and unanticipated occurrences.

In fiscal year 2008-2009 the Town Council voted unanimously to increase the millage rate by .5 mills to 3.5 mills. This is the sixth lowest millage rate in Broward County.

Requests for Information

This financial report is designed to provide a general overview of the Town of Southwest Ranches' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Town Administrator, 6589 S.W. 160th Avenue, Southwest Ranches, Florida 33331.

**BASIC
FINANCIAL STATEMENTS**

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2008

		<u>Governmental Activities</u>
ASSETS:		
Cash and cash equivalents	\$	4,826,274
Accounts receivable - net		302,588
Prepaid items		46,875
Tree inventory		202,843
Other assets		65,000
Capital assets:		
Land and construction in progress		37,847,138
Other (net of accumulated depreciation)		13,396,784
Unamortized debt issuance costs		<u>35,230</u>
Total assets		<u>56,722,732</u>
 LIABILITIES:		
Accounts payable		145,213
Accrued payroll liabilities		16,496
Accrued interest payable		93,010
Noncurrent liabilities:		
Due within one year		111,855
Due in more than one year		<u>7,006,912</u>
Total liabilities		<u>7,373,486</u>
 NET ASSETS:		
Invested in capital assets, net of related debt		44,125,155
Unrestricted		<u>5,224,091</u>
Total net assets	\$	<u><u>49,349,246</u></u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008

	Program Revenues			Governmental Activities	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Assets	
FUNCTIONS/PROGRAMS:					
Governmental activities:					
General government	\$ 1,516,047	\$ 116,332	\$ -	\$ -	\$ (1,399,715)
Public safety	3,610,699	1,044,649	-	-	(2,566,050)
Parks and recreation	507,966	50,925	-	76,285	(380,756)
Public works	1,640,272	1,296,891	-	39,867	(303,514)
Roadways	261,536	-	1,899,800	-	1,638,264
Community services	2,036,933	942,262	-	-	(1,094,671)
Interest and other debt service costs	340,250	-	-	-	(340,250)
Total governmental activities	\$ 9,913,703	\$ 3,451,059	\$ 1,899,800	\$ 116,152	(4,446,692)
General revenues:					
Ad-valorem taxes					3,920,509
Franchise fees					1,046,849
Intergovernmental, unrestricted					552,210
Utility taxes					589,629
Investment income					141,347
Miscellaneous					25,159
Total general revenues					6,275,703
Change in net assets					1,829,011
Net assets, beginning of year					47,520,235
Net assets, end of year					\$ 49,349,246

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

TOWN OF SOUTHWEST RANCHES, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2008

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Pooled cash, cash equivalents and investments	\$ 1,985,526	\$ 244,805	\$ 2,265,093	\$ 330,850	\$ 4,826,274
Accounts receivable - net	226,695	36,026	-	39,867	302,588
Prepaid items	46,875	-	-	-	46,875
Tree inventory	202,843	-	-	-	202,843
Other assets	50,000	-	-	15,000	65,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,511,939</u>	<u>\$ 280,831</u>	<u>\$ 2,265,093</u>	<u>\$ 385,717</u>	<u>\$ 5,443,580</u>
 LIABILITIES AND: FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 70,359	\$ 65,477	\$ -	\$ 9,377	\$ 145,213
Accrued payroll liabilities	16,496	-	-	-	16,496
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>86,855</u>	<u>65,477</u>	<u>-</u>	<u>9,377</u>	<u>161,709</u>
 Fund balances:					
Reserved for:					
Prepaid items	46,875	-	-	-	46,875
Tree inventory	202,843	-	-	-	202,843
Unreserved reported in:					
General Fund	2,175,366	-	-	-	2,175,366
Special Revenue Fund	-	215,354	-	-	215,354
Debt Service Fund	-	-	2,265,093	-	2,265,093
Capital Projects Fund:					
Designated for construction of public safety building	-	-	-	291,923	291,923
Undesignated	-	-	-	84,417	84,417
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,425,084</u>	<u>215,354</u>	<u>2,265,093</u>	<u>376,340</u>	<u>5,281,871</u>
Total liabilities and fund balances	<u>\$ 2,511,939</u>	<u>\$ 280,831</u>	<u>\$ 2,265,093</u>	<u>\$ 385,717</u>	<u>\$ 5,443,580</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2008

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 13 \$ 5,281,871

Amounts reported for governmental activities in the statement of net assets are difference because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$	60,382,924	
Less accumulated depreciation		<u>(9,139,002)</u>	51,243,922

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Deferred charge on debt issuance costs (to be amortized over the life of the debt)			50,120
Less accumulated amortization			<u>(14,890)</u>

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable			(93,010)
Governmental notes and loans payable			(7,018,493)
Capital lease payable			<u>(100,274)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 11 \$ 49,349,246

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

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Ad valorem taxes	\$ 3,920,509	\$ -	\$ -	\$ -	\$ 3,920,509
Utility taxes	944,019	-	-	-	944,019
Franchise fees	3,033,999	-	-	-	3,033,999
Licenses and permits	758,289	-	-	-	758,289
Intergovernmental	552,210	177,035	-	-	729,245
Fines and forfeitures	39,912	-	-	-	39,912
Grants	-	-	1,722,764	116,152	1,838,916
Sale of trees	50,925	-	-	-	50,925
Investment income	140,051	-	1,296	-	141,347
Miscellaneous	285,552	-	-	-	285,552
Total revenues	<u>9,725,466</u>	<u>177,035</u>	<u>1,724,060</u>	<u>116,152</u>	<u>11,742,713</u>
EXPENDITURES:					
Current:					
General government					
Town council	126,188	-	-	-	126,188
Town administrator	246,176	-	-	-	246,176
Finance	250,915	-	-	-	250,915
Town attorney	416,814	-	-	-	416,814
Town clerk	165,711	-	-	-	165,711
Administrative services	281,422	-	-	-	281,422
Total general government	<u>1,487,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,487,226</u>
Public safety					
Police	1,886,554	-	-	-	1,886,554
Fire	1,708,803	-	-	-	1,708,803
Total public safety	<u>3,595,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,595,357</u>
Community services					
Public works	2,036,933	-	-	-	2,036,933
Parks and recreation	1,164,999	-	-	-	1,164,999
Roadways	333,343	-	-	-	333,343
Capital outlay	-	261,536	-	-	261,536
Debt service:	-	-	-	561,314	561,314
Principal	11,158	-	3,095,000	-	3,106,158
Interest and fiscal charges	6,964	-	336,756	-	343,720
Total expenditures	<u>8,635,980</u>	<u>261,536</u>	<u>3,431,756</u>	<u>561,314</u>	<u>12,890,586</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
(continued)
For the Year Ended September 30, 2008

	General Fund	Transportation Fund	Debt Service Fund	Capital Project Fund	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	1,089,486	(84,501)	(1,707,696)	(445,162)	(1,147,873)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	200,000	435,562	650,000	1,285,562
Transfers out	(1,285,562)	-	-	-	(1,285,562)
Total other financing sources (uses)	(1,285,562)	200,000	435,562	650,000	-
Net change in fund balance	(196,076)	115,499	(1,272,134)	204,838	(1,147,873)
FUND BALANCES, BEGINNING OF YEAR	2,621,160	99,855	3,537,227	171,502	6,429,744
FUND BALANCES, END OF YEAR	\$ 2,425,084	\$ 215,354	\$ 2,265,093	\$ 376,340	\$ 5,281,871

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

**TOWN OF SOUTHWEST RANCHES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008**

NET CHANGES IN FUND BALANCE - TOTAL
GOVERNMENTAL FUNDS, PAGE 16 \$ (1,147,873)

Amounts reported for governmental activities in the statement of activities are difference because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital outlays	561,314
Less current year provision for depreciation	(694,059)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 3,106,158

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Provision for amortization of original issue premium	4,989
Change in accrued interest payable	2,032
Provision for amortization of debt issuance costs	(2,179)
Provision for amortization of underwriters discount	<u>(1,371)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12 \$ 1,829,011

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

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the Town of Southwest Ranches, Florida's (the Town) significant accounting policies is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The more significant of the Town's accounting policies are described below.

