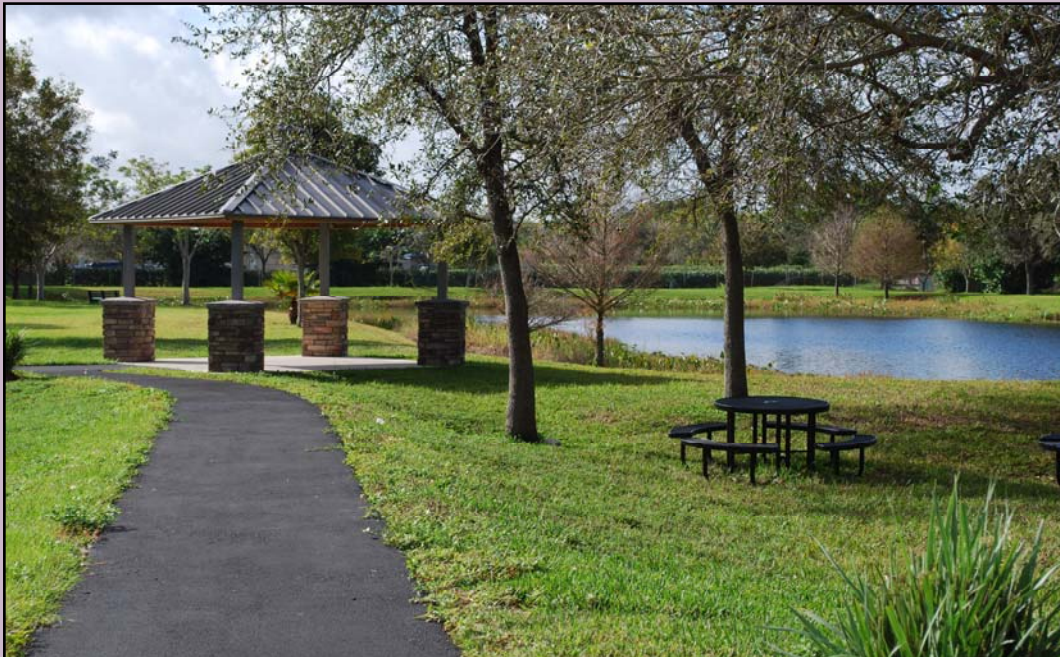


TOWN OF SOUTHWEST RANCHES, FLORIDA



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2018



**TOWN OF
SOUTHWEST RANCHES, FLORIDA
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2018**



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Kathy Sullivan

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”



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Bob Hartmann

TOWN OF SOUTHWEST RANCHES, FLORIDA

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TOWN OF SOUTHWEST RANCHES, FLORIDA

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INTRODUCTORY SECTION



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest Winner
Submitted by: Laura Aguiar



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

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

Town Council
Doug McKay, Mayor
Gary Jablonski, Vice Mayor
Freddy Fisikelli, Council Member
Bob Hartmann, Council Member
Denise Schroeder, 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 20, 2019

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, 2018. 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 financial statements have been audited by Marcum LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Town in conformity with generally accepted accounting principles (GAAP).

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.

As previously mentioned, Marcum LLP, independent auditors, have issued unmodified opinions on the Town of Southwest Ranches financial statements for the fiscal year ended September 30, 2018. 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 GAAP 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 this 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 2017 census population estimate of 7,958 and is located in the southwest portion of Broward County, a major metropolitan area. The Town motto since its establishment is "Preserving our rural lifestyle" but is located between the three major urban cities: Davie (population estimate of 105,149), Pembroke Pines (population estimate of 170,712) and Weston (population estimate of 70,944). The neighboring cities provide a wealth of attractions, business and amenities for use by the residents of the Town. Accordingly, the residents benefit from this close association with these 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, on November 2, 2010 and on November 6, 2018. 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 the 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 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 is 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, information technology 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 impact of Hurricane Irma on September 10, 2017, the Town has maintained its strong financial position through prudent planning and fiscal actions to reduce or contain costs.

The Town has real estate sales and values with an increase as most other governments in Florida and in the nation; however, the Town has a better than average business cycle than other communities due to the composition of its economy. Specifically, the Town primarily consists of an affluent residential housing stock of 2,586 units with a minimum one-acre and larger, single family estates.

In 2017, the Town experienced a 4.40% increase in total taxable assessed value and a 5.85% increase in 2018. Accordingly, the 2018 total taxable assessed values have finally exceeded the 2009 former record highest total taxable assessed valuation.

The Town has made it a policy to establish reserves to offset unanticipated expenses and ensure that a funding source exists in the event of a setback in the continuation of positive economic conditions. The General Fund has an unassigned fund balance equal to 21.9% of the adopted FY 2019 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 25+ year period. Eight capital projects, including TSDOR have been fully or partially funded during the fiscal year 2019 budget process.

In the 2019 Session, the Florida Legislature is considering reducing or eliminating business and communication service taxes 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 has no General Obligation debt outstanding and believes that debt is a necessary and integral part of conducting its operations on a financially sound and equitable basis to all taxpayers. The Town reviews as well as evaluates its existing obligations and future borrowing needs regularly. During 2018, due to primarily vegetative debris collection and removal impact from Hurricane Irma on September 10, 2017, \$3.7 million of the Town's new \$10.0 million variable rate emergency line of credit was activated with collateralization provided from anticipated future reimbursement from Federal (FEMA) and State (FDEM) regulatory authorities. In 2016, the Town obtained financing for the purchase of \$8,100,000 in public purpose Land at a 3.25% interest rate and practically simultaneously retired \$1,640,000 of Series 2001 debt which carried a 5% interest rate utilizing general fund unassigned fund balance. In 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 subsequently converted to a fixed note, 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 fixed rate loans, except for the retired Series 2001, are still outstanding at September 30, 2018.

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 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

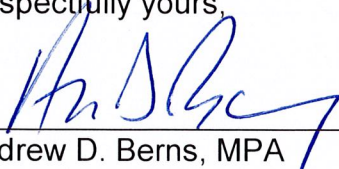
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

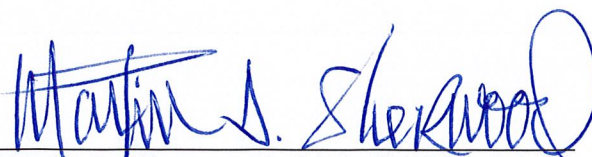
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department including Rich Strum, Mara Semper, Venessa Redman and the Town's independent audit firm, Marcum LLP. We wish to also recognize staff for their efforts and support in planning and conducting the financial operations of the Town in a responsible and progressive manner as well as for their timely contributions to this report.

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 level of fiscal responsibility.

Respectfully yours,



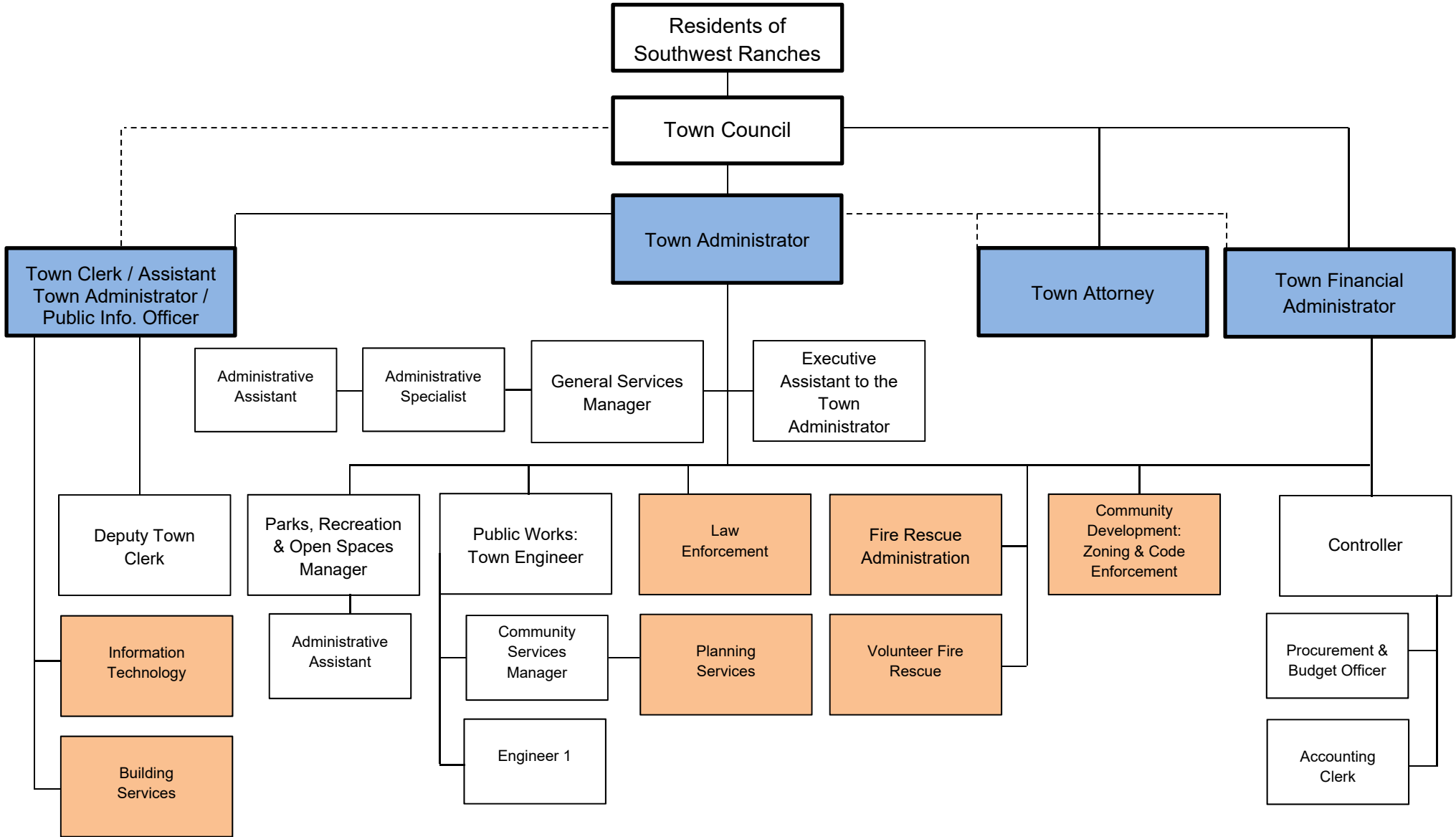
Andrew D. Berns, MPA
Town Administrator



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



TOWN OF SOUTHWEST RANCHES ORGANIZATIONAL CHART Fiscal Year 2017\2018



Positions appointed by the Town Council



Contracted Services



Indirect Relationship

Town of Southwest Ranches, Florida
Council/Administrator Form of Government
List of Principal Officials
as of September 30, 2018

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



DOUG McKAY
Mayor



FREDDY FISIKELI
Council Member



STEVE BREITKREUZ
Vice Mayor



GARY JABLONSKI
Council Member



DENISE SCHROEDER
Council Member

TOWN ADMINISTRATOR
Andrew D. Berns, MPA

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

TOWN ATTORNEY
Keith Poliakoff, Esq.

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, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Brandy Underhill

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, 2018 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, 2018 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 45-47 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 20, 2019 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 solely 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 the effectiveness of the Town's 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 20, 2019

**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, 2018. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2018 FINANCIAL HIGHLIGHTS

- The Town's assets and deferred outflows of resources exceeded its liabilities by \$51,261,122 (total net position) as of September 30, 2018.
- Total net position decreased (\$3,133,756) as a result of the full impact of Hurricane Irma expenditures of \$3,750,810 and are comprised of the following:
 - (1) Net investment in capital assets of \$49,262,430 includes property and equipment, net of accumulated depreciation and related debt.
 - (2) Net position of \$1,444,305 is restricted by constraints imposed on the Town in the amount of \$758,804 for transportation, \$423,679 and \$37,036 for fire control and the volunteer fire department and for building \$196,796, capital projects \$20,411, and \$7,579 for public safety, respectively, all from outside the Town such as grantors, laws, or regulations.
 - (3) The Town's total debt increased \$3,173,215 (net) due to a total emergency line of credit draw of \$3,731,225 to a total of \$14,555,198. Otherwise, total debt would have decreased (\$558,010) as a result of normal amortization. Total debt includes loans, notes payable as well as a new emergency line of credit.
 - (4) Unrestricted net position consists of \$554,387 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 \$5,410,394 at September 30, 2018. This compares to the prior year total ending fund balance of \$5,618,505 showing a decrease of only \$208,111 during the current year which included the financial impact of a major Hurricane.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,790,184 or 23% of total General Fund expenditures and net transfers for 2018. The unrestricted fund balance for the General fund was \$3,201,197 or 26% of total General Fund expenditures and net transfers for 2018.
- Overall, the Town continues to maintain a healthy financial position despite the effects of a Category 3 Hurricane named Irma which impacted the Town on September 10, 2017 and which correspondingly has unrecorded reimbursement claims outstanding of approximately \$4 million dollars.

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 net position presenting information that includes all the Town's assets, deferred outflows, 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 and development, parks and recreation, transportation, interest and other debt service costs, and finally, emergency services (as a result of Hurricane Irma).

The government-wide financial statements are presented on pages 15 and 16 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 17 and 20 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section 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 (Solid Waste Fund) is classified as an enterprise fund. The enterprise fund essentially encompasses the same function reported as business-type activities in the government-wide statements.

The basic proprietary fund financial statements are presented on pages 21 - 23 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 24 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

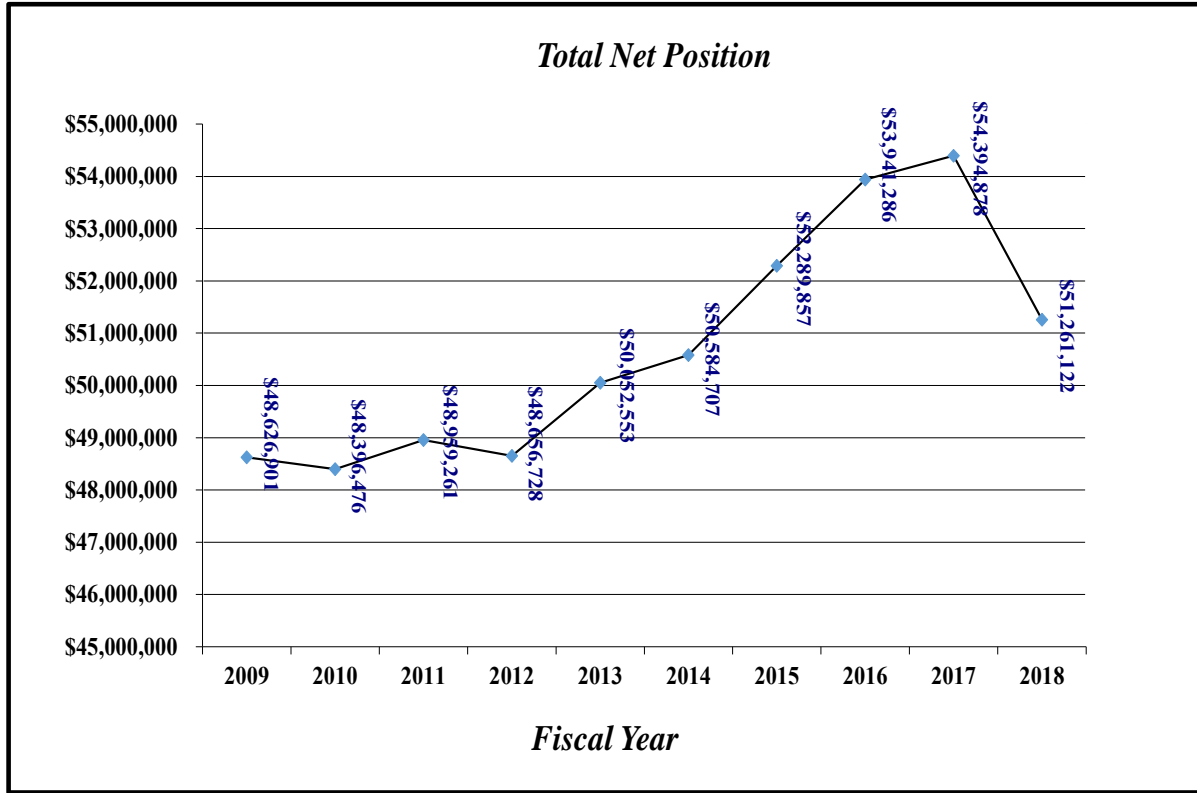
As discussed, the Town reports major funds in the basic financial statements. Combining and individual fund statements and schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 48.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year-end is \$51,261,122. The following table provides a summary of the Town's net position:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current assets	\$ 5,787,457	\$ 5,669,109	\$ 424,328	\$ 1,141,865	\$ 6,211,785	\$ 6,810,974
Non-current assets:						
Other	359,210	482,720	-	-	359,210	482,720
Capital assets	60,233,477	59,713,320	-	-	60,233,477	59,713,320
Total assets	<u>66,380,144</u>	<u>65,865,149</u>	<u>424,328</u>	<u>1,141,865</u>	<u>66,804,472</u>	<u>67,007,014</u>
Deferred Outflows of Resources:						
Deferred amount on refunding	40,310	46,068	-	-	40,310	46,068
Liabilities:						
Current liabilities	1,336,278	1,113,447	267,983	721,197	1,604,261	1,834,644
Long-term liabilities	10,323,544	10,823,560	3,655,855	-	13,979,399	10,823,560
Total liabilities	<u>11,659,822</u>	<u>11,937,007</u>	<u>3,923,838</u>	<u>721,197</u>	<u>15,583,660</u>	<u>12,658,204</u>
Net position:						
Net investment in capital assets	49,262,430	48,346,598	-	-	49,262,430	48,346,598
Restricted	1,444,305	1,378,035	-	-	1,444,305	1,378,035
Unrestricted	4,053,897	4,249,577	(3,499,510)	420,668	554,387	4,670,245
Total net position	<u>\$ 54,760,632</u>	<u>\$ 53,974,210</u>	<u>\$ (3,499,510)</u>	<u>\$ 420,668</u>	<u>\$ 51,261,122</u>	<u>\$ 54,394,878</u>

The following chart reports the Town's total net position balances from fiscal year 2009-2018.



