



Southwest Ranches Town Council

REGULAR MEETING Agenda of March 24, 2016

Southwest Ranches Council Chambers
7:00 PM Thursday

13400 Griffin Road
Southwest Ranches, FL 33330

<u>Mayor</u> Jeff Nelson	<u>Town Council</u> Steve Breitkreuz Freddy Fisikelli Gary Jablonski	<u>Town Administrator</u> Andrew D. Berns <u>Town Financial</u> <u>Administrator</u> Martin Sherwood, CPA CGFO	<u>Town Attorney</u> Keith M. Poliakoff, J.D. <u>Assistant Town</u> <u>Administrator/Town</u> <u>Clerk</u> Russell C. Muniz, MMC
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In accordance with the Americans with Disabilities Act of 1990, persons needing special accommodation, a sign language interpreter or hearing impaired to participate in this proceeding should contact the Town Clerk at (954) 434-0008 for assistance no later than four days prior to the meeting.

- 1. Call to Order/Roll Call**
- 2. Pledge of Allegiance**
- 3. Presentation to Juanita Romance**
- 4. Presentation - 2015 CAFR - Beila Sherman, CPA - Marcum, LLP.**
- 5. Public Comment**
 - All Speakers are limited to 3 minutes.
 - Public Comment will last for 30 minutes.
 - All comments must be on non-agenda items.
 - All Speakers must fill out a request card prior to speaking.
 - All Speakers must state first name, last name, and mailing address.
 - Speakers will be called in the order the request cards were received.
 - Request cards will only be received until the first five minutes of public comment have concluded.
- 6. Board Reports**
- 7. Council Member Comments**
- 8. Legal Comments**
- 9. Administration Comments**

Resolutions

- 10. A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SOUTHWEST RANCHES, FLORIDA APPROVING A THIRD MODIFICATION TO THE AGREEMENT WITH CLEANING SYSTEMS, INC. FOR TOWN HALL JANITORIAL SERVICES; APPROVING A MONTH TO MONTH TERM; AUTHORIZING THE MAYOR, TOWN ADMINISTRATOR AND TOWN ATTORNEY TO ENTER INTO THE THIRD MODIFICATION TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

Discussion

- 11. Public Hearing: Purchase From Corrections Corporations of America (CCA) Approximately 24.4373 Acres of Real Property**
- 12. Potential Development of Vacant Properties**
- 13. Broward League of Cities Board of Director Appointments**
- 14. Approval of Minutes**
- 15. Adjournment**

PURSUANT TO FLORIDA STATUTES 286.0105, THE TOWN HEREBY ADVISES THE PUBLIC THAT IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THIS COUNCIL WITH RESPECT TO ANY MATTER CONSIDERED AT ITS MEETING OR HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS, AND THAT FOR SUCH PURPOSE, THE AFFECTED PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDING IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THIS NOTICE DOES NOT CONSTITUTE CONSENT BY THE TOWN FOR THE INTRODUCTION OR ADMISSION OF OTHERWISE INADMISSIBLE OR IRRELEVANT EVIDENCE, NOR DOES IT AUTHORIZE CHALLENGES OR APPEALS NOT OTHERWISE ALLOWED BY LAW.



Town of Southwest Ranches
13400 Griffin Road
Southwest Ranches, FL 33330-2628

(954) 434-0008 Town Hall
(954) 434-1490 Fax

Town Council
Jeff Nelson, Mayor
Doug McKay, Vice-Mayor
Freddy Fisikelli, Council Member
Steve Breitreuz, Council Member
Gary Jablonski, Council Member

Andrew D. Berns, Town Administrator
Keith M. Poliakoff, JD, Town Attorney
Russell Muniz, Assistant Town Administrator/Town Clerk
Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

COUNCIL MEMORANDUM

TO: Honorable Mayor Nelson and Town Council
VIA: Andrew D. Berns, Town Administrator
FROM: Martin D. Sherwood, Town Financial Administrator
DATE: 3/24/2016
SUBJECT: Presentation - 2015 CAFR - Beila Sherman, CPA - Marcum, LLP.

Recommendation

It is recommended that the Town Council accept the Comprehensive Annual Financial Report, as audited by our independent external auditors Marcum LLP CPA's for the fiscal year ended September 30, 2015, including the communications to those charged with governance letter dated March 14, 2016. It is further recommended that the Town Council acknowledge the conscientious work of all Staff who finished the year in a fiscally responsible manner that helped create a surplus in both the total of the Town's governmental funds and enterprise (solid waste) fund for the fifth (5) consecutive year.

Strategic Priorities

- A. Sound Governance
- B. Enhanced Resource Management

Background

The Fiscal Year 2015 CAFR is the ninth CAFR prepared since Fiscal Year 2007. During the first three years of the Town's existence (FY 2000-2002) as well as for FY 2004 and FY 2006 the Town only prepared and presented basic financial statements. While basic financial statement meets the minimum standard of reporting it does not provide the extensive financial information and transparency that the Town Council requires and that the Administration has been directed to provide. Additionally, the independent auditing firm of Marcum LLP has provided the Council with a communication letter detailing, amongst other matters, that the

audit was performed in accordance with generally accepted auditing standards and government auditing standards.

A key favorable financial highlight is at September 30, 2015 the unassigned fund balance (reserves) for the General Fund is \$4,365,118 (page 17), or 45% of total general fund expenditures and transfers. Therefore, the Town continues to far exceed the minimum standard as recommended by the Government Finance Officers Association (GFOA) of 16.7%.

In consideration of the complexity of financial information included in the CAFR as well as the limited financial knowledge that many of our citizens may have, the following is a list of CAFR highlights with a brief explanation and the related CAFR page references:

1. Of great importance is the Independent Auditors' Report (pages 1-3) which reflects an unmodified ("clean") audit opinion which is the highest assurance given that overall, in all material respects, the Town's financial statements were prepared in conformity with accounting principles generally accepted in the United State of America and are not misstated. A clean audit opinion gives comfort to the Town Council and the citizens of our community that the Town's finances are being accounted for and reported properly.

2. The first major section of the CAFR (pages 4-14) is the Management's Discussion and Analysis which introduces the Town's basic financial statements (pages 15-23). The main elements of this analysis are as follows:

- a. The Town's assets exceed liabilities by \$52,289,857 (net position). This analysis is comparable to a balance sheet in the private sector and we are in a net surplus position overall. (Chart page 7, detail page 15). During FY 2015, net position increased \$1,309,039 and \$396,111 for governmental activities and enterprise activities, respectively. The governmental activities increase is due a positive change of \$920,578 in current year total assets and deferred outflows plus a reduction of \$388,461 in total liabilities.

- b. The restricted Fund Balance for Fire control, within the General Fund, favorably increased \$180,691 to \$308,982 primarily due to a reduction in volunteer fire expenditures imposed by Town Council during November 2014 (Page 17).

- c. For the Governmental Activities element of the Town's operation general government required 30.3% of resources available including offsetting grants and revenues, public safety required 49.5%, transportation 6.1%, parks and recreation 13.0%, community services -1.8% and interest/other debt service costs 3.0% (Page 9).

- d. Our one major enterprise fund – Solid Waste showed operating income of \$563,446 (Page 9 and page 22).

- e. The long term debt reflected in the CAFR favorably decreased \$302,727 and is primarily for parks, recreation and open space land acquisition and improvements. Also included in long term debt is borrowing for our Town Hall land, building acquisition and on-going improvements as well as for transportation and drainage

improvements (page 13).

f. The General Fund (ad valorem tax supported) transferred \$1,769,793 to the following; Transportation fund (\$794,139) primarily for TSDOR, drainage improvements and operations, Capital Projects fund (\$109,027) for Rolling Oaks Barn and Country Estates park improvements, Volunteer Fire Department fund (component unit-\$133,837) to fund volunteer fire operations, and Debt Service fund (\$732,790) for debt service principal and interest payments due in accordance with debt covenants (page 35).

3. The financial management and accounting policies of the Town are described in detail in pages 24-45 of the CAFR. These descriptions are included in thirteen "Notes" which describe financial management processes including how funds are invested cautiously, how we depreciate assets, how we handle receivables (monies owed to the Town), details of long-term debt, risk management procedures, and commitments and contingencies.

4. The Budgetary Comparison Schedule is detailed in pages 46-47. All major General Fund revenue line items for the FY 14/15 budget were exceeded by actual audited performance with the exception of ad valorem taxes (\$2) and licenses and permits (\$6). The former due to tax collections less than estimated. The full revenue increase for the fiscal year was \$116,230 favorably over budget and which primarily included higher franchise fees collected. Audited expenditures, in the same property tax supported fund, were under budget in every area by \$520,719 in net total with the majority from general government (\$174,223), public safety (\$161,315) and parks and recreation (\$135,751) coming in favorably under budget. While individual small items may cause consternation to some, Town Staff performed in a fiscally responsible manner to hold the line on expenses and worked hard to generate revenues. The net of the two above numbers is described as an excess of revenues over expenditures of \$636,949 and when added to net favorable transfers of \$81,203 equals \$718,152 and is described as a positive net change in Fund Balance.

5. In addition to the general, transportation, capital projects and enterprise funds there are two "non major" governmental funds (Volunteer Fire, a component unit and Debt Service) that are reported on page 50-51. Both of these funds have positive fund balances and Staff watches expenditures closely.

6. The Statistical Section of the CAFR describes financial trends, revenue and debt capacity, demographics and operating information. This information covers up to 10 years of available data and is invaluable to anyone who wants to analyze trends, revenue and debt capacity, demographics and operating information over many years (Page 53-84). Specifically the reader should look at the chart (page 60) which shows Governmental Revenues are higher than the 2008 level (by \$515,948) primarily due to and dedicated for a newly implemented TSDOR long-term capital project. Therefore, excluding taxes increased for TSDOR, we are operating with limited resources while

still improving and/or maintaining services. Additionally, a comprehensive exhibit on page 78 provides assurance that all of the Towns debt service anti-dilution/covenant tests are well in excess of the minimum debt service coverage requirements.

7. For the third consecutive year, Town Management is proud to report that the Independent Auditor’s Report on Internal Controls over Financial Reporting (page 85-86) and the Management Letter in accordance with the Rules of the Auditor General of the State of Florida (page 87-88) identified no material weaknesses, significant deficiencies in internal controls or otherwise.

8. Finally, it is a pleasure to report that the Town received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the previous CAFR covering fiscal year 2014. (Page viii). Additionally, it is believed that the current 2015 CAFR continues to meet the Certificate of Achievement Program’s requirements and will be timely submitted to the GFOA to determine its eligibility for another certificate award.

Fiscal Impact/Analysis

The rules of the Auditor General, Chapter 10.550, require that the financial statements be filed as an official record at a public meeting (Attachment A). In addition, the auditors have requested that their letter dated March 14 2016, identified as Attachment B be accepted for filing with the Town Council.

A representative from Marcum LLP will be present at the meeting.

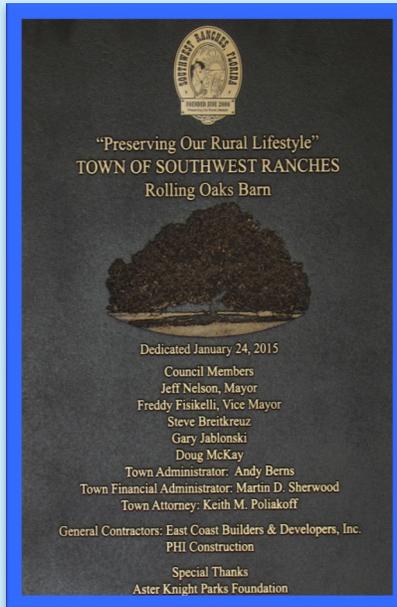
Staff Contact:

Martin D. Sherwood, Town Financial Administrator
Richard E. Strum, Controller

ATTACHMENTS:

Description	Upload Date	Type
2015 CAFR	3/17/2016	Backup Material

TOWN OF SOUTHWEST RANCHES, FLORIDA



Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2015



**TOWN OF
SOUTHWEST RANCHES, FLORIDA
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2015**



*2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Lee Rickles*

Prepared by Finance Department

Martin D. Sherwood, CPA, CGMA, CGFO
Town Financial Administrator

Richard E. Strum
Controller

TOWN OF SOUTHWEST RANCHES

MOTTO:

“PRESERVING OUR RURAL LIFESTYLE”

VISION STATEMENT:

“WE EMBRACE OUR UNIQUE NATURE AND WE CONTINUALLY STRIVE TO ENHANCE THE QUALITY OF LIFE IN OUR TOWN”

MISSION STATEMENT:

“THE TOWN OF SOUTHWEST RANCHES IS COMMITTED TO PROMOTING AND PROTECTING THE RURAL LIFESTYLE OF OUR RESIDENTS WHILE PRESERVING THE NATURAL ENVIRONMENT”



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Brad McBride

TOWN OF SOUTHWEST RANCHES, FLORIDA

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TOWN OF SOUTHWEST RANCHES, FLORIDA

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INTRODUCTORY SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Patricia Hooton



Town of Southwest Ranches
13400 Griffin Road
Southwest Ranches, FL 33330-2628

(954) 434-0008 Town Hall
(954) 434-1490 Fax

Town Council

Jeff Nelson, Mayor
Doug McKay, Vice Mayor
Steve Breitzkreuz, Council Member
Freddy Fisikelli, Council Member
Gary Jablonski, Council Member

Town Administration

Andrew D. Berns, MPA, Town Administrator
Russell Muñiz, MBA, MPA, MMC, Assistant Town Administrator/Town Clerk
Keith M. Poliakoff, JD, Town Attorney
Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

March 14, 2016

To the Honorable Mayor, Vice Mayor, Town Council, and the Citizens of the Town of Southwest Ranches, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Southwest Ranches, Florida (the Town), for the fiscal year ended September 30, 2015. Although Florida Statutes requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements, the Government Finance Officers' Association (GFOA) recommends that local governments publish same within six months. Therefore, in addition to meeting legal requirements, the report represents the Town's continued strong support of full financial disclosure in the timeliest of manner. This philosophy is reflected by the informative financial analysis provided by the Town's Finance Department and the exhibits and statistical tables included herein.

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

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

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

Marcum LLP, independent auditors, has issued an unmodified opinion on the Town of Southwest Ranches financial statements for the fiscal year ended September 30, 2015.

The independent auditors' report is located at the front of the financial section of this report. The Town's Financial Statements have been prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Town's Management Discussion and Analysis document (the MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments the letter of transmittal and should be read in conjunction with it.

ACCOUNTING AND INTERNAL CONTROLS

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived: and
- The valuation of costs and benefits requires estimates and judgments by management.

PROFILE OF THE GOVERNMENT

The Town comprises approximately thirteen (13) square miles, with a 2014 census population estimate of 7,761 and is located in the southwest portion of Broward County, a major metropolitan area. The Town is located between the three major urban cities, Davie (population estimate of 98,895), Pembroke Pines (population estimate of 164,626) and Weston (population estimate of 69,100). 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 Town was incorporated on June 6, 2000. The Town's current Charter was amended by the citizens on November 4, 2003, on November 7, 2006 and on November 2, 2010. The Town operates under the Council-Administrator form of government where the Mayor and four Council Members must live in residential districts, are elected at large and appoint a Town Administrator and Town Financial Administrator. The Town Council establishes policy for the operation of the government, enacts ordinances for the safety, welfare, and orderly interaction of the citizens of the Town, adopts a millage rate and annual budget, appoints the Town Attorney and Town Clerk, as well as members to various advisory boards, agencies, and authorities within the Town, and engages an independent auditor.

The financial reporting entity (the Town of Southwest Ranches) includes all funds of the primary government (i.e., the Town of Southwest Ranches as legally defined), as well as all of its component units. Component units are legally separate entities for which the

Town of Southwest Ranches is financially accountable or the nature and significance of the relationship between the Town and the entity was such that exclusion would cause the Town's financial statements to be misleading or incomplete.

The Town has identified one component unit: The Southwest Ranches Volunteer Fire Rescue, Inc. is reported as a blended component unit of the Town and its governing body is composed of the members of the Town Council. Additional information can be found in Note 1 of the notes to the basic financial statements.

SERVICES PROVIDED

The Town contracts for all major Town services including police, fire, emergency medical services, building inspections, code compliance, planning & zoning and solid waste & recycling. The Town also has employees to administer all contracts, grants, and daily operations of the Town as well as provide basic municipal services including parks, recreation, and general government services.

FACTORS AFFECTING FINANCIAL CONDITION

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

The Town has rebounded from a weak economy and real estate sales and values have continued on an uptick as most other governments in Florida and in the nation; however, the Town has weathered this business cycle better than other communities due to the composition of its economy. Specifically, the Town primarily consists of an affluent residential housing stock of minimum one-acre and larger, single family estates.

In 2014, the Town experienced a greater than 2% increase in taxable assessed value and a greater than 5.5% increase in 2015. However, the 2015 taxable assessed values are still below the 2009 taxable assessed valuation causing financial stress to the Town.

The Town has made it a policy to establish reserves to offset unanticipated expenditures and ensure that a funding source exists in the event of a setback in the continuation of recently positive economic conditions. The General Fund has an unassigned fund balance equal to 42.1% of the final 2015 General Fund operating budget.

On a long-term financial perspective, the Town has identified all capital asset and infrastructure projects under a five-year capital improvement plan (CIP). This five-year CIP serves as a quick reference for a project timeline and identifies current and future funding requirements. Commencing in FY 2015, the Town implemented a Transportation Surface and Drainage Ongoing Rehabilitation (TSDOR) program with the goal of preserving and

extending the life of the Town's paved streets. The TSDOR program addresses improvements for every Town road over a 20+ year period. Thirteen capital projects, including TSDOR have been fully or partially funded during the fiscal year 2016 budget process.

In the 2016 Session, the Florida Legislature is considering reducing or eliminating business and communication services taxes, pension reform, as well as pushing additional costs down to local governments as unfunded mandates. The Town is closely monitoring these proposals and their potential impacts and limitations to Florida municipalities. The consequences of a combination of several of the proposals being considered could have a significant impact on the Town's ability to maintain and/or improve services to residents.

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

Revenue Policy:

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

Debt Policy:

The Town reviews and evaluates its existing obligations and future borrowing needs regularly. The Town, when necessary, will issue debt for capital improvement projects. During 2015, the Town obtained financing for the purchase of a \$206,500 Commercial Chassis Volunteer Fire Pumper vehicle while, during 2013, the Town refinanced a portion of its 2001 debt at a lower interest rate resulting in receiving over \$300,000 in present value cash savings for parks, recreation and open spaces capital improvements. The Town also borrowed \$439,139 and \$360,860 in 2010 and 2012, respectively from a line of credit to fund roadway and drainage improvements. Finally, the Town entered into a \$2,500,000 note with a financial institution for the purpose of refunding an existing pooled commercial loan and to fund the move to a new permanent Town Hall building during 2012. These loans are still outstanding at September 30, 2015.

AWARDS

The Town has applied for and was awarded the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental Finance Officers Association (GFOA) of the United States and Canada for the Town's first ever CAFR in 2003 and

again in 2005, and 2007 through 2014. 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 2015 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without the efficient and dedicated effort of the Finance Department. Special thanks must be given to Richard Strum and Mara Semper for their dedication in the creation and compilation of this document. Our appreciation and gratitude is also extended to other departments and their respective staff for understanding the importance of the financial status of this Town and as such, worked diligently to provide quality service within our financial means. We would also like to express our appreciation to our independent certified public accountants, Marcum LLP, for their cooperation, assistance and professionalism. Finally, *credit also must be given to the Mayor and the Town Council for their commitment to support their sound fiscal management practices with an emphasis on long-term financial stability.*

We believe that this report clearly illustrates the strong financial posture of the Town of Southwest Ranches and we wish to take this opportunity to thank you and the citizens of Southwest Ranches for the vital role you have historically played in enabling the Town to achieve and maintain this high degree of fiscal responsibility.