Financial reporting entity:

The Town is an instrumentality of the State of Florida, incorporated in accordance with House Bill No. 1777 on June 6, 2000, to carry on a centralized government. The Town Council, which is composed of four Council elected members and the elected Mayor, is responsible for legislative and fiscal control of the Town. The Town is governed under a Council/Administrator form of government. A Town Administrator is appointed by the Council and is responsible for administrative and fiscal control of the resources of the Town maintained in the funds.

The basic criteria for determining whether another organization should be included in the Town's reporting entity for basic financial statements are financial accountability. Financial accountability includes (1) the appointment of a voting majority of the organization's governing body, (2) the ability of the Town to impose its will on the organization, or (3) if there is a financial benefit/burden relationship. In addition, an organization, which is fiscally dependent on the Town, should be included in its reporting entity. A blended component unit, although a legally separate entity, is, in substance, part of the Town's operations and so data from this unit is combined with data of the Town. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Based upon the application of these criteria, there was no organization that met the criteria described above.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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 Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and for proprietary funds and fiduciary funds, if applicable, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. The Town's financial statements include only governmental funds.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental-fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within six months from the end of the current fiscal year, except for property taxes for which the period is sixty days from the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, utility taxes, franchise fees, 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. All other revenues items are considered to be measurable and available only when cash is received by the government.

The Town 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 Transportation Fund accounts for the receipt of the Town's portion of the state revenue sharing of the gasoline and local option gas taxes.

The Debt Service Fund accounts for the payment of long-term debt principal and interest.

The Capital Project Fund accounts for the acquisition of equipment and construction of major capital projects.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes whose purpose has not been restricted to a specific program.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then, unrestricted resources as they are needed.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents:

The Town maintains a pooled cash account for all funds. This enables the Town to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Equity in pooled cash and cash equivalents represents the amount owned by each fund of the Town.

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivable and payables:

Activity 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" (i.e., the non-current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Residual balances, if any, outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances."

Inventory and prepaids:

Inventory is valued at average cost using a specific identification method. Inventory of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Ad valorem taxes:

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Broward County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2008.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$ 10 per \$ 1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Broward County Property Appraiser, who incorporates the Town's millage into the total tax levy, which includes the County, County School Board and other agencies tax requirements. The millage rate assessed by the Town for the year ended September 30, 2008 was 3.000 mills (\$ 3.00 per \$ 1,000 of taxable assessed valuation).

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets:

Capital assets, which include land, construction in progress, infrastructure, improvements other than buildings, buildings, furniture and equipment, and leasehold improvements, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$ 750 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 on the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	10-40
Improvements other than buildings	10-20
Buildings	50
Furniture and equipment	5-20
Leasehold improvements	5

Long-term obligations:

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as debt issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Long-term debt is reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance 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.

Fund equity/net assets:

Government-wide financial statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes, loans, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

The Town does not have a written investment policy; however, it follows Florida Statute 218.415(17) which allows local governments electing not to adopt a written investment policy to invest or reinvest any surplus public funds in their control or possession in:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a national recognized rating agency
- Interest-bearing time deposits or savings accounts in qualified public depositories
- Direct obligations of the United States Treasury.

Deposits

During the year, the Town’s pooled cash was held in qualified depositories. At September 30, 2008, the carrying amount of the Town’s bank deposits was \$ 4,270,750. In addition to insurance provided by the Federal Deposit Insurance Corporation (“FDIC”), all cash in the bank is held in banking institutions approved by the State of Florida, State Treasurer to hold public funds.

Under the Florida Statutes Chapter 280, “Florida Security for Public Deposits Act,” the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to a determined percentage 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, United State Government 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.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

Since the Town uses only authorized public depositories, all funds deposited with financial institutions are FDIC insured and/or are fully collateralized and treated as insured.

Investments

The Town invests surplus funds in an external investment pool, the Local Governmental Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. During the year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("LGIP" and "Fund B").

The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Town's investment in the LGIP is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The LGIP is rated AAAM by Standard and Poors.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio. Fund B is not rated by any nationally recognized statistical rating agency.

The Town had the following investments as of September 30, 2008:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
LGIP	Weighted average days to maturity is 8.5 days	\$ 410,612
Fund B	Weighted average life is 9.36 years	\$ 144,912

NOTE 3 - INVENTORY

Inventory consists of trees acquired as a result of the Town's acquisition of a tract of land.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2008 was as follows:

	<u>Balance at October 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30, 2008</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 33,086,540	\$ -	\$ -	\$ 33,086,540
Construction in progress	<u>4,211,039</u>	<u>549,559</u>	<u>-</u>	<u>4,760,598</u>
Total capital assets, not being depreciated	<u>37,297,579</u>	<u>549,559</u>	<u>-</u>	<u>37,847,138</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 4 - CAPITAL ASSETS (continued)

	Balance at October 1, 2007	Additions	Deletions	Balance at September 30, 2008
Capital assets, being depreciated:				
Infrastructure	18,348,236	-	-	18,348,236
Improvements other than buildings	2,862,768	11,755	-	2,874,523
Buildings	700,801	-	-	700,801
Furniture and equipment	492,549	-	-	492,549
Leasehold improvements	119,677	-	-	119,677
	<u>22,524,031</u>	<u>11,755</u>	<u>-</u>	<u>22,535,786</u>
Total capital assets being depreciated				
	<u>59,821,610</u>	<u>561,314</u>	<u>-</u>	<u>60,382,924</u>
Total capital assets				
Less accumulated depreciation for:				
Infrastructure	7,637,481	479,824	-	8,117,305
Improvements other than buildings	556,579	157,402	-	713,981
Buildings	16,083	4,595	-	20,678
Furniture and equipment	126,487	46,656	-	173,143
Leasehold improvements	108,313	5,582	-	113,895
	<u>8,444,943</u>	<u>694,059</u>	<u>-</u>	<u>9,139,002</u>
Total accumulated depreciation				
	<u>14,079,088</u>	<u>(682,304)</u>	<u>-</u>	<u>13,396,784</u>
Total capital assets, being depreciated, net				
Governmental activities capital assets, net	\$ <u>51,376,667</u>	\$ <u>(132,745)</u>	\$ <u>-</u>	\$ <u>51,243,922</u>

Provision for depreciation was charged to functions/programs of the Town as follows:

Public works	\$ 475,273
Parks and recreation	174,623
General government	28,821
Public safety	15,342
	<u>\$ 694,059</u>

NOTE 5 - RECEIVABLES AND PAYABLES

Receivables at September 30, 2008 were as follows:

	Grants	Taxes and Fees	Total
Governmental activities:			
General Fund	\$ -	\$ 226,695	\$ 226,695
Transportation Fund	-	36,026	36,026
Capital Project Fund	39,867	-	39,867
	<u>39,867</u>	<u>-</u>	<u>39,867</u>
Total governmental activities	\$ <u>39,867</u>	\$ <u>262,721</u>	\$ <u>302,588</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 5 - RECEIVABLES AND PAYABLES (continued)

Payables at September 30, 2008 were as follows:

	<u>Vendors</u>	<u>Other Governments</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 69,772	\$ 587	\$ 70,359
Transportation Fund	65,477	-	65,477
Capital Project Fund	<u>9,377</u>	<u>-</u>	<u>9,377</u>
Total governmental activities	<u>\$ 144,626</u>	<u>\$ 587</u>	<u>\$ 145,213</u>

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers during fiscal year 2008 consisted of the following:

	<u>Transportation Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
General Fund	\$ <u>200,000</u>	\$ <u>435,562</u>	\$ <u>650,000</u>	\$ <u>1,285,562</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

NOTE 7 - LONG-TERM DEBT

Florida Municipal Loan Council

The Town previously entered into a loan agreement with the Florida Municipal Loan Council funded from proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2001A (the Bonds) for a total of \$ 5,099,752 (\$ 4,985,000 par amount of the Bonds plus a \$ 114,752 re-offering premium). The loan requires semi-annual payments of interest at varying rates on May and November of each fiscal year and principal payment of varying amounts on November of each fiscal year through November 1, 2031. The interest rate at September 30, 2008 was 4.84%. Proceeds of the loan were used for the payoff of outstanding obligations, acquisition of certain parks and recreational land and construction of improvements and recreational facilities. As security for loan repayment, the Town covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement. During 2008, the Town was in compliance with this covenant.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 7 - LONG-TERM DEBT (continued)

The annual requirements to pay principal and interest on this obligation as of September 30, 2008 are as follows:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 100,000	\$ 221,325	\$ 321,325
2010	105,000	216,200	321,200
2011	110,000	210,825	320,825
2012	115,000	205,200	320,200
2013	120,000	199,325	319,325
2014-2018	705,000	892,031	1,597,031
2019-2023	905,000	688,406	1,593,406
2024-2028	1,155,000	436,125	1,591,125
2029-2032	1,145,000	117,875	1,262,875
	<u>\$ 4,460,000</u>	<u>\$ 3,187,312</u>	<u>\$ 7,647,312</u>

Notes Payable

The Town previously entered into pooled commercial paper loan agreement with the Florida Local Government Finance Commission for total available funds of \$ 13,000,000 to finance the acquisition of property for the Town's capital improvement program. The loans are collateralized by the Town's non-ad valorem revenues. Interest rates fluctuated during the year from 1.52% to 3.60% and were applied and paid monthly on the outstanding Note balance. Other loan costs include various administrative fees and draw down costs of \$ 2,000 for each \$ 1,000,000 of draw down. During the year, there were no draw downs and \$ 3,000,000 was repaid. The outstanding balance under this agreement for the year ended September 30, 2008 is \$ 2,500,000 which is due on December 6, 2011.

Changes in long-term debt during the year were as follows:

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2008</u>	<u>Due Within One Year</u>
Note payable	\$ 10,055,000	\$ -	\$ (3,095,000)	\$ 6,960,000	\$ 100,000
Add amortized reoffering premium	85,649	-	(4,989)	80,660	-
Less unamortized underwriters discount	(23,538)	-	1,371	(22,167)	-
Capital lease payable	111,432	-	(11,158)	100,274	11,855
	<u>\$ 10,228,543</u>	<u>\$ -</u>	<u>\$ (3,109,776)</u>	<u>\$ 7,118,767</u>	<u>\$ 111,855</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 8 - LEASES

Capital leases

The Town previously entered into a lease agreement for financing the acquisition of a 1995 Pierce Quantum Custom Pumper for the Volunteer Fire Department in the amount of \$ 124,000. The Town is leasing the vehicle in order to sublease to the Volunteer Fire Department at \$ 10 per year. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2008 were as follows:

<u>Year ending September 30</u>	<u>Principal</u>
2009	\$ 18,122
2010	18,122
2011	18,122
2012	18,122
2013	18,122
2014-2015	<u>36,244</u>
Total minimum lease payments	126,854
Less interest portion	<u>26,580</u>
Present value of minimum lease payments	<u>\$ 100,274</u>

Town Hall Operating Lease Agreement

The Town previously entered into a lease agreement with South Broward Drainage District that expires in June 2009. Under the agreement, the Town paid a \$ 115,000 non-refundable three-year lease payment and a refundable \$ 50,000 security deposit.

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Agreement with Broward County for Local Police Patrol Services

The Town previously entered into an agreement with the Broward County Sheriff's Office (BSO) for local police patrol services through September 30, 2011. The Town incurred expenditures of \$ 1,886,554 for police services under this contract for the fiscal year ended September 30, 2008. The following years will not increase more than 5% over the total budgeted costs for the same items in the preceding year.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

Interlocal Agreement with the Town of Davie for Delivery of Emergency Medical and Fire Protection Services

The Town previously entered into an interlocal agreement with the Town of Davie for the delivery of emergency medical and fire protection services to the eastern portion of the Town. The initial term of the agreement is from October 1, 2006 to September 30, 2008, with two additional one-year periods, which renew automatically unless terminated by either party. Fees will increase by a minimum of 5% per year, not to exceed the consumer price index. The Town paid \$ 420,865 under this contract for the fiscal year ended September 30, 2008.

Interlocal Agreement with Broward County for Delivery of Emergency Medical and Fire Protection Services

The Town previously entered into an agreement with the Sherriff of Broward County to provide emergency medical and fire protection services to the western portion of the Town through September 30, 2008. During the year, the Town extended the agreement through September 30, 2013. The Town paid \$ 1,200,000 under this contract for the fiscal year ended September 30, 2008. The fee for these services for the year ending September 30, 2009 will be \$ 3,591,304. The following years will not increase more than 5% over the total budgeted costs for the same items in the preceding year.

Agreement with Southwest Ranches Volunteer Fire-Rescue, Inc. for Fire Rescue Services

The Town previously entered into an agreement with Southwest Ranches Volunteer Fire-Rescue, Inc. (Volunteer Fire Department) for fire rescue services. The agreement automatically renews for one-year periods unless terminated by either party. The Town paid \$ 87,938 under this agreement for the fiscal year ended September 30, 2008.

Agreement for Plans Review and Building Inspection Services

During the year, the Town entered into a service agreement with a provider effective November 1, 2006 through October 31, 2009. The amount of compensation is based on rates and schedules set forth in the agreement with yearly increases equal to the consumer price index increase with a maximum annual increase of 3%. For the year ended September 30, 2008, the Town paid \$ 530,124 for these services.

Agreement for Development Management and Zoning Code Services

The Town previously entered into an agreement with a consultant to provide planning and zoning services on a full cost recovery fee structure. This agreement, which was set to expire September 30, 2008, was extended for six months to March 31, 2009. For the year ended September 30, 2008, the Town paid \$ 491,239 for these services.