Note over the last ten years, the total net positions has increased \$2,634,221 even with the current fiscal year full impact of a major Hurricane.

Current assets in governmental activities increased while business-type activities decreased in fiscal year September 30, 2018. Cash and investments for governmental activities and business-type activities decreased by \$76,605 and \$704,136, 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 4.3 to 1 as compared to 5.1 to 1 at September 30, 2017. The current ratio for business-type activities is 1.6 to 1 as compared to 1.6 to 1 at September 30, 2017. Overall, the total current ratio at September 30, 2018 increased to 3.9 to 1 as compared to 3.7 to 1 at September 30, 2017. The slight increase was primarily due to a decrease in accounts payable and accrued liabilities as all Hurricane Irma debris collection, disposal as well as monitoring payments, were completed as of fiscal year end.

The Town reported a positive balance in net position for governmental and a negative balance in business-type activities. During 2018, changes in net position increased \$786,422 for governmental activities and decreased (\$3,920,178) for business-type activities, respectively. The latter is due to the impacts from Hurricane Irma. However, the Town's overall financial position is healthy at fiscal year-end 2018 and it remains stable within an optimistic economy overall.

Note that approximately 90.7% 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 90.2% 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 Fiscal Year Ended September 30, 2018

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

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Percentage of Total 2018
	2018	2017	2018	2017	2018	2017	
Revenues:							
Program:							
Charges for services	\$ 3,582,482	\$ 2,904,138	\$ 1,309,516	\$1,064,311	\$ 4,891,998	\$ 3,968,449	34.8%
Operating grants and contributions	58,116	18,842	-	-	58,116	18,842	0.4%
Capital grants and contributions	450,950	343,013	-	-	450,950	343,013	3.2%
General:							
Ad valorem taxes	5,847,614	5,495,085	-	-	5,847,614	5,495,085	41.6%
Other taxes	1,880,669	1,878,702	-	-	1,880,669	1,878,702	13.4%
Intergovernmental	824,180	777,213	-	-	824,180	777,213	5.9%
Investment earnings	102,685	48,853	8,951	10,223	111,636	59,076	0.8%
Miscellaneous	2,430	129,202	-	-	2,430	129,202	0.0%
Total revenues	12,749,126	11,595,048	1,318,467	1,074,534	14,067,593	12,669,582	100%
Program Expenses:							
General government	2,904,188	2,736,901	-	-	2,904,188	2,736,901	16.9%
Public safety	6,428,569	5,471,550	-	-	6,428,569	5,471,550	37.4%
Community services & development	1,258,271	936,647	-	-	1,258,271	936,647	7.3%
Parks and recreation	638,991	656,412	-	-	638,991	656,412	3.7%
Transportation	553,546	592,730	-	-	553,546	592,730	3.2%
Emergency services	51,742	-	3,699,068	655,340	3,750,810	655,340	21.8%
Interest and other debt service costs	353,162	383,975	-	-	353,162	383,975	2.1%
Solid waste	-	-	1,313,812	782,436	1,313,812	782,436	7.6%
Total expenses	12,188,469	10,778,215	5,012,880	1,437,776	17,201,349	12,215,991	100%
Changes in net position before transfers	560,657	816,833	(3,694,413)	(363,242)	(3,133,756)	453,591	
Transfers	225,765	205,427	(225,765)	(205,427)	-	-	
Changes in net position	786,422	1,022,260	(3,920,178)	(568,669)	(3,133,756)	453,591	
Beginning net position	53,974,210	52,951,950	420,668	989,337	54,394,878	53,941,287	
Ending net position	\$54,760,632	\$53,974,210	\$(3,499,510)	\$ 420,668	\$51,261,122	\$54,394,878	

Governmental Activity Revenues

The Town is heavily reliant on Ad valorem (property) taxes to support governmental operations. Property taxes provided 45.9% of the Town's total governmental revenues as compared to 47.4% in fiscal year 2017. Other taxes, which includes franchise and utility taxes, provided 14.8% and 16.2% of the Town's total governmental revenues for fiscal year 2018 and 2017, respectively. Additionally, because of the Town's healthy financial position, we have been able to earn \$102,685 in investment earnings to support governmental activities.

Note that program revenues covered 33.6% of governmental operating expenditures as compared to 30.3% in fiscal year 2017. This means that the government's taxpayers and the Town's other general revenues normally fund 66.4% 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	\$ 2,904,188	23.8%	\$ (2,904,188)	35.9%
Public safety	6,428,569	52.7%	(4,022,466)	49.7%
Community services and development	1,258,271	10.3%	(83,214)	1.0%
Parks and recreation	638,991	5.2%	(583,267)	7.2%
Transportation	553,546	4.5%	(138,196)	1.7%
Emergency Services	51,742	0.4%	(12,428)	0.2%
Interest and other debt service costs	353,162	2.9%	(353,162)	4.4%
Total	\$ 12,188,469	100.0%	\$ (8,096,921)	100.0%

The public safety expenses total gross about 53% while net of program revenues total almost 50% of costs. The public safety function generated \$2,396,108 in user charges and \$9,995 in operating grant revenues, which offsets program costs. The community services and development expenses total gross of 10.3% while net of program revenues total 1.0%. The community services and development function generated \$1,175,057 in user charges, primarily from building permits, planning/zoning and fire review fees of \$1,165,214. The transportation expenses total gross of 4.5% while net of program revenues total -1.7%. The transportation function, which includes the fourth year of TSDOR capital improvements, was aided by capital grant revenues of \$415,350 which also offsets capital program costs. Hurricane Irma emergency services expenses total gross of 0.4% while net of operating program insurance recoveries of \$39,314 total 0.2% of costs. 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 \$245,205 or only 23.0% due to Town Council policy of imposing or "smoothing" higher service rates gradually to its residential users over two years; the current and immediate subsequent year. Total operating and all Hurricane Irma emergency services related expenses increased \$3,575,104 or 249% due to existing service contract expiration resulting in a competitive procurement award to a new vendor at much higher contractual and recycling costs of \$531,071, while the majority of the remainder increase or \$2,942,482 pertains to increased but completed Hurricane Irma debris collection, disposal, and monitoring expenses as compared to the prior fiscal year. The current year new emergency line of credit interest and issuance costs total \$101,246 of which only interest will continue to accrue until reimbursement is received from federal (FEMA) and state (Florida Department of Emergency Management) authorities. Other operating expenses increased by \$305 in fiscal year 2018 as compared to fiscal year 2017 due to a slight increase in professional fees.

In total, the year-to-year change in operating loss increased and net position decreased \$3,033,449 and \$3,351,509, 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 \$5,410,394 compared to \$5,618,505 at September 30, 2017.

The total governmental expenditures exceeded revenues by \$574,821.

The General Fund revenues exceeded its expenditures by \$2,094,132 as compared to \$2,297,368 for fiscal year 2017. Transfers in from Solid Waste of \$225,765 and from Volunteer Fire of \$36,049 as well as transfers to other funds totaling \$2,435,532 offset this excess. The details of the general fund's financial operations are discussed below.

Governmental funds report total fund balance of \$5,410,394. Of this year-end total, \$1,444,305 is legally restricted for: transportation (\$758,804); fire control including volunteer fire operations (\$460,715); public safety (\$7,579); building (\$196,796); and capital projects (\$20,411). \$530,596 is committed to various projects: capital projects (\$237,412); transportation (\$291,955); and tree preservation (\$1,229). \$253,236 is assigned for the following purposes - debt service (\$168,819) and capital projects (\$84,417). \$392,073 is considered non-spendable and \$2,790,184 is unassigned and available for future appropriation within the General Fund.

The total ending fund balances of governmental funds show a decrease of \$208,111 or 3.7% 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 \$3,829,251 decreased by (\$79,586) or 2.0% as compared to an increase of \$361,425 or 10.2% in 2017. The ending unassigned fund balance is considered more than adequate, representing the equivalent of 27.9% of annual expenditures. This percentage compares to 30.9% at September 30, 2017.

Ad valorem (property) taxes increased \$352,529 or 6.4%. This increase primarily relates a slight increase in the taxable value of property as the combined operating and transportation surface and drainage ongoing rehabilitation (TSDOR) capital program millage rate remained the same from the prior year. However, in total, all tax revenues were \$354,496 or 4.8% above those of 2017. Licenses and permits were \$415,098 or 54.6% higher than the 2017 amount due to a significant increase in building and zoning permitting activity.

Overall, total General Fund expenditures increased \$1,237,114 or 14.1% above the fiscal year 2017 level. The most significant changes, by department, from fiscal year 2017 are described below.

General government costs, consisting of legislative, legal, executive and clerk administration, finance, and non-departmental departments were \$150,145 above the 2017 amount primarily due to increased litigation activity.

In total, public safety costs were up \$649,856 or 12.04% above the 2017 amount. This increase is due to a newly executed police and fire service contract increase with the Town's existing vendor who also was the lowest priced responsive and responsible provider, the Town of Davie (\$652,337 or 12.08%), and which newly includes an annual \$50,000 provision for a replacement Town of Southwest Ranches fire apparatus,

offset by a total decrease in volunteer fire department expenditures including stipend payments (\$2,481 or 0.04% in total).

Community services and development which consists of building, planning, code & zoning, and public works increased \$321,624 or 34.3% above those of 2017 primarily due to the aforementioned increased building, zoning permitting activity and application fee volume, resulting in significantly higher contractual service costs.

The 2017 parks and recreation amounts were \$11,943 lower than the 2017 amount of \$403,085. The major portion of this decrease is from a lower grounds maintenance frequency as well as water and sewer costs. Additionally, it shall be noted that one new Town park facility (Gary A. Poliakoff/Founders' Park) opened at the end of FY 2018.

New for 2018, Hurricane Irma emergency services expenditures totaled \$30,268 due to the timing of its financial impact to the General Fund on September 10, 2017, with the resulting primary occurrence of expenditures during 2018.

In this fiscal year, the General Fund transferred \$2,435,532 to other funds, which included \$1,196,243 to the Transportation Fund, \$129,586 to the Capital Projects Fund, \$970,670 to the Debt Service Fund, and \$139,033 to the Volunteer Fire Department Fund (a component unit). The Solid Waste Fund and the Volunteer Fire Department Fund transferred \$225,765 and \$36,049, respectively 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 state transportation appropriation grant, and an ongoing long-term transportation surface and drainage ongoing rehabilitation (TSDOR) capital program. In fiscal year 2018, revenue of \$592,731 of intergovernmental revenue was earned as compared to \$318,671 in fiscal year 2017 primarily related to an increase in the state transportation appropriation grant. \$426,294 was expended on roadways including engineering and related personnel costs during 2018, \$21,474 primarily for Hurricane Irma signage repairs and replacements, and \$1,415,848 on capital outlay comprising of: drainage improvements (\$425,738); roadway improvements including striping/markers (\$58,506); TSDOR (\$675,334); entranceway enhancements (\$11,013); and guardrails (\$245,257). The total legally restricted and committed in total transportation fund balance at fiscal year-end 2018 was \$758,804 and \$481,004, respectively.

Capital Projects Fund - This fund is primarily financed from transfers from the General Fund, as indicated above. While there was no intergovernmental revenue as compared to 2017, \$35,600 of private source capital outlay donations were received in 2018, a decrease of 29.0% from the 2017 amount of \$50,116.

During fiscal year 2018, this fund spent \$353,340 on capital outlay, which includes:

- Buildings/Town Hall complex safety improvements \$7,490
- Buildings/Fire Control Modularity \$292,486
- Infrastructure improvements for Gary A. Poliakoff/Founders Park \$30,996
- Infrastructure improvements for Frontier Trails Park \$7,368
- Infrastructure improvements for Park entranceway enhancements \$15,000

Restricted fund balance was \$20,411 pertaining to frontier trails park. Committed and assigned fund balance was \$28,039 and \$84,417, respectively. The total capital project fund balance at fiscal year-end 2018 was \$132,867.

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 fund.

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.

Charges for services revenues exceeded the final budget by \$6,641 or approximately .01%. This increase is primarily the result of unanticipated higher parks and recreation impact fees as well as facility use charges received. Investment income revenue exceeded the final budget by \$18,089 or 1.5% due to an unanticipated rising interest rate environment. Miscellaneous revenues were under the final budget by (\$105,464) or 72.4% due to the write down of an asset held for sale in the amount of \$123,510. All other revenue sources were consistent with the adopted budget. Overall, we ultimately recognized (\$79,065) or 99.4% of the revenue budget.

On the expenditure side, the Town’s actual expenditures for each department or function were less than budgeted due to conservative budgeting except for those pertaining to Hurricane Irma emergency services for its obvious reason. By function, general governmental were \$104,885 or 4.5% below the budget, total public safety was \$103,584 or 1.7% below the budget, community services and development were \$23,266 or 1.8% below the budget, parks and recreation were \$43,649 or 1.0% below the budget and capital outlay were \$23,640 or 13.1% below the budget.

Overall, the total General Fund budget was underspent by \$268,756 or 2.6% primarily due to lower general government operating expenditures including property insurance and contractual services, and lower than anticipated public safety, including volunteer fire services costs. Tight Departmental Director expenditure controls throughout as well as the Town in recovery mode (vs. full operational) from Hurricane Irma’s impact during the first quarter of FY 2018 also resulted in the underspending.

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, 2018, was \$60,233,477. The change in this net investment was a 0.9% increase 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	
	2018	2017
Non-depreciable assets:		
Land	\$ 42,341,811	\$ 42,341,811
Construction in progress	2,530,121	1,609,992
Total non-depreciable	<u>44,871,932</u>	<u>43,951,803</u>
Depreciable assets:		
Infrastructure	23,316,776	22,865,154
Improvements other than buildings	5,269,974	5,160,499
Buildings & Bldg Improvements	3,505,983	3,621,055
Furniture and equipment	<u>1,712,727</u>	<u>1,750,493</u>
Total depreciable assets	33,805,460	33,397,201
Less: accumulated depreciation	<u>18,443,915</u>	<u>17,635,684</u>
Net book value - depreciable assets	<u>15,361,545</u>	<u>15,761,517</u>
Percentage depreciated	<u>55%</u>	<u>53%</u>
Total Capital Asset Net Book Value	<u>\$ 60,233,477</u>	<u>\$ 59,713,320</u>

At September 30, 2018, the depreciable capital assets for governmental activities were 55% depreciated. This compares to the 53% at September 30, 2017.

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

- Guardrails Construction-in-progress (\$44,940)
- Gary A. Poliakoff/Founders Park Construction-in-progress (\$61,219)
- TSDOR Construction-in-progress \$675,332
- Frontier Trails Park Construction-in-progress \$8,161
- Drainage Projects Construction-in-progress \$334,042
- Entranceway Signage Construction-in-progress \$8,753
- Guardrails Infrastructure \$290,197
- SW 54th Place Drainage Infrastructure \$90,905
- SW 166th, SW 142nd, SW 178th Ave's Striping Infrastructure \$58,506
- Fire Well #40 & #168 Infrastructure \$12,014
- Gary A. Poliakoff/Founders Park Improvements other than buildings \$109,475
- Public Safety Modular (net) Building (\$122,562)
- Town Hall complex safety/Building Improvements \$7,490
- Town Hall Furniture and equipment \$43,010
- Public Safety-Fire Furniture and equipment (net) \$36,729
- Public Safety-Police Furniture and equipment (\$117,505)

Debt

The Town reports its new emergency line of credit within both its governmental and business-type activities. The series 2016 land acquisition note payable, series 2013 and 2011 revenue refunding notes payable as well as an equipment and other loan payable with financial institutions are in governmental activities only. More detailed information on long-term debt activity to the relevant disclosures in the notes to the financial statements are found on pages 37-41. The following table reports long-term debt balances at September 30, 2018 and 2017:

Outstanding Long-term Debt		
	2018	2017
Governmental Activities:		
TD Note Payable	\$ 7,750,000	\$ 7,750,000
TD Note Payable	1,724,500	1,917,300
TD Note Payable	888,201	1,146,061
TD Note Payable	136,746	162,082
Centennial Loan Payable	324,526	406,540
TD Emergency Line of Credit	75,370	-
Sub-Total	<u>10,899,343</u>	<u>11,381,983</u>
Business-type Activities:		
TD Emergency Line of Credit	3,655,855	-
Grand Total	<u>\$ 14,555,198</u>	<u>\$ 11,381,983</u>

The Town provides an optional single-employer defined benefit post-employment health care plan to eligible employees. The Town does not make contributions to the Plan on behalf of retirees. In accordance with GASB Statement No. 75, the Town has evaluated and determined that it is not necessary to record or disclose the total OPEB liability of \$30,110 as it is insignificant to the Town.