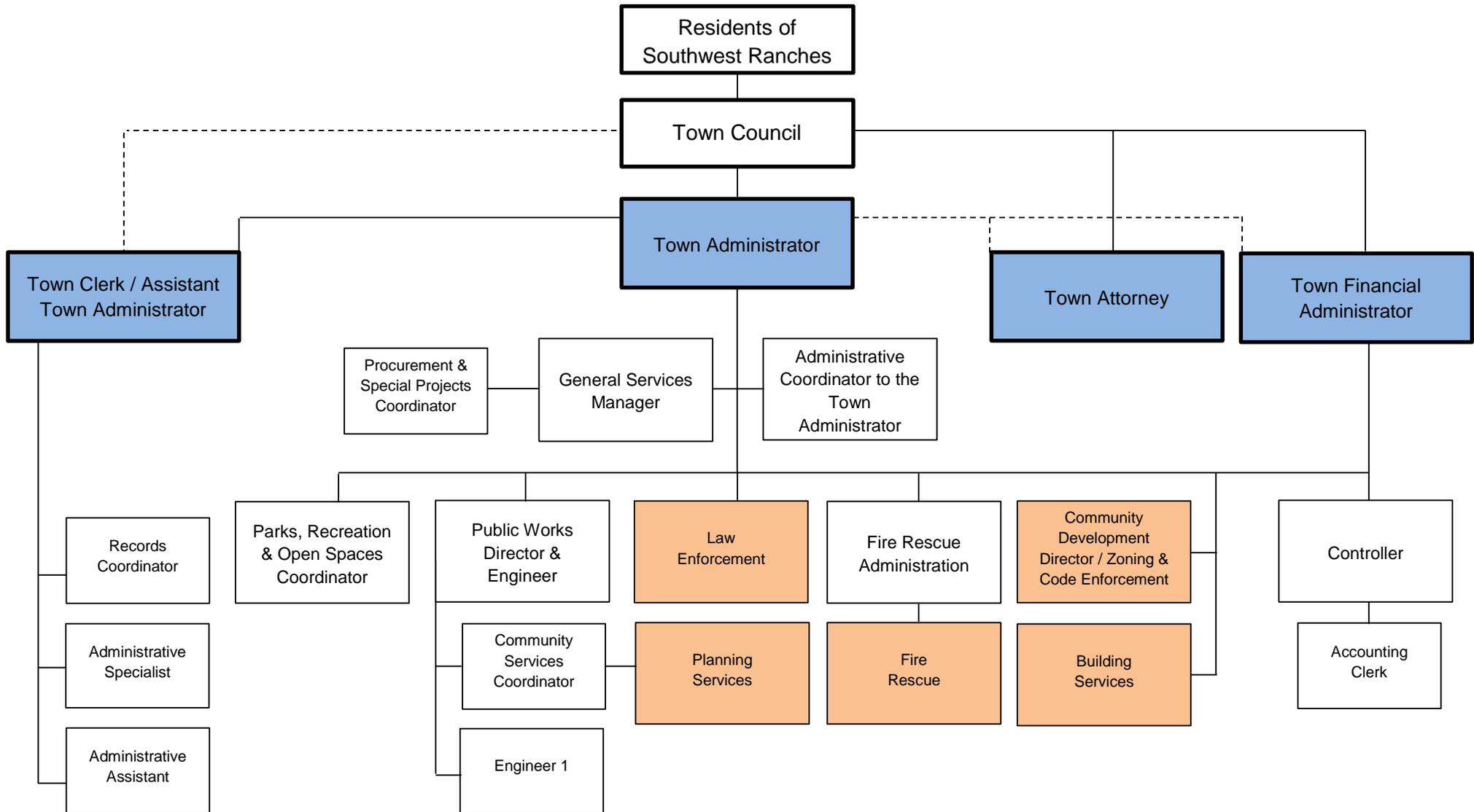
Respectfully yours,



Andrew D. Berns, MPA
Town Administrator



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



Town of Southwest Ranches, Florida
Council/Administrator Form of Government
List of Principal Officials
as of September 30, 2015

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



JEFF NELSON
Mayor



FREDDY FISIKELI
Vice Mayor



STEVE BREITKREUZ
Council Member



GARY JABLONSKI
Council Member



DOUG MCKAY
Council Member

TOWN ADMINISTRATOR
Andrew D. Berns, MPA

ASSISTANT TOWN ADMINISTRATOR / TOWN CLERK
Russell C. Muñiz, MBA, MPA, MMC

TOWN ATTORNEY
Keith Poliakoff, Esq.
Arnstein & Lehr, LLP

TOWN FINANCIAL ADMINISTRATOR
Martin D. Sherwood, CPA, CGMA, CGFO

INDEPENDENT AUDITORS
Marcum LLP
Certified Public Accountants



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Southwest Ranches
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

FINANCIAL SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Tracey Egert

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To The Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 4–14 and 46–48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, Florida
March 14, 2016

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Within this section of the comprehensive annual financial report for the Town of Southwest Ranches (the Town), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2015. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2015 FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$52,289,857 (total net position) as of September 30, 2015.
- Total net position increased \$1,705,150 and are comprised of the following:
 - (1) Investment in capital assets of \$45,134,927 include property and equipment, net of accumulated depreciation.
 - (2) Net position of \$935,161 are restricted by constraints imposed from the Town in the amount of \$331,973 for transportation, \$515,482 and \$75,156 for fire control and the volunteer fire department, respectively, and \$12,550 for public safety from outside the Town such as grantors, laws, or regulations.
 - (3) The Town's total debt decreased \$302,727 to a total of \$6,341,920. Total debt includes loans as well as notes payable.
 - (4) Unrestricted net position consist of \$6,219,769 that may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$6,462,699 at September 30, 2015. This compares to the prior year total ending fund balance of \$5,453,840 showing an increase of \$1,008,859 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$4,365,118 or 45% of total General Fund expenditures and net transfers. The unrestricted fund balance for the General fund was \$4,879,687 or 50% of total General Fund expenditures and net transfers.
- Overall, the Town continues to maintain a strong financial position.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 14 - 17 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town's proprietary fund is classified as an enterprise fund. The enterprise fund essentially encompass the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 18 - 20 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 21 of this report.

Required Supplementary Information

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

Supplementary Information

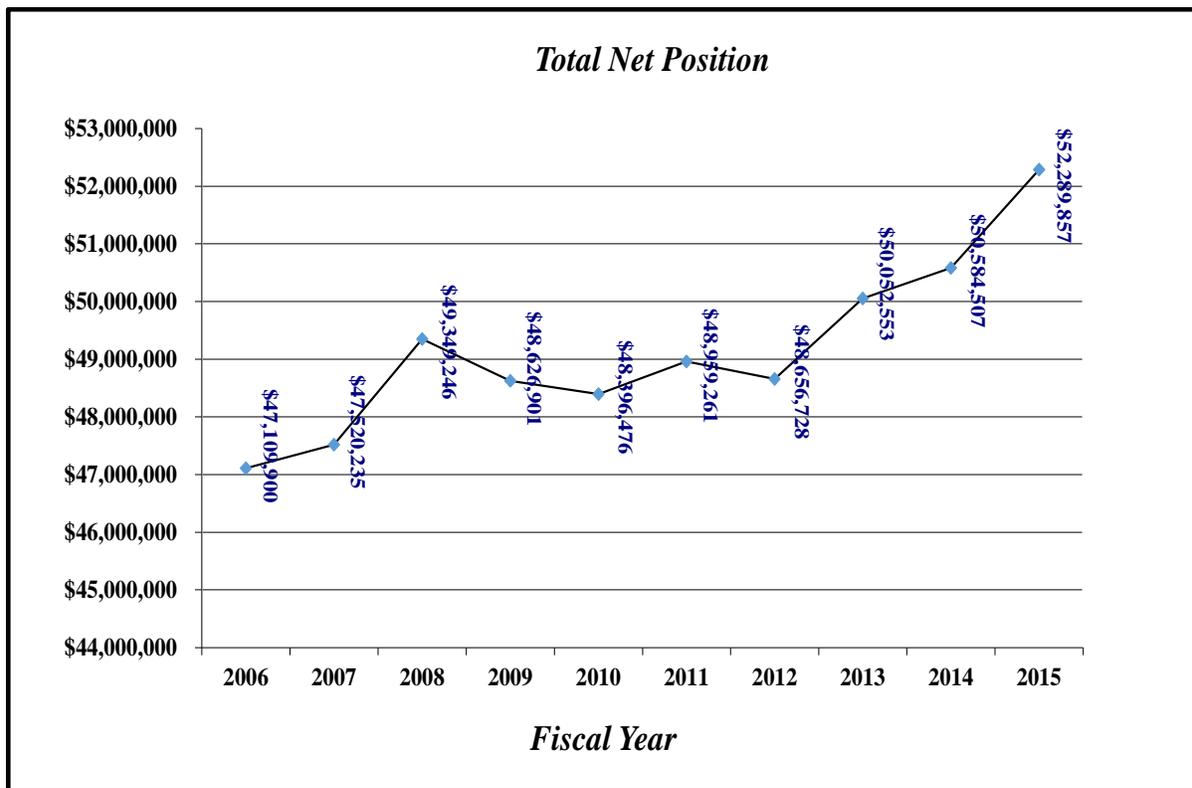
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 47.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year-end are \$52,289,857. The following table provides a summary of the Town's net position:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current assets	\$ 6,527,236	\$ 5,556,524	\$ 1,021,523	\$ 605,082	\$ 7,548,759	\$ 6,161,606
Non-current assets:						
Other	482,720	497,720	-	-	482,720	497,720
Capital assets	51,244,347	51,273,723	-	-	51,244,347	51,273,723
Total assets	<u>58,254,303</u>	<u>57,327,967</u>	<u>1,021,523</u>	<u>605,082</u>	<u>59,275,826</u>	<u>57,933,049</u>
Deferred Outflows of Resources:						
Deferred amount on refunding	57,584	63,342	-	-	57,584	63,342
Liabilities:						
Current liabilities	1,098,245	1,169,883	127,807	107,477	1,226,052	1,277,360
Long-term liabilities	5,817,501	6,134,324	-	-	5,817,501	6,134,324
Total liabilities	<u>6,915,746</u>	<u>7,304,207</u>	<u>127,807</u>	<u>107,477</u>	<u>7,043,553</u>	<u>7,411,684</u>
Net position:						
Net investment in capital assets	45,134,927	44,619,097	-	-	45,134,927	44,619,097
Restricted	935,161	599,649	-	-	935,161	599,649
Unrestricted	5,326,053	4,868,356	893,716	497,605	6,219,769	5,365,961
Total net position	<u>\$ 51,396,141</u>	<u>\$ 50,087,102</u>	<u>\$ 893,716</u>	<u>\$ 497,605</u>	<u>\$ 52,289,857</u>	<u>\$ 50,584,707</u>

The following chart reports the Town's total net position balances from fiscal year 2006-2015.



Note over the last ten years, the total net positions have increased \$5,179,957.

Current assets in governmental activities and business-type activities increased in fiscal year September 30, 2015. Cash and investments for governmental activities and business-type activities increased \$1,040,829 and \$419,214, respectively.

The Town continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.9 to 1 as compared to 4.8 to 1 at September 30, 2014. The current ratio for business-type activities is 8.0 to 1 as compared to 5.6 to 1 at September 30, 2014. Overall, the total current ratio at September 30, 2015 increased to 6.2 to 1 as compared to 4.8 to 1 at September 30, 2014. The increase was primarily due to an increase in cash and investments as well as slight reduction in accounts payable and accrued liabilities pertaining to capital project construction in progress as of fiscal year end.

The Town reported positive balances in net position for both governmental and business-type activities. During 2015, net position increased \$879,360 and \$293,616 for governmental activities and business-type activities, respectively. The Town's overall financial position improved during fiscal year 2015. The Town remains in a strong financial position within an overall improving economy.

Note that approximately 87.9% of the governmental activities' total assets are tied up in capital assets. The Town uses these capital assets to provide services to its citizens. The business-type activities do not have capital assets. By combining governmental activities with business-type activities, the Town has invested approximately 86.4% of its total assets in capital assets, as presented in the government-wide statement of net position.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Town of Southwest Ranches, Florida
As of and For the Year Ended September 30, 2015**

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

	Summary of Changes in Net Position						Percentage Of Total
	Governmental Activities		Business-type Activities		Total		
	2015	2014	2015	2014	2015	2014	
Revenues:							
Program:							
Charges for services	\$ 3,116,176	\$ 3,032,923	\$ 1,045,547	\$ 1,050,476	\$ 4,161,723	\$ 4,083,399	36.6%
Operating grants and contributions	13,049	28,003	-	-	13,049	28,003	0.3%
Capital grants and contributions	328,924	161,293	-	-	328,924	161,293	1.4%
General:							
Ad valorem taxes	4,788,463	4,245,717	-	-	4,788,463	4,245,717	38.1%
Other taxes	1,833,979	1,785,743	-	-	1,833,979	1,785,743	16.0%
Intergovernmental	771,930	734,438	-	-	771,930	734,438	6.6%
Investment earnings	19,660	5,598	1,498	476	21,158	6,074	0.1%
Transfers	168,833	183,327	(168,833)	(183,327)	-	-	
Miscellaneous	89,589	94,659	279,579	16,634	369,168	111,293	1.0%
Total revenues	<u>11,130,603</u>	<u>10,271,701</u>	<u>1,157,791</u>	<u>884,259</u>	<u>12,288,394</u>	<u>11,155,960</u>	<u>100%</u>
Program Expenses:							
General government	1,943,608	1,885,010	-	-	1,943,608	1,885,010	17.7%
Public safety	5,363,076	5,688,914	-	-	5,363,076	5,688,914	53.5%
Parks and recreation	825,673	482,289	-	-	825,673	482,289	4.5%
Transportation	641,501	767,872	-	-	641,501	767,872	7.2%
Community services	859,056	777,301	-	-	859,056	777,301	7.3%
Interest and other debt service costs	188,650	240,636	-	-	188,650	240,636	2.3%
Solid waste	-	-	761,680	781,764	761,680	781,764	7.4%
Total expenses	<u>9,821,564</u>	<u>9,842,022</u>	<u>761,680</u>	<u>781,764</u>	<u>10,583,244</u>	<u>10,623,786</u>	<u>100%</u>
Changes in net position	1,309,039	429,679	396,111	102,495	1,705,150	532,174	
Beginning net position	<u>50,087,102</u>	<u>49,657,423</u>	<u>497,605</u>	<u>395,110</u>	<u>50,584,707</u>	<u>50,052,533</u>	
Ending net position	<u>\$ 51,396,141</u>	<u>\$ 50,087,102</u>	<u>\$ 893,716</u>	<u>\$ 497,605</u>	<u>\$ 52,289,857</u>	<u>\$ 50,584,707</u>	

Governmental Activity Revenues

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 43.0% of the Town's total revenues as compared to 41.3% in fiscal year 2014. Other taxes, which includes franchise and utility taxes provided 16.5% and 17.4% of the Towns total revenues for fiscal year 2015 and 2014, respectively. Because of the Town's healthy financial position, we have been able to earn \$19,660 in investment earnings to support governmental activities.

Note that program revenues covered 35.2% of governmental operating expenditures as compared to 32.7% in fiscal year 2014. This means that the government's taxpayers and the Town's other general revenues fund 64.8% and 67.3% for 2015 and 2015, respectively, of the governmental activities, primarily from property taxes, other taxes and unrestricted intergovernmental revenue. As a result, the general economy has a major impact on the Town's revenue streams.

Governmental Activity Expenses

The following table presents the cost of each of the Town's services, including the net costs (i.e., total cost less program revenues generated by the activities). The net costs illustrate the financial burden that is placed on the Town's taxpayers by each of these services.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	\$ 1,943,608	19.8%	\$ (1,930,559)	30.3%
Public safety	5,363,076	54.6%	(3,148,737)	49.5%
Community services	859,056	8.7%	116,246	-1.8%
Parks and recreation	825,673	8.4%	(824,573)	13.0%
Transportation	641,501	6.5%	(387,142)	6.1%
Interest and other debt service costs	188,650	1.9%	(188,650)	3.0%
Total	<u>\$ 9,821,564</u>	<u>100.0%</u>	<u>\$ (6,363,415)</u>	<u>100.0%</u>

The public safety expenses total almost 55% while net of program revenues total almost 50% of costs. The public safety function generated \$2,140,874 in user charges and \$73,465 in grant (operating and capital) revenues, which offsets program costs. The community services expenses total 8.7% while net of program revenues total -1.8%. The community services function generated \$975,302 in user charges, primarily from building permits and plan review fees of \$748,981, resulting in a negative program cost (and therefore a revenue positive situation). Other total cost and net costs do not differ substantially by percentage or by dollars for each service.

Business-Type Activities

The Town reports one major enterprise fund, Solid Waste.

Total operating revenues increased \$258,016 or 24.2% while total operating expenses decreased \$20,084 or 2.6%.

Specifically, other miscellaneous operating revenues increased \$262,945 due to a one-time legal settlement received which was offset by a \$4,929 (net) reduction in operating charges for services received primarily related to decreased recycling revenues. Contractual and recycling expenses decreased \$19,902 (net) due to a reduction of \$44,872 pertaining to a fiscal year 2014 FEMA settlement that was offset by an increase of \$24,970 pertaining to increased contract collection price escalators. Other operating expenses decreased \$182 in fiscal year 2015 as compared to fiscal year 2014 due to decrease in professional fees.

In total, the operating income and net position increased \$278,100 and \$293,616, respectively.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$6,462,699 compared to \$5,453,840 at September 30, 2014.

The total governmental revenues exceeded expenditures by \$633,526.

The General Fund revenues exceeded its expenditures by \$2,319,112. Transfers in from Solid Waste of \$168,833 and transfers to other funds totaling \$1,769,793 offset this excess. The details of the general fund's financial operations are discussed below.

Governmental funds report total fund balance of \$6,462,699. Of this year-end total, \$935,161 is legally restricted for transportation (\$331,973), fire control including volunteer fire operations (\$590,638), and public safety (\$12,550). \$363,029 is committed to various projects. \$286,334 is assigned to the following purposes; debt service \$36,534 and capital projects \$249,800. \$513,057 is considered non-spendable and \$4,365,118 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show an increase of \$1,008,859 or 18.5% over the prior year.

Major Governmental Funds

The Town reports three major governmental funds, the General Fund, Transportation Fund and the Capital Projects Fund.

General Fund - The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance of \$5,201,219 increased by \$718,152 or 16.0% as compared to \$492,633 or 12.4% increase in 2014. The ending unassigned fund balance is considered extremely adequate, representing the equivalent of 53.9% of annual expenditures. This percentage compares to 47.3% at September 30, 2014.

Ad valorem (property) taxes increased \$542,746 or 12.8%. This increase relates primarily to the first year of implementation of a transportation surface and drainage ongoing rehabilitation (TSDOR) capital program as well as a slight increase in the taxable value of property, with no offsetting millage rate increase from the prior year. However, in total, all tax revenues were \$590,982 or 9.8% above those of 2014. Licenses and permits were \$757,924 or 25.3% over the 2014 amount primarily due to increased building and engineering permitting activity.

Total General Fund expenditures increased \$75,036 or 0.9% above the fiscal year 2014 level. The most significant changes, by department, from fiscal year 2014 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, and finance departments were \$59,714 above the 2014 amount.

In total, public safety costs were down \$218,840 or 4.1% below the 2014 amount. This decrease is primarily due to the elimination of start-up costs incurred during 2014 for a new police service provider (\$281,756 or 5.3% in total), offset by an annual fire service provider contractual increase (\$62,916 or 1.2% in total).

The 2015 community services expenditures were \$81,755 or 10.5% above 2014. This increase primarily relates to increased permits and application fees for building, planning/zoning and engineering. The 2015 parks and recreation amounts were \$90,663 higher than the 2014 amount of \$195,826. The major portion of this increase is due to higher maintenance costs required for two newly opened Town park facilities.

In this fiscal year, the General Fund transferred \$1,769,793 to other funds, which included \$794,139 to the Transportation Fund, \$109,027 to the Capital Projects Fund, \$732,790 to the Debt Service Fund, \$133,837 to the Volunteer Fire Department Fund (a component unit). The Solid Waste Fund transferred \$168,833 to the General Fund.

Transportation Fund – This fund accounts for the Town’s share of the state gasoline and local option gas taxes, which are restricted to transportation purposes, a new state transportation appropriation, and a newly implemented long term transportation surface and drainage ongoing rehabilitation (TSDOR) capital program. In fiscal 2015, revenue of \$426,263 of intergovernmental revenue was earned as compared to \$169,672 in fiscal year 2014 primarily related to the new state transportation appropriation. \$327,491 was expended on roadways including engineering and related personnel costs during 2015 and \$631,532 on capital outlay comprising of; drainage improvements (\$357,793); roadway improvements including striping/markers (\$120,092); TSDOR (\$72,063); entranceway enhancements (\$18,153); sidewalk improvements (\$14,831); and guardrails (\$48,600). The total legally restricted and committed transportation fund balance at fiscal year-end 2015 was \$331,973 and \$319,645, respectively.

Capital Projects Fund - This fund is primarily financed from transfers from the General Fund, as indicated above. Additionally, intergovernmental revenue, consisting of capital grants, decreased \$106,219 or 76.3% from the prior year to \$33,074 due to lower public safety and parks and recreation grants. Finally, \$206,500 in debt was issued to accommodate the financing and, ultimate receipt shortly subsequent to FY 2015, of a Fire pumper apparatus.

During fiscal year 2015, this fund spent \$330,621 on capital outlay, which includes:

- Buildings and Building Improvements for Rolling Oaks Barn \$186,439
- Infrastructure for Country Estates Park \$99,164
- Machinery and Equipment for Parks and Open Spaces \$39,142
- Construction in Progress for Calusa Corners Park \$5,876

Restricted fund balance was \$206,500. Committed and assigned fund balance was \$40,298 and \$249,800, respectively. The total capital project fund balance at fiscal year-end 2015 was \$496,598.

Proprietary Fund

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the Town’s enterprise funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund’s budget was amended in this fiscal year to reflect Departmental line item reclassifications and new Town Council initiatives.

Franchise Fees and miscellaneous revenues exceeded the final budget by \$60,262 or 10.7% and \$20,089 or 28.9%, respectively. The franchise fees increase primarily relates to unanticipated higher electrical fees received while the miscellaneous increase relates to the unanticipated receipts from the disposal of surplus assets. All other revenue sources were consistent with the adopted budget. Overall, we ultimately recognized \$116,230 or 101% over the revenue budget.

On the expenditure side, the Town’s actual expenditures for each department were less than budgeted due to conservative budgeting. By function, general governmental were \$174,223 or 8.5% below the budget, public safety were \$161,315 or 3.1% below the budget, community services were \$29,805 or 3.4% below the budget, parks and recreation & open spaces were \$135,751 or 32.2% below the budget and capital outlay were \$19,625 or 16.8% below the budget.

Overall, the total General Fund budget was underspent by \$520,719 or 6.0% primarily due to lower parks and recreation contractual services and lower than anticipated public safety, including volunteer fire services costs as well as due to tight Departmental Director expenditure controls.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental activities as of September 30, 2015, was \$51,244,347. The change in this net investment was less than a 1% decrease for governmental activities. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

	Capital Assets	
	Governmental Activities	
	2015	2014
Non-depreciable assets:		
Land	\$ 34,018,569	\$ 34,018,569
Construction in progress	1,972,881	2,390,579
Total non-depreciable	<u>35,991,450</u>	<u>36,409,148</u>
Depreciable assets:		
Infrastructure	21,071,024	20,692,334
Improvements other than buildings	4,747,155	4,411,527
Buildings & Bldg Improvements	3,415,551	2,769,661
Furniture and equipment	1,574,286	1,457,231
Total depreciable assets	30,808,016	29,330,753
Less: accumulated depreciation	<u>15,555,119</u>	<u>14,466,178</u>
Net book value - depreciable assets	<u>15,252,897</u>	<u>14,864,575</u>
Percentage depreciated	<u>50%</u>	<u>49%</u>
Total Capital Asset Net Book Value	<u><u>\$ 51,244,347</u></u>	<u><u>\$ 51,273,723</u></u>

At September 30, 2015, the depreciable capital assets for governmental activities were 50% depreciated. This compares to the 49% at September 30, 2014.