Agreement for Code Compliance Services

The Town previously entered into a service agreement with a provider for the provision of code compliance services. The Company will provide code compliance services and act as the Code Compliance Official of the Town. The term of the agreement is through October 2009 with extensions approved by the Town and the Company. The contract provided for an annual fee of \$ 196,000 with annual fee increases of five percent (5%). For the year ended September 30, 2008, the Town paid \$ 210,703 for these services. Either party may terminate this agreement upon providing 90 days written notice. Subsequent to year end, this agreement was modified to provide for an annual fee of \$ 201,000 for the period from February 19, 2009 through February 19, 2012.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

Agreement for Engineering Services

The Town previously entered into an agreement with a consultant to provide engineering services. This agreement which was set to expire September 30, 2008 was extended to March 31, 2009. For the year ended September 30, 2008, the Town paid \$ 361,585 for these services.

Grant Consulting Agreements

The Town previously entered into an agreement with a consultant for grant writing and other grant related consulting services. The term of this agreement was for a period of four years, and the agreement may be extended or renewed by mutual agreement of both parties. Total compensation under this agreement is \$ 156,000 per year plus reimbursable out of pocket costs. However, when the cumulative value of the various grant awards (grants received as per amended agreement) equals a minimum increment of \$ 1,000,000, the consultant will be compensated an additional \$ 15,000 for grant administration. This agreement was terminated during the year ending September 30, 2008. For the year ended September 30, 2008, the Town paid \$ 78,800 for these services.

Town Administration Agreement

The agreement with the Town Administrator has no definite term and shall continue until termination at \$ 166,000 per year plus benefits. The Town may increase the base salary and/or benefits of the Administrator based on performance and/or increases in the cost of living index. The Town Administrator, however, resigned September 30, 2008. The Town has hired an Interim Administrator to continue conducting the Town's business until the position is filled.

Litigation

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

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 Town. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2008

NOTE 11 - RETIREMENT PLANS

The Town offers a Deferred Compensation Plan to its employees. The Town 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 Town's financial statements. The Plan is administered by the ICMA Retirement Corporation.

The Town does not provide any post-retirement benefits to its employees.

NOTE 12 - SUBSEQUENT EVENT

The Town has been made aware of certain potential compliance issues involving one or more of its tax-exempt bonds. The Town has initiated a review of these transactions through its internal audit function. While the Town has not determined if a liability exists as of this report date, it does believe that its unreserved and undesignated fund balance would be available to liquidate in part or in whole any amounts subsequently determined to be owed.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF SOUTHWEST RANCHES, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended September 30, 2008

	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>
REVENUES:				
Ad valorem taxes	\$ 3,832,270	\$ 3,832,270	\$ 3,920,509	\$ 88,239
Utility taxes	780,000	780,000	944,019	164,019
Franchise fees	2,872,359	2,872,359	3,033,999	161,640
Licenses and permits	933,000	933,000	758,289	(174,711)
Intergovernmental	620,000	620,000	552,210	(67,790)
Fines and forfeitures	30,000	30,000	39,912	9,912
Sale of trees	150,000	150,000	50,925	(99,075)
Investment income	250,000	250,000	140,051	(109,949)
Miscellaneous	219,500	219,500	285,552	66,052
Total revenues	<u>9,687,129</u>	<u>9,687,129</u>	<u>9,725,466</u>	<u>38,337</u>
EXPENDITURES:				
Current:				
General government:				
Town council	184,500	184,500	126,188	58,312
Town administrator	281,800	281,800	246,176	35,624
Finance	266,300	266,300	250,915	15,385
Town attorney	322,000	413,900	416,814	(2,914)
Town clerk	211,500	211,500	165,711	45,789
Administrative services	296,165	296,165	281,422	14,743
Total general government	<u>1,562,265</u>	<u>1,654,165</u>	<u>1,487,226</u>	<u>166,939</u>
Public safety:				
Police	1,887,000	1,887,000	1,886,554	446
Fire	1,777,750	1,777,750	1,708,803	68,947
Total public safety	<u>3,664,750</u>	<u>3,664,750</u>	<u>3,595,357</u>	<u>69,393</u>
Community services	2,170,000	2,170,000	2,036,933	133,067
Public works	1,242,588	1,242,588	1,164,999	77,589
Parks and recreation	347,526	347,526	333,343	14,183
Debt service:				
Principal	-	-	11,158	(11,158)
Interest	-	-	6,964	(6,964)
Total expenditures	<u>8,987,129</u>	<u>9,079,029</u>	<u>8,635,980</u>	<u>443,049</u>
Excess of revenues over expenditures	700,000	608,100	1,089,486	481,386

TOWN OF SOUTHWEST RANCHES, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(1,285,562)</u>	<u>(585,562)</u>
Total other financing sources (uses)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(1,285,562)</u>	<u>(585,562)</u>
Net change in fund balance	-	(91,900)	(196,076)	(104,176)
FUND BALANCES, BEGINNING OF YEAR	<u>2,621,160</u>	<u>2,621,160</u>	<u>2,621,160</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,621,160</u>	<u>\$ 2,529,260</u>	<u>\$ 2,425,084</u>	<u>\$ (104,176)</u>

The accompanying notes to budgetary schedule are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
BUDGETARY COMPARISON SCHEDULE -
TRANSPORTATION FUND
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental:				
Local option gas tax	\$ 140,000	\$ 140,000	\$ 134,338	\$ (5,662)
State revenue sharing	50,000	50,000	42,697	(7,303)
Total revenues	<u>190,000</u>	<u>190,000</u>	<u>177,035</u>	<u>(12,965)</u>
EXPENDITURES:				
Current:				
Roadways	459,200	459,200	261,536	197,664
Total expenditures	<u>459,200</u>	<u>459,200</u>	<u>261,536</u>	<u>197,664</u>
Excess (deficiency) of revenues over (under) expenditures	(269,200)	(269,200)	(84,501)	184,699
OTHER FINANCING SOURCES:				
Transfers in	200,000	200,000	200,000	-
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(69,200)	(69,200)	115,499	184,699
FUND BALANCE, BEGINNING OF YEAR	<u>99,855</u>	<u>99,855</u>	<u>99,855</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 30,655</u>	<u>\$ 30,655</u>	<u>\$ 215,354</u>	<u>\$ 184,699</u>

The accompanying notes to budgetary schedule are an integral part of these statements.

TOWN OF SOUTHWEST RANCHES, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
September 30, 2008

The Town follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements.

a. Budgets and Budgetary Accounting

- a. Prior to September 1, the Town Administrator submits to the Town Council a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Upon request of the Town Administrator, the Town Council, in the form of a resolution, may amend the budget, make changes between funds or from a reserve, and increase or decrease a fund. The Town Administrator may make changes within a department. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.
- e. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, Debt Service Fund and Capital Project Fund on a basis consistent with accounting principles generally accepted in the United States of America.
- f. The reported budgetary data represents the final approved budget after amendments adopted by the Town Council.

b. Excess of Expenditures over Appropriations

Expenditures exceeded the budget in the General Fund for the fiscal year ended September 30, 2008 at the following department level, which is the legally controlled level of appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Amount in Excess of Final Budget</u>
Town attorney	\$ 413,900	\$ 416,814	\$ (2,914)

These expenditures were covered by greater than anticipated revenues.