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 2018, the unemployment rate for Broward County residents was 2.8%, a reduction from a September 2017 rate of 3.3% and compares favorably to the State's unemployment rate of 3.5% and 3.9% for September 2018 and 2017, 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 (2013-2017), the Town's median household income of \$92,228 compares favorably to the Nation's and State's as well as the County's median household income of \$57,552, \$50,883, and \$54,895, respectively.

In the 2018–2019 adopted budget, we continue operating in a conservative economic environment. There are indications of a continued marginal increase in housing values and related taxable values due to new residential development, improvements and rehabilitation . Additionally, inflationary trends in the region compare more favorably to national indices.

Some of the key elements affecting the fiscal year 2018-2019 budget include:

- Relatively modest change in taxable values but expected to ellipse the 2018 record all-time highest.
- Continuance of a relatively low interest yield environment although potentially subject to further upward momentum.
- Crude oil prices remain stable
- Modest growth rates of building construction and rehabilitation
- Small decline but movement toward stabilization in State of Florida shared revenues, especially from gas taxes

All of these factors result in many budget challenges in fiscal year 2018-2019 and beyond. Additionally, the Town carefully monitors Florida Legislative initiatives and their future impact on the Town's ability to function at its present level.

The millage rate for fiscal year 2019 was increased to 4.8311, representing the Town's regular operating of 4.4969 plus .3342 to provide for the fifth year of a major transportation related capital infrastructure capital project (TSDOR), as compared to 4.1017 plus .3612 for TSDOR for fiscal year 2018 totaling 4.4629 resulting in an anticipated positive net revenue change of \$212,660. Additionally, during the current fiscal year, unassigned General Fund fund balance increased \$85,237 to \$2,790,184. During FY 2019, the Town is anticipating positive accounts receivable revenue recognition and/or reimbursement from Hurricane Irma which impacted the Town on September 10, 2017 from Federal and State authorities in the neighborhood of \$4,000,000. Also, the Town of Southwest Ranches has assigned \$160,000 of restricted fund balance for spending in the 2018-2019 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.

BASIC FINANCIAL STATEMENTS

These basic financial statements contain the 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, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 3,468,117	\$ 391,328	\$ 3,859,445
Investments	1,559,791	--	1,559,791
Receivables	342,834	33,000	375,834
Intergovernmental receivables	383,852	--	383,852
Prepaid items	32,863	--	32,863
Assets held for resale	359,210	--	359,210
Capital assets not being depreciated	44,871,932	--	44,871,932
Capital assets being depreciated	<u>15,361,545</u>	<u>--</u>	<u>15,361,545</u>
Total Assets	<u>66,380,144</u>	<u>424,328</u>	<u>66,804,472</u>
Deferred Outflows of Resources			
Deferred amount on refunding	<u>40,310</u>	<u>--</u>	<u>40,310</u>
Liabilities			
Accounts payable and accrued liabilities	735,973	267,983	1,003,956
Accrued interest payable	24,206	--	24,206
Unearned revenue	300	--	300
Noncurrent liabilities:			
Due within one year	575,799	--	575,799
Due in more than one year	<u>10,323,544</u>	<u>3,655,855</u>	<u>13,979,399</u>
Total Liabilities	<u>11,659,822</u>	<u>3,923,838</u>	<u>15,583,660</u>
Net Position			
Net investment in capital assets	49,262,430	--	49,262,430
Restricted for:			
Transportation	758,804	--	758,804
Fire control	460,715	--	460,715
Public safety	7,579	--	7,579
Building	196,796	--	196,796
Capital projects	20,411	--	20,411
Unrestricted	<u>4,053,897</u>	<u>(3,499,510)</u>	<u>554,387</u>
Total Net Position	<u>\$ 54,760,632</u>	<u>\$ (3,499,510)</u>	<u>\$ 51,261,122</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, 2018

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	\$ 2,904,188	\$ --	\$ --	\$ --	\$ (2,904,188)	\$ --	\$ (2,904,188)
Public safety	6,428,569	2,396,108	9,995	--	(4,022,466)	--	(4,022,466)
Community services and development	1,258,271	1,175,057	--	--	(83,214)	--	(83,214)
Parks and recreation	638,991	11,317	8,807	35,600	(583,267)	--	(583,267)
Transportation	553,546	--	--	415,350	(138,196)	--	(138,196)
Emergency services	51,742	--	39,314	--	(12,428)	--	(12,428)
Interest and other debt services costs	353,162	--	--	--	(353,162)	--	(353,162)
Total Governmental Activities	<u>12,188,469</u>	<u>3,582,482</u>	<u>58,116</u>	<u>450,950</u>	<u>(8,096,921)</u>	<u>--</u>	<u>(8,096,921)</u>
Business-type Activities							
Solid waste	1,313,812	1,309,516	--	--	--	(4,296)	(4,296)
Solid waste emergency services	3,699,068	--	--	--	--	(3,699,068)	(3,699,068)
Total Business-type Activities	<u>5,012,880</u>	<u>1,309,516</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(3,703,364)</u>	<u>(3,703,364)</u>
Total Primary Government	<u>\$ 17,201,349</u>	<u>\$ 4,891,998</u>	<u>\$ 58,116</u>	<u>\$ 450,950</u>	<u>(8,096,921)</u>	<u>(3,703,364)</u>	<u>(11,800,285)</u>
General Revenues							
Ad valorem taxes					5,847,614	--	5,847,614
Franchise fees based on gross receipts					642,005	--	642,005
Unrestricted intergovernmental revenue					824,180	--	824,180
Utility taxes					1,238,664	--	1,238,664
Unrestricted investment earnings					102,685	8,951	111,636
Miscellaneous					2,430	--	2,430
Transfers					<u>225,765</u>	<u>(225,765)</u>	<u>--</u>
Total General Revenues and Transfers					<u>8,883,343</u>	<u>(216,814)</u>	<u>8,666,529</u>
Change in Net Position					786,422	(3,920,178)	(3,133,756)
Net Position - Beginning of Year					<u>53,974,210</u>	<u>420,668</u>	<u>54,394,878</u>
Net Position - End of Year					<u>\$ 54,760,632</u>	<u>\$ (3,499,510)</u>	<u>\$ 51,261,122</u>

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 1,732,962	\$ 1,383,834	\$ 135,325	\$ 215,996	\$ 3,468,117
Investments	1,559,791	--	--	--	1,559,791
Receivables	339,834	3,000	--	--	342,834
Intergovernmental receivables	113,222	220,630	50,000	--	383,852
Due from other funds	--	--	--	3,017	3,017
Prepaid items	30,250	--	--	2,613	32,863
Assets held for resale	359,210	--	--	--	359,210
Total Assets	<u>\$ 4,135,269</u>	<u>\$ 1,607,464</u>	<u>\$ 185,325</u>	<u>\$ 221,626</u>	<u>\$ 6,149,684</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 302,701	\$ 367,656	\$ 52,458	\$ 13,158	\$ 735,973
Due to Other Funds	3,017	--	--	--	3,017
Unearned revenues	300	--	--	--	300
Total Liabilities	<u>306,018</u>	<u>367,656</u>	<u>52,458</u>	<u>13,158</u>	<u>739,290</u>
Fund Balances					
Non-spendable:					
Prepaid items	30,250	--	--	2,613	32,863
Assets held for resale	359,210	--	--	--	359,210
Restricted for:					
Transportation	--	758,804	--	--	758,804
Fire control	423,679	--	--	37,036	460,715
Public safety	7,579	--	--	--	7,579
Building	196,796	--	--	--	196,796
Capital projects	--	--	20,411	--	20,411
Committed for:					
Capital projects	20,324	189,049	28,039	--	237,412
Transportation	--	291,955	--	--	291,955
Tree preservation	1,229	--	--	--	1,229
Assigned for:					
Debt service	--	--	--	168,819	168,819
Capital projects	--	--	84,417	--	84,417
Unassigned	2,790,184	--	--	--	2,790,184
Total Fund Balances	<u>3,829,251</u>	<u>1,239,808</u>	<u>132,867</u>	<u>208,468</u>	<u>5,410,394</u>
Total Liabilities and Fund Balances	<u>\$ 4,135,269</u>	<u>\$ 1,607,464</u>	<u>\$ 185,325</u>	<u>\$ 221,626</u>	<u>\$ 6,149,684</u>

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, 2018

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

Fund Balances - Total Governmental Funds (Page 17)		\$ 5,410,394
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 78,677,392	
Accumulated depreciation	<u>(18,443,915)</u>	60,233,477
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Long-term debt	(10,899,343)	
Accrued interest payable	(24,206)	
Deferred amount on refunding (amortized as interest expense)	<u>40,310</u>	<u>(10,883,239)</u>
Net Position of Governmental Activities (Page 15)		<u><u>\$ 54,760,632</u></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, 2018

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 5,847,614	\$ --	\$ --	\$ --	\$ 5,847,614
Utility taxes	1,238,664	--	--	--	1,238,664
Franchise fees	642,005	--	--	--	642,005
Licenses and permits	1,175,057	--	--	--	1,175,057
Intergovernmental	646,799	592,731	--	--	1,239,530
Charges for services	2,204,001	--	--	--	2,204,001
Fines and forfeitures	212,231	--	--	--	212,231
Investment income	79,173	18,650	3,890	972	102,685
Miscellaneous	40,194	--	35,600	11,545	87,339
Total Revenues	<u>12,085,738</u>	<u>611,381</u>	<u>39,490</u>	<u>12,517</u>	<u>12,749,126</u>
Expenditures					
Current:					
General government	2,253,537	--	--	--	2,253,537
Public safety:					
Law enforcement	2,606,670	--	--	--	2,606,670
Fire control	3,295,372	--	--	146,902	3,442,274
Total public safety	<u>5,902,042</u>	<u>--</u>	<u>--</u>	<u>146,902</u>	<u>6,048,944</u>
Community services and development	1,258,271	--	--	--	1,258,271
Parks and recreation	391,142	--	--	--	391,142
Transportation	--	426,294	--	--	426,294
Emergency services	30,268	21,474	--	--	51,742
Capital outlay	156,346	1,415,848	353,340	--	1,925,534
Debt service:					
Principal	--	--	--	623,585	623,585
Interest and fiscal charges	--	--	--	344,898	344,898
Total Expenditures	<u>9,991,606</u>	<u>1,863,616</u>	<u>353,340</u>	<u>1,115,385</u>	<u>13,323,947</u>
Excess (deficiency) of revenues over expenditures	<u>2,094,132</u>	<u>(1,252,235)</u>	<u>(313,850)</u>	<u>(1,102,868)</u>	<u>(574,821)</u>
Other Financing Sources (Uses)					
Transfers in	261,814	1,196,243	129,586	1,109,703	2,697,346
Transfers out	(2,435,532)	--	--	(36,049)	(2,471,581)
Proceeds from emergency lines of credit	--	--	--	140,945	140,945
Total Other Financing Sources (Uses)	<u>(2,173,718)</u>	<u>1,196,243</u>	<u>129,586</u>	<u>1,214,599</u>	<u>366,710</u>
Change in Fund Balances	(79,586)	(55,992)	(184,264)	111,731	(208,111)
Fund Balances - Beginning of Year	<u>3,908,837</u>	<u>1,295,800</u>	<u>317,131</u>	<u>96,737</u>	<u>5,618,505</u>
Fund Balances - End of Year	<u>\$ 3,829,251</u>	<u>\$ 1,239,808</u>	<u>\$ 132,867</u>	<u>\$ 208,468</u>	<u>\$ 5,410,394</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, 2018

**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) \$ (208,111)

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	\$ 1,925,534	
Less: current year provision for depreciation expense	<u>(1,087,025)</u>	838,509

The net effect of various transactions involving
capital asset (e.g. disposals, sales, etc.) (318,352)

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 - emergency lines of credit	(140,945)
Repayment of principal	623,585

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)
Change in accrued interest payable	<u>(2,506)</u>

Change in Net Position of Governmental Activities (Page 16) \$ 786,422

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

TOWN OF SOUTHWEST RANCHES, FLORIDA

STATEMENT OF NET POSITION - PROPRIETARY FUND

SEPTEMBER 30, 2018

	<u>Solid Waste Fund</u>
Assets	
Current Assets	
Cash	\$ 391,328
Receivables	<u>33,000</u>
Total Assets	<u>424,328</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued liabilities	<u>267,983</u>
Noncurrent Liabilities	
Emergency line of credit	<u>3,655,855</u>
Total Liabilities	<u>3,923,838</u>
Net Position	
Unrestricted	<u>(3,499,510)</u>
Total Net Position	<u>\$ (3,499,510)</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, 2018

	<u>Solid Waste Fund</u>
Operating Revenues	
Charges for services	<u>\$ 1,309,516</u>
Total Operating Revenues	<u>1,309,516</u>
Operating Expenses	
Contractual services	1,213,462
Recycling	98,079
Emergency services	3,597,822
Other	<u>2,271</u>
Total Operating Expenses	<u>4,911,634</u>
Operating Loss	(3,602,118)
Nonoperating Revenues (Expenses)	
Interest income	8,951
Emergency line of credit interest expense	(50,856)
Emergency line of credit issuance cost	<u>(50,390)</u>
Total Nonoperating Expenses	(92,295)
Loss before Transfers	(3,694,413)
Transfer out	<u>(225,765)</u>
Change in Net Position	(3,920,178)
Net Position - Beginning of Year	<u>420,668</u>
Net Position - End of Year	<u>\$ (3,499,510)</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, 2018

	Solid Waste Fund
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 1,322,917
Cash paid to suppliers	<u>(5,403,191)</u>
Net Cash Used in Operating Activities	<u>(4,080,274)</u>
Cash Flows from Non-Capital Financing Activities	
Proceeds from emergency line of credit	5,126,660
Payment on emergency line of credit	(1,470,805)
Emergency line of credit interest paid	(12,513)
Emergency line of credit issuance cost	(50,390)
Transfer out	<u>(225,765)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>3,367,187</u>
Cash Flows from Investing Activities	
Interest received	<u>8,951</u>
Net Decrease in Cash	(704,136)
Cash - Beginning	<u>1,095,464</u>
Cash - Ending	<u><u>\$ 391,328</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities	
Operating loss	\$ <u>(3,602,118)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in receivables	13,401
Decrease in accounts payable and accrued liabilities	<u>(491,557)</u>
Total adjustments	<u>(478,156)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (4,080,274)</u></u>

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

**NOTES TO BASIC
FINANCIAL STATEMENTS**

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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 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) and has operational responsibility 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, 2018

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 are 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, 2018

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, 2018

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 include 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 amortized cost.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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 acquisition 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. IMPAIRMENT OF LONG-LIVED ASSETS

The Town records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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.

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 another financing source. Premiums received on debt issuance are reported as another financing source while discounts on debt issuances are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, and principal payments, are reported as debt service expenditures.

I. 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 period 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.

J. UNEARNED REVENUE

Unearned revenue represents increases in assets prior to the eligibility criteria being met for recognition of revenue.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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.

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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FUND EQUITY (CONTINUED)

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.

L. 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.

M. 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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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, deferred inflows/outflows, 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

The City maintains a cash pool that is available for use by all funds. 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.

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. Florida PRIME invests in a pool of investments whereby the Town owns a share of the respective pool, not the underlying securities. GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* establishing criteria for an external investment pool to qualify to report at amortized cost. Florida PRIME is reported at amortized cost.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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, 2018:

	<u>Value</u>	<u>Weighted Average Maturity</u>
Investments		
Florida PRIME	\$ 1,559,791	72 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.

CONCENTRATION OF CREDIT RISK

Disclosure is required when the percentage of investments is 5% or more of total investments. At September 30, 2018, the Town only invests in an external investment pool, the Florida PRIME.

INVESTMENT POOLS AND POOL PARTICIPANTS

With regard to redemption dates, Chapter 218.409(8) (a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees,

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENT POOLS AND POOL PARTICIPANTS (CONTINUED)

the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

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, 2018.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 3 – PROPERTY TAXES (CONTINUED)

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, 2018 was 4.4629 mills (operating millage was 4.1017 and TSDOR millage .3612).

NOTE 4 - RECEIVABLES

Receivables as of September 30, 2018 for the Town's funds are as follows:

	Taxes and Fees
General Fund	\$ 339,834
Transportation Fund	3,000
Solid Waste Fund	33,000
Total Receivables	\$ 375,834

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers during fiscal year ended September 30, 2018 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 261,814	\$ 2,435,532
Transportation Fund	1,196,243	--
Capital Projects Fund	129,586	--
Volunteer Fire Department Fund	139,033	36,049
Debt Service Fund	970,670	--
Solid Waste Fund	--	225,765
Total Interfund Transfers	\$ 2,697,346	\$ 2,697,346

General Fund Transfers In consisted of \$225,765 from the Town's Solid Waste Fund providing an annual subsidy to the General Fund for administrative, finance and contractual compliance management and legal expenses, while \$36,049 from the Volunteer Fire Department Fund relates to a contribution towards the acquisition of a new town volunteer fire vehicle.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 5 – INTERFUND TRANSFERS (CONTINUED)

General Fund Transfers Out consisted of \$1,196,243 to the Transportation Fund to fund capital projects including TSDOR and operating needs; \$129,586 to the Capital Projects Fund to fund capital projects primarily pertaining to a new Town Public Safety Modular complex; \$139,033 to the Volunteer Fire Department Fund (to fund volunteer fire operations; and \$970,670 to the Debt Service Fund as debt service principal and interest payments become due in accordance with debt service covenants.