For governmental activities, the majority of the increase (decrease) of the balance of construction-in-progress and all of the depreciable asset accounts relates to the following projects:

- Rolling Oaks Park and Barn Construction-in-progress (\$690,414)
- Guardrails, Drainage and SW 190th Transportation improvements Construction-in-progress \$266,840
- Calusa Corners Park Construction-in-progress \$5,876
- Drainage, Striping, Sidewalk, Entranceway Signage, Fire Wells Infrastructure \$378,690
- Country Estates Park (f/k/a Fishing hole) Improvements other than buildings (\$43,207)
- Rolling Oaks Park and Barn Improvements other than building \$378,835
- Rolling Oaks Park and Barn Buildings and Bldg Improvements \$498,018
- Country Estates Park (f/k/a Fishing hole) Buildings and Bldg Improvements \$142,372
- Public Safety Buildings and Bldg Improvements \$5,500
- Town Hall Furniture and equipment \$29,740
- Rolling Oaks Park and Barn Furniture and Equipment \$10,807
- Country Estates Park (f/k/a Fishing hole) Furniture and Equipment \$28,336
- Public Safety Furniture and equipment \$48,172

Debt

The Town reports the series 2001 revenue bonds issued through the Florida Municipal Loan Council, series 2013 revenue refunding note payable as well as series 2011 revenue refunding note and note and loans payable with financial institutions. The following table reports long-term debt balances at September 30, 2015 and 2014:

	Outstanding Long-term Debt			
	Governmental Activities			
	2015		2014	
FMLC Loan Payable	\$ 1,640,000	**	\$ 1,640,000	**
TD Note payable	2,292,900		2,475,100	
TD Note payable	1,641,204		1,878,854	
TD Note Payable	206,500		-	
CBB Loan Payable	561,316		634,217	
Capital lease	-		16,476	
	<u>\$ 6,341,920</u>		<u>\$ 6,644,647</u>	

**Totals herein include total principal amount outstanding for the FMLC Revenue Bonds. The balance for the underwriters discount net of amortization has been expensed pursuant to the Towns' implementation of GASB #63 and #65, respectively for fiscal year 2013. See Note 7 for additional information about the Town's long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE TOWN

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (towns and cities, counties, school boards) primarily rely on property and an array of permitted other taxes (utility taxes, franchise fees and local business taxes) as well as intergovernmental revenues for their governmental activities. For business-type activities and certain governmental activities (building/construction services and parks, recreation and open space programs), the user pays a related fee or charge associated with the service.

As of September 2015, the unemployment rate for Broward County residents was 4.9% a reduction from a September 2014 rate of 5.8% and compares favorably to the State's unemployment rate of 5.2% and 5.8% for September 2015 and 2014, respectively. The Town's residents would expect to have a lower unemployment rate than is reported for the county. Inflationary trends in the region continue to also compare favorably to national indices, which is a positive sign. In addition, according to the U.S. Census Bureau (2009-2013), the Town's median household income of \$99,896 compares favorably to the State's median household income of \$46,956.

In the 2015–2016 adopted budget, we continue operating in a cautious economic environment. There are some indications of a continued marginal increase in housing values and related taxable values. Additionally, inflationary trends in the region compare favorably to national indices.

Some of the key elements affecting the fiscal year 2015-2016 budget include:

- Relatively modest change in taxable values
- Continuance of an extremely low interest yield environment
- Crude oil prices remain stagnant
- Slow growth rates of building construction and rehabilitation
- Continuance of a marginal decline in the State of Florida shared revenues, especially from gas taxes

All of these factors result in many budget challenges in fiscal year 2015-2016 and beyond. Additionally, the Town is carefully monitoring Florida Legislative initiatives and their future impact on the Town's ability to function at its present level.

The millage rate for fiscal year 2016 was increased to 4.3354, representing the Towns' historical rate of 3.9404 plus .3950 to provide for the second year of a transportation related capital infrastructure capital project (TSDOR), as compared to 3.9404 plus .3315 for TSDOR for fiscal year 2014 totaling 4.2719 resulting in an anticipated positive net revenue change of \$75,038. Additionally, during the current fiscal year, unassigned General Fund fund balance increased to \$4,365,118. The Town of Southwest Ranches has assigned \$256,500 of fund balance for spending in the 2015-2016 fiscal year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability and transparency. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Town Financial Administrator, Town of Southwest Ranches, 13400 Griffin Road, Southwest Ranches, Florida 33330-2628.

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BASIC FINANCIAL STATEMENTS

**These basic financial statements contain Government-wide Financial Statements,
Fund Financial Statements, Notes to Basic Financial Statements
and Required Supplementary Information**

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 5,295,700	\$ 1,019,615	\$ 6,315,315
Investments	611,255	--	611,255
Receivables	287,753	1,908	289,661
Intergovernmental receivable	297,191	--	297,191
Prepaid items	30,337	--	30,337
Deposits	5,000	--	5,000
Assets held for resale	482,720	--	482,720
Capital assets not being depreciated	35,991,450	--	35,991,450
Capital assets being depreciated, net	15,252,897	--	15,252,897
Total Assets	<u>58,254,303</u>	<u>1,021,523</u>	<u>59,275,826</u>
Deferred Outflows of Resources			
Deferred amount on refunding	57,584	--	57,584
Liabilities			
Accounts payable and accrued liabilities	525,140	127,807	652,947
Accrued interest payable	26,569	--	26,569
Unearned revenue	13,886	--	13,886
Intergovernmental payable	8,231	--	8,231
Noncurrent liabilities:			
Due within one year	524,419	--	524,419
Due in more than one year	5,817,501	--	5,817,501
Total Liabilities	<u>6,915,746</u>	<u>127,807</u>	<u>7,043,553</u>
Net Position			
Net investment in capital assets	45,134,927	--	45,134,927
Restricted for:			
Transportation	331,973	--	331,973
Fire control	590,638	--	590,638
Public safety	12,550	--	12,550
Unrestricted	5,326,053	893,716	6,219,769
Total Net Position	<u>\$51,396,141</u>	<u>\$ 893,716</u>	<u>\$52,289,857</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 1,943,608	\$ --	\$ --	\$ --	\$ (1,943,608)	\$ --	\$ (1,943,608)
Public safety	5,363,076	2,140,874	13,049	41,491	(3,167,662)	--	(3,167,662)
Community services	859,056	975,302	--	--	116,246	--	116,246
Parks and recreation	825,673	--	--	33,074	(792,599)	--	(792,599)
Transportation	641,501	--	--	254,359	(387,142)	--	(387,142)
Interest and other debt services costs	188,650	--	--	--	(188,650)	--	(188,650)
Total Governmental Activities	9,821,564	3,116,176	13,049	328,924	(6,363,415)	--	(6,363,415)
Business-type Activities							
Solid waste	761,680	1,045,547	--	--	--	283,867	283,867
Total Primary Government	\$ 10,583,244	\$ 4,161,723	\$ 13,049	\$ 328,924	(6,363,415)	283,867	(6,079,548)
General Revenues							
Ad valorem taxes					4,788,463	--	4,788,463
Franchise fees based on gross receipts					621,659	--	621,659
Unrestricted intergovernmental revenue					771,930	--	771,930
Utility taxes					1,212,320	--	1,212,320
Unrestricted investment earnings					19,660	1,498	21,158
Miscellaneous					89,589	279,579	369,168
Transfers					168,833	(168,833)	--
Total General Revenues and Transfers					7,672,454	112,244	7,784,698
Change in Net Position					1,309,039	396,111	1,705,150
Net Position - Beginning of Year					50,087,102	497,605	50,584,707
Net Position - End of Year					\$ 51,396,141	\$ 893,716	\$ 52,289,857

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 3,975,459	\$ 728,302	\$ 480,595	\$ 111,344	\$ 5,295,700
Investments	611,255	--	--	--	611,255
Receivables	287,753	--	--	--	287,753
Intergovernmental receivable	134,609	122,377	31,974	8,231	297,191
Prepaid items	28,763	--	--	1,574	30,337
Deposits	--	5,000	--	--	5,000
Assets held for resale	482,720	--	--	--	482,720
Total Assets	\$ 5,520,559	\$ 855,679	\$ 512,569	\$ 121,149	\$ 7,009,956
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	304,223	\$ 197,061	\$ 15,971	\$ 7,885	\$ 525,140
Intergovernmental payable	8,231	--	--	--	8,231
Unearned revenues	6,886	7,000	--	--	13,886
Total Liabilities	319,340	204,061	15,971	7,885	547,257
Fund Balances					
Non-spendable:					
Prepaid items	28,763	--	--	1,574	30,337
Assets held for resale	482,720	--	--	--	482,720
Restricted for:					
Transportation	--	331,973	--	--	331,973
Fire control	308,982	--	206,500	75,156	590,638
Public safety	12,550	--	--	--	12,550
Committed for:					
Tree preservation	3,086	--	--	--	3,086
Capital projects	--	319,645	40,298	--	359,943
Assigned for:					
Debt service	--	--	--	36,534	36,534
Capital projects	--	--	249,800	--	249,800
Unassigned	4,365,118	--	--	--	4,365,118
Total Fund Balances	5,201,219	651,618	496,598	113,264	6,462,699
Total Liabilities and Fund Balances	\$ 5,520,559	\$ 855,679	\$ 512,569	\$ 121,149	\$ 7,009,956

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

SEPTEMBER 30, 2015

**Amounts Reported for Governmental Activities in the
Statement of Net Position (Page 15) are
Different Because:**

Fund Balances - Total Governmental Funds (Page 17)		\$ 6,462,699
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 66,799,466	
Accumulated depreciation	<u>(15,555,119)</u>	51,244,347
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(26,569)	
Long-term debt	(6,341,920)	
Deferred amount on refunding (amortized as interest expense)	<u>57,584</u>	<u>(6,310,905)</u>
Net Position of Governmental Activities (Page 15)		\$ <u>51,396,141</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 4,788,463	\$ --	\$ --	\$ --	\$ 4,788,463
Utility taxes	1,212,320	--	--	--	1,212,320
Franchise fees	621,659	--	--	--	621,659
Licenses and permits	757,924	--	--	--	757,924
Intergovernmental	641,517	426,263	33,074	--	1,100,854
Charges for services	1,984,906	--	--	--	1,984,906
Fines and forfeitures	373,346	--	--	--	373,346
Investment income	18,178	878	488	116	19,660
Miscellaneous	89,589	--	--	13,049	102,638
Total Revenues	<u>10,487,902</u>	<u>427,141</u>	<u>33,562</u>	<u>13,165</u>	<u>10,961,770</u>
Expenditures					
General government	1,866,731	--	--	--	1,866,731
Public safety:					
Law enforcement	2,275,548	--	--	--	2,275,548
Fire control	2,783,554	--	--	145,106	2,928,660
Total public safety	<u>5,059,102</u>	<u>--</u>	<u>--</u>	<u>145,106</u>	<u>5,204,208</u>
Community services	859,056	--	--	--	859,056
Parks and recreation	286,489	--	--	--	286,489
Transportation	--	327,491	--	--	327,491
Capital outlay	97,412	631,532	330,621	--	1,059,565
Debt service:					
Principal	--	--	--	509,226	509,226
Interest and fiscal charges	--	--	--	215,478	215,478
Total Expenditures	<u>8,168,790</u>	<u>959,023</u>	<u>330,621</u>	<u>869,810</u>	<u>10,328,244</u>
Excess (deficiency) of revenues over expenditures	<u>2,319,112</u>	<u>(531,882)</u>	<u>(297,059)</u>	<u>(856,645)</u>	<u>633,526</u>
Other Financing Sources (Uses)					
Debt issued	--	--	206,500	--	206,500
Transfers in	168,833	794,139	109,027	866,627	1,938,626
Transfers out	(1,769,793)	--	--	--	(1,769,793)
Total Other Financing Sources (Uses)	<u>(1,600,960)</u>	<u>794,139</u>	<u>315,527</u>	<u>866,627</u>	<u>375,333</u>
Net Change in Fund Balances	718,152	262,257	18,468	9,982	1,008,859
Fund Balances - Beginning of Year	<u>4,483,067</u>	<u>389,361</u>	<u>478,130</u>	<u>103,282</u>	<u>5,453,840</u>
Fund Balances - End of Year	<u>\$ 5,201,219</u>	<u>\$ 651,618</u>	<u>\$ 496,598</u>	<u>\$ 113,264</u>	<u>\$ 6,462,699</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

**Amounts Reported for Governmental Activities in the
Statement of Activities (Page 16) are Different Because:**

Net changes in fund balance - total governmental funds
(Page 19) \$ 1,008,859

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

Expenditures for capital outlay	\$ 1,059,565	
Less: current year provision for depreciation expense	<u>(1,088,941)</u>	(29,376)

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

Debt issued	\$ (206,500)	
Repayment of principal	<u>509,227</u>	302,727

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

Amortization of deferred amount on refunding	(5,758)	
Accrued interest payable	<u>32,587</u>	

Change in Net Position of Governmental Activities (Page 16) \$ 1,309,039

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF NET POSITION - PROPRIETARY FUND

SEPTEMBER 30, 2015

	<u>Solid Waste Fund</u>
Assets	
Current Assets	
Cash	\$ 1,019,615
Receivables	<u>1,908</u>
Total Assets	<u>1,021,523</u>
Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued liabilities	<u>127,807</u>
Total Liabilities	<u>127,807</u>
Net Position	
Unrestricted	<u>893,716</u>
Total Net Position	<u>\$ 893,716</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION - PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Solid Waste Fund</u>
Operating Revenues	
Charges for services	\$ 1,045,547
Other	<u>279,579</u>
Total Operating Revenues	<u>1,325,126</u>
Operating Expenses	
Contractual services	709,971
Recycling	49,884
Other	<u>1,825</u>
Total Operating Expenses	<u>761,680</u>
Operating Income	563,446
Nonoperating Revenues	
Investment income	<u>1,498</u>
Income before Transfers	564,944
Transfer out	<u>(168,833)</u>
Change in Net Position	396,111
Net Position - Beginning of Year	<u>497,605</u>
Net Position - End of Year	<u>\$ 893,716</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Solid Waste Fund
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 1,048,320
Cash received from other operating activities	279,579
Cash paid to suppliers	<u>(741,350)</u>
Net Cash Provided by Operating Activities	<u>586,549</u>
Cash Flows from Non-Capital Financing Activities	
Transfer out	<u>(168,833)</u>
Cash Flows from Investing Activities	
Interest received	<u>1,498</u>
Net Increase in Cash	419,214
Cash - Beginning	<u>600,401</u>
Cash - Ending	<u><u>\$ 1,019,615</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 563,446
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in receivables	2,773
Increase in accounts payable and accrued liabilities	<u>20,330</u>
Total adjustments	<u>23,103</u>
Net Cash Provided by Operating Activities	<u><u>\$ 586,549</u></u>

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

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**NOTES TO BASIC
FINANCIAL STATEMENTS**

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The accompanying financial statements present the Town and its component unit, the Southwest Ranches Volunteer Fire-Rescue, Inc. (the Department).

The Southwest Ranches Volunteer Fire-Rescue, Inc. (the Department) became a blended component unit of the Town of Southwest Ranches on January 28, 2010 when the members of the Town Council became the Board of Directors of the Department. The Department is a legally separate, tax-exempt, 501c(4) organization that provides for the protection of human and animal life and property against fire, disaster, natural catastrophe or other calamity within the Town limits of Southwest Ranches. The Town is financially responsible (benefit/burden) for the Department. There are no separately issued financial statements for this component unit.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the Town is reported separately from a legally separate component unit for which the Town is financially accountable.

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

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

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

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

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise fees, utility taxes, charges for services, intergovernmental revenues and interest associated with the current fiscal period are all considered to be measurable and available and have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available when cash is received by the Town.

The reporting practices of the proprietary fund type closely parallel comparable commercial financial reporting, which recognize revenue when earned and expenses when incurred (the accrual basis) including, in the case of the enterprise fund, depreciation on its exhaustible capital assets, if any. Earned, but unbilled service receivables, if any, would be accrued as revenue in the enterprise fund.

The Town reports the following major governmental funds:

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

The *Transportation Fund* accounts for the receipt of the Town's portion of the state revenue sharing of the gasoline and local option gas taxes which are restricted for transportation related expenditures.

The *Capital Projects Fund* is used to account for the capital projects of the Town which have received the approval of the Town Council. Transfers from the general and other funds are made to this fund to cover such expenditures.

The Town reports the following major proprietary fund:

The *Solid Waste Fund* (an enterprise fund) accounts for the operation of the Town's solid waste collection, disposal, and recycling services.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the Town's solid waste functions and various other functions of the Town, if applicable. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

D. DEPOSITS AND INVESTMENTS

The Town utilizes a pooled cash account for cash of all Town funds other than those that are required to be physically segregated. The pooled cash account concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The pooled cash system utilizes a single checking account for Town receipts and all disbursements including payroll.

Investments are in the Florida PRIME administered by the State Board of Administration. The Town's investments in the Florida PRIME are stated at the value of the pool shares (2a-7 like pool), which is fair value.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

F. CAPITAL ASSETS

Capital assets, which include land, construction in progress, intangible and infrastructure assets, improvements other than buildings, buildings and building improvements, and furniture and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value on the date of donation.

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

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

Assets	Years
Infrastructure	10-40
Improvements other than buildings	10-40
Buildings and building improvements	10-50
Furniture and equipment	3-20

G. LONG-TERM OBLIGATIONS

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. LONG-TERM OBLIGATIONS (CONTINUED)

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the year of issuance. The face amount of debt issued is reported as 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, and principal payments, are reported as debt service expenditures.

H. DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES

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

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

I. UNEARNED REVENUE

Unearned revenue represents increases in assets prior to eligibility criteria being met.

J. FUND EQUITY

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FUND EQUITY (CONTINUED)

The following are the fund balance classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for the specific purposes determined by a formal action (ordinance or resolution) of the Town Council, the Town's highest level of decision making authority. Ordinances and resolutions constitute the most binding constraints and are deemed equally binding and enforceable within the Town. Commitments may be changed or lifted only by the Town Council taking the same formal action (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Town Administrator and Town Financial Administrator who have the discretionary authority as charter officers of the Town and to which the Council has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. There is no formal policy which has been established by Council delegating this authority. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Town itself.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. NET POSITION

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

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

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

L. FLOW ASSUMPTIONS

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. USE OF ESTIMATES

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

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

During the year, the Town's pooled cash was held in qualified public depositories. In addition to insurance provided by the Federal Deposit Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State of Florida, State Treasurer to hold public funds. Under the Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or banking institution eligible collateral of the depository. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Since the Town uses only authorized public depositories, all funds deposited with financial institutions are FDIC insured and/or are fully collateralized and treated as insured.

INVESTMENTS

The Town is authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities and the Florida PRIME administered by the State Board of Administration. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

The Town had the following investments as of September 30, 2015:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Investments		
Florida PRIME	<u>\$ 611,255</u>	39 days

INTEREST RATE RISK

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates nor do they have any investments that are subject to interest rate risk.

CREDIT RISK

The Town does not have a written investment policy and, therefore, follows Florida Statute 218.415(17). The Town invests surplus funds in the State Board of Administration Investment Pool. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

Disclosure is required when the percentage of investments is 5% or more in any one issuer. At September 30, 2015, the Town only invests in an external investment pool and therefore is not subject to concentration of credit risk.

NOTE 3 – PROPERTY TAXES

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Broward County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2015.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Broward County Property Appraiser, who incorporates the Town's millage into the total tax levy, which includes the County, County School Board and other agencies tax requirements. The millage rate assessed by the Town for the fiscal year ended September 30, 2015 was 3.9404 mills (\$3.9404 per \$1,000 of taxable assessed valuation).

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 4 - RECEIVABLES

Receivables as of September 30, 2015 for the Town's funds are as follows:

	Taxes and Fees
General Fund	\$ 287,753
Solid Waste Fund	1,908
Total Receivables	\$ 289,661

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2015 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 168,833	\$ 1,769,793
Transportation Fund	794,139	--
Capital Projects Fund	109,027	--
Volunteer Fire Department Fund	133,837	--
Debt Service Fund	732,790	--
Solid Waste Fund	--	168,833
Total Interfund Transfers	\$ 1,938,626	\$ 1,938,626

General Fund Transfers In consisted entirely of \$168,833 from the Town's Solid Waste Fund providing cost reimbursement to recover General Fund administrative, finance and contractual compliance management, as well as legal services.

General Fund Transfers Out consisted of \$794,139 to the Transportation Fund to fund capital projects and operating needs; \$109,027 to the Capital Projects Fund to fund capital projects primarily pertaining to the Fishing Hole Park project at Country Isle Estates, Rolling Oaks Barn project and Fire Control project; \$133,837 to the Volunteer Fire Department Fund (component unit) to fund volunteer fire operations; and \$732,790 to the Debt Service Fund as debt service principal and interest payments become due in accordance with debt service covenants.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Net Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$34,018,569	\$ --	\$ --	\$ --	\$ 34,018,569
Construction in progress	<u>2,390,579</u>	<u>272,716</u>	<u>--</u>	<u>(690,414)</u>	<u>1,972,881</u>
Total capital assets, not being depreciated	<u>36,409,148</u>	<u>272,716</u>	<u>--</u>	<u>(690,414)</u>	<u>35,991,450</u>
Capital assets, being depreciated:					
Infrastructure	20,692,334	378,690	--	--	21,071,024
Improvements other than buildings	4,411,527	99,165	--	236,463	4,747,155
Buildings and building improvements	2,769,661	191,939	--	453,951	3,415,551
Furniture and equipment	<u>1,457,231</u>	<u>117,055</u>	<u>--</u>	<u>--</u>	<u>1,574,286</u>
Total capital assets being depreciated	<u>29,330,753</u>	<u>786,849</u>	<u>--</u>	<u>690,414</u>	<u>30,808,016</u>
Total capital assets	<u>65,739,901</u>	<u>1,059,565</u>	<u>--</u>	<u>--</u>	<u>66,799,466</u>
Less: accumulated depreciation for:					
Infrastructure	11,272,221	547,633	--	--	11,819,854
Improvements other than buildings	2,216,735	289,947	--	--	2,506,682
Buildings and building improvements	207,323	61,138	--	--	268,461
Furniture and equipment	<u>769,899</u>	<u>190,223</u>	<u>--</u>	<u>--</u>	<u>960,122</u>
Total accumulated depreciation	<u>14,466,178</u>	<u>1,088,941</u>	<u>--</u>	<u>--</u>	<u>15,555,119</u>
Total capital assets, being depreciated, net	<u>14,864,575</u>	<u>(302,092)</u>	<u>--</u>	<u>690,414</u>	<u>15,252,897</u>
Governmental Activities					
Capital Assets, Net	<u>\$51,273,723</u>	<u>\$ (29,376)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 51,244,347</u>

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

General government	\$ 76,879
Public safety	158,868
Parks and recreation	539,184
Transportation	<u>314,010</u>
Total Depreciation - Governmental Activities	<u>\$ 1,088,941</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2015.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
FMLC Loan Payable	\$ 1,640,000	\$ --	\$ --	\$ 1,640,000	\$ --
Note Payable Series 2013	2,475,100	--	(182,200)	2,292,900	184,400
Note Payable Series 2011	1,878,854	--	(237,650)	1,641,204	244,204
Rosenbauer Payable	--	206,500	--	206,500	19,714
Loan Payable	634,217	--	(72,901)	561,316	76,101
Capital Lease Payable	16,476	--	(16,476)	--	--
Total	<u>\$ 6,644,647</u>	<u>\$ 206,500</u>	<u>\$ (509,227)</u>	<u>\$ 6,341,920</u>	<u>\$ 524,419</u>

FLORIDA MUNICIPAL LOAN COUNCIL

In 2001, the Town entered into a loan agreement with the Florida Municipal Loan Council (FMLC) funded from proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2001A (the Bonds). 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 2015, the Town was in compliance with this covenant.