**OTHER
FINANCIAL INFORMATION**

TOWN OF SOUTHWEST RANCHES, FLORIDA
BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grants	\$ -	\$ -	\$ 1,722,764	\$ 1,722,764
Investment income	-	-	1,296	1,296
Total revenues	<u>-</u>	<u>-</u>	<u>1,724,060</u>	<u>1,724,060</u>
EXPENDITURES:				
Debt service:				
Principal	3,095,000	3,095,000	3,095,000	-
Interest and fiscal charges	380,632	380,632	336,756	43,876
Total expenditures	<u>3,475,632</u>	<u>3,475,632</u>	<u>3,431,756</u>	<u>43,876</u>
Excess (deficiency) of revenues over (under) expenditures	(3,475,632)	(3,475,632)	(1,707,696)	1,767,936
OTHER FINANCING SOURCES:				
Transfers in	450,000	450,000	435,562	(14,438)
Total other financing sources	<u>450,000</u>	<u>450,000</u>	<u>435,562</u>	<u>(14,438)</u>
Net change in fund balance	(3,025,632)	(3,025,632)	(1,272,134)	1,753,498
FUND BALANCE, BEGINNING OF YEAR	<u>3,537,227</u>	<u>3,537,227</u>	<u>3,537,227</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 511,595</u>	<u>\$ 511,595</u>	<u>\$ 2,265,093</u>	<u>\$ 1,753,498</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
BUDGETARY COMPARISON SCHEDULE -
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grants	\$ 427,470	\$ 427,470	\$ 116,152	\$ (311,318)
Total revenues	<u>427,470</u>	<u>427,470</u>	<u>116,152</u>	<u>(311,318)</u>
EXPENDITURES:				
Current:				
Capital outlay	<u>3,207,270</u>	<u>3,207,270</u>	<u>561,314</u>	<u>2,645,956</u>
Total expenditures	<u>3,207,270</u>	<u>3,207,270</u>	<u>561,314</u>	<u>2,645,956</u>
Excess (deficiency) of revenues over (under) expenditures	(2,779,800)	(2,779,800)	(445,162)	2,334,638
OTHER FINANCING SOURCES:				
Transfers in	50,000	50,000	650,000	600,000
Loan proceeds	<u>2,129,800</u>	<u>2,129,800</u>	<u>-</u>	<u>(2,129,800)</u>
Total other financing sources	<u>2,179,800</u>	<u>2,179,800</u>	<u>650,000</u>	<u>(1,529,800)</u>
Net change in fund balance	(600,000)	(600,000)	204,838	804,838
FUND BALANCE, BEGINNING OF YEAR	<u>171,502</u>	<u>171,502</u>	<u>171,502</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ (428,498)</u>	<u>\$ (428,498)</u>	<u>\$ 376,340</u>	<u>\$ 804,838</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

TOWN OF SOUTHWEST RANCHES, FLORIDA
STATISTICAL SECTION
For the Year Ended September 30, 2008

CONTENTS	<u>PAGES</u>
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the Town's financial performance and condition have changed over time.	37-44
REVENUE CAPACITY	
These schedules contain information to help the reader assess the Town's most significant local revenue source - the property tax.	45-48
DEBT CAPACITY	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	49-53
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	54-55
OPERATING INFORMATION	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	56-58

TOWN OF SOUTHWEST RANCHES, FLORIDA
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003
GOVERNMENTAL ACTIVITIES:		
Invested in capital assets, net of related debt	\$ 3,433,636	\$ 3,515,277
Restricted	240,357	392,119
Unrestricted	879,925	4,465,382
Total governmental activities net assets	\$ 4,553,918	\$ 8,372,778

Note: The Town implemented GASB 34 in fiscal years 2002; schedules presenting government-wide information include information beginning in that year.

Table 1

		Fiscal year							
		2004	2005	2006	2007	2008			
\$	11,367,768	\$	38,284,247	\$	40,644,914	\$	41,185,533	\$	44,125,155
	-		-		-		-		-
	<u>5,303,794</u>		<u>6,815,918</u>		<u>6,464,986</u>		<u>6,334,702</u>		<u>5,224,091</u>
\$	<u><u>16,671,562</u></u>	\$	<u><u>45,100,165</u></u>	\$	<u><u>47,109,900</u></u>	\$	<u><u>47,520,235</u></u>	\$	<u><u>49,349,246</u></u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003
EXPENSES:		
Governmental activities:		
General government	\$ 877,242	\$ 392,119
Public safety	1,947,075	-
Community services	687,405	-
Public works	135,620	-
Parks and recreation	2,959	-
Nondepartmental	28,131	-
Interest and other debt service costs	258,654	-
Roadways and hurricane related expenses	-	4,465,382
Total governmental activities expenses	\$ 3,937,086	\$ 4,857,501
PROGRAM REVENUES:		
Governmental activities:		
Charges for services		
General government	\$ 270,239	\$ -
Public safety	525,240	499,817
Community development	-	234,345
Parks and recreation	-	-
Public works	-	728,150
Operating grants and contributions	-	-
Capital grants and contributions	-	-
Total governmental activities program revenues	\$ 795,479	\$ 1,462,312
NET REVENUES (EXPENSES):		
Governmental activities	\$ (3,141,607)	\$ (3,395,189)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:		
Governmental activities:		
Property taxes	\$ 1,801,116	\$ 1,956,415
Utility taxes	620,734	657,677
Franchise taxes	351,056	391,293
Intergovernmental	768,905	665,240
Investment income	104,542	143,596
Miscellaneous	-	-
Special item, gain on sale of land held for investment	-	-
Total governmental activities general revenues and other changes in net assets	\$ 3,646,353	\$ 3,814,221
CHANGE IN NET ASSETS:		
Governmental activities	\$ 504,746	\$ 419,032

Note 1: The Town implemented GASB 34 in fiscal years 2002; schedules presenting government-wide information include information beginning in that year.

Table 2

		Fiscal year							
		2004	2005	2006	2007	2008			
\$	835,810	\$	1,783,732	\$	1,407,916	\$	1,635,441	\$	1,516,047
	2,111,633		2,271,390		2,466,655		2,516,793		3,610,699
	1,023,169		1,018,218		1,200,384		1,796,043		2,036,933
	938,493		1,992,753		1,269,187		1,089,096		1,640,272
	132,391		240,120		484,684		430,541		507,966
	140,085		262,431		29,897		33,204		-
	394,403		431,092		632,381		498,034		340,250
	-		-		12,107,067		326,384		261,536
\$	<u>5,575,984</u>	\$	<u>7,999,736</u>	\$	<u>19,598,171</u>	\$	<u>8,325,536</u>	\$	<u>9,913,703</u>
\$	-	\$	-	\$	239,541	\$	288,755	\$	116,332
	510,517		513,438		1,006,275		609,733		1,044,649
	354,718		296,036		306,516		860,578		942,262
	-		-		291,084		133,980		50,925
	588,690		613,610		651,572		628,844		1,296,891
	-		1,044,829		10,414,610		188,280		1,899,800
	7,967,899		9,932,927		603,445		93,628		116,152
\$	<u>9,421,824</u>	\$	<u>12,400,840</u>	\$	<u>13,513,043</u>	\$	<u>2,803,798</u>	\$	<u>5,467,011</u>
\$	<u>3,845,840</u>	\$	<u>4,401,104</u>	\$	<u>(6,085,128)</u>	\$	<u>(5,521,738)</u>	\$	<u>(4,446,692)</u>
\$	2,122,694	\$	2,503,780	\$	2,969,270	\$	3,488,788	\$	3,920,509
	479,391		496,246		521,151		583,190		589,629
	542,625		667,075		808,273		853,267		1,046,849
	956,848		(261,264)		652,622		583,506		552,210
	351,386		455,003		227,190		300,938		141,347
	-		-		9,693		132,727		25,159
	-		-		2,906,664		-		-
\$	<u>4,452,944</u>	\$	<u>3,860,840</u>	\$	<u>8,094,863</u>	\$	<u>5,942,416</u>	\$	<u>6,275,703</u>
\$	<u>8,298,784</u>	\$	<u>8,261,944</u>	\$	<u>2,009,735</u>	\$	<u>420,678</u>	\$	<u>1,829,011</u>

* In fiscal year 2006 roadways and hurricane-related expenses and grants show significant increases due to cleanup and repair costs resulting from Hurricanes Katrina and Wilma and related reimbursements from Federal and state sources.