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2018 was as follows:

	Beginning				Ending Balance
	Balance	Increases	Decreases	Transfers	
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 42,341,811	\$ --	\$ --	\$ --	\$ 42,341,811
Construction in progress	1,609,991	1,026,289	--	(106,159)	2,530,121
Total capital assets, not being depreciated	43,951,802	1,026,289	--	(106,159)	44,871,932
Capital assets, being depreciated:					
Infrastructure	22,865,154	406,682	--	44,940	23,316,776
Improvements other than buildings	5,160,499	48,256	--	61,219	5,269,974
Buildings and building improvements	3,621,055	299,976	(415,048)	--	3,505,983
Furniture and equipment	1,750,493	144,331	(182,097)	--	1,712,727
Total capital assets being depreciated	33,397,201	899,245	(597,145)	106,159	33,805,460
Total capital assets	77,349,003	1,925,534	(597,145)	--	78,677,392
Less: accumulated depreciation for:					
Infrastructure	13,039,318	650,651	--	--	13,689,969
Improvements other than buildings	3,033,974	247,849	--	--	3,281,823
Buildings and building improvements	405,348	61,273	(114,138)	--	352,483
Furniture and equipment	1,157,043	127,252	(164,655)	--	1,119,640
Total accumulated depreciation	17,635,683	1,087,025	(278,793)	--	18,443,915
Total capital assets, being depreciated, net	15,761,518	(187,780)	(318,352)	106,159	15,361,545
Governmental Activities					
Capital Assets, Net	<u>\$ 59,713,320</u>	<u>\$ 838,509</u>	<u>\$ (318,352)</u>	<u>\$ --</u>	<u>\$ 60,233,477</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

General government	\$ 96,844
Public safety	74,679
Parks and recreation	289,698
Transportation	<u>625,804</u>
Total Depreciation - Governmental Activities	<u><u>\$ 1,087,025</u></u>

NOTE 7 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the Town for the fiscal year ended September 30, 2018.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Note Payable Series 2013	\$ 1,917,300	\$ --	\$ (192,800)	\$ 1,724,500	\$ 199,100
Note Payable Series 2011	1,146,061	--	(257,860)	888,201	264,973
Note Payable Series 2016	7,750,000	--	--	7,750,000	--
Rosenbauer Payable	162,082	--	(25,336)	136,746	25,985
Loan Payable (Centennial/CBB)	406,540	--	(82,014)	324,526	85,741
Emergency LOC Series 2013	--	65,575	(65,575)	--	--
Emergency LOC Series 2018	--	75,370	--	75,370	--
Total Governmental Activities	<u>\$ 11,381,983</u>	<u>\$ 140,945</u>	<u>\$ (623,585)</u>	<u>\$ 10,899,343</u>	<u>\$ 575,799</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Emergency LOC Series 2013	\$ --	\$ 1,470,805	\$ (1,470,805)	\$ --	\$ --
Emergency LOC Series 2018	--	3,655,855	--	3,655,855	--
Total Business-type Activities	<u>\$ --</u>	<u>\$ 5,126,660</u>	<u>\$ (1,470,805)</u>	<u>\$ 3,655,855</u>	<u>\$ --</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 7 – LONG-TERM DEBT (CONTINUED)

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.

The annual requirements to pay principal and interest on this obligation as of September 30, 2018 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	199,100	38,836	237,936
2020	200,500	34,061	234,561
2021	207,100	29,191	236,291
2022	213,300	24,167	237,467
2023	218,900	19,002	237,902
2024-2026	685,600	24,790	710,390
Total	\$ 1,724,500	\$ 170,047	\$ 1,894,547

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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 7 – LONG-TERM DEBT (CONTINUED)

REVENUE REFUNDING NOTE, SERIES 2011 (CONTINUED)

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 264,973	\$ 21,550	\$ 286,523
2020	272,281	14,242	286,523
2021	279,791	6,733	286,524
2022	71,156	485	71,641
Total	\$ 888,201	\$ 43,010	\$ 931,211

NOTE PAYABLE SERIES 2016

On April 6, 2016, the Town entered in to a \$7,750,000 note with a financial institution for the acquisition of 24.4373 acres of vacant land. The note requires semi-annual payments of interest beginning November 1, 2016 and semi-annual payments of principal beginning November 1, 2021. The note bears interest at a rate of 3.25% annually and matures on March 31, 2036, unless the financial institution imposes a call option 90 days prior to May 1, 2031.

The annual requirements to pay principal and interest on this obligation as of September 30, 2018 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ --	\$ 251,875	\$ 251,875
2020	--	251,875	251,875
2021	--	251,875	251,875
2022	516,666	247,677	764,343
2023	516,666	230,885	747,551
2024-2028	2,583,330	902,522	3,485,852
2029-2033	2,583,330	482,760	3,066,090
2034-2036	1,550,008	88,156	1,638,164
Total	\$ 7,750,000	\$2,707,626	\$10,457,626

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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 principal payments at a fixed rate of 2.56% and the loan matures on June 11, 2023.

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 25,985	\$ 3,501	\$ 29,486
2020	26,650	2,836	29,486
2021	27,332	2,153	29,485
2022	28,032	1,454	29,485
2023	28,747	736	29,483
Total	<u>\$ 136,746</u>	<u>\$ 10,680</u>	<u>\$ 147,425</u>

LOAN PAYABLE

On April 7, 2010, the Town originally 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 called 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, 2018 are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 85,741	\$ 11,226	\$ 96,967
2020	89,190	7,777	96,967
2021	92,778	4,190	96,968
2022	56,817	730	57,547
Total	<u>\$ 324,526</u>	<u>23,923</u>	<u>\$ 348,449</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 7 – LONG-TERM DEBT (CONTINUED)

EMERGENCY LINE OF CREDIT - 2013

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. During the fiscal year, there was one draw on the line of credit which was repaid on May 23, 2018, at which time the line of credit was closed.

EMERGENCY LINE OF CREDIT - 2018

On May 23, 2018, the Town entered into a revolving line of credit agreement with a financial institution in an amount not to exceed \$10,000,000 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 emergencies. The line of credit bears a variable interest rate calculated at 81.50% of the prime rate less 125 basis points. Payments of accrued interest are due on the first day of each February, May, August and November, beginning on November 1, 2018, based on the amount drawn and repaid by the Town from time to time. The outstanding principal of this Note and any accrued and unpaid interest is payable on the maturity date unless renewed. The maturity date of the line of credit is May 23, 2023. The Town drew down and has outstanding \$3,731,225 at fiscal year end.

NOTE 8 – 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, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES

INTERLOCAL AGREEMENT FOR PUBLIC SAFETY SERVICES

In June 2017, the Town entered into an agreement with the Town of Davie for public safety services, including emergency medical, fire protection, fire and life safety, and police service effective October 1, 2017 through September 30, 2022. The Town paid \$5,791,670 under this agreement for the fiscal year ended September 30, 2018.

AGREEMENT FOR PLANS REVIEW AND BUILDING INSPECTION SERVICES

In 2012, the Town entered a service agreement through March 2015 for plan review and building inspection services. The agreement was extended on April 12, 2018 for thirty six months, with an additional extensions to be approved by the Town. 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, 2018, the Town paid \$753,876 for these services and an additional \$365 for hurricane related expenditures.

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, 2020 for planning services only and is renewable upon the consent of both parties. For the fiscal year ended September 30, 2018, the Town paid \$67,421 for these services.

AGREEMENT FOR CODE COMPLIANCE AND ZONING SERVICES

The Town entered into a service agreement with a provider for the provision of code compliance and zoning, including services, as the Code Compliance Official. This agreement, is in effect through September 2022. Either party may terminate this agreement upon providing 90 days written notice. For the fiscal year ended September 30, 2018, the Town paid \$184,817 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.

TOWN OF SOUTHWEST RANCHES, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

DEFICIT NET POSITION

The Town was impacted by a major category 3 Hurricane named Irma on September 10, 2017. Due to the Town's composition as primarily residential with a minimum of one-acre parcels mainly rural-in-nature, vegetative debris clean-up within the Solid Waste Fund was a major disaster initiative. Accordingly, during the fiscal year periods of 2017 and 2018, total debris collection, monitoring and disposal from both public/private streets/roadways, with permission obtained from the latter, totaled \$655,340 and \$3,597,822, respectively, totaling \$4,253,162. Fortunately, due to the Town's strong financial net position prior to the Hurricane, only \$3,655,855 of the emergency line of credit was activated and accounted for in the Solid Waste Fund. Overall, it is anticipated that the obligation and/or reimbursement from Federal (FEMA) and State (FDEM) regulatory agencies of approximately \$4,000,000 in total (or in excess of 90%) is forthcoming, therefore, ultimately resulting in a positive net position. The total operating income without any impact from Hurricane Irma (emergency services) for fiscal year 2018 would have been \$4,296. Additionally, operating income would have normally been an additional \$300,894, however, the Town Council adopted a one-time policy to gradually absorb or "smooth" significant solid waste rate increases in lieu of assessing its residents.

NOTE 10 – 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% or 10% (as a percentage of employees' regular wages) of the employees' annual elective contribution to an ICMA 457 Plan (see Note 11) for both General and Management personnel, respectively. 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 with 5 years of service, 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, 2018

NOTE 10 – DEFINED CONTRIBUTION PLAN (CONTINUED)

Under the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. There were a total of 14 employees for both personnel groups participating under the 401(a) Plan throughout fiscal year 2018. 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. For the fiscal year ended September 30, 2018, the employer pension expense was \$73,889.

NOTE 11 – 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.

REQUIRED SUPPLEMENTARY INFORMATION



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Amy M. Martinez

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 5,807,872	\$ 5,847,615	\$ 5,847,614	\$ (1)
Utility taxes	1,244,655	1,238,664	1,238,664	--
Franchise fees	660,593	645,344	642,005	(3,339)
Licenses and permits	683,165	1,174,024	1,175,057	1,033
Intergovernmental	743,911	646,800	646,799	(1)
Charges for services	2,184,662	2,197,360	2,204,001	6,641
Fines and forfeitures	270,500	208,254	212,231	3,977
Investment income	39,375	61,084	79,173	18,089
Miscellaneous	95,151	145,658	40,194	(105,464)
Total Revenues	<u>11,729,884</u>	<u>12,164,803</u>	<u>12,085,738</u>	<u>(79,065)</u>
Expenditures				
Current:				
General government	2,249,988	2,358,422	2,253,537	104,885
Public safety:				
Law enforcement	2,670,000	2,670,000	2,606,670	63,330
Fire control	3,301,783	3,335,626	3,295,372	40,254
Total public safety	<u>5,971,783</u>	<u>6,005,626</u>	<u>5,902,042</u>	<u>103,584</u>
Community services and development	920,761	1,281,537	1,258,271	23,266
Parks and recreation	434,791	434,791	391,142	43,649
Emergency services	--	--	30,268	(30,268)
Capital outlay	342,579	179,986	156,346	23,640
Total Expenditures	<u>9,919,902</u>	<u>10,260,362</u>	<u>9,991,606</u>	<u>268,756</u>
Excess of Revenues over Expenditures	<u>1,809,982</u>	<u>1,904,441</u>	<u>2,094,132</u>	<u>189,691</u>
Other Financing Sources (Uses)				
Transfers in	225,765	261,814	261,814	--
Transfers out	(2,233,957)	(2,445,823)	(2,435,532)	10,291
Total Other Financing Sources (Uses)	<u>(2,008,192)</u>	<u>(2,184,009)</u>	<u>(2,173,718)</u>	<u>10,291</u>
Change in Fund Balance	<u>\$ (198,210)</u>	<u>\$ (279,568)</u>	<u>\$ (79,586)</u>	<u>\$ 199,982</u>
Appropriated Beginning Fund Balance	<u>\$ 198,210</u>	<u>\$ 279,568</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 668,396	\$ 922,678	\$ 592,731	\$ (329,947)
Investment income	<u>500</u>	<u>500</u>	<u>18,650</u>	<u>18,150</u>
Total Revenues	<u>668,896</u>	<u>923,178</u>	<u>611,381</u>	<u>(311,797)</u>
Expenditures				
Current:				
Transportation	416,864	478,277	426,294	51,983
Emergency services	--	--	21,474	(21,474)
Capital outlay	<u>1,800,510</u>	<u>2,301,838</u>	<u>1,415,848</u>	<u>885,990</u>
Total Expenditures	<u>2,217,374</u>	<u>2,780,115</u>	<u>1,863,616</u>	<u>916,499</u>
Deficiency of Revenues over Expenditures	<u>(1,548,478)</u>	<u>(1,856,937)</u>	<u>(1,252,235)</u>	<u>604,702</u>
Other Financing Sources				
Transfers in	<u>1,043,478</u>	<u>1,196,243</u>	<u>1,196,243</u>	<u>--</u>
Total Other Financing Sources	<u>1,043,478</u>	<u>1,196,243</u>	<u>1,196,243</u>	<u>--</u>
Change in Fund Balance	<u>\$ (505,000)</u>	<u>\$ (660,694)</u>	<u>\$ (55,992)</u>	<u>\$ 604,702</u>
Appropriated Beginning Fund Balance	<u>\$ 505,000</u>	<u>\$ 660,694</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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, the Transportation Fund, the Capital Projects Fund and the Debt Services 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. The Volunteer Fire Department Fund's budget is not legally adopted by the Town Council.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

TOWN OF SOUTHWEST RANCHES, FLORIDA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 47,177	\$ 168,819	\$ 215,996
Due from other funds	3,017	--	3,017
Prepaid items	2,613	--	2,613
Total Assets	\$ 52,807	\$ 168,819	\$ 221,626
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 13,158	\$ --	\$ 13,158
Total Liabilities	13,158	--	13,158
Fund Balances			
Non-spendable:			
Prepaid items	2,613	--	2,613
Restricted for:			
Fire control	37,036	--	37,036
Assigned for:			
Debt service	--	168,819	168,819
Total Fund Balances	39,649	168,819	208,468
Total Liabilities and Fund Balances	\$ 52,807	\$ 168,819	\$ 221,626

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, 2018

	Volunteer Fire Department	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Investment income	\$ 551	\$ 421	\$ 972
Miscellaneous	<u>11,545</u>	<u>--</u>	<u>11,545</u>
Total Revenues	<u>12,096</u>	<u>421</u>	<u>12,517</u>
Expenditures			
Current:			
Fire and rescue services	146,902	--	146,902
Debt service:			
Principal	--	623,585	623,585
Interest and fiscal charges	<u>--</u>	<u>344,898</u>	<u>344,898</u>
Total Expenditures	<u>146,902</u>	<u>968,483</u>	<u>1,115,385</u>
Deficiency of Revenues Over Expenditures	<u>(134,806)</u>	<u>(968,062)</u>	<u>(1,102,868)</u>
Other Financing Sources (Uses)			
Transfers in	139,033	970,670	1,109,703
Transfers out	(36,049)	--	(36,049)
Proceeds from lines of credit	<u>--</u>	<u>140,945</u>	<u>140,945</u>
Total Other Financing Sources	<u>102,984</u>	<u>1,111,615</u>	<u>1,214,599</u>
Change in Fund Balances	(31,822)	143,553	111,731
Fund Balances - Beginning	<u>71,471</u>	<u>25,266</u>	<u>96,737</u>
Fund Balances - Ending	<u>\$ 39,649</u>	<u>\$ 168,819</u>	<u>\$ 208,468</u>

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ --	\$ --	\$ 421	\$ 421
Expenditures				
Debt service:				
Principal	558,423	558,423	623,585	(65,162)
Interest and fiscal charges	412,247	412,247	344,898	67,349
Total Expenditures	<u>970,670</u>	<u>970,670</u>	<u>968,483</u>	<u>2,187</u>
Deficiency of Revenues over Expenditures	<u>(970,670)</u>	<u>(970,670)</u>	<u>(968,062)</u>	<u>2,608</u>
Other Financing Sources				
Transfers in	970,670	970,670	970,670	--
Proceeds from line of credit	--	--	140,945	(140,945)
Total Other Financing Sources	<u>970,670</u>	<u>970,670</u>	<u>1,111,615</u>	<u>(140,945)</u>
Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 143,553</u>	<u>\$ (138,337)</u>
Appropriated Beginning Fund Balance	<u>\$ --</u>	<u>\$ --</u>		

TOWN OF SOUTHWEST RANCHES, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ --	\$ (100,000)
Investment income	--	--	3,890	3,890
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>35,600</u>	<u>5,600</u>
Total Revenues	<u>130,000</u>	<u>130,000</u>	<u>39,490</u>	<u>(90,510)</u>
Expenditures				
Capital outlay	<u>404,515</u>	<u>488,859</u>	<u>353,340</u>	<u>135,519</u>
Total Expenditures	<u>404,515</u>	<u>488,859</u>	<u>353,340</u>	<u>135,519</u>
Deficiency of Revenues over Expenditures	<u>(274,515)</u>	<u>(358,859)</u>	<u>(313,850)</u>	<u>45,009</u>
Other Financing Sources				
Transfers in	<u>70,485</u>	<u>129,586</u>	<u>129,586</u>	<u>--</u>
Total Other Financing Sources	<u>70,485</u>	<u>129,586</u>	<u>129,586</u>	<u>--</u>
Change in Fund Balance	<u>\$ (204,030)</u>	<u>\$ (229,273)</u>	<u>\$ (184,264)</u>	<u>\$ 45,009</u>
Appropriated Beginning Fund Balance	<u>\$ 204,030</u>	<u>\$ 229,273</u>		

STATISTICAL SECTION



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Daniel Martinez

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.	52-68
Revenue Capacity These tables contain information that may assist the reader in assessing the Town's most significant local revenue source, the property taxes.	69-75
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.	76-78
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.	79-81
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.	82-83