On June 1, 2013 the Town entered into a loan with a financial institution for the purpose of refunding a portion of the Bonds. The amended loan requirements for the unrefunded portion of the Bonds are as follows: semi-annual payments of interest at a fixed rate of 5% due in May and November of each fiscal year, beginning on November 1, 2013 through November 1, 2026; annual principal payments of varying amounts due in November of each fiscal year, beginning on November 1, 2026 through November 1, 2031; and semi-annual payments of interest at varying rates (4.75% through 5.25%) due in May and November of each fiscal year, beginning on May 1, 2027 through November 1, 2031.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual requirements to pay principal and interest on this obligation as of September 30, 2015 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2016	\$ --	\$ 82,000	\$ 82,000
2017	--	82,000	82,000
2018	--	82,000	82,000
2019	--	82,000	82,000
2020	--	82,000	82,000
2021-2025	--	410,000	410,000
2026-2030	1,040,000	309,250	1,349,250
2031-2032	600,000	30,250	630,250
Total	<u>\$1,640,000</u>	<u>\$1,159,500</u>	<u>\$2,799,500</u>

REVENUE REFUNDING NOTE, SERIES 2013

On June 1, 2013 the Town entered in to a \$2,659,800 note with a financial institution for the purpose of refunding a portion of the Town's Florida Municipal Loan Council Revenue Bonds, Series 2001A. The note requires annual payments of principal and semi-annual payments of interest beginning November 1, 2013 and matures on November 1, 2025. The note bears interest on the outstanding principal amount thereof at a rate of 2.39% calculated on the basis of twelve 30-day months and a 360-day year. As security for loan repayment, the Town covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement. During 2015, the Town was in compliance with this covenant.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

REVENUE REFUNDING NOTE, SERIES 2013 (CONTINUED)

The annual requirements to pay principal and interest on this obligation as of September 30, 2015 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2016	\$ 184,400	\$ 52,597	\$ 236,997
2017	191,200	48,108	239,308
2018	192,800	43,520	236,320
2019	199,100	38,836	237,936
2020	200,500	34,061	234,561
2021-2025	1,092,000	94,367	1,186,367
2026	232,900	2,783	235,683
Total	<u>\$2,292,900</u>	<u>\$314,272</u>	<u>\$2,607,172</u>

REVENUE REFUNDING NOTE, SERIES 2011

On December 1, 2011 the Town entered in to a \$2,500,000 note with a financial institution for the purpose of refunding the Town's pooled commercial paper loan with the Florida Local Government Finance Commission (FLGFC). The note requires quarterly payments of principal and interest beginning March 1, 2012 and matures on December 1, 2021. The note bears interest on the outstanding principal amount thereof at a fixed rate of 2.73% per annum calculated on a 30/360 day count basis. The Town has pledged non-ad valorem revenue to secure payment of the principal and interest of the note.

Fiscal Year Ending September 30,	Principal	Interest	Total
2016	\$ 244,204	\$ 42,319	\$ 286,523
2017	250,940	35,583	286,523
2018	257,861	28,662	286,523
2019	264,973	21,550	286,523
2020	272,281	14,242	286,523
2021-2022	350,945	7,218	358,163
Total	<u>\$1,641,204</u>	<u>\$149,574</u>	<u>\$1,790,778</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

ROSENBAUER PAYABLE

On July 15, 2015, the Town entered into a financing arrangement for the acquisition of a Rosenbauer Pumper Apparatus for the Volunteer Fire Department in the amount of \$206,500. The loan calls for annual interest and principle payments at a fixed rate of 2.56% and the loan matures on June 15, 2024. As of September 30, 2015, the purchase of the pumper had not yet occurred. The acquisition is expected to occur in the following fiscal year.

Fiscal Year Ending September 30,	Principal	Interest	Total
2016	\$ 19,714	\$ 5,286	\$ 25,000
2017	24,703	4,782	29,485
2018	25,336	4,149	29,485
2019	25,985	3,501	29,486
2020	26,650	2,836	29,486
2021-2024	84,112	4,343	88,455
Total	<u>\$ 206,500</u>	<u>\$ 24,897</u>	<u>\$ 231,397</u>

LOAN PAYABLE

On April 7, 2010, the Town entered into a line of credit agreement with a financial institution in an amount not to exceed \$2,000,000 for the purpose of financing road improvements and drainage projects in the Town. The loan calls for monthly interest payments at 2.75% during the draw period. The principal amount outstanding at the end of the draw period shall be payable monthly, beginning May 7, 2012 in equal payments of principal and interest at 3.95% through April 7, 2022. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the loan. The annual requirements to pay principal and interest on this obligation as of September 30, 2015 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2016	\$ 76,101	\$ 20,866	\$ 96,967
2017	79,311	17,656	96,967
2018	82,426	14,541	96,967
2019	85,741	11,226	96,967
2020	89,190	7,777	96,967
2021-2022	148,547	4,920	153,467
Total	<u>\$561,316</u>	<u>76,986</u>	<u>\$638,302</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

EMERGENCY LINE OF CREDIT

On June 20, 2013, the Town entered into a revolving line of credit agreement with a financial institution in an amount not to exceed \$4,500,000 for the purpose of expenditures for extraordinary, nonrecurring items the Town desires or needs to undertake subsequent to and as a result of a natural, technological or civil emergency. Monthly interest payments at a variable rate equal to the prime rate less 0.25% will be due on any draws. The outstanding principal of the note plus any accrued and unpaid interest shall be due on June 30, 2018. The Town covenants to budget and appropriate in its annual budget from legally available non-ad valorem revenues in each fiscal year, sufficient moneys to pay the principal and interest on the note. There were no draws on the line of credit during the fiscal year ended September 30, 2015.

NOTE 8 – LEASES

CAPITAL LEASE

In 2007, the Town 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. As of September 30, 2015, there are no future minimum lease obligations.

Asset Acquired Under the Capital Lease

Machinery and equipment	\$ 124,000
Accumulated depreciation	<u>(109,533)</u>
	<u>\$ 14,467</u>

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 coverage requirements in the prior year. Settled claims did not exceed coverage requirements for each of the past three years.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 10 – COMMITMENTS AND CONTINGENCIES

AGREEMENT WITH TOWN OF DAVIE

On November 19, 2013, the Council authorized police services for the Town to be contracted with the Town of Davie commencing February 1, 2014 through January 31, 2019. The Town incurred total expenditures of \$2,275,548 for police services for the fiscal year ended September 30, 2015.

INTERLOCAL AGREEMENT FOR DELIVERY OF EMERGENCY MEDICAL AND FIRE PROTECTION SERVICES

In 2011, the Town entered into an agreement with the City of Pembroke Pines (Pembroke Pines) to provide emergency medical and fire protection services to the Town effective October 1, 2011 through September 30, 2015. During 2012, the Town and Pembroke Pines cancelled the agreement in effect and the Town entered into a new agreement with the Town of Davie (Davie) for relatively similar services effective October 1, 2012 through September 30, 2017. The new agreement may be renewed for successive five-year periods upon mutual agreement of both parties and has annual compounded increases of 4%. Either party may cancel the contract with a minimum notice of 365 days after the first four years. The Town paid \$2,582,860 under this agreement for the fiscal year ended September 30, 2015.

AGREEMENT FOR PLANS REVIEW AND BUILDING INSPECTION SERVICES

The Town extended a service agreement with a provider through March 1, 2015 for plan review and building inspection services. The amount of compensation is based on rates and schedules set forth in the agreement with a maximum percentage of 75% of actual revenue received by the Town. For the fiscal year ended September 30, 2015, the Town paid \$399,129 for these services.

AGREEMENT FOR PLANNING SERVICES

In 2010, the Town entered into a renegotiated agreement with a consultant to provide planning and zoning services on a full cost recovery fee structure. This agreement, which was set to expire October 31, 2010, was extended through September 30, 2017 for planning services only and is renewable upon the consent of both parties. For the fiscal year ended September 30, 2015, the Town paid \$60,041 for these services.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

AGREEMENT FOR CODE COMPLIANCE AND ZONING SERVICES

The Town previously entered into a service agreement with a provider for the provision of code compliance services and act as the Code Compliance Official. This agreement, which was set to expire in January 2015, was extended through September 2017 and was expanded to include zoning services. Either party may terminate this agreement upon providing 90 days written notice. For the fiscal year ended September 30, 2015, the Town paid \$176,619 for code compliance and zoning services.

LITIGATION

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

GRANTS AND AWARDS

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

NOTE 11 – DEFINED CONTRIBUTION PLAN

All regular full-time employees are eligible to be covered by the Town 401(a) Plan (the Plan), a defined contribution pension plan, administered by an independent agent, ICMA Retirement Corporation, and authorized by resolution effective March 27, 2014. The Town's policy is to fund the annual pension costs in each department during the annual budget process.

Under the Town's 401(a) Plan, the Town matches, and therefore contributes, up to 5% (as a percentage of employees' gross wages) of the employees' annual elective contribution to an ICMA 457 Plan (see Note 12) for both General and Management personnel. Each personnel group receives a 20% graduated vesting over various periods of time by completing one through five years of full-time employment. Additionally, age 62 is the earliest age that personnel may elect to receive retirement benefits upon separation of service.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 11 – DEFINED CONTRIBUTION PLAN (CONTINUED)

Under the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. There are a total of 12 employees for both personnel groups under the 401(a) Plan as of September 30, 2015. The assets of the Plan are held in trust and are the sole property of the participants; therefore, no balances or financial information is reported in the Town's basic financial statements. The total contributions made by the Town were \$43,232.

NOTE 12 – DEFERRED COMPENSATION PLAN

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

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

The Town follows the standards for *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB). The standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's Statement of Net Position as an increase (or decrease) in the OPEB obligation.

PLAN DESCRIPTION

The Town provides an optional single employer defined benefit postemployment healthcare Plan to eligible individuals. The Plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health and dental insurance benefits upon retirement. The benefits of the Plan conform to Florida Statutes, which are the legal authority for the Plan. The Plan has no assets and does not issue a separate financial report.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

FUNDING POLICY AND ANNUAL OPEB COST

The Town does not make a contribution to the Plan on behalf of retirees. In addition, retirees and their beneficiaries do not pay group rates to the Town's healthcare provider due to the fact that rates for current employees are adjusted based on their age. In accordance with accounting standards, the Town has evaluated and determined that it is not necessary to calculate an offset to the cost of these benefits as an employer contribution, based on implicit rate subsidy since the premiums are adjusted based on age. Therefore, no liability to the Town has been recorded.

REQUIRED SUPPLEMENTARY INFORMATION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Chezney Stevens

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 4,822,858	\$ 4,788,465	\$ 4,788,463	\$ (2)
Utility taxes	1,100,505	1,212,319	1,212,320	1
Franchise fees	552,820	561,397	621,659	60,262
Licenses and permits	515,450	757,930	757,924	(6)
Intergovernmental	619,862	639,825	641,517	1,692
Charges for services	1,946,452	1,974,356	1,984,906	10,550
Fines and forfeitures	209,500	360,614	373,346	12,732
Investment income	7,266	7,266	18,178	10,912
Miscellaneous	69,500	69,500	89,589	20,089
Total Revenues	<u>9,844,213</u>	<u>10,371,672</u>	<u>10,487,902</u>	<u>116,230</u>
Expenditures				
Current:				
General government	2,032,915	2,040,954	1,866,731	174,223
Public safety:				
Law enforcement	2,393,458	2,393,458	2,275,548	117,910
Fire control	2,826,959	2,826,959	2,783,554	43,405
Total public safety	<u>5,220,417</u>	<u>5,220,417</u>	<u>5,059,102</u>	<u>161,315</u>
Community services	757,530	888,861	859,056	29,805
Parks and recreation	352,757	422,240	286,489	135,751
Capital outlay	<u>110,037</u>	<u>117,037</u>	<u>97,412</u>	<u>19,625</u>
Total Expenditures	<u>8,473,656</u>	<u>8,689,509</u>	<u>8,168,790</u>	<u>520,719</u>
Excess of Revenues over Expenditures	<u>1,370,557</u>	<u>1,682,163</u>	<u>2,319,112</u>	<u>636,949</u>
Other Financing Sources (Uses)				
Transfers in	168,833	168,833	168,833	--
Transfers out	<u>(1,739,390)</u>	<u>(1,850,996)</u>	<u>(1,769,793)</u>	<u>81,203</u>
Total Other Financing Sources (Uses)	<u>(1,570,557)</u>	<u>(1,682,163)</u>	<u>(1,600,960)</u>	<u>81,203</u>
Net Change in Fund Balance	<u>\$ (200,000)</u>	<u>\$ --</u>	<u>\$ 718,152</u>	<u>\$ 718,152</u>
Appropriated Beginning Fund Balance	<u>\$ 200,000</u>	<u>\$ --</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 1,337,152	\$ 1,412,152	\$ 426,263	\$ (985,889)
Investment income	<u>250</u>	<u>250</u>	<u>878</u>	<u>628</u>
Total Revenues	<u>1,337,402</u>	<u>1,412,402</u>	<u>427,141</u>	<u>(985,261)</u>
Expenditures				
Current:				
Transportation	333,163	397,985	327,491	70,494
Capital outlay	<u>1,909,946</u>	<u>2,107,696</u>	<u>631,532</u>	<u>1,476,164</u>
Total Expenditures	<u>2,243,109</u>	<u>2,505,681</u>	<u>959,023</u>	<u>1,546,658</u>
Deficiency of Revenues over Expenditures	<u>(905,707)</u>	<u>(1,093,279)</u>	<u>(531,882)</u>	<u>561,397</u>
Other Financing Sources				
Transfers in	<u>716,560</u>	<u>781,382</u>	<u>794,139</u>	<u>(12,757)</u>
Total Other Financing Sources	<u>716,560</u>	<u>781,382</u>	<u>794,139</u>	<u>(12,757)</u>
Net Change in Fund Balance	<u>\$ (189,147)</u>	<u>\$ (311,897)</u>	<u>\$ 262,257</u>	<u>\$ 548,640</u>
Appropriated Beginning Fund Balance	<u>\$ 189,147</u>	<u>\$ 311,897</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

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

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**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

TOWN OF SOUTHWEST RANCHES, FLORIDA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 74,810	\$ 36,534	\$ 111,344
Due from other funds	8,231	--	8,231
Prepaid items	1,574	--	1,574
Total Assets	\$ 84,615	\$ 36,534	\$ 121,149
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 7,885	\$ --	\$ 7,885
Total Liabilities	7,885	--	7,885
Fund Balances			
Non-spendable:			
Prepaid items	1,574	--	1,574
Restricted for:			
Fire control	75,156	--	75,156
Assigned for:			
Debt service	--	36,534	36,534
Total Fund Balances	76,730	36,534	113,264
Total Liabilities and Fund Balances	\$ 84,615	\$ 36,534	\$ 121,149

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Investment income	\$ 116	\$ --	\$ 116
Miscellaneous	<u>13,049</u>	<u>--</u>	<u>13,049</u>
Total Revenues	<u>13,165</u>	<u>--</u>	<u>13,165</u>
Expenditures			
Fire and rescue services	145,106	--	145,106
Debt service:			
Principal	--	509,226	509,226
Interest and fiscal charges	<u>--</u>	<u>215,478</u>	<u>215,478</u>
Total Expenditures	<u>145,106</u>	<u>724,704</u>	<u>869,810</u>
Deficiency of Revenues Over Expenditures	<u>(131,941)</u>	<u>(724,704)</u>	<u>(856,645)</u>
Other Financing Sources			
Transfers in	<u>133,837</u>	<u>732,790</u>	<u>866,627</u>
Net Change in Fund Balances	1,896	8,086	9,982
Fund Balances - Beginning	<u>74,834</u>	<u>28,448</u>	<u>103,282</u>
Fund Balances - Ending	<u>\$ 76,730</u>	<u>\$ 36,534</u>	<u>\$ 113,264</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ --	\$ --	\$ --	\$ --
Expenditures				
Debt service:				
Principal	510,903	510,903	509,226	1,677
Interest and fiscal charges	<u>221,887</u>	<u>221,887</u>	<u>215,478</u>	<u>6,409</u>
Total Expenditures	<u>742,790</u>	<u>742,790</u>	<u>724,704</u>	<u>18,086</u>
Deficiency of Revenues over Expenditures	<u>(742,790)</u>	<u>(742,790)</u>	<u>(724,704)</u>	<u>18,086</u>
Other Financing Sources				
Transfers in	<u>732,790</u>	<u>732,790</u>	<u>732,790</u>	<u>--</u>
Total Other Financing Sources	<u>732,790</u>	<u>732,790</u>	<u>732,790</u>	<u>--</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ 8,086</u>	<u>\$ 18,086</u>
Appropriated Beginning Fund Balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 50,000	\$ 84,027	\$ 33,074	\$ (50,953)
Investment income	--	--	488	488
Miscellaneous	--	--	--	--
Total Revenues	<u>50,000</u>	<u>84,027</u>	<u>33,562</u>	<u>(50,465)</u>
Expenditures				
Capital outlay	<u>135,000</u>	<u>440,403</u>	<u>330,621</u>	<u>109,782</u>
Total Expenditures	<u>135,000</u>	<u>440,403</u>	<u>330,621</u>	<u>109,782</u>
Deficiency of Revenues over Expenditures	<u>(85,000)</u>	<u>(356,376)</u>	<u>(297,059)</u>	<u>59,317</u>
Other Financing Sources				
Proceeds on new debt	--	--	206,500	(206,500)
Transfers in	<u>75,000</u>	<u>109,027</u>	<u>109,027</u>	<u>--</u>
Total Other Financing Sources	<u>75,000</u>	<u>109,027</u>	<u>315,527</u>	<u>(206,500)</u>
Net Change in Fund Balance	<u>\$ (10,000)</u>	<u>\$ (247,349)</u>	<u>\$ 18,468</u>	<u>\$ (147,183)</u>
Appropriated Beginning Fund Balance	<u>\$ 10,000</u>	<u>\$ 247,349</u>		

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STATISTICAL SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Bob Hartmann

Town of Southwest Ranches, Florida
Introduction to Statistical Section
(Unaudited)

This part of Town of Southwest Ranches' comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	<u>Page</u>
Financial Trends These tables contain trend information that may assist the reader in assessing the Town's current financial performance by placing it in historical perspective.	53-69
Revenue Capacity These tables contain information that may assist the reader in assessing the Town's most significant local revenue source, the property taxes.	70-76
Debt Capacity These tables contain information that may assist the reader in analyzing the affordability of the Town's current levels of outstanding debt and the Town's ability to issue debt in the future.	77-79
Demographic and Economic Information These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Town operates and (2) to provide information that facilitates comparisons of financial statement information over time and among towns.	80-82
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the Town's financial statements relates to the services the Town provides and the activities it performs.	83-84

Data Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year.

Town of Southwest Ranches, Florida
Changes in Net Position - Governmental Activities (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2006 ¹	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
General government	\$ 1,407,916	\$ 1,635,441	\$ 1,516,047	\$ 1,380,331	\$ 1,624,918	\$ 1,750,991	\$ 1,897,921	\$ 1,837,205	\$ 1,885,010	\$ 1,943,608
Public safety	2,466,655	2,516,793	3,610,699	5,609,400	6,207,667	5,293,993	5,136,515	4,971,275	5,688,914	5,363,076
Community services	1,200,384	1,796,043	2,036,933	1,446,553	1,313,271	796,857	887,750	719,489	777,301	859,056
Public works	1,269,187	1,089,096	1,640,272	1,900,861	-	-	-	-	-	-
Parks and recreation	484,684	430,541	507,966	502,143	387,510	310,369	419,249	497,374	482,289	825,673
Transportation	12,107,067	326,384	261,532	253,394	751,754	725,093	730,440	744,296	767,872	641,501
Nondepartmental	29,897	33,204	-	-	-	-	-	-	-	-
Interest and other debt service costs	632,381	498,034	340,250	280,961	286,467	258,608	299,696	279,615	240,636	188,650
Total Expenses	19,598,171	8,325,536	9,913,699	11,373,643	10,571,587	9,135,911	9,371,571	9,049,254	9,842,022	9,821,564
Program Revenues:										
Charges for services:										
General government	239,541	288,755	116,332	142,592	155,437	134,717	109,180	-	-	-
Public safety	1,006,275	609,733	1,044,649	1,100,308	1,527,184	1,613,117	1,848,333	1,836,977	2,031,296	2,140,874
Community services	306,516	860,578	942,262	1,024,625	801,244	788,347	635,692	1,185,269	1,001,627	975,302
Parks and recreation	291,084	133,980	50,925	1,645	-	-	-	-	-	-
Public works	651,572	628,844	1,296,891	1,303,431	-	-	-	-	-	-
Operating grants and contributions	10,414,610	188,280	1,899,800	196,192	269,781	96,606	48,197	35,683	28,003	13,049
Capital grants and contributions	603,445	93,628	116,152	11,342	280,521	59,162	181,015	382,033	161,293	328,924
Total Program Revenues	13,513,043	2,803,798	5,467,011	3,780,135	3,034,167	2,691,949	2,822,417	3,439,962	3,222,219	3,458,149
Net (Expense) Revenue	(6,085,128)	(5,521,738)	(4,446,688)	(7,593,508)	(7,537,420)	(6,443,962)	(6,549,154)	(5,609,292)	(6,619,803)	(6,363,415)
General Revenues:										
Taxes:										
Property taxes	2,969,270	3,488,788	3,920,509	4,527,435	4,574,566	4,303,700	4,105,338	4,146,677	4,245,717	4,788,463
Utility taxes	521,151	583,190	589,629	593,394	659,884	1,079,094	1,092,624	1,147,616	1,169,184	1,212,320
Franchise fees based on gross receipts	808,273	853,267	1,046,849	1,167,851	1,005,629	620,532	593,888	571,399	616,559	621,659
Unrestricted intergovernmental revenues	652,622	583,506	552,210	546,154	547,048	790,831	689,697	720,491	734,438	771,930
Unrestricted investment earnings	227,190	300,938	141,347	53,342	90,149	25,786	30,789	17,725	5,598	19,660
Miscellaneous	9,693	132,727	25,159	43,700	68,173	139,911	97,064	134,736	94,659	89,589
Special item, gain on sale of land held for investment	2,906,664	-	-	-	-	-	-	-	-	-
Extraordinary item, impairment of asset	-	-	-	(60,676)	-	-	-	-	-	-
Total General Revenues	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,609,400	6,738,644	6,866,155	7,503,621
Net Transfers In (Out)	-	-	-	-	-	-	128,701	174,492	183,327	168,833
Total General Revenues	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454
Net Transfers	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454
Change in Net Position	\$ 2,009,735	\$ 420,678	\$ 1,829,015	\$ (722,308)	\$ (591,971)	\$ 515,892	\$ 188,947	\$ 1,303,844	\$ 429,679	\$ 1,309,039

Notes:

¹ Transportation include significant expenditures and intergovernmental revenue resulting from hurricanes Katrina and Wilma costs and related federal reimbursement.