TOWN OF SOUTHWEST RANCHES, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
GENERAL FUND:			
Reserved	\$ -	\$ 1,310,245	\$ 492,944
Unreserved	<u>723,900</u>	<u>941,996</u>	<u>2,349,106</u>
Total General Fund	<u>\$ 723,900</u>	<u>\$ 2,252,241</u>	<u>\$ 2,842,050</u>
 ALL OTHER GOVERNMENTAL FUNDS:			
Reserved	\$ 187,513	\$ 240,357	\$ 2,070,151
Unreserved, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 187,513</u>	<u>\$ 240,357</u>	<u>\$ 2,070,151</u>

Table 3

		Fiscal year							
		2004	2005	2006	2007	2008			
\$	1,115,853	\$	592,440	\$	286,878	\$	226,480	\$	249,718
	<u>3,216,108</u>		<u>4,354,075</u>		<u>2,136,993</u>		<u>2,394,680</u>		<u>2,175,366</u>
\$	<u>4,331,961</u>	\$	<u>4,946,515</u>	\$	<u>2,423,871</u>	\$	<u>2,621,160</u>	\$	<u>2,425,084</u>
\$	946,754	\$	1,899,795	\$	-	\$	-	\$	-
	83,710		26,166		140,535		99,855		215,354
	-		-		307,120		171,502		376,340
	<u>-</u>		<u>-</u>		<u>4,000,000</u>		<u>3,537,227</u>		<u>2,265,093</u>
\$	<u>1,030,464</u>	\$	<u>1,925,961</u>	\$	<u>4,447,655</u>	\$	<u>3,808,584</u>	\$	<u>2,856,787</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES:			
Ad valorem taxes	\$ 2,147,639	\$ 1,801,116	\$ 1,956,415
Utility taxes	402,890	620,734	657,677
Franchise fees	351,016	832,434	1,582,039
Licenses and permits	130,123	270,239	234,345
Intergovernmental	810,224	768,905	665,240
Fines and forfeitures	15,015	43,862	37,221
Public safety fee	-	-	-
Grants	-	683,772	3,125,694
Investment income	35,669	53,034	84,326
Donated property	-	-	-
Sale of trees	-	-	-
Miscellaneous	28,204	47,350	59,270
Total revenues	<u>3,920,780</u>	<u>5,121,446</u>	<u>8,402,227</u>
EXPENDITURES:			
Current:			
General government	592,945	813,146	712,464
Public safety	1,840,665	1,947,075	2,024,690
Community services	235,900	687,405	767,903
Public works	14,845	135,620	614,965
Parks and recreation	46,386	-	-
Roadways and hurricane related expenses	-	-	-
Nondepartmental	58,920	28,131	54,929
Capital outlay	3,975,000	3,014,917	1,377,338
Debt service:			
Principal	19,868	3,780,132	90,000
Interest and fiscal charges	24,838	198,399	340,335
Total expenditures	<u>6,809,367</u>	<u>10,604,825</u>	<u>5,982,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,888,587)</u>	<u>(5,483,379)</u>	<u>2,419,603</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from borrowings	3,800,000	7,068,216	-
Transfers in	-	-	-
Transfers out	-	-	-
Special item, proceeds from sale of land held for investment	-	-	-
Total other financing sources	<u>3,800,000</u>	<u>7,068,216</u>	<u>-</u>
Net change in fund balances	<u>\$ 911,413</u>	<u>\$ 1,584,837</u>	<u>\$ 2,419,603</u>
Debt service as a percentage of noncapital expenditures	1.58%	52.42%	9.34%

Table 4

		Fiscal year							
		2004	2005	2006	2007	2008			
\$	2,122,694	\$	2,503,780	\$	2,969,270	\$	3,488,788	\$	3,920,509
	613,281		726,384		774,202		817,053		944,019
	1,473,785		1,535,458		1,681,917		1,757,981		3,033,999
	354,718		296,036		306,517		860,578		758,289
	956,848		783,565		861,911		769,933		729,245
	34,157		28,527		37,095		40,416		39,912
	-		-		500,000		100,000		-
	7,637,359		9,932,927		10,458,766		93,628		1,838,916
	46,755		154,437		227,190		300,938		141,347
	-		-		350,000		-		-
	-		-		291,084		133,980		50,925
	304,631		300,566		243,290		382,919		285,552
	<u>13,544,228</u>		<u>16,261,680</u>		<u>18,701,242</u>		<u>8,746,214</u>		<u>11,742,713</u>
	788,257		1,274,071		2,879,193		2,156,924		1,487,226
	2,111,633		2,271,390		2,463,714		2,513,851		3,595,357
	1,023,169		1,018,218		1,200,384		1,796,043		2,036,933
	938,493		1,992,753		798,002		613,822		1,164,999
	46,715		83,528		669,365		256,775		333,343
	-		-		12,107,067		326,384		261,536
	106,927		202,414		29,897		33,204		-
	9,269,515		10,364,292		1,207,509		408,574		561,314
	7,213,000		6,111,000		12,121,000		702,568		3,106,158
	427,248		493,963		632,725		503,851		343,720
	<u>21,924,957</u>		<u>23,811,629</u>		<u>34,108,856</u>		<u>9,311,996</u>		<u>12,890,586</u>
	<u>(8,380,729)</u>		<u>(7,549,949)</u>		<u>(15,407,614)</u>		<u>(565,782)</u>		<u>(1,147,873)</u>
	7,735,000		9,060,000		12,500,000		124,000		-
	8,736,201		6,887,473		1,853,858		1,163,929		1,285,562
	(7,640,248)		(6,887,473)		(1,853,858)		(1,163,929)		(1,285,562)
	-		-		2,906,664		-		-
	<u>8,830,953</u>		<u>9,060,000</u>		<u>15,406,664</u>		<u>124,000</u>		<u>-</u>
\$	<u>450,224</u>	\$	<u>1,510,051</u>	\$	<u>(950)</u>	\$	<u>(441,782)</u>	\$	<u>(1,147,873)</u>
	60.37%		49.12%		38.76%		14.46%		27.98%

* In fiscal year 2006 roadways and hurricane-related expenses and grants show significant increases due to cleanup and repair costs resulting from Hurricanes Katrina and Wilma and related reimbursements from Federal and state sources.