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
General government	\$ 1,380,331	\$ 1,624,918	\$ 1,750,991	\$ 1,897,921	\$ 1,837,205	\$ 1,885,010	\$ 1,943,608	\$ 2,074,739	\$ 2,736,901	\$ 2,904,188
Public safety	5,609,400	6,207,667	5,293,993	5,136,515	4,971,275	5,688,914	5,363,076	5,372,525	5,471,550	6,428,569
Community services & development	1,446,553	1,313,271	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647	1,258,271
Public works	1,900,861	-	-	-	-	-	-	-	-	-
Parks and recreation	502,143	387,510	310,369	419,249	497,374	482,289	825,673	672,817	656,412	638,991
Transportation	253,394	751,754	725,093	730,440	744,296	767,872	641,501	907,415	592,730	553,546
Emergency services ¹	-	-	-	-	-	-	-	-	-	51,742
Interest and other debt service costs	280,961	286,467	258,608	299,696	279,615	240,636	188,650	237,838	383,975	353,162
Total Expenses	11,373,643	10,571,587	9,135,911	9,371,571	9,049,254	9,842,022	9,821,564	10,285,662	10,778,215	12,188,469
Program Revenues:										
Charges for services:										
General government	142,592	155,437	134,717	109,180	-	-	-	-	-	-
Public safety	1,100,308	1,527,184	1,613,117	1,848,333	1,836,977	2,031,296	2,140,874	2,013,942	2,133,982	2,396,108
Community services & development	1,024,625	801,244	788,347	635,692	1,185,269	1,001,627	975,302	1,121,522	759,959	1,175,057
Parks and recreation	1,645	-	-	-	-	-	-	11,047	10,197	11,317
Public works	1,303,431	-	-	-	-	-	-	-	-	-
Operating grants and contributions	196,192	269,781	96,606	48,197	35,683	28,003	13,049	22,694	18,842	58,116
Capital grants and contributions	11,342	280,521	59,162	181,015	382,033	161,293	328,924	649,412	343,013	450,950
Total Program Revenues	3,780,135	3,034,167	2,691,949	2,822,417	3,439,962	3,222,219	3,458,149	3,818,617	3,265,993	4,091,548
Net (Expense) Revenue	(7,593,508)	(7,537,420)	(6,443,962)	(6,549,154)	(5,609,292)	(6,619,803)	(6,363,415)	(6,467,045)	(7,512,222)	(8,096,921)
General Revenues:										
Taxes:										
Property taxes	4,527,435	4,574,566	4,303,700	4,105,338	4,146,677	4,245,717	4,788,463	5,106,037	5,495,085	5,847,614
Utility taxes	593,394	659,884	1,079,094	1,092,624	1,147,616	1,169,184	1,212,320	1,226,602	1,234,734	1,238,664
Franchise fees based on gross receipts	1,167,851	1,005,629	620,532	593,888	571,399	616,559	621,659	614,039	643,968	642,005
Unrestricted intergovernmental revenues	546,154	547,048	790,831	689,697	720,491	734,438	771,930	777,914	777,213	824,180
Unrestricted investment earnings	53,342	90,149	25,786	30,789	17,725	5,598	19,660	20,640	48,853	102,685
Miscellaneous	43,700	68,173	139,911	97,064	134,736	94,659	89,589	91,794	129,202	2,430
Extraordinary item, impairment of asset	(60,676)	-	-	-	-	-	-	-	-	-
Total General Revenues	6,871,200	6,945,449	6,959,854	6,609,400	6,738,644	6,866,155	7,503,621	7,837,026	8,329,055	8,657,578
Net Transfers In	-	-	-	128,701	174,492	183,327	168,833	185,828	205,427	225,765
Total General Revenues Net of Transfers	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454	8,022,854	8,534,482	8,883,343
Change in Net Position	\$ (722,308)	\$ (591,971)	\$ 515,892	\$ 188,947	\$ 1,303,844	\$ 429,679	\$ 1,309,039	\$ 1,555,809	\$ 1,022,260	\$ 786,422

Notes:

¹ Emergency services comprise expenditures resulting from Hurricane Irma.

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
General government	12.1%	15.4%	19.2%	20.3%	20.3%	19.2%	19.8%	20.2%	25.4%	23.8%
Public safety	49.3%	58.7%	57.9%	54.8%	54.9%	57.8%	54.6%	52.2%	50.8%	52.7%
Community services & development	12.7%	12.4%	8.7%	9.5%	8.0%	7.9%	8.7%	9.9%	8.7%	10.3%
Public works	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	4.4%	3.7%	3.4%	4.5%	5.5%	4.9%	8.4%	6.5%	6.1%	5.2%
Transportation	2.2%	7.1%	7.9%	7.8%	8.2%	7.8%	6.5%	8.8%	5.5%	4.5%
Emergency services ¹	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
Interest and other debt service costs	2.5%	2.7%	2.9%	3.2%	3.1%	2.4%	1.9%	2.3%	3.6%	2.9%
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	3.8%	5.1%	5.0%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public safety	29.1%	50.3%	59.9%	65.5%	53.4%	63.0%	61.9%	52.7%	65.3%	58.6%
Community services & development	27.1%	26.4%	29.3%	22.5%	34.5%	31.1%	28.2%	29.4%	23.3%	28.7%
Parks and recreation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.3%
Public works	34.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating grants and contributions	5.2%	8.9%	3.6%	1.7%	1.0%	0.9%	0.4%	0.6%	0.6%	1.4%
Capital grants and contributions	0.3%	9.2%	2.2%	6.4%	11.1%	5.0%	9.5%	17.0%	10.5%	11.0%
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	65.9%	65.9%	61.8%	62.1%	61.5%	61.8%	63.8%	65.2%	66.0%	67.5%
Utility taxes	8.6%	9.5%	15.5%	16.5%	17.0%	17.0%	16.2%	15.7%	14.8%	14.3%
Franchise fees based on gross receipts	17.0%	14.5%	8.9%	9.0%	8.5%	9.0%	8.3%	7.8%	7.7%	7.4%
Unrestricted intergovernmental revenues	7.9%	7.9%	11.4%	10.4%	10.7%	10.7%	10.3%	9.9%	9.3%	9.5%
Unrestricted investment earnings	0.8%	1.3%	0.4%	0.5%	0.3%	0.1%	0.3%	0.3%	0.6%	1.2%
Miscellaneous	0.6%	1.0%	2.5%	1.5%	2.0%	1.4%	1.2%	1.2%	1.6%	0.0%
Extraordinary item, impairment of asset	-0.9%	0.0%	0.0%	0.0%	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 Emergency services comprise expenditures resulting from Hurricane Irma.

Data Source:

Applicable years' comprehensive annual financial report.

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

Source	For the Fiscal Year Ended								
	2010	2011	2012	2013	September 30, 2014	2015	2016	2017	2018
Expenses:									
Solid waste	\$ 1,417,368	\$ 1,582,463	\$ 1,401,456	\$ 966,722	\$ 781,764	\$ 761,680	\$ 776,993	\$ 782,436	\$ 1,313,812
Solid waste emergency services ²	-	-	-	-	-	-	-	655,340	3,699,068
Sub Total	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680	776,993	1,437,776	5,012,880
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	1,053,295	1,064,311	1,309,516
Operating grants and contributions	-	-	-	113,914	-	-	-	-	-
Net Revenue	234,437	38,393	138,281	244,444	268,712	283,867	276,302	(373,465)	(3,703,364)
General Revenues:									
Investment earnings	10,118	8,500	2,121	564	476	1,498	5,147	10,223	8,951
Miscellaneous	-	-	-	21,445	16,634	279,579	-	-	-
Income(Expense) before Transfers:	244,555	46,893	140,402	266,453	285,822	564,944	281,449	(363,242)	(3,694,413)
Transfers out	-	-	(128,701)	(174,492)	(183,327)	(168,833)	(185,828)	(205,427)	(225,765)
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>	<u>\$ 95,621</u>	<u>\$ (568,669)</u>	<u>\$ (3,920,178)</u>

Notes:

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

² Solid waste emergency services comprise expenditures resulting from Hurricane Irma.

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities ¹	\$ 11,373,643	\$ 10,571,587	\$ 9,135,911	\$ 9,371,571	\$ 9,049,254	\$ 9,842,022	\$ 9,821,564	\$ 10,285,662	\$ 10,778,215	\$ 12,188,469
Business-type activities ²	-	1,417,368	1,582,463	1,401,456	966,722	781,764	761,680	776,993	1,437,776	5,012,880
Total Expenses	<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>	<u>11,062,655</u>	<u>12,215,991</u>	<u>17,201,349</u>
Program Revenues:										
Governmental activities ¹	3,780,135	3,034,167	2,691,949	2,822,417	3,439,962	3,222,219	3,458,149	3,818,617	3,265,993	4,091,548
Business-type activities ²	-	1,651,805	1,620,856	1,539,737	1,211,166	1,050,476	1,045,547	1,053,295	1,064,311	1,309,516
Total Program Revenues	<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>	<u>4,871,912</u>	<u>4,330,304</u>	<u>5,401,064</u>
Net (Expense) Revenue	<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>	<u>(6,190,743)</u>	<u>(7,885,687)</u>	<u>(11,800,285)</u>
General Revenues and Transfers:										
Governmental activities ¹	6,871,200	6,945,449	6,959,854	6,738,101	6,913,136	7,049,482	7,672,454	8,022,854	8,534,482	8,883,343
Business-type activities ²	-	10,118	8,500	(126,580)	(152,483)	(166,217)	112,244	(180,681)	(195,204)	(216,814)
Total General Revenues and Tfrs	<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>	<u>7,842,173</u>	<u>8,339,278</u>	<u>8,666,529</u>
Change in Net Position	<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>	<u>\$ 1,651,430</u>	<u>\$ 453,591</u>	<u>\$ (3,133,756)</u>

Notes:¹ See Exhibit I² See Exhibit III

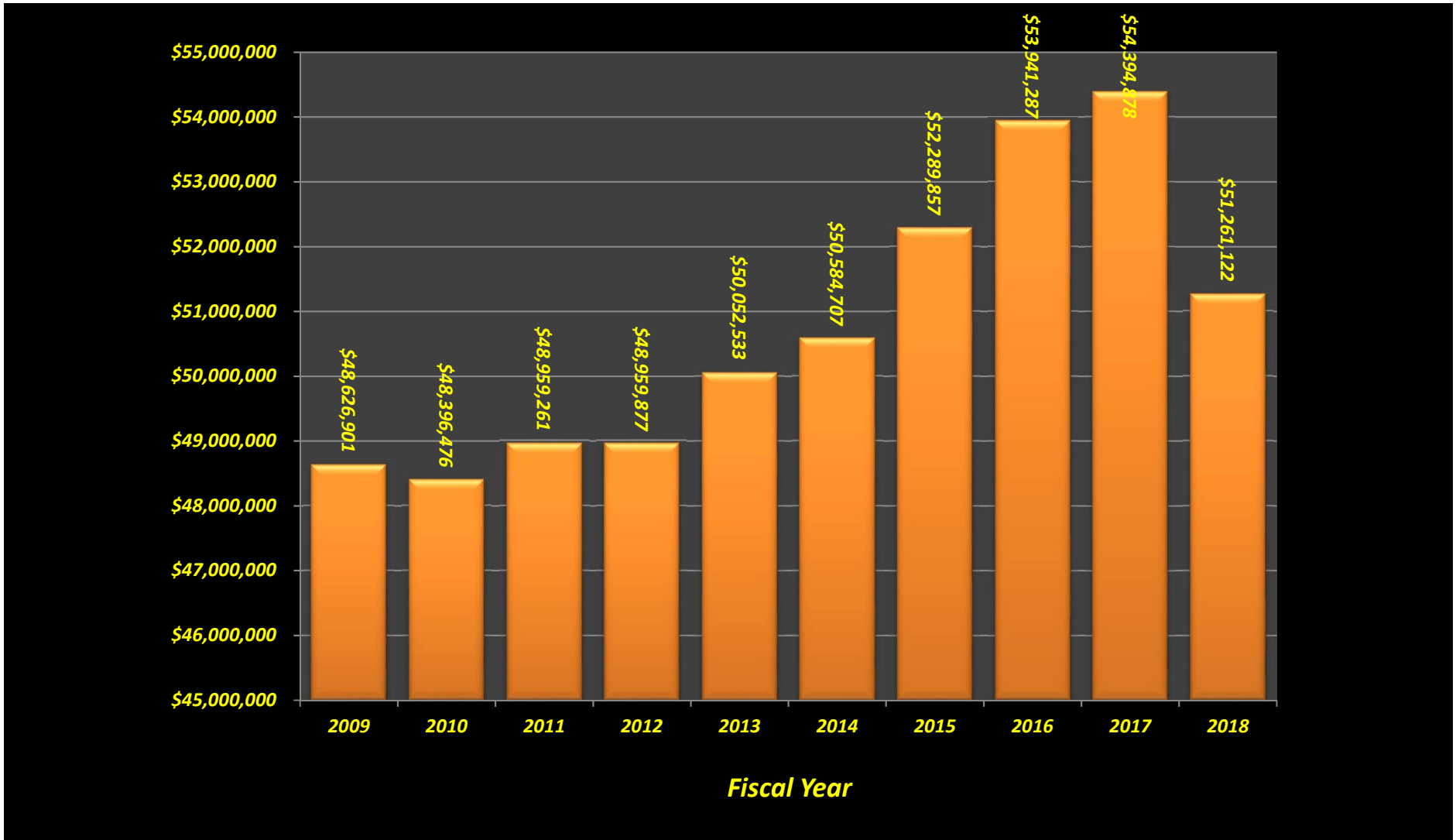
Town of Southwest Ranches, Florida
Government-wide Net Position by Category ¹
Last Ten Fiscal Years
(accrual basis of accounting)

	September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 43,824,944	\$ 44,607,660	\$ 44,892,153	\$ 44,421,400	\$ 44,642,297	\$ 44,619,097	\$ 45,134,927	\$ 48,086,199	\$ 48,346,598	\$ 49,262,430
Restricted	315,335	728,064	736,555	440,705	370,921	599,649	935,161	1,349,124	1,378,035	1,444,305
Unrestricted	4,486,622	2,816,197	3,039,105	3,794,623	4,644,205	4,868,356	5,326,053	3,516,627	4,249,577	4,053,897
Subtotal Governmental Activities Net Position	48,626,901	48,151,921	48,667,813	48,656,728	49,657,423	50,087,102	51,396,141	52,951,950	53,974,210	54,760,632
Business-type Activities										
Unrestricted	-	244,555	291,448	303,149	395,110	497,605	893,716	989,337	420,668	(3,499,510)
Primary Government										
Net investment in capital assets	43,824,944	44,607,660	44,892,153	44,421,400	44,642,297	44,619,097	45,134,927	48,086,199	48,346,598	49,262,430
Restricted	315,335	728,064	736,555	440,705	370,921	599,649	935,161	1,349,124	1,378,035	1,444,305
Unrestricted	4,486,622	3,060,752	3,330,553	4,097,772	5,039,315	5,365,961	6,219,769	4,505,964	4,670,245	554,387
Total Primary Government Net Position	\$ 48,626,901	\$ 48,396,476	\$ 48,959,261	\$ 48,959,877	\$ 50,052,533	\$ 50,584,707	\$ 52,289,857	\$ 53,941,287	\$ 54,394,878	\$ 51,261,122

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue Source	Amounts									
Taxes	\$ 6,288,683	\$ 6,240,079	\$ 6,003,326	\$ 5,791,850	\$ 5,865,692	\$ 6,031,460	\$ 6,622,442	\$ 6,946,678	\$ 7,373,787	\$ 7,728,283
Licenses and permits	757,059	499,056	482,382	521,830	517,697	604,935	757,924	939,212	759,959	1,175,057
Intergovernmental	742,348	522,048	787,169	689,697	683,355	707,938	758,881	721,220	399,969	730,464
Charges for services	1,100,308	1,527,184	1,613,117	1,848,333	1,763,472	1,939,651	1,984,906	1,912,887	1,920,617	2,204,001
Fines and forfeitures	73,595	72,892	75,076	109,180	741,077	488,337	373,346	302,296	213,365	212,231
Physical and economic charges	-	325,775	309,627	113,862	-	-	-	-	-	-
Grants	11,342	550,302	155,768	229,212	417,716	189,296	341,973	672,106	686,428	509,066
Investment income	53,342	90,149	25,786	30,789	17,725	5,598	19,660	20,640	48,853	102,685
Sale of trees	1,645	-	-	-	-	-	-	-	-	-
Miscellaneous	380,263	152,132	198,346	97,064	171,872	178,460	102,638	140,603	192,070	87,339
Total Revenues	\$ 9,408,585	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606	\$ 10,145,675	\$ 10,961,770	\$ 11,655,642	\$ 11,595,048	\$ 12,749,126
% Change from Prior Year	-9.9%	6.1%	-3.3%	-2.3%	7.9%	-0.3%	8.0%	6.3%	-0.5%	10.0%
	Percentage of Total									
Taxes	66.8%	62.5%	62.2%	61.4%	57.6%	59.4%	60.4%	59.6%	63.6%	60.6%
Licenses and permits	8.0%	5.0%	5.0%	5.5%	5.1%	6.0%	6.9%	8.1%	6.6%	9.2%
Intergovernmental	7.9%	5.2%	8.2%	7.3%	6.7%	7.0%	6.9%	6.2%	3.4%	5.7%
Charges for services	11.7%	15.3%	16.7%	19.6%	17.3%	19.1%	18.1%	16.4%	16.6%	17.3%
Fines and forfeitures	0.8%	0.7%	0.8%	1.2%	7.3%	4.8%	3.4%	2.6%	1.8%	1.7%
Physical and economic charges	0.0%	3.3%	3.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	0.1%	5.5%	1.6%	2.4%	4.1%	1.9%	3.1%	5.8%	5.9%	4.0%
Investment income	0.6%	0.9%	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%	0.4%	0.8%
Sale of trees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous	4.0%	1.5%	2.1%	1.0%	1.7%	1.8%	0.9%	1.2%	1.7%	0.7%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