The Town implemented GASB Statement No. 63 during the fiscal year ended September 30, 2013 and utilized the new terminology for all years presented.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

For the Fiscal Year Ended September 30,

	2006 ¹	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
General government	7.2%	19.6%	15.3%	12.1%	15.4%	19.2%	20.3%	20.3%	19.2%	19.8%
Public safety	12.6%	30.2%	36.4%	49.3%	58.7%	57.9%	54.8%	54.9%	57.8%	54.6%
Community services	6.1%	21.6%	20.5%	12.7%	12.4%	8.7%	9.5%	8.0%	7.9%	8.7%
Public works	6.5%	13.1%	16.5%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	2.5%	5.2%	5.1%	4.4%	3.7%	3.4%	4.5%	5.5%	4.9%	8.4%
Transportation	61.8%	3.9%	2.6%	2.2%	7.1%	7.9%	7.8%	8.2%	7.8%	6.5%
Nondepartmental	0.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest and other debt service costs	3.2%	6.0%	3.4%	2.5%	2.7%	2.9%	3.2%	3.1%	2.4%	1.9%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues:										
Charges for services:										
General government	1.8%	10.3%	2.1%	3.8%	5.1%	5.0%	3.9%	0.0%	0.0%	0.0%
Public safety	7.4%	21.7%	19.1%	29.1%	50.3%	59.9%	65.5%	53.4%	63.0%	61.9%
Community services	2.3%	30.7%	17.2%	27.1%	26.4%	29.3%	22.5%	34.5%	31.1%	28.2%
Parks and recreation	2.2%	4.8%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public works	4.8%	22.4%	23.7%	34.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating grants and contributions	77.1%	6.7%	34.8%	5.2%	8.9%	3.6%	1.7%	1.0%	0.9%	0.4%
Capital grants and contributions	4.5%	3.3%	2.1%	0.3%	9.2%	2.2%	6.4%	11.1%	5.0%	9.5%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Taxes:										
Property taxes	36.7%	58.7%	62.5%	65.9%	65.9%	61.8%	62.1%	61.5%	61.8%	63.8%
Utility taxes	6.4%	9.8%	9.4%	8.6%	9.5%	15.5%	16.5%	17.0%	17.0%	16.2%
Franchise fees based on gross receipts	10.0%	14.4%	16.7%	17.0%	14.5%	8.9%	9.0%	8.5%	9.0%	8.3%
Unrestricted intergovernmental revenues	8.1%	9.8%	8.8%	7.9%	7.9%	11.4%	10.4%	10.7%	10.7%	10.3%
Unrestricted investment earnings (losses)	2.8%	5.1%	2.3%	0.8%	1.3%	0.4%	0.5%	0.3%	0.1%	0.3%
Miscellaneous	0.1%	2.2%	0.4%	0.6%	1.0%	2.5%	1.5%	2.0%	1.4%	1.2%
Special item, gain on sale of land held for investment	35.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Extraordinary item, impairment of asset	0.0%	0.0%	0.0%	-0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
¹ Transportation include significant expenditures and intergovernmental revenue resulting from hurricanes Katrina and Wilma costs and related federal reimbursement.

Data Source:
 Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Net Position - Business-type Activities
Last Six Fiscal Years ¹
(accrual basis of accounting)

Source	For the Fiscal Year Ended					
	2010	2011	2012	2013	2014	2015
Expenses:						
Solid waste	\$ 1,417,368	\$ 1,582,463	\$ 1,401,456	\$ 966,722	\$ 781,764	\$ 761,680
Program Revenues:						
Charges for services:						
Solid waste	1,651,805	1,620,856	1,539,737	1,097,252	1,050,476	1,045,547
Operating grants and contributions				113,914	-	-
Net Revenue	234,437	38,393	138,281	244,444	268,712	283,867
General Revenues:						
Investment earnings	10,118	8,500	2,121	564	476	1,498
Miscellaneous	-	-	-	21,445	16,634	279,579
Income before Transfers:	244,555	46,893	140,402	266,453	285,822	564,944
Transfers out	-	-	(128,701)	(174,492)	(183,327)	(168,833)
Change in Net Position	<u>\$ 244,555</u>	<u>\$ 46,893</u>	<u>\$ 11,701</u>	<u>\$ 91,961</u>	<u>\$ 102,495</u>	<u>\$ 396,111</u>

Notes:

¹ The Town established the solid waste fund in fiscal year 2010.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Changes in Total Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities ¹	\$ 19,598,171	\$ 8,325,536	\$ 9,913,699	\$ 11,373,643	\$ 10,571,587	\$ 9,135,911	\$ 9,371,571	\$ 9,049,254	\$ 9,842,022	\$ 9,821,564
Business-type activities ²	-	-	-	-	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680
Total Expenses	<u>19,598,171</u>	<u>8,325,536</u>	<u>9,913,699</u>	<u>11,373,643</u>	<u>11,988,955</u>	<u>10,718,374</u>	<u>10,773,027</u>	<u>10,015,976</u>	<u>10,623,786</u>	<u>10,583,244</u>
Program Revenues:										
Governmental activities ¹	13,513,043	2,803,798	5,467,011	3,780,135	3,034,167	2,691,949	2,822,417	3,439,962	3,222,219	3,458,149
Business-type activities ²	-	-	-	-	1,651,805	1,620,856	1,539,737	1,211,166	1,050,476	1,045,547
Total Program Revenues	<u>13,513,043</u>	<u>2,803,798</u>	<u>5,467,011</u>	<u>3,780,135</u>	<u>4,685,972</u>	<u>4,312,805</u>	<u>4,362,154</u>	<u>4,651,128</u>	<u>4,272,695</u>	<u>4,503,696</u>
Net (Expense) Revenue	<u>(6,085,128)</u>	<u>(5,521,738)</u>	<u>(4,446,688)</u>	<u>(7,593,508)</u>	<u>(7,302,983)</u>	<u>(6,405,569)</u>	<u>(6,410,873)</u>	<u>(5,364,848)</u>	<u>(6,351,091)</u>	<u>(6,079,548)</u>
General Revenues and Transfers:										
Governmental activities ¹	8,094,863	5,942,416	6,275,703	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454
Business-type activities ²	-	-	-	-	10,118	8,500	(126,580)	(152,483)	(166,217)	112,244
Total General Revenues and Tfrs	<u>8,094,863</u>	<u>5,942,416</u>	<u>6,275,703</u>	<u>6,871,200</u>	<u>6,955,567</u>	<u>6,968,354</u>	<u>6,611,521</u>	<u>6,760,653</u>	<u>6,883,265</u>	<u>7,784,698</u>
Change in Net Position	<u>\$ 2,009,735</u>	<u>\$ 420,678</u>	<u>\$ 1,829,015</u>	<u>\$ (722,308)</u>	<u>\$ (347,416)</u>	<u>\$ 562,785</u>	<u>\$ 200,648</u>	<u>\$ 1,395,805</u>	<u>\$ 532,174</u>	<u>\$ 1,705,150</u>

Notes:

¹ See Exhibit I

² See Exhibit III

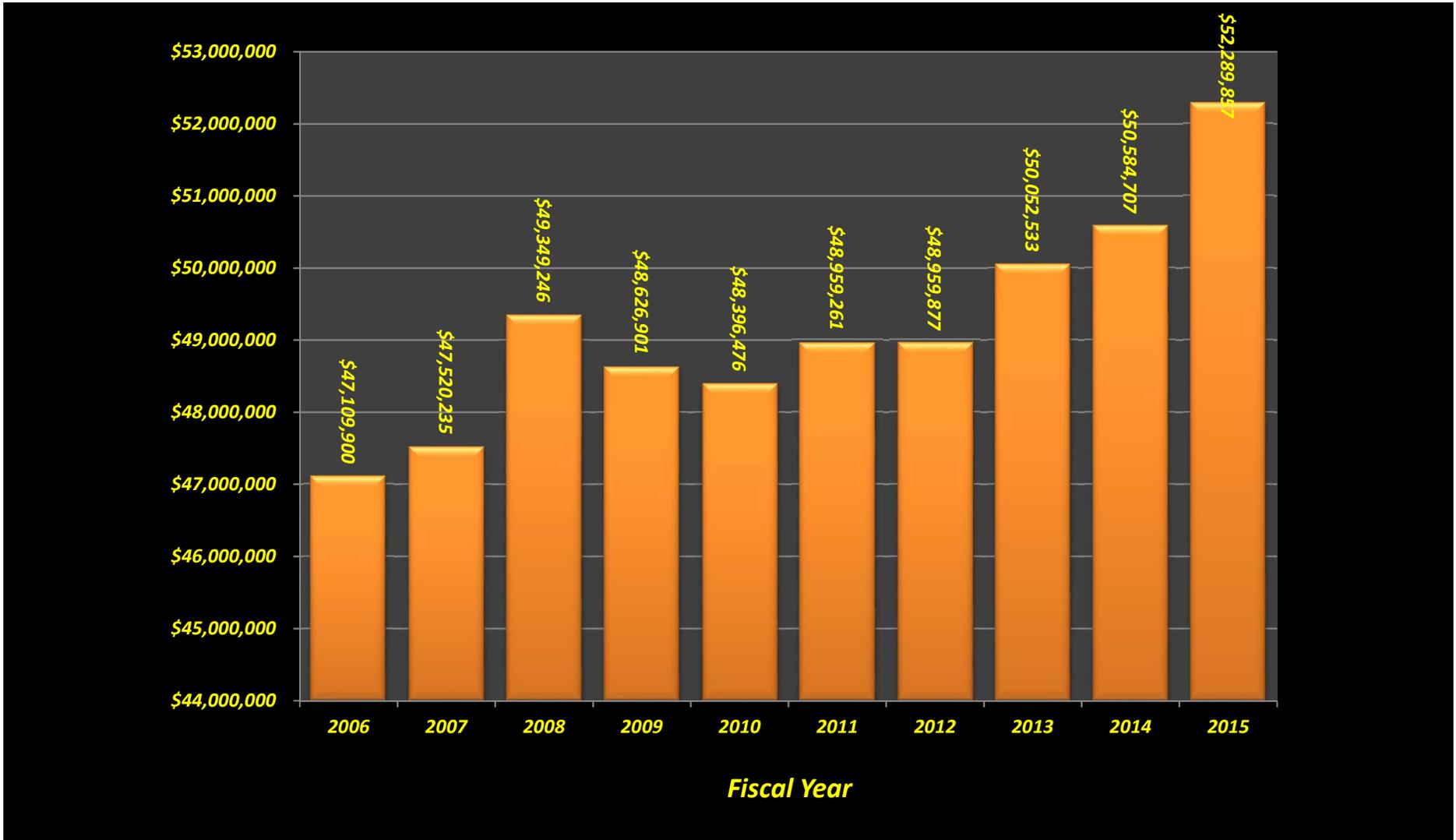
Town of Southwest Ranches, Florida
Government-wide Net Position by Category ¹
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	September 30, 2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 40,644,914	\$ 41,185,533	\$ 44,125,155	\$ 43,824,944	\$ 44,607,660	\$ 44,892,153	\$ 44,421,400	\$ 44,642,297	\$ 44,619,097	\$ 45,134,927
Restricted	140,535	99,855	215,354	315,335	728,064	736,555	440,705	370,921	599,649	935,161
Unrestricted	6,324,451	6,234,847	5,008,737	4,486,622	2,816,197	3,039,105	3,794,623	4,644,205	4,868,356	5,326,053
Subtotal Governmental Activities Net Assets	<u>47,109,900</u>	<u>47,520,235</u>	<u>49,349,246</u>	<u>48,626,901</u>	<u>48,151,921</u>	<u>48,667,813</u>	<u>48,656,728</u>	<u>49,657,423</u>	<u>50,087,102</u>	<u>51,396,141</u>
Business-type Activities										
Unrestricted	-	-	-	-	244,555	291,448	303,149	395,110	497,605	893,716
Primary Government										
Net investment in capital assets	40,644,914	41,185,533	44,125,155	43,824,944	44,607,660	44,892,153	44,421,400	44,642,297	44,619,097	45,134,927
Restricted	140,535	99,855	215,354	315,335	728,064	736,555	440,705	370,921	599,649	935,161
Unrestricted	6,324,451	6,234,847	5,008,737	4,486,622	3,060,752	3,330,553	4,097,772	5,039,315	5,365,961	6,219,769
Total Primary Government Net Position	<u>\$ 47,109,900</u>	<u>\$ 47,520,235</u>	<u>\$ 49,349,246</u>	<u>\$ 48,626,901</u>	<u>\$ 48,396,476</u>	<u>\$ 48,959,261</u>	<u>\$ 48,959,877</u>	<u>\$ 50,052,533</u>	<u>\$ 50,584,707</u>	<u>\$ 52,289,857</u>

Notes:

¹Accounting standards require that net assets be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Florida or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Town. There are no restrictions currently reported as a result of enabling legislation.

Town of Southwest Ranches, Florida
Chart-Total Government-wide Net Position
Last ten Fiscal Years
(accrual basis of accounting)



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

For the Fiscal Year Ended September 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue Source	Amounts									
Taxes	\$ 4,298,694	\$ 4,925,245	\$ 5,556,986	\$ 6,288,683	\$ 6,240,079	\$ 6,003,326	\$ 5,791,850	\$ 5,865,692	\$ 6,031,460	\$ 6,622,442
Licenses and permits	306,517	860,578	758,289	757,059	499,056	482,382	521,830	517,697	604,935	757,924
Intergovernmental	861,911	769,933	729,245	742,348	522,048	787,169	689,697	683,355	707,938	758,881
Charges for services	1,126,695	1,138,577	1,044,650	1,100,308	1,527,184	1,613,117	1,848,333	1,763,472	1,939,651	1,984,906
Fines and forfeitures	37,095	40,416	39,912	73,595	72,892	75,076	109,180	741,077	488,337	373,346
Physical and economic charges	500,000	100,000	-	-	325,775	309,627	113,862	-	-	-
Grants	10,458,766	93,628	1,838,916	11,342	550,302	155,768	229,212	417,716	189,296	341,973
Investment income	227,190	300,938	141,347	53,342	90,149	25,786	30,789	17,725	5,598	19,660
Donated property	350,000	-	-	-	-	-	-	-	-	-
Sale of trees	291,084	133,980	50,925	1,645	-	-	-	-	-	-
Miscellaneous	243,290	382,919	285,552	380,263	152,132	198,346	97,064	171,872	178,460	102,638
Total Revenues	\$18,701,242	\$ 8,746,214	\$10,445,822	\$ 9,408,585	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606	\$ 10,145,675	\$ 10,961,770
% Change from Prior Year	15.0%	-53.2%	19.4%	-9.9%	6.1%	-3.3%	-2.3%	7.9%	-0.3%	8.0%
	Percentage of Total									
Taxes	23.0%	56.3%	53.2%	66.8%	62.5%	62.2%	61.4%	57.6%	59.4%	60.4%
Licenses and permits	1.6%	9.8%	7.3%	8.0%	5.0%	5.0%	5.5%	5.1%	6.0%	6.9%
Intergovernmental	4.6%	8.8%	7.0%	7.9%	5.2%	8.2%	7.3%	6.7%	7.0%	6.9%
Charges for services	6.0%	13.0%	10.0%	11.7%	15.3%	16.7%	19.6%	17.3%	19.1%	18.1%
Fines and forfeitures	0.2%	0.5%	0.4%	0.8%	0.7%	0.8%	1.2%	7.3%	4.8%	3.4%
Physical and economic charges	2.7%	1.1%	0.0%	0.0%	3.3%	3.2%	1.2%	0.0%	0.0%	0.0%
Grants	55.9%	1.1%	17.6%	0.1%	5.5%	1.6%	2.4%	4.1%	1.9%	3.1%
Investment income	1.2%	3.4%	1.4%	0.6%	0.9%	0.3%	0.3%	0.2%	0.1%	0.2%
Donated property	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sale of trees	1.6%	1.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous	1.3%	4.4%	2.7%	4.0%	1.5%	2.1%	1.0%	1.7%	1.8%	0.9%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

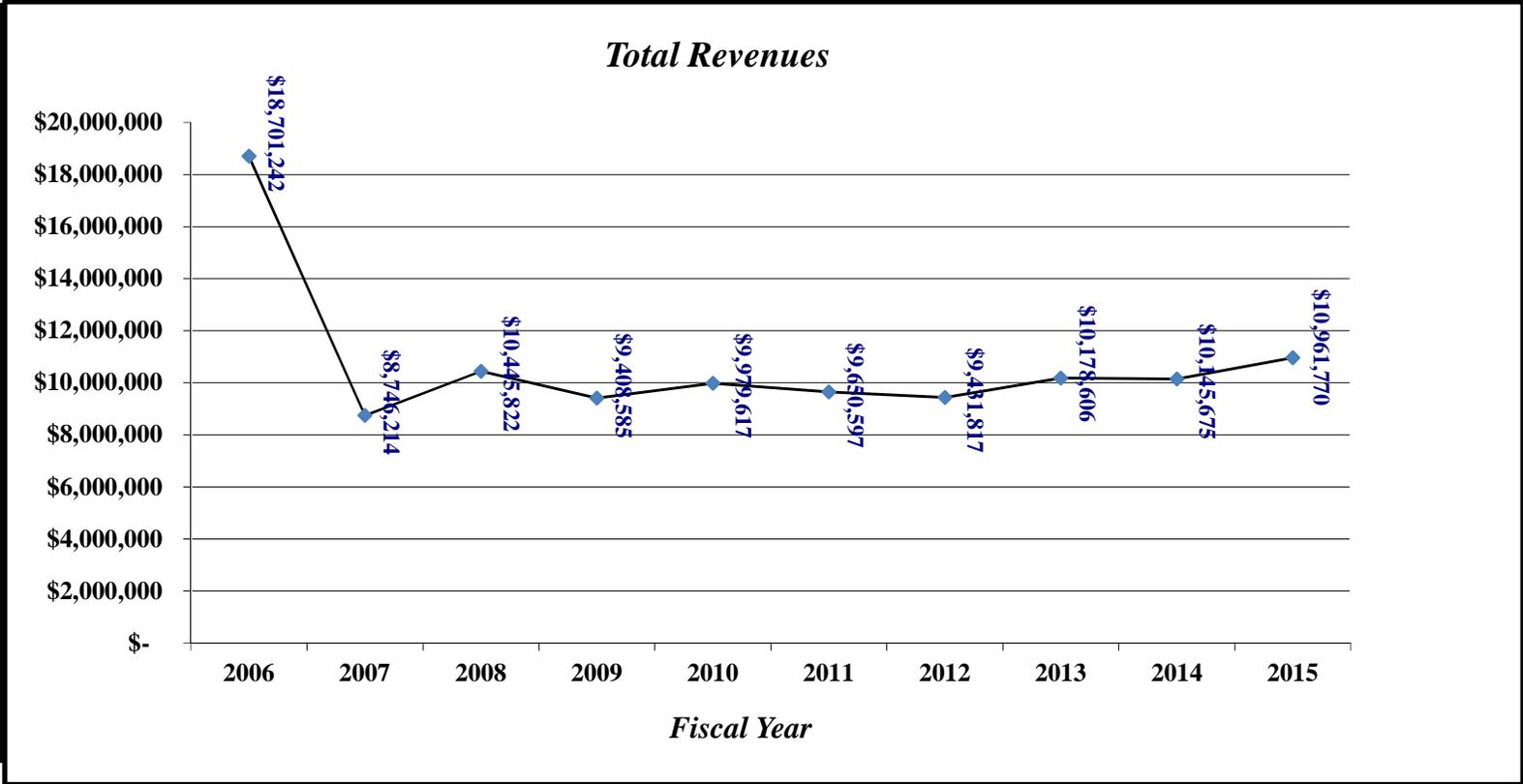
Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Chart-Total General Governmental Revenues (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



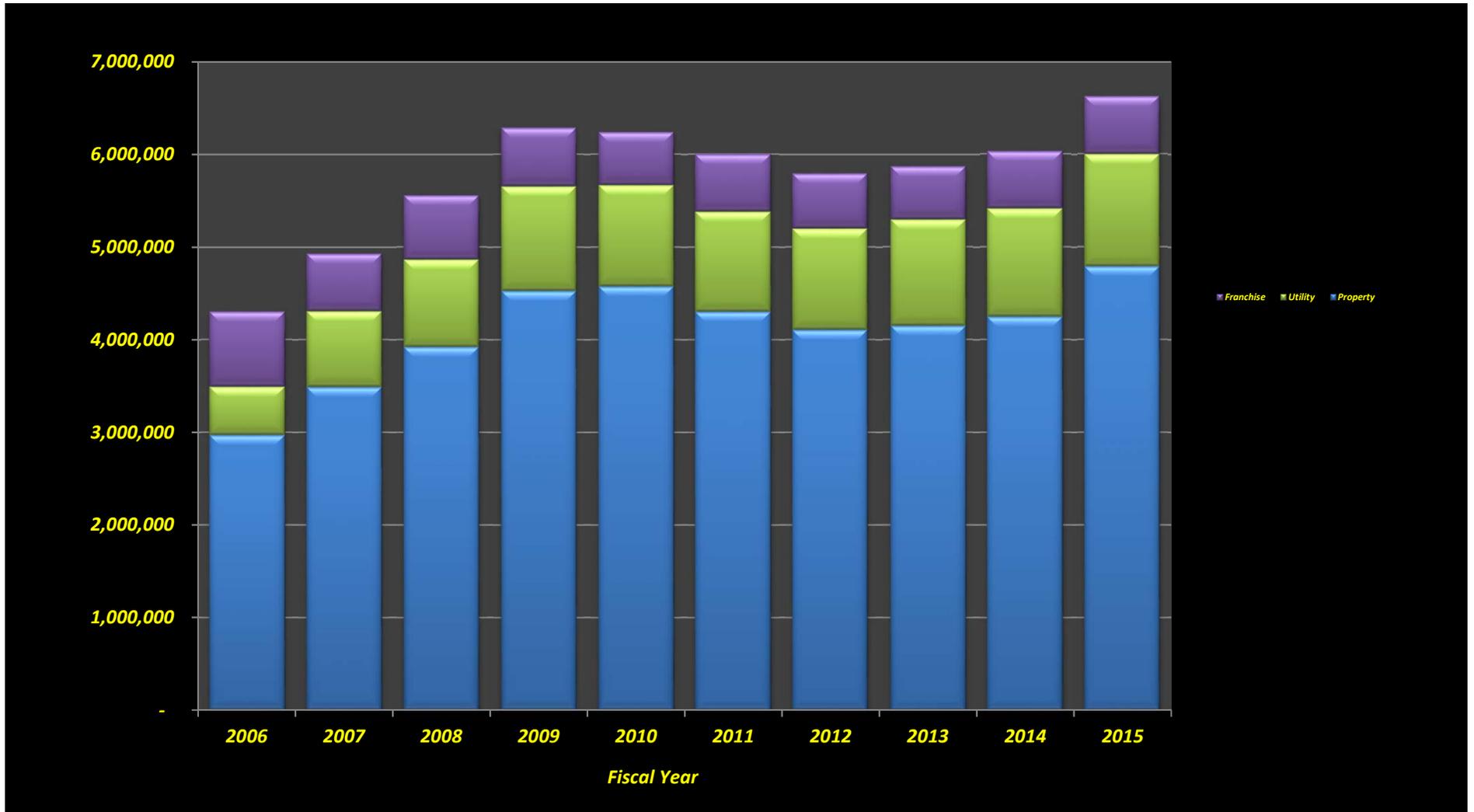
Town of Southwest Ranches, Florida
Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For The Fiscal Year Ended September 30,	Property	Utility	Franchise	Total
Amounts				
2006	2,969,270	521,151	808,273	4,298,694
2007	3,488,788	817,053	619,404	4,925,245
2008	3,920,509	944,019	692,458	5,556,986
2009	4,527,435	1,126,386	634,862	6,288,683
2010	4,574,566	1,094,070	571,443	6,240,079
2011	4,303,700	1,079,094	620,532	6,003,326
2012	4,105,338	1,092,624	593,888	5,791,850
2013	4,146,677	1,147,616	571,399	5,865,692
2014	4,245,717	1,169,184	616,559	6,031,460
2015	4,788,463	1,212,320	621,659	6,622,442
<i>% Change in Dollars Over 10 Years</i>	61.3%	132.6%	-23.1%	54.1%
Percentage of Total				
2006	69.1%	12.1%	18.8%	100.0%
2007	70.8%	16.6%	12.6%	100.0%
2008	70.6%	17.0%	12.5%	100.0%
2009	72.0%	17.9%	10.1%	100.0%
2010	73.3%	17.5%	9.2%	100.0%
2011	71.7%	18.0%	10.3%	100.0%
2012	70.9%	18.9%	10.3%	100.0%
2013	70.7%	19.6%	9.7%	100.0%
2014	70.4%	19.4%	10.2%	100.0%
2015	72.3%	18.3%	9.4%	100.0%

Data Source:

Applicable years' comprehensive annual financial report.