Table 5

TOWN OF SOUTHWEST RANCHES, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST EIGHT FISCAL YEARS

Fiscal Year	Real Property				Other *	Less: Tax Exemptions	Total Taxable Assessed Value		City Direct Tax Rate	Estimated Actual Taxable Value		Total Assessed Value as a Percentage of Taxable Value
	Residential Property	Commercial Property	Agricultural Property				Total Taxable Assessed Value	Estimated Actual Taxable Value				
2001	\$ 502,619,460	\$ 25,967,180	\$ 26,495,060	\$ 62,893,220	\$ 87,165,070	\$ 530,809,850	\$ 3,8933	\$ 719,633,840	73.76%			
2002	551,483,070	33,787,570	27,752,980	62,023,510	88,930,980	586,116,150	3.0000	816,123,530	71.82%			
2003	585,048,740	36,834,000	34,310,920	75,192,820	95,548,810	635,837,670	3.0000	918,699,250	69.21%			
2004	662,758,600	36,289,080	41,327,320	81,646,430	104,762,670	717,258,760	3.0000	1,110,938,100	64.56%			
2005	756,171,580	42,443,670	52,954,300	95,855,510	114,463,270	832,961,790	3.0000	1,409,526,290	59.10%			
2006	870,957,250	43,611,080	77,048,140	120,602,350	132,610,750	979,608,070	3.0000	1,744,136,030	56.17%			
2007	1,035,199,580	42,806,840	92,866,510	165,784,980	160,240,810	1,176,417,100	3.0000	2,193,486,030	53.63%			
2008	1,133,026,110	48,149,810	113,362,770	174,232,920	171,546,310	1,297,225,300	3.0000	2,503,738,910	51.81%			

Source: Broward County Property Appraiser's Office

* Other includes: industrial, institutional, government, miscellaneous and non-agricultural acreage.

TOWN OF SOUTHWEST RANCHES, FLORIDA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST EIGHT FISCAL YEARS

Fiscal Year	City Direct Rate	Overlapping County District Rates						
		Broward County	Broward School District	South Florida		Florida		South Broward Hospital District
				Water Management District	Inland Navigation District	Child Services Council		
2001	\$ 3.8933	\$ 7.5250	\$ 8.9553	\$ 0.6970	\$ 0.0410	\$ -	1.9939	
2002	3.0000	7.4005	8.7541	0.6970	0.0385	0.3055	1.8694	
2003	3.0000	7.3650	8.8825	0.6970	0.0385	0.3316	1.7336	
2004	3.0000	7.1880	8.4176	0.6970	0.0385	0.3920	1.7336	
2005	3.0000	7.0230	8.2695	0.6970	0.0385	0.4231	1.5761	
2006	3.0000	6.7830	8.0623	0.6970	0.0385	0.4231	1.4500	
2007	3.0000	6.0661	7.8687	0.6970	0.0385	0.4073	1.3300	
2008	3.0000	5.2868	7.6484	0.6240	0.0345	0.3572	1.1643	

Source: Broward County Property Appraiser's Office

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

Table 7

**TOWN OF SOUTHWEST RANCHES, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FOUR YEARS AGO**

Taxpayer	Current Year		Four Years Ago		Current Year		Four Years Ago	
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank
Florida Power and Light Co.	\$ 34,950,811	1	2.69%	\$ 28,599,855	1	3.99%		
Lowes Home Centers, Inc.	15,240,060	2	1.17%	15,579,200	2	2.17%		
Landmark Custom Ranches, LLC	14,252,670	3	1.10%	7,332,730	5	1.02%		
U.S. Retail Income Fund VLP	14,238,300	4	1.10%	13,177,420	3	-		
SCI Funeral Services of Florida, Inc.	7,984,960	5	0.62%	8,544,320	4	1.19%		
U-Store-It LP	7,374,960	6	0.75%	-	-	-		
Raymond and Baidwatte Moses	5,675,820	7	0.44%	-	-	-		
Nathan and Jacqueline Finkel	5,103,660	8	0.39%	3,274,250	7	0.46%		
Stone Creek at Sunshine Ranches, LLC	4,624,090	9	0.36%	3,189,290	9	0.44%		
Jerome James	4,380,180	10	0.34%	-	-	-		
Republica Musicana, Inc.				4,287,250	6	0.60%		
Tom and Denise Foley				3,267,080	8	0.46%		
Edward and Mary Lieberman				3,183,910	10	0.44%		
Total	\$ 113,825,511		8.96%	\$ 90,435,305		10.77%		

Source: Broward County Revenue Collector's Office

Note: Information prior to 2004 not available.

Table 8

**TOWN OF SOUTHWEST RANCHES, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT FISCAL YEARS**

Fiscal Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 2,582,462	\$ 2,222,444	86.06%	*	\$ 2,222,444	86.08%
2002	1,866,024	1,854,513	99.38%	*	1,854,513	99.38%
2003	1,989,269	2,012,706	101.18%	*	2,012,706	101.18%
2004	2,257,314	2,263,059	100.25%	*	2,263,059	100.25%
2005	2,616,800	2,592,473	99.07%	*	2,592,473	99.07%
2006	3,056,742	3,056,846	100.00%	*	3,056,846	100.00%
2007	3,651,838	3,634,344	99.52%	*	3,634,344	99.52%
2008	4,033,970	4,031,568	99.94%	*	4,031,568	99.94%

Source: Broward County Property Appraiser's Office

* Information is not available

Table 9

**TOWN OF SOUTHWEST RANCHES, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS**

Fiscal Year	Governmental Activities										Estimated Population	Per Capital
	Florida					Local						
	General Obligation Bonds	Florida Municipal Loan Council Revenue Bonds	Government Finance Commission Loans	Bank Notes	Capital Leases	Total Primary Government	Government Finance Commission Loans	Bank Notes	Capital Leases	Total Primary Government		
2001	\$ -	\$ -	\$ -	\$ 3,780,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,780,132	7,192	\$ 526
2002	-	5,095,594	-	2,000,000	-	-	-	-	-	7,095,594	7,352	965
2003	-	5,090,605	-	2,000,000	-	-	-	-	-	7,090,605	7,415	956
2004	-	4,915,616	2,602,000	-	-	-	-	-	-	7,517,616	7,443	1,010
2005	-	4,825,627	5,036,000	600,000	-	-	-	-	-	10,461,627	7,447	1,405
2006	-	4,735,638	5,500,000	600,000	-	-	-	-	-	10,835,638	7,415	1,461
2007	-	4,640,649	5,500,000	-	111,432	-	-	-	111,432	10,252,081	8,461	1,212
2008	-	4,540,660	2,500,000	-	100,274	-	-	-	100,274	7,140,934	8,489	841

Source: Estimated population provided by Florida Legislative Committee on Intergovernmental Relations.

Note: The percentage of personal income to outstanding debt is not available because personal income data is not available.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>Florida Municipal Loan Council Revenue Bonds</u>	<u>Florida Local Government Finance Commission Loans</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2002	\$ 5,095,594	\$ -	\$ 5,095,594	0.62%	\$ 693
2003	5,090,605	-	5,090,605	0.55%	687
2004	4,915,616	2,602,000	7,517,616	0.68%	1,010
2005	4,825,627	5,036,000	9,861,627	0.70%	1,324
2006	4,735,638	5,500,000	10,235,638	0.59%	1,380
2007	4,640,349	5,500,000	10,140,349	0.46%	1,199
2008	4,540,660	2,500,000	7,040,660	0.28%	829

Note: Details regarding the Town's outstanding debt can be found in the note to the financial statements. Detail for 2001 is not available.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 46 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 55 for population data.

TOWN OF SOUTHWEST RANCHES, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2008
(Dollars in thousands)

	<u>Direct Debt Outstanding</u>	<u>Estimated Percentage Applicable to Southwest Ranches *</u>	<u>Estimated Amount Applicable to Southwest Ranches</u>
GOVERNMENT UNIT:			
Broward County	\$ 489,660	1.42%	\$ 6,953
Broward School District	1,980,724	1.42%	<u>28,126</u>
Total direct and overlapping debt			<u>\$ 35,079</u>

Sources: Broward County CAFR and Broward County School District CAFR.