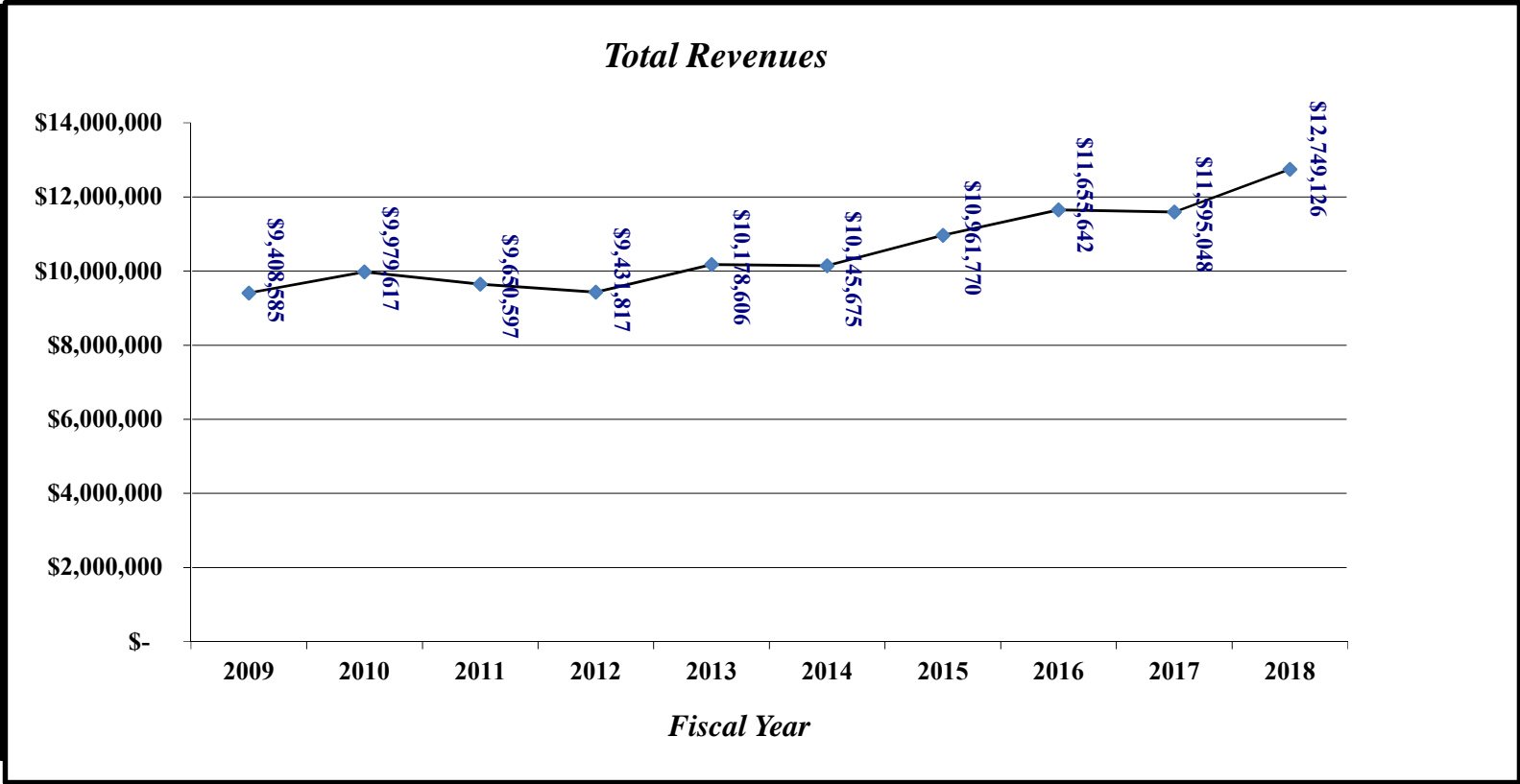
Notes:

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)



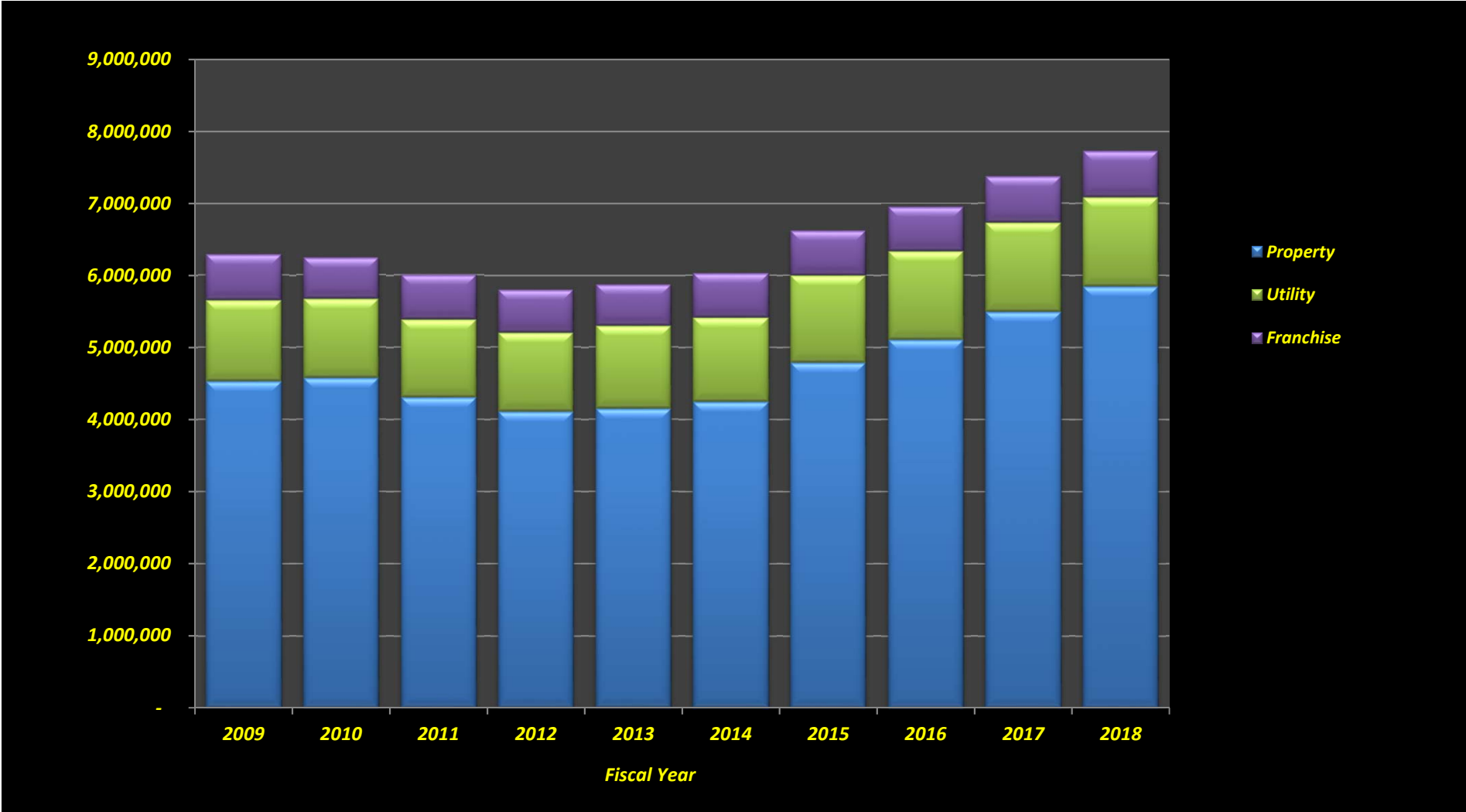
Town of Southwest Ranches, Florida
Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For The Fiscal Year Ended September 30,	Property	Utility	Franchise	Total
Amounts				
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
2016	5,106,037	1,226,602	614,039	6,946,678
2017	5,495,085	1,234,734	643,968	7,373,787
2018	5,847,614	1,238,664	642,005	7,728,283
% Change in Dollars Over 10 Years	29.2%	10.0%	1.1%	22.9%
Percentage of Total				
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%
2016	73.5%	17.7%	8.8%	100.0%
2017	74.5%	16.7%	8.8%	100.0%
2018	75.7%	16.0%	8.4%	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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current:										
General government	\$ 1,374,958	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001	\$ 1,807,017	\$ 1,866,731	\$ 1,994,770	\$ 2,103,392	\$ 2,253,537
Public safety	5,579,359	5,641,271	5,230,602	5,045,887	4,821,836	5,542,038	5,204,208	5,240,374	5,399,088	6,048,944
Community services & development	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647	1,258,271
Public works	1,425,587	-	-	-	-	-	-	-	-	-
Parks and recreation	326,710	285,500	142,032	177,921	223,462	195,826	286,489	357,602	403,085	391,142
Transportation	253,394	856,243	301,951	222,031	254,809	239,077	327,491	342,722	439,493	426,294
Emergency services ²	-	-	-	-	-	-	-	-	-	51,742
Total Current	10,406,561	9,295,204	8,207,855	8,171,061	7,815,597	8,561,259	8,543,975	8,955,796	9,281,705	10,429,930
% Change From Prior Year	17.2%	-10.7%	-11.7%	-0.4%	-4.4%	9.5%	-0.2%	4.8%	3.6%	12.4%
Capital Outlay	392,465	2,002,944	819,349	931,866	1,070,505	606,880	1,059,565	9,854,607	818,929	1,925,534
% Change From Prior Year	-30.1%	410.3%	-59.1%	13.7%	14.9%	-43.3%	74.6%	830.1%	-91.7%	135.1%
Debt Service:										
Principal	111,855	125,278	132,413	332,506	2,691,917	502,068	509,226	2,164,128	545,808	623,585
Interest and fees	283,248	291,328	260,900	302,092	410,639	219,162	215,478	235,814	379,352	344,898
Total Debt Service	395,103	416,606	393,313	634,598	3,102,556	721,230	724,704	2,399,942	925,160	968,483
% Change From Prior Year	-88.5%	5.4%	-5.6%	61.3%	388.9%	-76.8%	0.5%	231.2%	-61.5%	4.7%
Ratio of Total Debt Service to Total Non-Capital Expenditures	3.7%	4.3%	4.6%	7.2%	28.4%	7.8%	7.8%	21.1%	9.1%	8.5%
Total Expenditures	\$ 11,194,129	\$ 11,714,754	\$ 9,420,517	\$ 9,737,525	\$ 11,988,658	\$ 9,889,369	\$ 10,328,244	\$ 21,210,345	\$ 11,025,794	\$ 13,323,947
% Change From Prior Year	-13.2%	4.7%	-19.6%	3.4%	23.1%	-17.5%	4.4%	105.4%	-48.0%	20.8%

Notes:

¹ Includes all governmental fund types.

² Emergency services comprise expenditures resulting from Hurricane Irma

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)

Function	For the Fiscal Year Ended September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Amounts									
Current:										
General government	\$ 1,374,958	\$ 1,609,445	\$ 1,736,413	\$ 1,837,472	\$ 1,796,001	\$ 1,807,017	\$ 1,866,731	\$ 1,994,770	\$ 2,103,392	\$ 2,253,537
Public safety	5,579,359	5,641,271	5,230,602	5,045,887	4,821,836	5,542,038	5,204,208	5,240,374	5,399,088	6,048,944
Community services & development	1,446,553	902,745	796,857	887,750	719,489	777,301	859,056	1,020,328	936,647	1,258,271
Public works	1,425,587	-	-	-	-	-	-	-	-	-
Parks and recreation	326,710	285,500	142,032	177,921	223,462	195,826	286,489	357,602	403,085	391,142
Transportation	253,394	856,243	301,951	222,031	254,809	239,077	327,491	342,722	439,493	426,294
Emergency services ²	-	-	-	-	-	-	-	-	-	51,742
Total Current	\$ 10,406,561	\$ 9,295,204	\$ 8,207,855	\$ 8,171,061	\$ 7,815,597	\$ 8,561,259	\$ 8,543,975	\$ 8,955,796	\$ 9,281,705	\$ 10,429,930
	Percentage of Total									
Current:										
General government	13.2%	17.3%	21.2%	22.5%	23.0%	21.1%	21.8%	22.3%	22.7%	21.6%
Public safety	53.6%	60.7%	63.7%	61.8%	61.7%	64.7%	60.9%	58.5%	58.2%	58.0%
Community services & development	13.9%	9.7%	9.7%	10.9%	9.2%	9.1%	10.1%	11.4%	10.1%	12.1%
Public works	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parks and recreation	3.1%	3.1%	1.7%	2.2%	2.9%	2.3%	3.4%	4.0%	4.3%	3.8%
Transportation	2.4%	9.2%	3.7%	2.7%	3.3%	2.8%	3.8%	3.8%	4.7%	4.1%
Emergency services	-	-	-	-	-	-	-	-	-	0.5%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

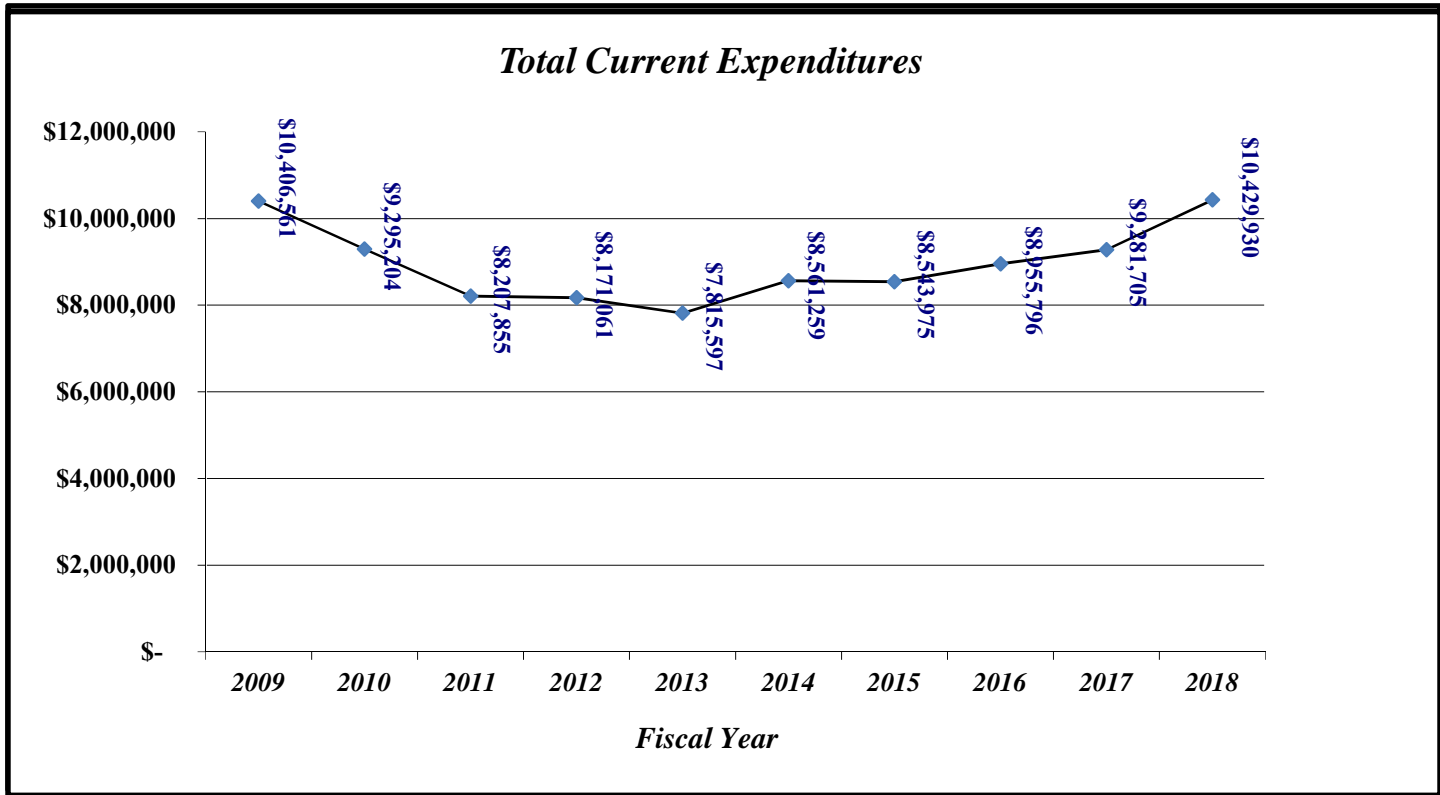
¹ Includes all governmental fund types.