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



Town of Southwest Ranches, Florida
General Governmental Expenditures by Function (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function	For the Fiscal Year Ended September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current:										
General government	\$ 2,879,193	\$ 2,156,924	\$ 1,487,226	\$ 1,374,958	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001	\$ 1,807,017	\$ 1,866,731
Public safety	2,463,714	2,513,851	3,595,357	5,579,359	5,641,271	5,230,602	5,045,887	4,821,836	5,542,038	5,204,208
Community services	1,200,384	1,796,043	2,036,933	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056
Public works	798,002	613,822	1,164,999	1,425,587	-	-	-	-	-	-
Parks and recreation	669,365	256,775	333,343	326,710	285,500	142,032	177,921	223,462	195,826	286,489
Transportation and hurricane-related expenditures	12,107,067	326,384	261,536	253,394	856,243	301,951	222,031	254,809	239,077	327,491
Nondepartmental	29,897	33,204	-	-	-	-	-	-	-	-
Total Current	20,147,622	7,697,003	8,879,394	10,406,561	9,295,204	8,207,855	8,171,061	7,815,597	8,561,259	8,543,975
% Change From Prior Year	194.5%	-61.8%	15.4%	17.2%	-10.7%	-11.7%	-0.4%	-4.4%	9.5%	-0.2%
Capital Outlay	1,207,509	408,574	561,314	392,465	2,002,944	819,349	931,866	1,070,505	606,880	1,059,565
% Change From Prior Year	-88.3%	-66.2%	37.4%	-30.1%	410.3%	-59.1%	13.7%	14.9%	-43.3%	74.6%
Debt Service:										
Principal	12,121,000	702,568	3,106,158	111,855	125,278	132,413	332,506	2,691,917	502,068	509,226
Interest and fees	632,725	503,851	343,720	283,248	291,328	260,900	302,092	410,639	219,162	215,478
Total Debt Service	12,753,725	1,206,419	3,449,878	395,103	416,606	393,313	634,598	3,102,556	721,230	724,704
% Change From Prior Year	93.1%	-90.5%	186.0%	-88.5%	5.4%	-5.6%	61.3%	388.9%	-76.8%	0.5%
Ratio of Total Debt Service to Total Non-Capital Expenditures	38.8%	13.6%	28.0%	3.7%	4.3%	4.6%	7.2%	28.4%	7.8%	7.8%
Total Expenditures	\$ 34,108,856	\$ 9,311,996	\$ 12,890,586	\$ 11,194,129	\$ 11,714,754	\$ 9,420,517	\$ 9,737,525	\$ 11,988,658	\$ 9,889,369	\$ 10,328,244
% Change From Prior Year	43.2%	-72.7%	38.4%	-13.2%	4.7%	-19.6%	3.4%	23.1%	-17.5%	4.4%

Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' comprehensive annual financial report.

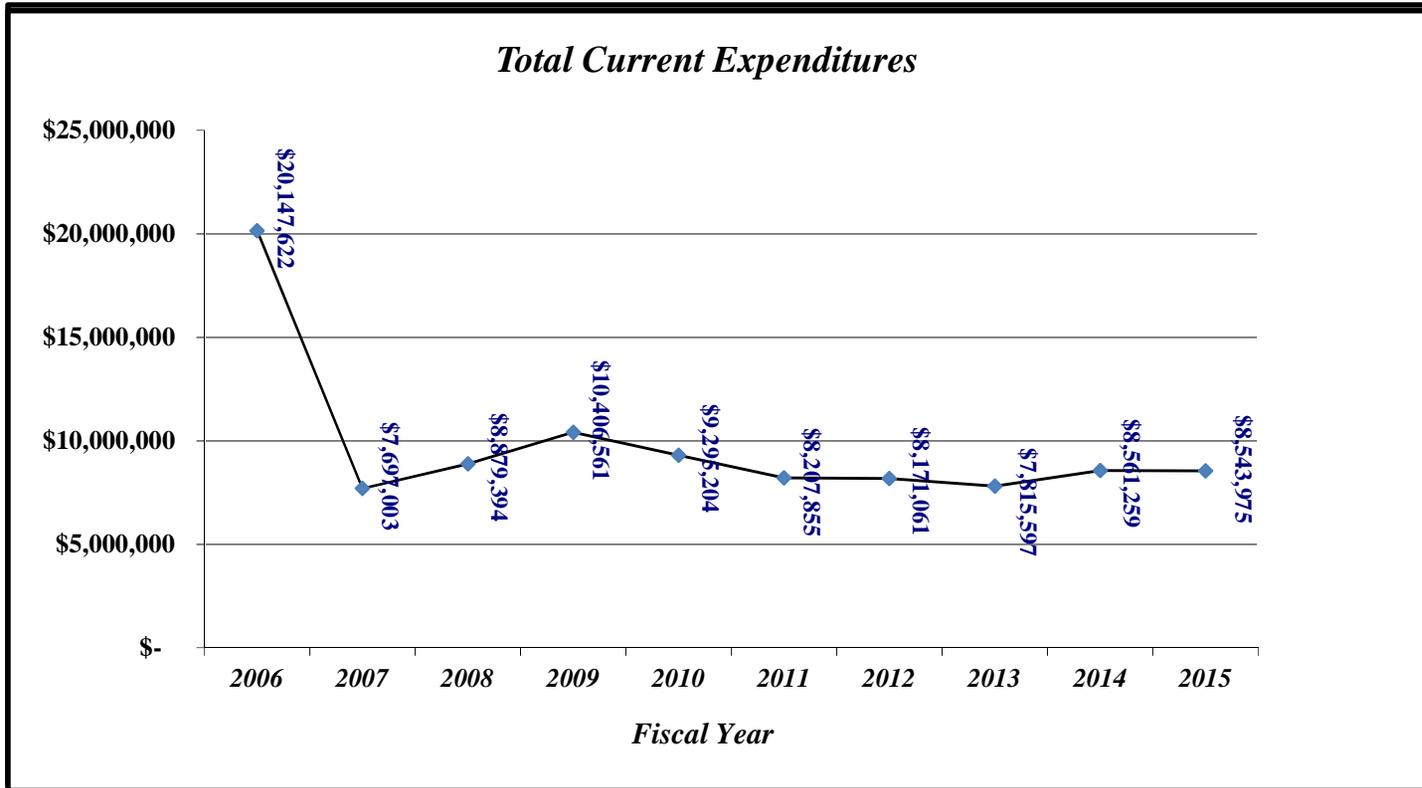
Town of Southwest Ranches, Florida
General Governmental Current Expenditures by Function (Unaudited) ¹
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	Amounts									
Current:										
General government	\$ 2,879,193	\$ 2,156,924	\$ 1,487,226	\$ 1,374,958	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001	\$ 1,807,017	\$ 1,866,731
Public safety	2,463,714	2,513,851	3,595,357	5,579,359	5,641,271	5,230,602	5,045,887	4,821,836	5,542,038	5,204,208
Community services	1,200,384	1,796,043	2,036,933	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056
Public works	798,002	613,822	1,164,999	1,425,587	-	-	-	-	-	-
Parks and recreation	669,365	256,775	333,343	326,710	285,500	142,032	177,921	223,462	195,826	286,489
Transportation and hurricane-related expenditures	12,107,067	326,384	261,536	253,394	856,243	301,951	222,031	254,809	239,077	327,491
Nondepartmental	29,897	33,204	-	-	-	-	-	-	-	-
Total Current	\$ 20,147,622	\$ 7,697,003	\$ 8,879,394	\$ 10,406,561	\$ 9,295,204	\$ 8,207,855	\$ 8,171,061	\$ 7,815,597	\$ 8,561,259	\$ 8,543,975
	Percentage of Total									
Current:										
General government	14.3%	28.0%	16.7%	13.2%	17.3%	21.2%	22.5%	23.0%	21.1%	21.8%
Public safety	12.2%	32.7%	40.5%	53.6%	60.7%	63.7%	61.8%	61.7%	64.7%	60.9%
Community services	6.0%	23.3%	22.9%	13.9%	9.7%	9.7%	10.9%	9.2%	9.1%	10.1%
Public works	4.0%	8.0%	13.1%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	3.3%	3.3%	3.8%	3.1%	3.1%	1.7%	2.2%	2.9%	2.3%	3.4%
Transportation and hurricane-related expenditures	60.1%	4.2%	2.9%	2.4%	9.2%	3.7%	2.7%	3.3%	2.8%	3.8%
Nondepartmental	0.1%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
¹ Includes all governmental fund types.

Data Source:
 Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Chart-Total General Governmental Current Expenditures (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



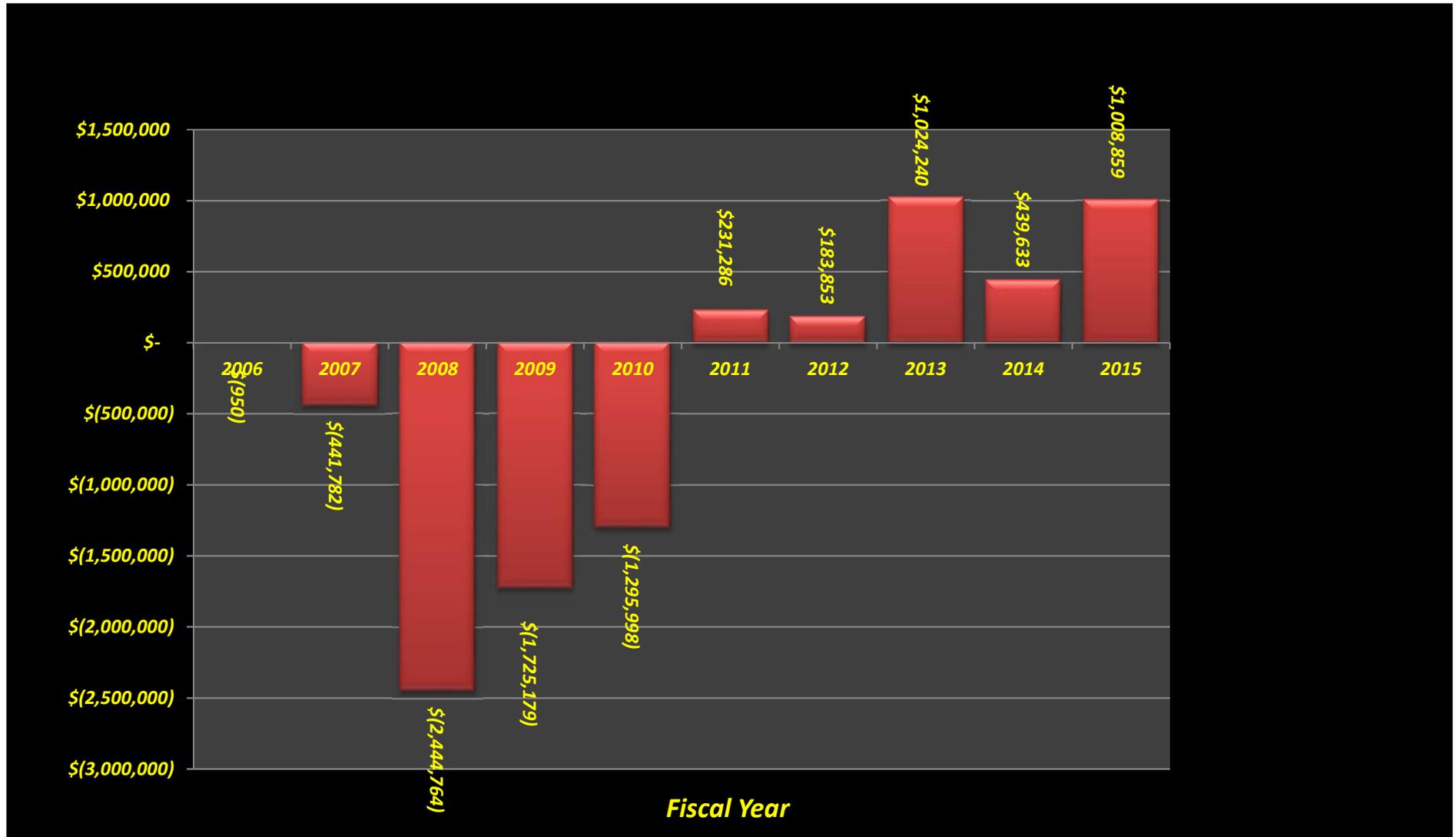
Town of Southwest Ranches, Florida
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Revenues	\$ 18,701,242	\$ 8,746,214	\$ 10,445,822	\$ 9,408,585	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606	\$ 10,145,675	\$ 10,961,770
Total Expenditures	34,108,856	9,311,996	12,890,586	11,194,129	11,714,754	9,420,517	9,737,525	11,988,658	9,889,369	10,328,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,407,614)	(565,782)	(2,444,764)	(1,785,544)	(1,735,137)	230,080	(305,708)	(1,810,052)	256,306	633,526
Other Financing Sources (Uses)										
Other items	15,406,664	124,000	-	60,365	439,139	1,206	360,860	2,659,800	-	206,500
Transfers in	1,853,858	1,163,929	1,285,562	713,259	2,946,139	1,175,176	1,394,191	1,410,644	1,557,874	1,938,626
Transfers out	(1,853,858)	(1,163,929)	(1,285,562)	(713,259)	(2,946,139)	(1,175,176)	(1,265,490)	(1,236,152)	(1,374,547)	(1,769,793)
Total Other Financing Sources (Uses)	15,406,664	124,000	-	60,365	439,139	1,206	489,561	2,834,292	183,327	375,333
Net Change in Fund Balances	<u>\$ (950)</u>	<u>\$ (441,782)</u>	<u>\$ (2,444,764)</u>	<u>\$ (1,725,179)</u>	<u>\$ (1,295,998)</u>	<u>\$ 231,286</u>	<u>\$ 183,853</u>	<u>\$ 1,024,240</u>	<u>\$ 439,633</u>	<u>\$ 1,008,859</u>

Data Source:

Applicable years' comprehensive annual financial report.

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



Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Years 2006 - 2010
(modified accrual basis of accounting)

	2006	2007	September 30, 2008	2009	2010
General Fund					
Reserved	\$ 286,878	\$ 226,480	\$ 249,718	\$ 186,184	\$ 182,955
Unreserved	2,136,993	2,394,680	2,175,366	1,817,328	1,910,184
Total General Fund	<u>2,423,871</u>	<u>2,621,160</u>	<u>2,425,084</u>	<u>2,003,512</u>	<u>2,093,139</u>
General Fund % Change From Prior Year	<u>-51.0%</u>	<u>8.1%</u>	<u>-7.5%</u>	<u>-17.4%</u>	<u>4.5%</u>
All Other Governmental Funds					
Reserved	-	-	-	-	30,281
Unreserved:					
Special Revenue Funds	140,535	99,855	215,354	298,154	680,602
Capital Projects Funds	307,120	171,502	376,340	276,862	270,115
Debt Service Funds	4,000,000	3,537,227	2,265,093	2,281,595	528,242
Total All Other Governmental Funds	<u>4,447,655</u>	<u>3,808,584</u>	<u>2,856,787</u>	<u>2,856,611</u>	<u>1,509,240</u>
All Other Governmental Funds % Change From Prior Year	<u>130.9%</u>	<u>-14.4%</u>	<u>-25.0%</u>	<u>0.0%</u>	<u>-47.2%</u>
Total Governmental Funds					
Reserved	286,878	226,480	249,718	186,184	213,236
Unreserved	6,277,528	6,031,762	4,655,813	4,397,077	3,119,028
Total Governmental Funds	<u>\$ 6,564,406</u>	<u>\$ 6,258,242</u>	<u>\$ 4,905,531</u>	<u>\$ 4,583,261</u>	<u>\$ 3,332,264</u>
All Governmental Funds % Change From Prior Year	<u>-4.5%</u>	<u>-4.7%</u>	<u>-21.6%</u>	<u>-6.6%</u>	<u>-27.3%</u>

Notes:

The Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*, in Fiscal Year 2011 (See Exhibit XII). The Town did not restate the prior five years.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2015 and Four Years Prior
(modified accrual basis of accounting)

	September 30,				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable:					
Prepaid items	\$ 31,432	\$ 207,568	\$ 25,222	\$ 27,058	\$ 28,763
Inventory	138,848	138,848	482,720	482,720	482,720
Deposits	25,001	-	-	-	-
Total nonspendable	195,281	346,416	507,942	509,778	511,483
Restricted for:					
Fire Control	-	-	-	128,291	308,982
Public safety	3,663	6,445	10,933	11,020	12,550
Town hall brick program	16,800	18,200	-	-	-
Total restricted	20,463	24,645	10,933	139,311	321,532
Committed to:					
Tree preservation	20,877	20,877	3,086	3,086	3,086
Capital projects			9,850	-	-
Total committed	20,877	20,877	12,936	3,086	3,086
Unassigned	2,360,778	2,494,249	3,458,623	3,830,892	4,365,118
Total General Fund	\$ 2,597,399	\$ 2,886,187	\$ 3,990,434	\$ 4,483,067	\$ 5,201,219
General Fund % Change From Prior Year	24.1%	11.1%	38.3%	12.3%	16.0%
All Other Governmental Funds					
Nonspendable:					
Prepaid items	\$ 810	\$ 3,349	\$ 3,654	\$ 3,857	\$ 1,574
Deposits	15,000	-	-	-	-
Total nonspendable	15,810	3,349	3,654	3,857	1,574
Restricted for:					
Transportation surtax	696,179	375,253	312,740	389,361	651,618
Volunteer fire services	40,376	40,807	47,248	70,977	281,656
Total restricted	736,555	416,060	359,988	460,338	933,274
Committed for:					
Capital projects	-	-	60,376	209,053	40,298
Total committed	-	-	60,376	209,053	40,298
Assigned to:					
Debt service	164,278	37,548	15,069	28,448	36,534
Public safety	129,750	-	-	-	-
Fire wells	80,000	-	-	-	-
Capital projects	109,873	354,621	584,686	269,077	249,800
Total assigned	483,901	392,169	599,755	297,525	286,334
Total All Other Governmental Funds	\$ 1,236,266	\$ 811,578	\$ 963,397	\$ 761,720	\$ 1,221,182
All Other Governmental Funds % Change From Prior Year	-25.4%	-34.4%	18.7%	-20.9%	60.3%
Total Governmental Funds	\$ 3,833,665	\$ 3,697,765	\$ 5,014,207	\$ 5,453,840	\$ 6,462,699
All Governmental Funds % Change From Prior Year	11.7%	-3.5%	35.6%	8.8%	18.5%

Notes:

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

Data Source:

Applicable years' comprehensive annual financial report.