* Assessed taxable property value data used to estimate applicable percentages was provided by Broward County Property Appraiser.

TOWN OF SOUTHWEST RANCHES, FLORIDA
LEGAL DEBT MARGIN INFORMATION
September 30, 2008

The Town Charter does not set a debt limit.

TOWN OF SOUTHWEST RANCHES, FLORIDA
PLEDGED REVENUE COVERAGE
September 30, 2008

From 2004 through 2008, the Town did not have any long-term debt backed by pledged revenues. Detail prior to 2004 is not available.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST EIGHT FISCAL YEARS**

Calendar Year	Town of Southwest Ranches Population	Broward County Population	Broward County Personal Income *	County Per Capita Personal Income	Unemployment Rate
2001	7,192	1,649,688	\$ 51,984,968	31,512	5.2%
2002	7,352	1,668,970	53,794,241	32,232	6.0%
2003	7,415	1,698,741	55,463,893	32,650	5.9%
2004	7,443	1,723,339	59,558,595	34,560	4.5%
2005	7,447	1,739,487	65,062,032	37,403	3.5%
2006	7,415	1,748,153	69,476,844	39,743	3.1%
2007	8,461	1,753,272	(1)	(1)	3.8%
2008	8,489	1,756,087	(1)	(1)	6.1%

Sources: Town of Southwest Ranches population obtained from Florida Legislative Committee on Intergovernmental Relations. Broward County population, personal income and unemployment rate obtained from Broward County, Florida CAFR.

Note: Personal income data represents Broward County, Florida since Town data is not available.

* Personal income in thousands of dollars.

(1) Information unavailable

TOWN OF SOUTHWEST RANCHES, FLORIDA
PRINCIPAL EMPLOYERS
 September 30, 2008

Estimated Number of Employees	Employer
100-200	Lowe's Home Centers, Inc. Publix Supermarkets
50-75	Applebee's Neighborhood Grill McDonald's Apple Montessori School
10-49	Romeus Cuban Restaurant Starbucks Coffee Company Original Pancake House Rotelli Restaurant

Note: Little reliable data currently exists on employment within the Town of Southwest Ranches. The above estimates were compiled by the Town's Community Services Department.

TOWN OF SOUTHWEST RANCHES, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
CITY COMMISSION	5	5	5	5	5	5
GENERAL GOVERNMENT						
Management services	-	-	-	-	3	5
Community services*	-	-	-	-	-	4
CONTRACTED EMPLOYEES						
General government:						
Management services	4	4	5	5	4	3
Community services *	3	4	6	5	4	-
Fire rescue and EMS	3	3	3	3	3	3
Emergency medical services	2	3	3	3	3	3
Police protection	11	11	11	11	13	15
Total	<u>28</u>	<u>30</u>	<u>33</u>	<u>32</u>	<u>35</u>	<u>38</u>

Source: Town of Southwest Ranches Community Services Department

Note: Information prior to 2003 is not available.

* Community services includes parks and recreation, community development and public works.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS**

Function/Program	2003	2004	2005	2006	2007	2008
GENERAL GOVERNMENT:						
Building permits issued by:						
Broward County (1)	-	-	1,032	2,203	762	-
CAP Government Services, Inc. (3)	-	-	-	-	466	473
Total building permits	-	-	1,032	2,203	1,228	473
Building inspections conducted by:						
Broward County:						
Electrical (1)	855	952	1,067	929	1,083	*
Mechanical (1)	252	253	234	205	191	*
Plumbing (1)	791	840	771	756	668	*
Structural (1)	2,784	2,663	2,341	4,208	2,547	*
Other (1)	172	139	103	89	150	*
CAP Government Services, Inc. (3)	-	-	-	-	3,300	*
Total building inspections	4,854	4,847	4,516	6,187	7,939	
Occupational licenses (6)	*	*	*	*	*	335
Certificates of use (6)	6	26	31	35	23	33
FIRE:						
Emergency responses (4)	785	425	362	354	265	228
Inspections	*	*	*	*	*	*
POLICE:						
Physical arrests (2)	420	297	262	375	207	183
Parking violations (2)	40	32	61	19	9	12
Traffic violations (2)	2,852	2,962	2,561	2,618	2,564	2,839
REFUSE COLLECTION:						
Refuse collected (tons per day) (5)	*	30.00	51.00	63.60	** 7.70	14.72
Recyclables collected (tons per day) (5)	1.46	1.49	1.37	1.02	** 0.67	2.84
Bulk collected (tons per day) (5)	*	7.80	20.00	25.20	** 15.00	61.77
OTHER PUBLIC WORKS:						
Street resurfacing (in miles) (5)	-	-	-	0.5	-	-
Potholes repaired (5)	360	360	360	360	360	360
WATER:						
New connections (7)	3	5	6	2	4	10
Average daily consumption (thousands of gallons) (7)	0.3	1.2	3.6	4	5.5	8.75
Peak monthly consumption (thousands of gallons) (7)	82	80	209	175	247	396

Note: The Town's residents obtain their water supply from wells and septic tanks except for certain residents who have privately connected with the City of Sunrise. Information prior to 2003 is not available.

* Information is not available.

** Figures for 2007 are from October 2006 through April 2007.

(1) Information provided by Broward County.

(2) Information provided by Broward County Sheriff's Office.

(3) Information provided by CAP Government Services, Inc.

(4) Information provided by Broward County Sheriff's Office for western portion of Town and information for eastern portion of Town not available from Town of Davie.

(5) Information provided by Town's Public Works Department.

(6) Information provided by Broward County.

(7) Information provided by City of Sunrise Public Works.

**TOWN OF SOUTHWEST RANCHES, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS**

Function/Program	2003	2004	2005	2006	2007	2008
FIRE STATIONS	*	*	*	*	*	*
POLICE:						
Stations	*	*	*	*	*	*
Patrol units	11	11	11	12	15	15
REFUSE COLLECTION:						
Collection trucks	*	*	*	*	*	*
OTHER PUBLIC WORKS:						
Streets (miles)	82	82	82	82	82	82
Streetlights	**	**	**	**	**	**
Traffic signals	**	**	**	**	**	**
PARKS AND RECREATION:						
Acreage	95.40	117.40	149.01	149.01	149.01	149.01
Playgrounds	--	--	--	1	1	1
Equestrian ring	--	--	--	2	2	2
Picnic pavilion	--	--	--	1	1	1
Restroom facilities	--	--	--	1	1	1
Nature trails (miles)	--	--	--	1	1	1
Multi-use trails (miles)	--	--	4	4	12.7	17.35
WATER:						
Water mains (miles) (1)	***	***	12	12	12	12
Firewells	330	330	330	330	330	330
Lakes (acres) (2)	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) (3)	42.0	42.0	42.0	42.0	42.0	42.0

Source: Various Town departments unless otherwise noted.

Note: Information prior to 2003 is not available.

* Contracted Service Provider.

** Only streetlights and traffic signals are on Griffin Road which is owned and maintained by Broward County.

*** Information is not available.

(1) Information provided by City of Sunrise Utilities Department. Unable to determine how many miles of water mains have been added since 2005.

(2) Information provided by South Broward Drainage District. Unable to obtain information from Central Broward Water Control District.

(3) Information provided by South Broward Drainage District and Central Broward Water Control District.