² Emergency services comprise expenditures resulting from Hurricane Irma

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)

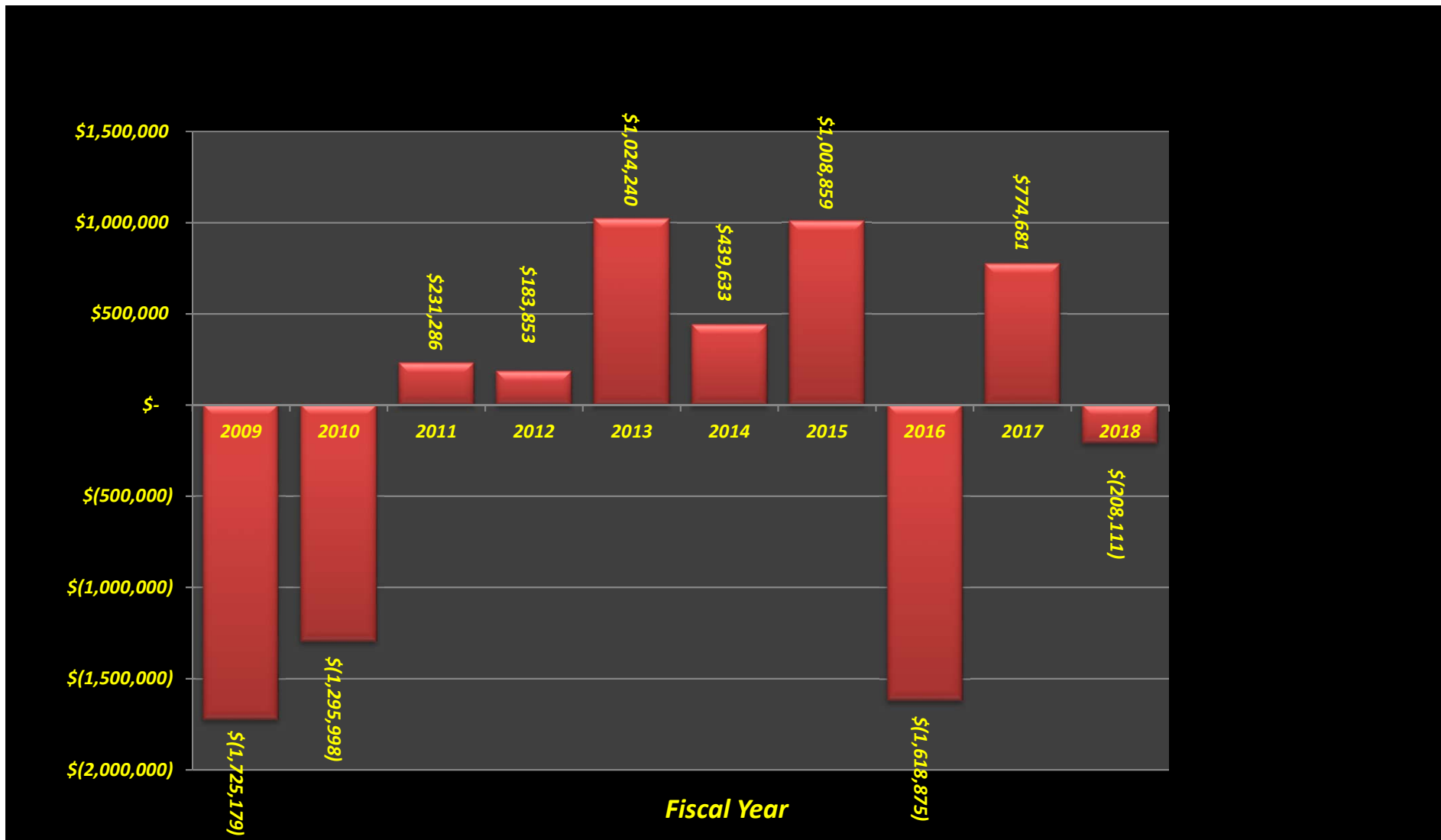


Town of Southwest Ranches, Florida
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Year Ended September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$ 9,408,585	\$ 9,979,617	\$ 9,650,597	\$ 9,431,817	\$ 10,178,606	\$ 10,145,675	\$ 10,961,770	\$ 11,655,642	\$ 11,595,048	\$ 12,749,126
Total Expenditures	11,194,129	11,714,754	9,420,517	9,737,525	11,988,658	9,889,369	10,328,244	21,210,345	11,025,794	13,323,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,785,544)	(1,735,137)	230,080	(305,708)	(1,810,052)	256,306	633,526	(9,554,703)	569,254	(574,821)
Other Financing Sources (Uses)										
Other items	60,365	439,139	1,206	360,860	2,659,800	-	206,500	7,750,000	-	140,945
Transfers in	713,259	2,946,139	1,175,176	1,394,191	1,410,644	1,557,874	1,938,626	4,287,055	2,346,797	2,697,346
Transfers out	(713,259)	(2,946,139)	(1,175,176)	(1,265,490)	(1,236,152)	(1,374,547)	(1,769,793)	(4,101,227)	(2,141,370)	(2,471,581)
Total Other Financing Sources (Uses)	60,365	439,139	1,206	489,561	2,834,292	183,327	375,333	7,935,828	205,427	366,710
Net Change in Fund Balances	<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>	<u>\$ (1,618,875)</u>	<u>\$ 774,681</u>	<u>\$ (208,111)</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 2009 - 2010
(modified accrual basis of accounting)

	September 30,	
	2009	2010
General Fund		
Reserved	\$ 186,184	\$ 182,955
Unreserved	1,817,328	1,910,184
	<hr/>	<hr/>
Total General Fund	2,003,512	2,093,139
	<hr/>	<hr/>
General Fund % Change		
From Prior Year	-17.4%	4.5%
	<hr/> <hr/>	<hr/> <hr/>
All Other Governmental Funds		
Reserved	-	30,281
Unreserved:		
Special Revenue Funds	298,154	680,602
Capital Projects Fund	276,862	270,115
Debt Service Fund	2,281,595	528,242
	<hr/>	<hr/>
Total All Other		
Governmental Funds	2,856,611	1,509,240
	<hr/>	<hr/>
All Other Governmental Funds		
% Change From Prior Year	0.0%	-47.2%
	<hr/> <hr/>	<hr/> <hr/>
Total Governmental Funds		
Reserved	186,184	213,236
Unreserved	4,397,077	3,119,028
	<hr/>	<hr/>
Total Governmental Funds	\$ 4,583,261	\$ 3,332,264
	<hr/> <hr/>	<hr/> <hr/>
All Governmental Funds		
% Change From Prior Year	-6.6%	-27.3%
	<hr/> <hr/>	<hr/> <hr/>

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 two years.

Data Source:

Applicable years' comprehensive annual financial report.

Town of Southwest Ranches, Florida
Fund Balances - Governmental Funds (Unaudited)
Fiscal Year 2018 and Seven Years Prior
(modified accrual basis of accounting)

	September 30,							
	2011	2012	2013	2014	2015	2016	2017	2018
General Fund								
Nonspendable:								
Prepaid items	\$ 31,432	\$ 207,568	\$ 25,222	\$ 27,058	\$ 28,763	\$ 28,382	\$ 29,569	\$ 30,250
Inventory/Assets held for resale	138,848	138,848	482,720	482,720	482,720	482,720	482,720	359,210
Deposits	25,001	-	-	-	-	-	-	-
Total nonspendable	195,281	346,416	507,942	509,778	511,483	511,102	512,289	389,460
Restricted for:								
Fire Control	-	-	-	128,291	308,982	363,897	484,719	423,679
Public safety	3,663	6,445	10,933	11,020	12,550	6,470	7,579	7,579
Town hall brick program	16,800	18,200	-	-	-	-	-	-
Building Technology	-	-	-	-	-	181,033	178,979	196,796
Total restricted	20,463	24,645	10,933	139,311	321,532	551,400	671,277	628,054
Committed to:								
Tree preservation	20,877	20,877	3,086	3,086	3,086	-	-	1,229
Capital projects	-	-	9,850	-	-	-	20,324	20,324
Total committed	20,877	20,877	12,936	3,086	3,086	-	20,324	21,553
Unassigned	2,360,778	2,494,249	3,458,623	3,830,892	4,365,118	2,484,910	2,704,947	2,790,184
Total General Fund	\$ 2,597,399	\$ 2,886,187	\$ 3,990,434	\$ 4,483,067	\$ 5,201,219	\$ 3,547,412	\$ 3,908,837	\$ 3,829,251
General Fund % Change From Prior Year								
	24.1%	11.1%	38.3%	12.3%	16.0%	-31.8%	10.2%	-2.0%
All Other Governmental Funds								
Nonspendable:								
Prepaid items	\$ 810	\$ 3,349	\$ 3,654	\$ 3,857	\$ 1,574	\$ 2,242	\$ 2,534	\$ 2,613
Deposits	15,000	-	-	-	-	-	-	-
Total nonspendable	15,810	3,349	3,654	3,857	1,574	2,242	2,534	2,613
Restricted for:								
Transportation surtax	696,179	517,455	312,740	389,361	331,973	636,587	537,821	758,804
Fire Control	-	-	-	-	206,500	100,000	100,000	-
Volunteer fire services	40,376	40,807	47,248	70,977	75,156	61,137	68,937	37,036
Capital Projects	-	-	-	-	-	-	-	20,411
Total restricted	736,555	558,262	359,988	460,338	613,629	797,724	706,758	816,251
Committed for:								
Capital Projects	-	150,000	60,376	209,053	359,943	149,213	224,661	217,088
Transportation	-	-	-	-	-	129,678	593,825	291,955
Total committed	-	150,000	60,376	209,053	359,943	278,891	818,486	509,043
Assigned to:								
Debt service	164,278	37,548	15,069	28,448	36,534	12,079	25,266	168,819
Public safety	129,750	-	-	-	-	-	-	-
Fire wells	80,000	-	-	-	-	-	-	-
Capital projects	109,873	354,621	584,686	269,077	249,800	205,476	156,624	84,417
Total assigned	483,901	392,169	599,755	297,525	286,334	217,555	181,890	253,236
Total All Other Governmental Funds	\$ 1,236,266	\$ 1,103,780	\$ 1,023,773	\$ 970,773	\$ 1,261,480	\$ 1,296,412	\$ 1,709,668	\$ 1,581,143
All Other Governmental Funds % Change From Prior Year								
	-18.1%	-10.7%	-7.2%	-5.2%	29.9%	2.8%	31.9%	-7.5%
Total Governmental Funds	\$ 3,833,665	\$ 3,989,967	\$ 5,014,207	\$ 5,453,840	\$ 6,462,699	\$ 4,843,824	\$ 5,618,505	\$ 5,410,394
All Governmental Funds % Change From Prior Year								
	15.1%	4.1%	25.7%	8.8%	18.5%	-25.0%	16.0%	-3.7%

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 two 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							
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%
2016	1,115,305,220	47,143,840	103,491,530	185,956,010	45,036,741	266,153,221	1,230,780,120	4.28%	4.3354	1,880,663,050	65.44%
2017	1,173,456,760	49,986,360	109,225,190	178,296,050	48,718,150	274,686,748	1,284,995,762	4.40%	4.4629	2,048,999,020	62.71%
2018	1,226,324,800	52,081,760	120,626,080	186,344,830	52,742,316	277,947,879	1,360,171,907	5.85%	4.4629	2,207,484,810	61.62%
*	\$ 1,078,483,029	\$ 49,764,569	\$ 120,999,232	\$ 169,619,644	\$ 46,881,583	\$ 262,542,545	\$ 1,203,205,512			\$ 1,979,561,672	60.78%
**	2.1%	4.2%	-7.2%	17.4%	8.8%	13.6%	1.3%				

* Dollar Average for ten years

** Percentage change in dollars over ten years

Notes:

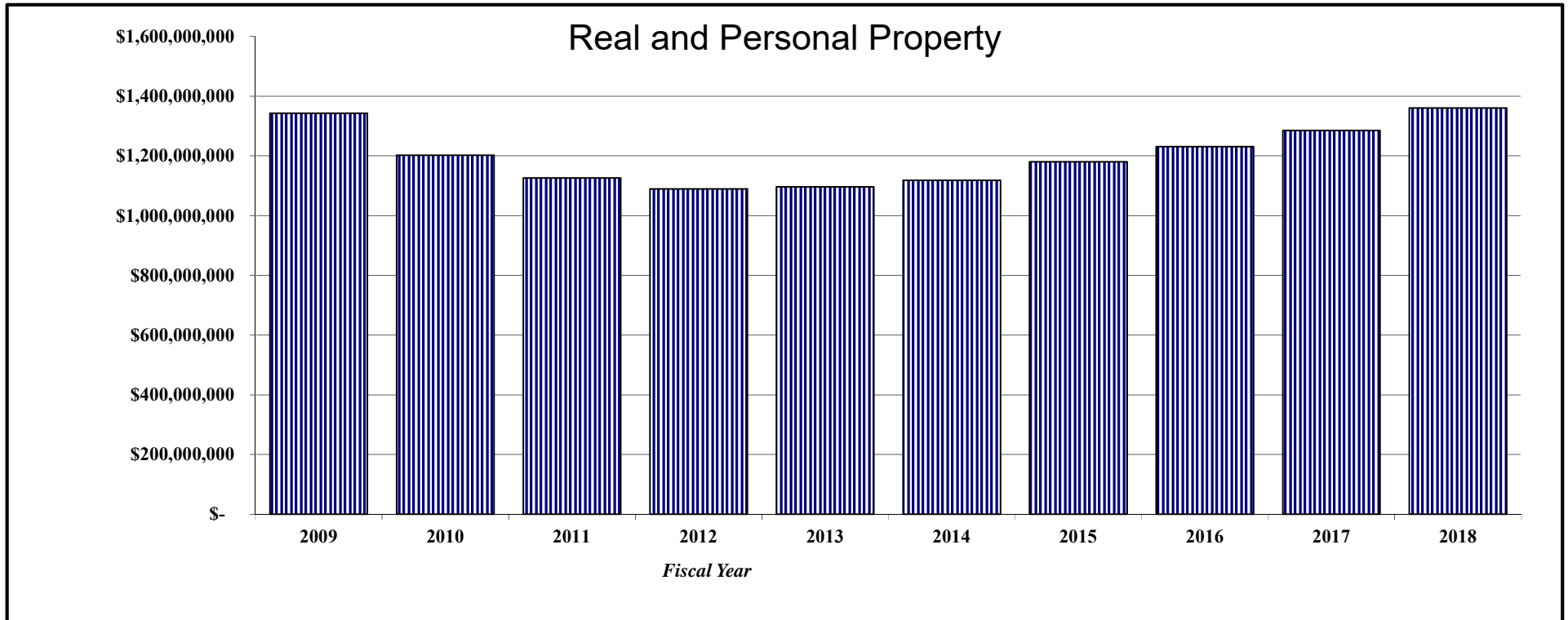
¹ Other includes: industrial, institutional, government, and miscellaneous.

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)

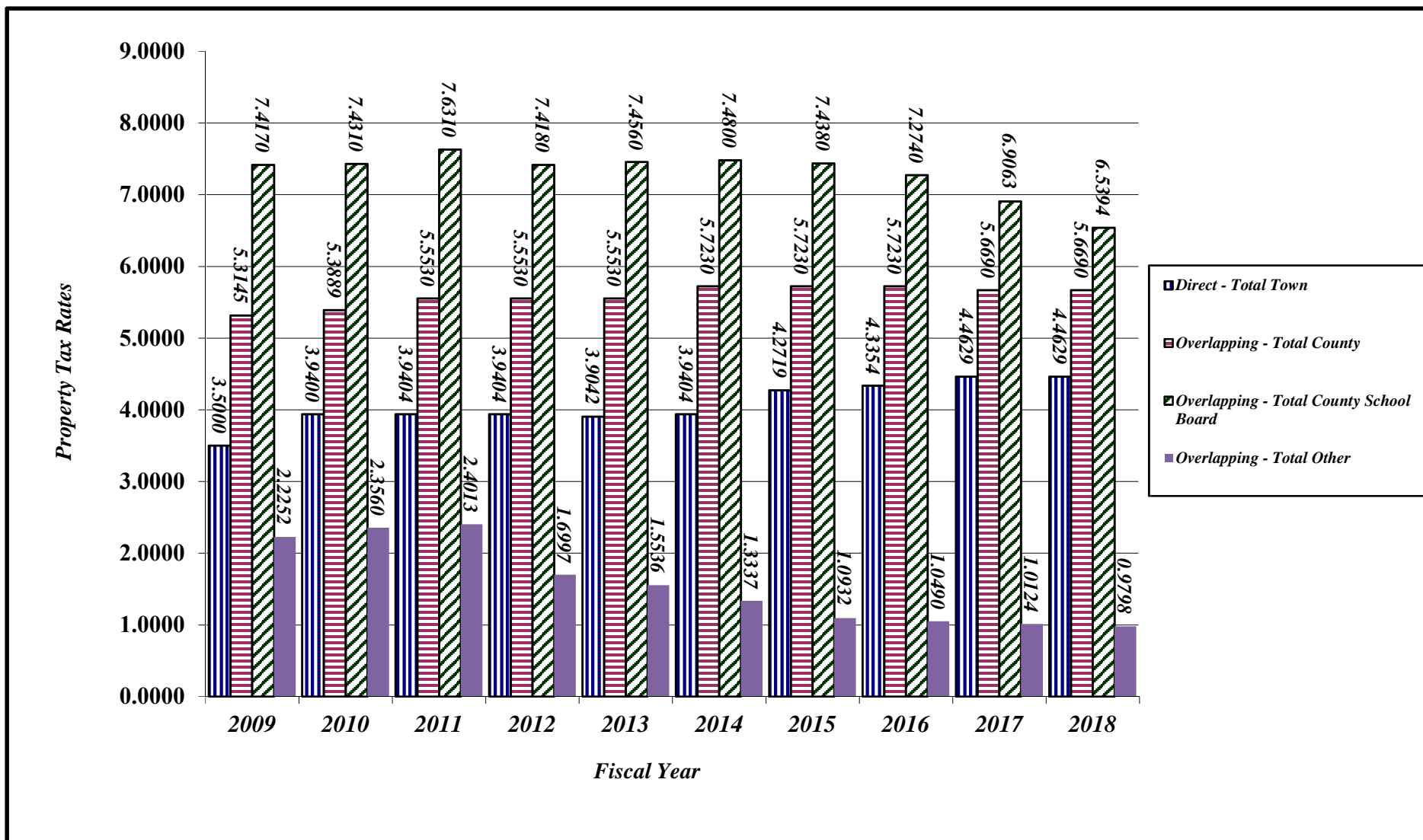
Overlapping Rates¹

Fiscal Year	Town of Southwest Ranches			Broward County			Broward County School Board			South Florida Water Management District	FIN District ³	Children's Services Council	South Broward Hospital District	Total Direct and Overlapping Millage
	Operating Millage	TSDOR Millage ²	Total Town Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage					
2009	3.5000	-	3.5000	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.6240	0.0345	0.3754	1.1913	18.4567
2010	3.9400	-	3.9400	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.6240	0.0345	0.4243	1.2732	19.1159
2011	3.9404	-	3.9404	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.6240	0.0345	0.4696	1.2732	19.5257
2012	3.9404	-	3.9404	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4363	0.0345	0.4789	0.7500	18.6111
2013	3.9042	-	3.9042	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4289	0.0345	0.4902	0.6000	18.4668
2014	3.9404	-	3.9404	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345	0.4882	0.4000	18.4771
2015	3.9404	0.3315	4.2719	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.3842	0.0345	0.4882	0.1863	18.5261
2016	3.9404	0.3950	4.3354	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	18.3814
2017	4.0579	0.4050	4.4629	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.3307	0.0320	0.4882	0.1615	18.0506
2018	4.1017	0.3612	4.4629	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.3100	0.0320	0.4882	0.1496	17.6511