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

Fiscal Year	Real Property				Personal Property	Less: Tax Exemptions	Total Taxable Assessed Value	Total Annual Percentage Change	Town Direct Tax Rate ²	Total Estimated Market Value	Total Taxable Assessed Value as a Percentage of Market Value
	Residential Property	Commercial Property	Agricultural Property	Other ¹							
2006	870,957,250	43,611,080	77,048,140	120,602,350	43,340,097	132,610,750	1,022,948,167	16.91%	3.0000	1,744,136,030	56.17%
2007	1,035,199,580	42,806,840	92,866,510	165,784,980	48,012,855	160,240,810	1,224,429,955	19.70%	3.0000	2,193,486,030	53.63%
2008	1,133,026,110	48,149,810	113,362,770	174,232,920	43,684,173	171,546,310	1,340,909,473	9.51%	3.0000	2,503,738,910	53.56%
2009	1,200,693,110	49,966,330	129,990,160	158,761,040	48,481,324	244,651,398	1,343,240,566	0.17%	3.5000	2,451,643,250	54.79%
2010	1,067,522,270	59,293,720	124,650,020	165,161,070	47,481,047	261,605,081	1,202,503,046	-10.48%	3.9400	2,130,022,287	56.45%
2011	1,007,447,260	51,352,070	128,276,640	160,690,440	46,823,972	268,202,021	1,126,388,361	-6.33%	3.9404	2,030,640,740	55.47%
2012	967,580,110	44,081,160	130,689,460	160,579,690	45,941,532	259,862,760	1,089,009,192	-3.32%	3.9404	1,779,105,372	61.21%
2013	973,702,090	47,545,710	127,729,960	159,741,230	45,560,922	258,013,175	1,096,266,737	0.67%	3.9042	1,723,189,712	63.62%
2014	1,000,893,470	46,589,150	121,841,100	164,026,390	45,912,186	260,832,475	1,118,429,821	2.02%	3.9404	1,730,622,616	64.63%
2015	1,051,905,200	49,605,590	113,472,180	176,639,690	42,117,640	253,470,692	1,180,269,608	5.53%	4.2719	1,813,245,860	65.09%
*	\$ 1,030,892,645	\$ 48,300,146	\$ 115,992,694	\$ 160,621,980	\$ 45,735,575	\$ 227,103,547	\$ 1,174,439,493			\$ 2,009,983,081	58.43%
**	20.8%	13.7%	47.3%	46.5%	-2.8%	91.1%	15.4%				

* Dollar Average for ten years

** Percentage change in dollars over ten years

Notes:

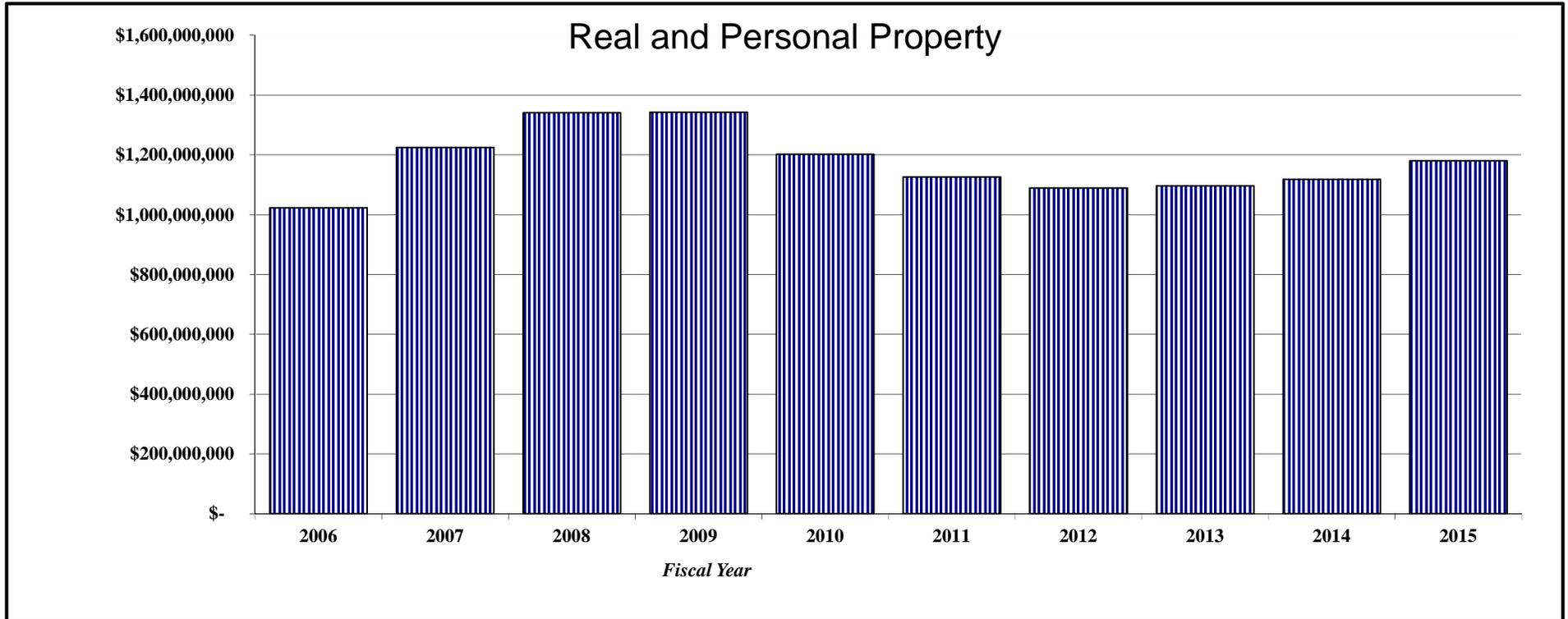
¹ Other includes: industrial, institutional, government, and miscellaneous.

² Tax rates expressed in rate per \$1,000

Data Source:

Broward County Property Appraiser's Office

Town of Southwest Ranches, Florida
Chart-Total Taxable Assessed Value (Unaudited)
Last Ten Calendar Years
(modified accrual basis of accounting)



Town of Southwest Ranches, Florida
Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)

Fiscal Year	Direct Town Operating Millage	Overlapping Rates ¹						Total Direct and Overlapping Millage
		Broward County Operating Millage	Broward County School Board Operating Millage	South Florida Water Management District	FIN District ²	Children's Services Council	South Broward Hospital District	
2006	3.0000	6.7830	8.0623	0.6970	0.0385	0.4231	1.4500	20.4539
2007	3.0000	6.0661	7.8687	0.6970	0.0385	0.4073	1.3300	19.4076
2008	3.0000	5.2868	7.6484	0.6240	0.0345	0.3572	1.1643	18.1152
2009	3.5000	5.3145	7.4170	0.6240	0.0345	0.3754	1.1913	18.4567
2010	3.9400	5.3889	7.4310	0.6240	0.0345	0.4243	1.2732	19.1159
2011	3.9404	5.5530	7.6310	0.6240	0.0345	0.4696	1.2732	19.5257
2012	3.9404	5.5530	7.4180	0.4363	0.0345	0.4789	0.7500	18.6111
2013	3.9042	5.5530	7.4560	0.4289	0.0345	0.4902	0.6000	18.4668
2014	3.9404	5.7230	7.4800	0.4110	0.0345	0.4882	0.4000	18.4771
2015	4.2719	5.7230	7.4380	0.3842	0.0345	0.4882	0.1863	18.5261

Notes:

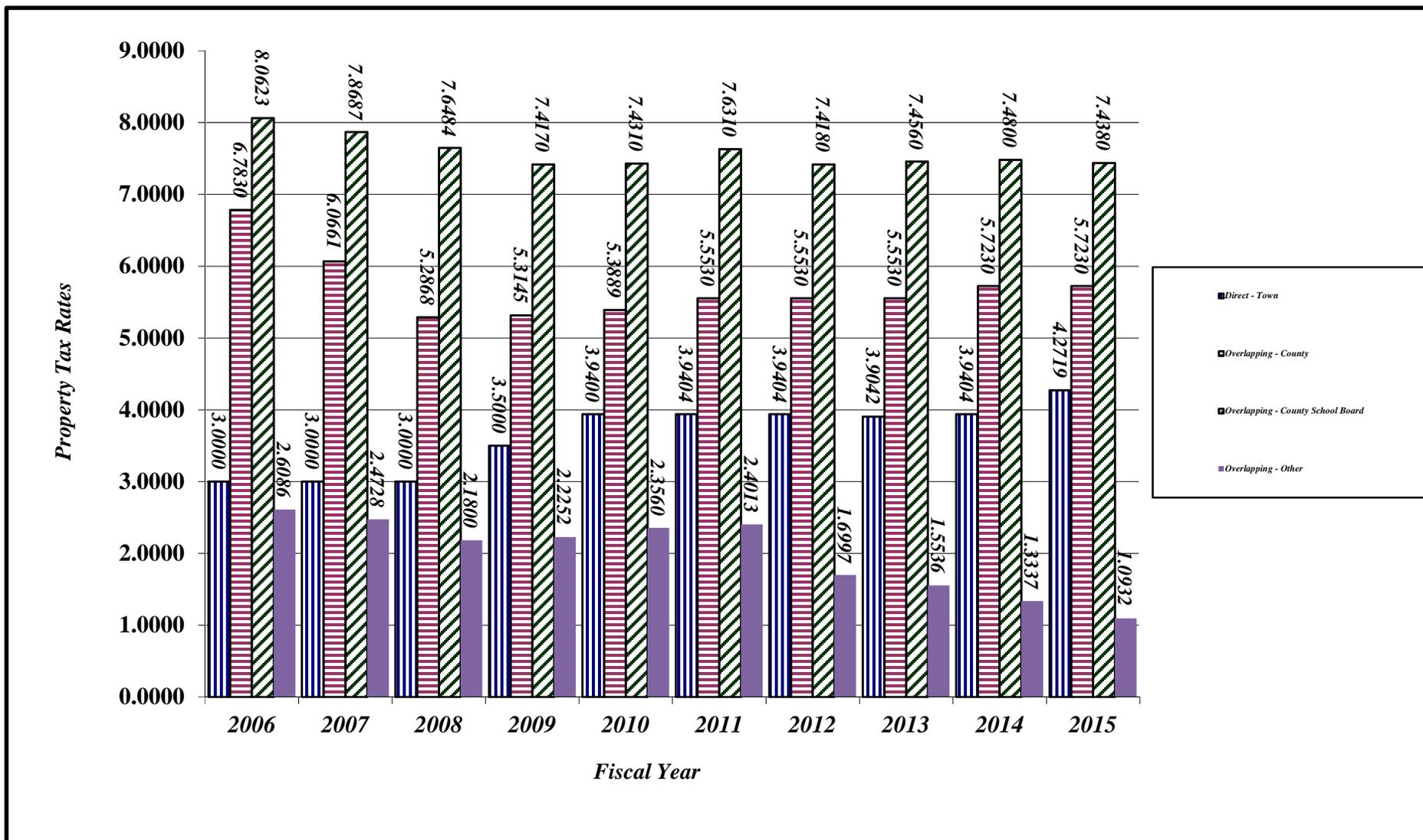
¹ Overlapping rates are those of governments that overlap the Town's geographic boundaries.

² Florida Inland Navigational District.

Data Source:

Broward County Property Appraiser Office.

Town of Southwest Ranches, Florida
Chart-Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)



Town of Southwest Ranches, Florida
Total Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Total Taxes Levy for Fiscal Year	Collected within the Fiscal Year of the Levy ¹		Collections in Subsequent Years ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount Collected	Percentage of Levy
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%
2009	4,656,926	4,656,926	100.00%	-	4,656,926	100.00%
2010	4,777,532	4,547,332	95.18%	-	4,547,332	95.18%
2011	4,479,936	4,275,648	95.44%	61,831	4,337,479	96.82%
2012	4,318,983	4,131,352	95.66%	124,971	4,256,323	98.55%
2013	4,323,515	4,256,493	98.45%	63,965	4,320,458	99.93%
2014	4,433,004	4,389,935	99.03%	(10,357.31)	4,379,578	98.79%
2015	5,142,216	4,964,524	96.54%	-	4,964,524	96.54%

Notes:

¹ Includes discount taken for early payment of property taxes and current year refunds.

² Collections in subsequent years is not available prior to fiscal year 2011.

Data Source:

Broward County Property Appraisal Office

Town of Southwest Ranches, Florida
Principal Real Property Taxpayers (Unaudited)
Current Year and Nine Years Prior

FY 2015				FY 2006			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Lowes Home Centers, Inc.	14,696,110	1	1.29%	US Retail Income Fund	\$ 14,334,420	1	1.72%
Iglesia Cristiana Senales	14,526,450	2	1.28%	Lowes Home Centers, Inc.	12,888,550	2	1.55%
Coquina Station LLC	12,480,830	3	1.10%	SCI Funeral Services of Florida, Inc.	9,371,300	3	1.13%
Cubsmart LP	5,517,260	4	0.48%	Canyon Creeks Estates	7,013,920	4	0.84%
Moses, Raymond & Baidwatte	4,819,840	5	0.42%	Rising Tide Development	5,896,770	5	0.71%
Wayne, Peta, Gay, & Reginald	4,073,650	6	0.36%	Florida Power & Light	5,468,910	6	0.66%
Boss Zont Pad LLC	3,935,450	7	0.35%	Landmark Custom Ranches	5,414,420	7	0.65%
Marshall, Brandon	3,846,450	8	0.34%	Stone Creek at Sunshine	4,487,690	8	0.54%
Florida Power & Light	3,832,260	9	0.34%	Republica Musicana	4,362,410	9	0.52%
MGT Southwest Ranches LLC	3,663,660	10	0.32%	Foley, Thomas, & Denise	3,612,260	10	0.43%
Total Principal Taxpayers	71,391,960		6.27%	Total Principal Taxpayers	72,850,650		8.76%
All Other Taxpayers	1,066,760,008		93.73%	All Other Taxpayers	758,763,595		91.24%
Total Taxable Assessed Value	<u>\$ 1,138,151,968</u>		<u>100.00%</u>	Total Taxable Assessed Value	<u>\$ 831,614,245</u>		<u>100.00%</u>

Data Source:

Broward County Revenue Collectors' Office

Town of Southwest Ranches, Florida
Principal Personal Property Taxpayers (Unaudited)
Current Year and Nine Years Prior

FY 2015				FY 2006			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power and Light Co.	\$ 30,536,743	1	72.50%	Florida Power and Light Co.	\$ 25,414,399	1	60.52%
Bellsouth Telecommunications	2,010,155	2	4.77%	Southern Bell Tel Co	3,627,020	2	8.64%
Lowes Home Centers, Inc.	1,245,502	3	2.96%	Shell Oil # 165042	977,970	3	2.33%
Publix Supermarkets # 619	812,129	4	1.93%	Publix Supermarkets # 619	898,167	4	2.14%
Shell	479,974	5	1.14%	Sandbox Bulldozing Inc	691,215	5	1.65%
AT&T Mobility LLC	398,096	6	0.95%	Tom Thumb Food Stores	587,659	6	1.40%
Kelly Tractor Co	249,038	7	0.59%	FPL Fibernet LLC	573,999	7	1.37%
Applebee's	234,547	8	0.56%	Original Pancake House	459,210	8	1.09%
Walgreens # 10648	198,056	9	0.47%	Caterpillar Financial Services	447,720	9	1.07%
Tom Thumb Food Stores	183,885	10	0.44%	Freedom Pipeline Corp	431,706	10	1.03%
Total Principal Taxpayers	36,348,125		86.30%	Total Principal Taxpayers	34,109,065		81.23%
All Other Taxpayers	5,769,515		13.70%	All Other Taxpayers	7,883,487		18.77%
Total Taxable Assessed Value	\$ 42,117,640		100.00%	Total Taxable Assessed Value	\$ 41,992,552		100.00%

Notes:

Data Source:

Broward County Revenue Collectors' Office

Town of Southwest Ranches, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

September 30,	Florida Municipal Loan Council Loan Series 2001	Florida Local Government Finance Commission Loans	TD Note Payable 2011	TD Note Payable 2013	StoneGate Loan Payable	Capital Lease	TD Note Payable 2015	Total	Percentage of Personal Income (1)	Total Debt Per Capita
2006	4,735,638	5,500,000	-	-	600,000	-	-	10,835,638	0.0151%	1,461
2007	4,640,649	5,500,000	-	-	-	111,432	-	10,252,081	0.0138%	1,212
2008	4,540,660	2,500,000	-	-	-	100,274	-	7,140,934	0.0094%	841
2009	4,435,671	2,500,000	-	-	-	88,419	-	7,024,090	0.0097%	820
2010	4,306,257	2,500,000	-	-	452,069	75,823	-	7,334,149	0.0105%	851
2011	4,194,416	2,500,000	-	-	443,039	62,439	-	7,199,894	0.0108%	980
2012	4,077,574	-	2,335,175	-	766,019	47,638	-	7,226,406	0.0092%	979
2013	1,640,000	-	2,110,125	2,659,800	704,261	32,529	-	7,146,715	0.0089%	966
2014	1,640,000	-	1,878,854	2,475,100	634,217	16,476	-	6,644,647	0.0082%	866
2015	1,640,000	-	1,641,204	2,292,900	561,316	-	206,500	6,341,920	{i}	817

Notes:

¹ The percentage of personal income is based on personal income for Broward County since personal income for the Town is not available.

Data Source:

Applicable years Comprehensive Annual Financial Reports

{i} Information not available from County

Town of Southwest Ranches, Florida
Debt Service Anti-Dilution Coverages
(Amounts in thousands)
Fiscal Years 2015, 2014, 2013 and 2012¹

TD Notes Payable Series 2013 and 2011

							*****/Maximum Additional Bond Test/*****				
	Non-Advalorem Revenues Available for Debt Service	Total Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage	Total Max Annual Debt Service	Net Cash Flow	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
2012	\$ 1,315	\$ 609	\$ 706	2.16 %	1.30 %	0.86 %	\$ 723	\$ 592	1.82 %	1.50 %	0.32 %
2013	\$ 1,842	\$ 712	\$ 1,130	2.59 %	1.30 %	1.29 %	\$ 723	\$ 1,119	2.55 %	1.50 %	1.05 %
2014	\$ 1,524	\$ 720	\$ 804	2.12 %	1.30 %	0.82 %	\$ 723	\$ 801	2.11 %	1.50 %	0.61 %
2015	\$ 1,937	\$ 723	1,214	2.68 %	1.30 %	1.38 %	734	\$ 1,203	2.64 %	1.50 %	1.14 %

FMLC Loan Payable Series 2001

A. Test of Prior Two Year Average of Non Advalorem Revenues:

	Adjusted		Net Non-Advalorem Revenues Available for Debt Service	Total Max Annual Debt Service	Debt Service Coverage Ratio	Coverage Required	Excess Coverage
	Non-Advalorem Revenues	Adjusted Essential Expenditures					
2013 ²	\$ 4,970	\$ 2,368	\$ 2,602	\$ 723	359.89 %	150.00 %	209.89 %
2014	\$ 5,362	\$ 2,526	\$ 2,836	\$ 723	392.22 %	150.00 %	242.22 %
2015	\$ 5,792	\$ 2,488	\$ 3,303	\$ 734	450.06 %	150.00 %	300.06 %

B. Projected Maximum annual debt service does not exceed 20% of Governmental Fund Revenues:

	Two Year Avg Net total Governmental Funds Revenue	Total Max Annual Debt Service	Debt Service Coverage Percentage	Maximum Allowed Percentage	Excess Percentage
	2013 ²	\$ 9,369	\$ 723	7.71 %	20.00 %
2014	\$ 10,192	\$ 723	7.09 %	20.00 %	12.91 %
2015	\$ 11,376	\$ 734	6.45 %	20.00 %	13.55 %

Notes:

¹ 2012 is the oldest data readily available

² 2013 is the oldest data readily available

Data Source:

Applicable years Comprehensive Annual Financial Reports and appropriate loan documentation

Town of Southwest Ranches, Florida
Overlapping Governmental Activities Debt (Unaudited)
September 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Underlying Debt</u>
Overlapping Debt ^{1,2}			
Broward County	\$ 274,813,000	0.007625%	\$ 20,954
Broward County School Board	1,923,910,000	0.007618%	<u>146,563</u>
Sub-Total Overlapping Debt			167,517
Town Direct Debt			<u>6,341,920</u>
Total Direct and Overlapping Debt			<u><u>\$ 6,509,437</u></u>

Notes:

¹ Applicable percentage was estimated by determining the portion of the Town's assessed value that is within the County's geographic boundaries.

Data Source:

² Each specific government

Town of Southwest Ranches, Florida
Demographic and Economic Statistics (Unaudited)
Last Ten Calendar Years

Calendar Year	Population ¹	(in \$1,000)	Per	Unemployment Rate		
		Total Personal Income ^{2,3}	Capita Personal Income ⁴	County ³	State of Florida ⁵	United States ⁶
2006	7,415	71,941,404	41,153	3.1%	3.3%	4.6%
2007	8,461	74,547,657	42,519	3.8%	4.0%	4.6%
2008	8,489	75,970,354	43,261	6.0%	6.2%	5.6%
2009	8,570	72,752,112	41,283	9.6%	10.2%	9.5%
2010	8,619	69,752,093	39,902	10.6%	11.8%	9.5%
2011	7,345	66,797,269	38,101	9.3%	10.6%	9.1%
2012	7,385	78,687,882	44,429	7.5%	8.1%	7.8%
2013	7,396	80,525,783	45,120	5.6%	6.7%	7.3%
2014	7,676	80,905,552	44,850	5.2%	6.0%	5.7%
2015	7,761	{i}	{i}	4.9%	5.2%	5.0%

Notes:

There are no public schools located within the Town.

Data Sources:

¹ Florida Legislative Office of Economic and Demographic Research
2014 per US Census Bureau.

² 2010 and 2011 estimated by management

³ Broward County comprehensive annual financial reports

⁴ Broward County total personal income divided by the Broward County population.

⁵ Real Estate Center, <http://recenter.tamu.edu/data/emp/emps/st12.asp>

⁶ U.S. Department of Labor, Bureau of Labor Statistics, <http://data.bls.gov/cgi-bin/surveymost> & US Census Quick Facts
{i} Information not available from County

Town of Southwest Ranches, Florida
Principal Employers (Unaudited)
 For the Fiscal Year Ended September 30, 2015 and 2010 ¹

2015			
Employer	Type of Business	Number of Employees	Rank
Publix Supermarkets	Retail	147	1
Lowe's Home Centers, Inc.	Retail	130	2
Archbishop McCarthy High School	Private School	99	3
Applebee's Neighborhood Grill	Restaurant	45	4
Romeus Cuban Restaurant	Restaurant	37	5
Apple Montessori School	Private School	35	6
Starbucks Coffee Company	Restaurant	32	7
Walgreens	Retail	26	8
McDonald's	Restaurant	25	9
Original Pancake House	Restaurant	25	10
Total Principal Employers		601	

2010			
Employer	Type of Business	Number of Employees	Rank
Lowe's Home Centers, Inc.	Retail	130	1
Publix Supermarkets	Retail	110	2
Archbishop McCarthy High School	Private School	78	3
Applebee's Neighborhood Grill	Restaurant	50	4
McDonald's	Restaurant	46	5
Apple Montessori School	Private School	40	6
Romeus Cuban Restaurant	Restaurant	36	7
Original Pancake House	Restaurant	30	8
Starbucks Coffee Company	Restaurant	22	9
Walgreens	Retail.	17	10
Total Principal Employers		559	

Notes:

¹ Information prior to 2010 not available

Data Source:

Town records.