Notes:
¹ Overlapping rates are those of governments that overlap the Town's geographic boundaries.
² TSDOR = Transportation Surface and Drainage Ongoing Rehabilitation Capital Improvement Project commenced in FY 2015
³ 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
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%	64,519	4,321,012	99.94%
2014	4,433,004	4,389,935	99.03%	(9,075)	4,380,860	98.82%
2015	5,142,216	4,964,524	96.54%	4,778	4,969,302	96.64%
2016	5,412,895	5,285,675	97.65%	5,204	5,290,879	97.75%
2017	5,800,986	5,687,676	98.05%	6,793	5,694,469	98.16%
2018	6,181,457	6,045,637	97.80%	-	6,045,637	97.80%

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 2018				FY 2009			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Coquina Station LLC	\$ 17,587,500	1	1.35%	Lowes Home Centers, Inc.	\$ 15,240,060	1	1.18%
Lowes Home Centers, Inc.	11,767,010	2	0.90%	Landmark Custom Ranches	14,252,670	2	1.10%
Pintaluga, Eric & Robyn	6,843,700	3	0.52%	US Retail Income Fund	14,238,300	3	1.10%
Fove East Land	6,476,200	4	0.50%	SCI Funeral Services of Fla, Inc	7,984,960	4	0.62%
Cubsmart LP	6,377,660	5	0.49%	U-Store-It	7,394,960	5	0.57%
Florida Power & Light Co	6,233,250	6	0.48%	Raymond and Baidwatte Moses	5,675,820	6	0.44%
M-N-C Property Holdings LLC	5,302,080	7	0.41%	Finkel, Nathan & Jacqueline	5,103,660	7	0.39%
Moses, Raymond & Baidwatte	5,191,070	8	0.40%	Stone Creek at Sunshine Ranches	4,624,090	8	0.36%
Wayne, Peta Gay & Reginald D	4,223,620	9	0.32%	Janes, Jerome	4,380,180	9	0.34%
Mandalay Estates Inc	4,079,150	10	0.31%	Urdaneta, Luis Felipe	4,336,160	10	0.33%
Total Principal Taxpayers	74,081,240		5.67%	Total Principal Taxpayers	83,230,860		6.43%
All Other Taxpayers	1,233,348,351		94.33%	All Other Taxpayers	1,211,528,382		93.57%
Total Taxable Assessed Value	<u>\$ 1,307,429,591</u>		<u>100.00%</u>	Total Taxable Assessed Value	<u>\$ 1,294,759,242</u>		<u>100.00%</u>

Data Source:
 Broward County Records, Taxes and Treasury Division

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

FY 2018				FY 2009			
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.	\$ 40,522,190	1	76.83%	Florida Power and Light Co.	\$ 29,720,057	1	61.30%
Bellsouth Telecommunications	1,593,382	2	3.02%	Bellsouth Telecommunications	3,290,960	2	6.79%
ECN Financial LLC Grant Thornton	1,203,517	3	2.28%	Lowes Home Centers	1,523,292	3	3.14%
Publix Supermarkets # 619	963,275	4	1.83%	Publix Supermarkets # 619	592,316	4	1.22%
Lowes Home Centers, Inc.	819,086	5	1.55%	Applebees	565,439	5	1.17%
Comcast	745,997	6	1.41%	Motiva Enterprises	555,667	6	1.15%
DraftPros	736,432	7	1.40%	FPL Fibernet LLC	529,302	7	1.09%
Sprint	697,459	8	1.32%	Apple Tree Montessori School	486,296	8	1.00%
Shell	460,203	9	0.87%	Sunbelt Rentals	550,039	9	1.13%
Tom Thumb	446,225	10	0.85%	Freedom Pipeline Corp	340,873	10	0.70%
Total Principal Taxpayers	48,187,766		91.36%	Total Principal Taxpayers	38,154,241		78.70%
All Other Taxpayers	4,554,550		8.64%	All Other Taxpayers	10,327,083		21.30%
Total Taxable Assessed Value	\$ 52,742,316		100.00%	Total Taxable Assessed Value	\$ 48,481,324		100.00%

Notes:

Data Source:

Broward County Records, Taxes and Treasury Division

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 Series 2011	TD Note Series 2013	Centennial Loan Payable	Capital Lease	TD Note Payable	TD Note Series 2016	TD LOC Series 2018 SW Fund & Gov't Funds	Total	Percentage of Personal Income (1)	Total Debt Per Capita
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	0.0074%	817
2016	-	-	1,397,000	2,108,500	485,506	-	186,786	7,750,000	-	11,927,792	0.0137%	1,519
2017	-	-	1,146,061	1,917,300	406,540	-	162,082	7,750,000	-	11,381,983	0.0125%	1,442
2018	-	-	888,201	1,724,500	324,526	-	136,746	7,750,000	3,731,225	14,555,198	{i}	1,829

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 2018, 2017, 2016, 2015, 2014, 2013 and 2012 ¹

TD 2018 Emergency Line of Credit, Notes Payable Series 2016, 2013 and 2011

Test of Prior Two Year Average of Non Advalorem Revenues:

								*****/Maximum Additional Bond Test/*****							
			Net		Total	Debt	Coverage	Coverage	Excess	Total		Debt	Coverage	Coverage	Excess
	Adjusted	Adjusted	Non-Advalorem	Revenues						Annual	Service				
Non-Advalorem	Essential	Revenues	Available for	Debt	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Revenues	Expenditures	Debt Service	Service	Ratio	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required
2018	\$ 5,897	\$ 2,083	\$ 3,814	\$ 953	6.19 %	1.30 %	4.89 %	\$ 1,386	\$ 2,428	1.75 %	1.50 %	0.25 %			
2017	\$ 5,634	\$ 1,936	\$ 3,698	\$ 925	6.09 %	1.30 %	4.79 %	\$ 1,152	\$ 2,546	2.21 %	1.50 %	0.71 %			
2016	\$ 5,706	\$ 2,076	\$ 3,630	\$ 724	7.88 %	1.30 %	6.58 %	\$ 1,152	\$ 2,478	2.15 %	1.50 %	0.65 %			

TD Notes Payable Series 2013 and 2011 - modified above during FY 2016 pursuant to TD Series 2016 issuance

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

FMLC Loan Payable Series 2001 - retired during FY 2016

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

			Net		Total	Debt	Coverage	Coverage	Excess
	Adjusted	Adjusted	Non-Advalorem	Revenues					
Non-Advalorem	Essential	Revenues	Available for	Debt	Coverage	Coverage	Coverage	Coverage	Coverage
Revenues	Expenditures	Debt Service	Service	Ratio	Required	Required	Required	Required	Required
2015	\$ 5,792	\$ 2,488	\$ 3,304	\$ 734	450.12 %	150.00 %	300.12 %		
2014	\$ 5,362	\$ 2,526	\$ 2,836	\$ 723	392.19 %	150.00 %	242.19 %		
2013 ²	\$ 4,970	\$ 2,368	\$ 2,602	\$ 723	359.89 %	150.00 %	209.89 %		

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

	Two Year Avg		Total	Debt	Maximum	Excess
	Net total	Max Annual				
Governmental	Debt	Coverage	Coverage	Percentage	Percentage	
Funds Revenue	Service	Percentage	Percentage	Percentage	Percentage	
2015	\$ 11,376	\$ 734	6.45 %	20.00 %	13.55 %	
2014	\$ 10,192	\$ 723	7.09 %	20.00 %	12.91 %	
2013 ²	\$ 9,369	\$ 723	7.72 %	20.00 %	12.29 %	

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, 2018

<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	\$ 210,791,650	0.711456%	\$ 1,499,691
Broward County School Board	1,672,718,000	0.007104%	<u>118,822</u>
Sub-Total Overlapping Debt			1,618,513
Town Direct Debt			<u>14,555,198</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,173,711</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
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	85,167,498	46,607	4.9%	5.3%	5.0%
2016	7,852	86,987,787	46,906	4.6%	5.0%	4.9%
2017	7,892	91,224,860	48,680	3.3%	3.8%	4.2%
2018	7,958	{i}	{i}	2.8%	3.5%	3.7%

Notes:

There are no public schools located within the Town.

Data Sources:

¹ Florida Legislative Office of Economic and Demographic Research
2016 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/survey/most> & 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, 2018 and 2010 ¹

Employer	Type of Business	2018	
		Number of Employees	Rank
Lowe's Home Centers, Inc.	Retail	150	1
Archbishop McCarthy High School	Private School	120	2
Publix Supermarkets	Retail	117	3
Romeus Cuban Restaurant	Restaurant	45	4
McDonald's	Restaurant	35	5
Original Pancake House	Restaurant	22	6
Apple Montessori School	Private School	22	7
Starbucks Coffee Company	Restaurant	19	8
Walgreens	Retail	19	9
R&R Garden Center	Nursery	6	10
Total Principal Employers		555	

Employer	Type of Business	2010	
		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									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>Town Commission</i>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<i>General Government</i>										
Town management	3	6	5	5	3	3	3	3	3	3
Community services ¹	<u>8</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>15</u>	<u>13</u>	<u>13</u>
<i>Total General Government</i>	<u>11</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>17</u>	<u>16</u>	<u>16</u>	<u>18</u>	<u>16</u>	<u>16</u>
<i>Contracted Employees:</i>										
General government management services	5	4	4	4	4	4	4	4	4	4
Fire rescue	12	12	43	43	50	50	44	44	46	46
Emergency medical services	9	9	4	4	15	15	15	15	15	15
Police protection	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
<i>Total Contracted Employees</i>	<u>41</u>	<u>40</u>	<u>66</u>	<u>66</u>	<u>84</u>	<u>85</u>	<u>79</u>	<u>79</u>	<u>81</u>	<u>81</u>
Total	<u>57</u>	<u>61</u>	<u>86</u>	<u>86</u>	<u>106</u>	<u>106</u>	<u>100</u>	<u>102</u>	<u>102</u>	<u>102</u>
<i>Percentage Change From Prior Year</i>	46.2%	7.0%	41.0%	0.0%	23.3%	0.0%	-5.7%	2.0%	0.0%	0.0%

Notes:

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

Data Source:

Town of Southwest Ranches Community Services and Finance Departments

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL GOVERNMENT:										
Building Permits Issued ²	540	321	433	422	403	407	377	531	566	636
Building inspections conducted :										
CAP Government Services Inc.:	3,256	2,798	-	-	-	-	-	-	-	-
Electrical ²	N/A	N/A	381	366	440	417	471	472	683	732
Fire ²	N/A	N/A	24	19	11	17	19	5	8	29
Mechanical ²	N/A	N/A	163	126	169	134	246	249	251	201
Plumbing ²	N/A	N/A	306	300	332	414	538	482	590	527
Structural ²	N/A	N/A	1283	1457	1410	1526	1818	1624	1965	2282
Zoning ²	N/A	N/A	35	7	11	74	75	104	153	213
Other ²	N/A	N/A	13	2	3	28	24	20	39	109
Total building inspections	3,256	2,798	2,205	2,277	2,376	2,610	3,191	2,956	3,689	4,093
Certificates of use registrations ³	20	28	35	23	11	14	2	4	17	1
Planning & Zoning Permits Issued ³			213	177	153	148	196	230	318	238
FIRE:										
Emergency responses ⁴	739	779	403	437	685	747	791	912	789	799
Station 112 Average Response Time ⁴					5:58	6:13	5:52	5:10	5:17	5:57
Inspections	30	55	40	31	98	98	165	84	146	185
POLICE: ⁵										
Physical arrests	126	112	132	77	54	43	43	33	29	33
Parking violations	10	9	2	-	2	0	0	0	3	0
Traffic violations	2,779	2,192	3,025	1,225	1,011	2,174	2,416	1,773	1,369	1,673
REFUSE COLLECTION: ⁶										
Residential SW- mo. avg in tons	36.40	11.60	10.89	26.45	287.54	262.29	258.71	257.34	344.16	261.58
Residential Recycling - mo. avg in tons	2.35	5.44	7.63	8.51	36.54	51.20	62.98	64.01	67.46	78.41
Residential Bulk - mo. avg in tons	65.75	82.56	78.90	70.11	593.63	698.53	790.07	719.54	1,283.00	707.96
OTHER PUBLIC WORKS: ⁶										
Street resurfacing (in miles)	0.50	6.00	-	0.95	-	-	-	2.28	-	2.95
Potholes repaired	360	400	107	112	88	93	107	222	224	255
WATER: ⁷										
New connections	2	2	1	1	-	1	3	4	3	10
Average daily consumption (thousands of gallons)	9.85	10.83	13.47	12.02	11.52	10.26	10.66	12.16	13.63	13.26
Peak monthly consumption (thousands of gallons)	425	479	556	440	419	428	417	420	483	502
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%	5.22%	5.22%	5.22%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Franchises										
Electric	6%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%
Solid Waste (commercial)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Towing	13%	13%	13%	13%	13%	13%	15%	15%	15%	15%

Notes:¹ Information not presented is not available.² Information provided by CAP Government Services Inc.³ Information provided by Code Services Inc.⁴ 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 2009-2011. Information for 2012 provided by Pembroke Pines. Information since 2013 provided by Town of Davie.⁵ Information provided by Davie (2014-Present) & BSO (2008-2013)⁶ Information provided by Town Contractors. 2013 change from daily average to monthly pertaining to refuse collection.⁷ 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
FIRE:										
Stations ¹	-	1	1	1	1	1	1	1	1	1
Vehicles owned ¹	-	-	3	3	3	3	3	3	3	3
POLICE:										
Stations ¹	-	-	-	-	-	-	-	-	-	-
Patrol units	15	15	15	15	15	16	16	16	16	16
OTHER PUBLIC WORKS:										
Streets (miles)	82	82	82	82	82	82	82	82	82	82
Streetlights ²	-	13	13	13	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	1	1	1
Playgrounds	1	1	1	1	2	2	2	2	3	3
Equestrian ring	2	2	2	2	2	2	2	2	2	2
Picnic pavilion	1	1	1	1	1	1	2	2	4	4
Restroom facilities	1	1	1	1	1	1	3	3	3	3
Nature trails (miles)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	5	5	5
Multi-use trails (miles)	17.35	17.35	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	283	283	285	285	285	286	286	286	286	284
Fire hydrants ⁴	-	-	-	-	-	-	-	-	95	95
Lakes (acres) ⁵	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Canals (miles) ⁶	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 Town of Davie Fire Marshall in FY 2017. Fire Hydrants owned and maintained by City of Sunrise

⁵ Information provided by South Broward Drainage District. Unable to obtain information from Central Broward Water Control District.

⁶ Information provided by South Broward Drainage District and Central Broward Water Control District.

REPORTING SECTION



2018 Town of Southwest Ranches Rural Public Arts & Design Advisory Board Photo Contest
Submitted by: Nancy Sato

**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, 2018 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 20, 2019.

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 20, 2019

**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, 2018, and have issued our report thereon dated March 20, 2019.

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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 20, 2019, 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 and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. 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 review of financial information provided by same. The assessment was done as of the fiscal year end.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 note 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 20, 2019

**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' (the Town) compliance with Section 218.415 Florida Statutes during the fiscal year ended September 30, 2018. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town of Southwest Ranches complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town of Southwest Ranches complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2018.

This report is intended to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
March 20, 2019



TOWN OF SOUTHWEST RANCHES, FLORIDA
13400 GRIFFIN ROAD
SOUTHWEST RANCHES, FL 33330
(954) 434-0008
www.southwestranches.org