Town of Southwest Ranches, Florida
Town Funded Positions by Function/Program (Unaudited)
Last Ten Fiscal Years

<u>Function/program</u>	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Commission	5	5	5	5	5	5	5	5	5	5
General Government										
City management	-	3	3	3	6	5	5	3	3	3
Community services ¹	5	7	6	8	10	10	10	14	13	13
Total General Government	5	10	9	11	16	15	15	17	16	16
Contracted Employees:										
General government management services	5	4	4	5	4	4	4	4	4	4
Fire rescue	3	3	3	12	12	43	43	50	50	44
Emergency medical services	3	3	3	9	9	4	4	15	15	15
Police protection	11	13	15	15	15	15	15	15	16	16
Total Contracted Employees	22	23	25	41	40	66	66	84	85	79
Total	32	38	39	57	61	86	86	106	106	100
Percentage Change From Prior Year	-3.0%	18.8%	2.6%	46.2%	7.0%	41.0%	0.0%	23.3%	0.0%	-5.7%

Notes:

¹ Community services includes parks and recreation, community development, transportation, administration, clerk and finance departments.

Data Source:

Town of Southwest Ranches Community Services and Finance Department

Town of Southwest Ranches, Florida
Operating Statistics by Function/Program (Unaudited) ¹
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT:										
Building permits issued by:										
Broward County ²	2,203	762	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAP Government Services, Inc. ³	-	466	473	540	321	433	422	403	407	377
Total building permits	2,203	1,228	473	540	321	433	422	403	407	377
Building inspections conducted by:										
Broward County:										
Electrical ²	929	1,083	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mechanical ²	205	191	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plumbing ²	756	668	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Structural ²	4,208	2,547	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other ²	89	150	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAP Government Services, Inc. ³	-	3,300	-	3,256	2,798	2,200	3,765	5,273	6,403	6,872
Total building inspections	6,187	7,939	-	3,256	2,798	2,200	3,765	5,273	6,403	6,872
Local Business Tax certificates issued ²	-	-	335	-	-	-	-	-	-	-
Certificates of use registrations ⁴	35	23	33	20	28	35	23	11	14	2
Planning & Zoning Permits Issued ⁴						213	177	153	148	196
FIRE:										
Emergency responses ⁵	354	265	228	739	779	403	437	685	747	791
Station 112 Average Response Time ⁵								5:58	6:13	5:52
Inspections	-	-	-	30	55	40	31	98	98	165
POLICE: ⁶										
Physical arrests	375	207	183	126	112	132	77	54	43	43
Parking violations	19	9	12	10	9	2	-	2	0	0
Traffic violations	2,618	2,564	2,839	2,779	2,192	3,025	1,225	1,011	2,174	2,416
REFUSE COLLECTION: ^{7,8}										
Refuse collected (tons per month)	63.60	7.70	14.72	36.40	11.60	10.89	26.45	287.54	262.29	258.71
Recyclables collected (tons per month)	1.02	0.67	2.84	2.35	5.44	7.63	8.51	36.54	51.20	62.98
Bulk collected (tons per month)	25.20	15.00	61.77	65.75	82.56	78.90	70.11	593.63	698.53	790.07
OTHER PUBLIC WORKS: ⁸										
Street resurfacing (in miles)	0.5	-	-	0.50	6.00	-	0.95	-	-	-
Potholes repaired	360	360	360	360	400	107	112	88	93	107
WATER: ⁹										
New connections	2	4	10	2	2	1	1	-	1	3
Average daily consumption (thousands of gallons)	4	5.5	8.75	9.85	10.83	13.47	12.02	11.52	10.26	10.66
Peak monthly consumption (thousands of gallons)	175	247	396	425	479	556	440	419	428	417
General Government Tax Rates:										
Utility Services										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication Services	-	-	-	-	-	5.22%	5.22%	5.22%	5.22%	5.22%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Franchises										
Electric	6%	6%	6%	6%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Solid Waste	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Towing	-	-	-	13%	13%	13%	13%	13%	13%	15%

Notes:¹ Information not presented is not available.² Information provided by Broward County.³ Information provided by CAP Government Services, Inc.⁴ Information provided by Mellgren Planning Group⁵ Information provided by Broward County Sheriff's Office for western portion of Town and information for the eastern portion of the Town not available from the Town of Davie. Information for 2012 provided by Pembroke Pines. Information since 2013-15 provided by Town of Davie.⁶ Information provided by Broward County Sheriff's Office.⁷ In 2007, amounts cover the period from October 2006 - April 2007.⁸ Information provided by Town Contractors. 2013 Change from daily average to monthly.⁹ Information provided by City of Sunrise Public Works. The Town's residents obtain their water supply from wells and septic tanks except for certain residents who have privately connected with the City of Sunrise.

Town of Southwest Ranches, Florida
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FIRE STATIONS: ¹	-	-	-	-	1	1	1	1	1	1
POLICE:										
Stations ¹	-	-	-	-	-	-	-	-	-	-
Patrol units	12	15	15	15	15	15	15	15	16	16
REFUSE COLLECTION:										
Collection trucks ¹	-	-	-	-	-	-	-	10	10	10
OTHER PUBLIC WORKS:										
Streets (miles)	82	82	82	82	82	82	82	82	82	82
Streetlights ²	-	-	-	-	13	13	13	13	13	13
PARKS AND RECREATION:										
Acreage	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01	149.01
Community Center	-	-	-	-	-	-	-	-	-	1
Playgrounds	1	1	1	1	1	1	1	2	2	2
Equestrian ring	2	2	2	2	2	2	2	2	2	2
Picnic pavilion	1	1	1	1	1	1	1	1	1	2
Restroom facilities	1	1	1	1	1	1	1	1	1	3
Nature trails (miles)	1	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Multi-use trails (miles)	4	12.7	17.35	17.35	17.35	17.35	17.35	17.35	17.35	17.35
WATER:										
Water mains (miles) ³	12	12	12	12	12	12	12	12	12	12
Fire wells	330	330	330	330	330	332	332	332	332	333
Lakes (acres) ⁴	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) ⁵	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0

Data Sources:

Various Town departments unless otherwise noted.

Notes:

¹ Items not presented provided by a contractor.

² Only streetlights and traffic signals are on Griffin Road which is owned and maintained by Broward County.

³ Information provided by City of Sunrise Utilities Department. Unable to determine how many miles of water mains have been added since 2005.

⁴ Information provided by South Broward Drainage District. Unable to obtain information from Central Broward Water Control District.

⁵ Information provided by South Broward Drainage District and Central Broward Water Control District.

*** No Data Available

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REPORTING SECTION



2015 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Tom Macaouis

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Ranches (the Town), as of and for the fiscal year ended September 30, 2015 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 14, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Marcum LLP

Fort Lauderdale, FL
March 14 2016

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To The Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Southwest Ranches, Florida (the Town), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 14, 2016.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 14, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The assessment was done as of the fiscal year end.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, Town Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties

Marcum LLP

Fort Lauderdale, FL
March 14, 2016

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

To The Honorable Mayor, Town Council and Town Administrator
Town of Southwest Ranches, Florida

We have examined the Town of Southwest Ranches' compliance with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2015. Management is responsible for the Town of Southwest Ranches' compliance with those requirements. Our responsibility is to express an opinion on the Town of Southwest Ranches' compliance based on our examination.

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

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

This report is intended solely for the information and use of management, Town Council, Town Administrator, others within the Town of Southwest Ranches and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
March 14, 2016

March 14, 2016

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Southwest Ranches, Florida (the Town) for the fiscal year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*. We have communicated such information in our letter to you dated September 29, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Town did not have any significant estimates for the current year.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All audit adjustments were recorded by the Town. We noted no uncorrected misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2016

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis and budget comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Honorable Mayor, Town Council and Town Administrator and management of the Town of Southwest Ranches and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Marcum LLP

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Town of Southwest Ranches
13400 Griffin Road
Southwest Ranches, FL 33330-2628

(954) 434-0008 Town Hall
(954) 434-1490 Fax

Town Council
Jeff Nelson, Mayor
Doug McKay, Vice-Mayor
Freddy Fisikelli, Council Member
Steve Breitreuz, Council Member
Gary Jablonski, Council Member

Andrew D. Berns, Town Administrator
Keith M. Poliakoff, JD, Town Attorney
Russell Muniz, Assistant Town Administrator/Town Clerk
Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

COUNCIL MEMORANDUM

TO: Honorable Mayor Nelson and Town Council
VIA: Andy Berns, Town Administrator
FROM: Sandra Luongo, General Services Manager
DATE: 3/5/2016
SUBJECT: Cleaning Systems Inc. Month to Month Agreement

Recommendation

This Resolution has been placed on the agenda for the Town Council's review and consideration for the month to month Agreement of janitorial services at Town Hall while the Town engages in the solicitation process for this service

Strategic Priorities

A. Sound Governance

Background

The Town's contract for janitorial services was procured originally through the competitive bid process and executed in March, 2012 for a two (2) year term. The first one (1) year renewal was extended in March, 2014 and the second (2) renewal was extended in March, 2015. There are no additional renewal options for the continuance of this agreement.

Fiscal Impact/Analysis

The current cost of janitorial services are \$10,200 per year (or \$850 monthly) for core services and has already been adopted and approved within the current fiscal years' budget. The Agreement allows for additional fees, if additional services are required by the Town.

Staff Contact:

Sandra Luongo, General Services Manager

ATTACHMENTS:

Description	Upload Date	Type
Resolution	3/16/2016	Resolution
Month to Month Agreement	3/16/2016	Agreement

RESOLUTION NO. 2016 –

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SOUTHWEST RANCHES, FLORIDA APPROVING A THIRD MODIFICATION TO THE AGREEMENT WITH CLEANING SYSTEMS, INC. FOR TOWN HALL JANITORIAL SERVICES; APPROVING A MONTH TO MONTH TERM; AUTHORIZING THE MAYOR, TOWN ADMINISTRATOR AND TOWN ATTORNEY TO ENTER INTO THE THIRD MODIFICATION TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on March 22, 2012, pursuant to Resolution No. 2012-036, the Town Council approved an agreement with Cleaning Systems, Inc. to provide janitorial services for Town Hall; and

WHEREAS, the original one (1) year Agreement allows for two (2) – one (1) year extensions; and

WHEREAS, when the first term was set to expire, the Town Council, on March 13, 2014, pursuant to Resolution No. 2014-30, approved an additional one (1) year extension through March 31, 2015; and

WHEREAS, when the first – one (1) year extension was set to expire, the Town Council, on May 14, 2015, pursuant to Resolution 2015-046, approved a second - one (1) year extension through March 31, 2016; and

WHEREAS, in order to avoid interruption of services under the Agreement, the Town and Contractor wish to further extend the term on the agreement for additional thirty (30) day periods of time (hereinafter “Monthly Period” or “Monthly Periods”) on a month to month basis, on terms and conditions set forth in the Agreement, until the Town is able to issue a new solicitation for such services; and

WHEREAS, the Town Council believes that it is in the best interest of the Town to extend the Agreement with Cleaning Systems, Inc. as the Town’s preferred janitorial service provider on a month to month basis;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Southwest Ranches, Florida:

Section 1: The above referenced recitals are true and correct and are incorporated herein by reference.

Section 2: The Town Council hereby approves the Third Modification to the Agreement with Cleaning Systems, Inc., in substantially the same form as that attached hereto as Exhibit "A", to provide janitorial services to Town Hall on a month to month basis until the solicitation for bids for janitorial services are completed.

Section 3: The Town Council hereby authorizes the Mayor, Town Administrator and Town Attorney to enter into the Third Modification to the Agreement in substantially the same form as that attached hereto as Exhibit "A" and to make such modifications, additions and/or deletions which they deem necessary to effectuate the intent of this Resolution.

Section 4: This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Town Council of the Town of Southwest Ranches, Florida, this ____ day of _____, 2016, on a motion by _____ and seconded by _____.

Nelson _____
McKay _____
Breitkreuz _____
Fisikelli _____
Jablonski _____

Ayes _____
Nays _____
Absent _____
Abstaining _____

Jeff Nelson, Mayor

ATTEST:

Russell Muñiz, Assistant Town Administrator/Town Clerk

Approved as to Form and Correctness:

Keith M. Poliakoff, Town Attorney

**ADDENDUM TO AGREEMENT FOR
TOWN HALL JANITORIAL SERVICES
RFP No. 11-010**

THIS ADDENDUM ("Addendum") is made and entered into on this ____ day of February 2016 by and between the Town of Southwest Ranches, a Municipal Corporation of the State of Florida, (hereinafter referred to as "Town") and Cleaning Systems, Inc. (hereinafter referred to as "Contractor").

Recitals

WHEREAS, the Town advertised a Request for Proposal, RFP No. 11-010 on December 28, 2011 ("RFP") for janitorial services for Town Hall (hereinafter "Project"); and

WHEREAS, five (5) Bids were received by the Town on February 2, 2012; and

WHEREAS, the Town adopted Resolution No. 2012-036 at a public meeting of the Town Council approving the recommended award and selected Cleaning Systems, Inc. for award of the Project; and

WHEREAS, on or about March 22, 2012, the Town and Contractor entered into a contract for the Project in substantially the form set forth as Exhibit A to RFP No. 11-010 ("Agreement"); and

WHEREAS, the initial term of the Agreement was for two (2) years; and

WHEREAS, the Agreement was extended for two (2) additional one (1) year periods and will presently expire on March 22, 2016 (hereinafter "Termination Date"); and

WHEREAS, upon expiration the Agreement, the Town will need to issue a new solicitation for bids for the Project; and

WHEREAS, in order to avoid interruption in services under the Agreement while the Town engages in a new solicitation, the Town and Contractor wish to further extend the term of the Agreement for additional thirty (30) day periods of time (hereinafter "Monthly Period" or "Monthly Periods"), on a month to month basis, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises, the mutual terms and conditions herein, and other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Town and Contractor hereby agree as set forth below.

Agreement

Section 1: Scope of Services

1.1 Contractor shall continue to provide all services set forth in the Agreement, and comply with all terms and conditions of the Agreement and as set forth herein.

Section 2: Term of the Agreement and Agreement Time

2.1 The Agreement shall continue in full force and effect from the Termination Date for successive Monthly Periods unless and until either party serves the other with a written notice of termination of the Agreement before the expiration of any such Monthly Period (hereinafter "Termination

Notice"). Upon the service of such Termination Notice, the Agreement will automatically expire at the conclusion of the next Monthly Period. In the absence of service of such Termination Notice by the expiration of any Monthly Period, the Agreement shall be deemed to continue in effect for an additional Monthly Period until such time as a Termination Notice is served. Notwithstanding anything to the contrary herein or in the Agreement, at any time after the Termination Date, Town may, in its sole discretion, terminate the Agreement immediately, without cause and for the convenience of the Town, by providing written notice to Contractor (hereinafter "Immediate Termination Notice") in which case the termination will be effective immediately. Notwithstanding the aforementioned, in no event may this Agreement continue beyond twelve (12) consecutive Monthly Periods.

Section 3: Compensation & Method of Payment

- 3.1 Contractor shall continue to be paid in accordance with applicable provisions of the Agreement. Upon the service of a notice of termination in accordance with paragraph 2.1 above, Contractor shall be paid for services rendered in accordance with the Agreement through the effective date of the termination. For example, if a Termination Notice is served, Contractor shall be paid for any services properly rendered through the expiration of the subsequent Monthly Period. If the Town serves an Immediate Termination Notice, Contractor shall be paid for any services properly rendered through the date of service of the Immediate Termination Notice.
- 3.2 Notwithstanding anything to the contrary in the Agreement or herein, Town shall not be liable for any cost increases or escalation associated with labor, services, materials, equipment or any other costs that may arise during the term of the Agreement, as extended hereby. In the event the cost of the Work exceeds the amounts defined in the Agreement, Contractor shall pay such excess from its own funds and Town shall not be required to pay any part of such excess. The only exception shall be any adjustments to the Contract Price pursuant to any written Change Order duly executed by Town and Contractor in accordance with the terms and conditions of the Agreement, and with the same formality and of equal dignity associated with the original execution of the Agreement.

Section 4: Insurance

- 4.1 Throughout the term of the Agreement, as extended hereby, and for all applicable statutes of limitation periods, Contractor shall maintain in full force and affect all of the insurance coverages as set forth in the Agreement.

Section 5: Miscellaneous Provisions

- A. **Joint Preparation.** Town and Contractor both acknowledge that they have sought and received whatever competent advice and legal counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Addendum has been their joint effort. The language agreed to herein express their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

TOWN OF SOUTHWEST RANCHES, FLORIDA
Addendum to Agreement for Town Hall Janitorial Services
RFP No. 11-010

- B. Binding Authority.** Each person signing this Addendum on behalf of either party individually warrants that he or she has full legal power to execute this Addendum on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Addendum.
- C. Truth-in-Negotiation Certificate.** Signature of this Addendum by Contractor shall act as the execution of a truth-in-negotiation certificate stating that wage rates and other factual unit costs supporting the compensation of the Agreement, as extended hereby, are accurate, complete, and current at the time of contracting.
- D. Defined Terms.** Any capitalized terms which are not defined herein shall have the same meanings as stated in the Agreement.
- E. Effect of this Addendum.** Except as otherwise expressly modified herein, all provisions of the Agreement shall remain in full force and effect during the term of the Agreement, as extended hereby, and for such longer period as may be set forth in the Agreement or as otherwise required by law:

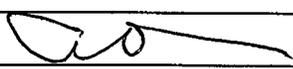
[Remainder of page intentionally left blank]

TOWN OF SOUTHWEST RANCHES, FLORIDA
Addendum to Agreement for Town Hall Janitorial Services
RFP No. 11-010

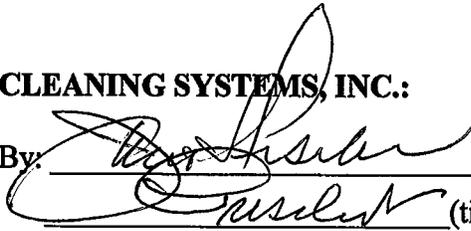
IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature: CLEANING SYSTEMS, INC, and the TOWN OF SOUTHWEST RANCHES, signing by and through its Mayor duly authorized to execute same by Council action on the ___ day of March 2016.

WITNESSES:





CLEANING SYSTEMS, INC.:

By: 
_____ (title)

22 day of February 2016

TOWN OF SOUTHWEST RANCHES

By: _____
Jeff Nelson, Mayor

___ day of March 2016

By: _____
Andrew D. Berns, Town Administrator

___ day of March 2016

ATTEST:

Russell Mufiz, MMC, Town Clerk

APPROVED AS TO FORM AND CORRECTNESS:

Keith M. Poliakoff, Town Attorney



Town of Southwest Ranches
13400 Griffin Road
Southwest Ranches, FL 33330-2628

(954) 434-0008 Town Hall
(954) 434-1490 Fax

Town Council
Jeff Nelson, Mayor
Doug McKay, Vice-Mayor
Freddy Fisikelli, Council Member
Steve Breitkreuz, Council Member
Gary Jablonski, Council Member

Andrew D. Berns, Town Administrator
Keith M. Poliakoff, JD, Town Attorney
Russell Muniz, Assistant Town Administrator/Town Clerk
Martin D. Sherwood, CPA, CGMA, CGFO, Town Financial Administrator

COUNCIL MEMORANDUM

TO: Honorable Mayor Nelson and Town Council
VIA: Andrew D. Berns, Town Administrator
FROM: Russell Muñiz, Assistant Town Administrator/Town Clerk
DATE: 3/24/2016
SUBJECT: 2016-2017 Broward League of Cities Appointments

Recommendation

Discussion and appointment at the March 24, 2016 meeting.

Strategic Priorities

A. Sound Governance

Background

On March 7, 2016 the Broward League of Cities (BLOC) sent an e-mail asking the Town to designate a Director, Alternate, and Second Alternate in conformance with BLOC By-Laws. The role of the appointees would be to attend and vote at any Board of Directors or General Membership meeting held where the appointee would be representing their municipality.

Staff is requesting that Council designate a Council Member to serve on the Broward League of Cities (BLOC) Board of Directors. The BLOC also requests that Council designate an alternate and second alternate.

None.

Staff Contact:

Russell Muñiz, Assistant Town Administrator/Town Clerk

ATTACHMENTS:

Description	Upload Date	Type
BLOC Appointment Firm	3/14/2016	Backup Material



Memorandum

2015-2016 OFFICERS
President David Rosenof
Deputy Vice Mayor, Parkland
1st Vice President Greg Ross
Mayor, Cooper City
2nd Vice President Jim Norton
Commissioner, Weston
Secretary Dan Daley
Vice Mayor, Coral Springs
Treasurer Gary Resnick
Mayor, Wilton Manors

DIRECTORS
Immediate Past President
Patricia Asseff
Commissioner, Hollywood
Past President Susan Starkey
Vice Mayor, Davie
Past President M. Margaret Bates
Commissioner, Lauderdale
Past President Joy Cooper
Mayor, Hallandale Beach
Past President Frank Ortis
Mayor, Pembroke Pines
Gloria Battle
Commissioner, Deerfield Beach
Jack Brady
Mayor, North Lauderdale
Charlotte Burrie
Vice Mayor, Pompano Beach
Thomas Dorsett
Commissioner, West Park
Harry Dressler
Mayor, Tamarac
Justin Flippen
Commissioner, Wilton Manors
Albert Jones
Commissioner, Dania Beach
Marty Kiar
Mayor, Broward County
Keith London
Commissioner, Hallandale Beach
Doug McKay
Councilmember, Southwest Ranches
Wayne Messam
Mayor, Miramar
Ashira Mohammed
Mayor, Pembroke Park
Lesa Peerman
Commissioner, Margate
Donald K. Rosen
Commissioner, Sunrise
Jed Shank
Commissioner, Oakland Park
Iris Siple
Vice Mayor, Pembroke Pines
Elliot Sokolow
Commissioner, Lauderdale-by-the-Sea
Greg Sollitto
Councilmember, Sea Ranch Lakes
Deb Tarrant
Vice Mayor, Hillsboro Beach
Ken Thurston
Commissioner, Lauderdale
Becky Tooley
Mayor, Coconut Creek
Dean Trantalis
Commissioner, Fort Lauderdale
Glenn Troast
Mayor, Lighthouse Point
Beverly Williams
Commissioner, Lauderdale Lakes
Chris Zimmerman
Councilmember, Plantation

Mary Lou Tighe
Executive Director
Sely Cochrane
Deputy Executive Director

To: City Clerks
From: Mary Lou Tighe, Executive Director
Date: Feb. 29, 2016
Re: 2016-17 Board of Director Appointments

According to the League By-Laws, each city shall appoint a Director, Alternate, and Second Alternate to attend and vote at any Board of Directors or General Membership meeting held where he/she represents his/her municipality.

Please agenda this item for your next commission meeting so that all appointments are concluded by April 1, 2016.

Upon commission action, please complete the information below and return to the League office by April 1, 2016.

=====

Municipality: _____

Commissioner/Council Appointments:

Director: _____

Alternate: _____

Second Alternate: _____