

Your World Is Here



THE CITY OF WESTON

2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Weston, Florida



City of Weston • Bonaventure Development District • Indian Trace Development District
For Fiscal Year Ending September 30, 2018





**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WESTON, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

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THE CITY OF WESTON

Daniel J. Stermer

Mayor

Toby Feuer

Commissioner

Thomas M. Kallman

Commissioner

Margaret Brown

Commissioner

Byron Jaffe

Commissioner

John R. Flint

City Manager/CEO

Weiss Serota Helfman Cole & Bierman

City Attorney

Darrel L. Thomas

Assistant City Manager/CFO

Karl C. Thompson, P.E.

Assistant City Manager/COO

Patricia A. Bates, MMC

City Clerk

Cindy M. Tao

Accounting Manager

**CITY OF WESTON, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2018**

TABLE OF CONTENTS

	Page
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i-vi
Organizational Chart	vii
GFOA Certificate of Achievement for Excellence in Financial Reporting	viii
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-19
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21-22
Fund Financial Statements:	
Balance Sheet – Governmental Fund	23-24
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities	28
Statement of Net Position – Proprietary Fund	29
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	30
Statement of Cash Flows – Proprietary Fund	31-32
Notes to the Financial Statements	33-68
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	69-71
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Indian Trace Development District	72-73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Bonaventure Development District	74-75
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Fire Services District	76-77
Notes to Budgetary Comparison Schedules	78
Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System	79
Schedule of Contributions – Florida Retirement System	80

TABLE OF CONTENTS (Continued)

COMBINING NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds	81-82
Combining Statement of Revenues, Expenses, and Changes in Fund Balance Nonmajor Governmental Funds	83-84
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds – Street Maintenance Fund	85
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds - Transportation Fund	86
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds – Building Fee Fund	87
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds – Law Enforcement Trust Fund	88
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds – Tree Fund	89
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Governmental Funds – Indian Trace Development District Debt Service Fund	90
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Governmental Funds – Bonaventure Development District Debt Service Fund	91
Schedule of Revenues, Expenses and Changes in Fund Balance – Budget to Actual – Governmental Funds – Capital Projects Fund	92

STATISTICAL SECTION

Government-Wide Information:

Schedule 1: Net Position by Component	93-94
Schedule 2: Changes in Net Position	95-98

Fund Information:

Schedule 3: Fund Balances of Governmental Funds	99-100
Schedule 4: Changes in Fund Balances of Governmental Funds	101-102
Schedule 5: Assessed Value and Estimated Actual Value of Taxable Property	103-104
Schedule 6: Property Tax Rates – Direct and Overlapping Governments	105
Schedule 7: Principal Property Taxpayers	106
Schedule 8: Property Tax Levies and Collections	107
Schedule 9: Ratios of Outstanding Debt by Type	108
Schedule 10: Ratio of General Bonded Debt Outstanding	109
Schedule 11: Direct and Overlapping Governmental Activity Debt	110
Schedule 12: Legal Debt Margin Information	111
Schedule 13: Pledged Revenue Coverage	112
Schedule 14: Demographic and Economic Statistics	113
Schedule 15: Principal Employers	114
Schedule 16: Full-Time Equivalent Government Positions by Function	115
Schedule 17: Operating Indicators by Function	116-117
Schedule 18: Capital Assets by Function	118-119

TABLE OF CONTENTS (Continued)

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	120-121
Independent Auditor’s Report on Compliance With The Requirements of Section 218.415, Florida Statutes, Required by Rule 10.566(10) of the Auditor General of the State of Florida	122
Management Letter Required by Chapter 10.550 of The Rules of the Auditor General of The State of Florida	123-126



Daniel J. Stermer
Mayor

Thomas M. Kallman
Commissioner

Margaret Brown
Commissioner

Byron L. Jaffe
Commissioner

Mary Molina-Macfie
Commissioner

John R. Flint
City Manager/CEO



22 April 2019

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

The Comprehensive Annual Financial Report (the "Report") of the City of Weston, Florida (the "City") for the fiscal year ended September 30, 2018, is hereby submitted as mandated by Florida Statutes. These statutes require that the City annually issue a report on its financial position and activity within nine months of the close of each fiscal year, and that this report be audited by an independent firm of certified public accountants. Financial statements in this Report are presented in conformity with the generally accepted accounting principles ("GAAP") and Governmental Accounting Standards Board ("GASB") Statement Number 34 and audited in accordance with the generally accepted auditing standards.

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

The City's financial statements have been audited by Grau & Associates, a licensed certified public accountant firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Weston for the fiscal year ended September 30, 2018, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component section of this report.



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

City Profile and Governmental Structure

The City of Weston is located in the southeastern part of the state of Florida and is considered to be one of the largest master planned communities in the United States. The City has a land area of approximately 27 square miles, a population estimated at 66,972 and is empowered to levy a property tax on real property located within its boundaries.

The City has operated under the Commission-Manager form of government since incorporation in 1996. Policymaking and legislative authority are vested in the City Commission, which consists of a Mayor and four Commissioners and is the legislative branch of the City's government. The City Commission is responsible for, among other things, enacting ordinances, adopting the budget, appointing boards, and hiring the City Manager and the City Attorney. The Commission is elected on a non-partisan basis. The four Commissioners are elected to four-year staggered terms and must reside within their respective residential seat area; they are, however, elected at large. The Mayor is elected to a four-year term and is elected at large. The City Manager is the Chief Executive Officer of the City and leads the executive branch of the City's government. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, preparing the City budget, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

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

The City is financially accountable for component units consisting of two legally separate development districts, the Indian Trace Development District and the Bonaventure Development District, both of which are reported separately within the City's financial statements. Additional information on these two development districts can be found in Note 2 of the notes to the financial statements.



The annual budget serves as the foundation of the City's financial planning and control. All departments responsible for City and component unit operations are required to submit their requests for appropriations to the Assistant City Manager/CFO for inclusion in the draft budget by the end of April. The City Manager, assisted by the Assistant City Manager/CFO and the Budget Director, uses these requests as the starting point for developing a proposed budget. The City Manager then presents the tentative budget to the City Commission and the public at two public hearings. The City's annual budget is adopted through the passage of a resolution at the second public hearing which occurs not later than September 30th of each year. The level of budgetary control at which expenditures may not exceed the budget is the fund level. The General Fund is the lone exception because its budgetary controls are set at the department level. Any transfers within the funds of the City and the funds of its component units are permissible if the total level of expenditures does not exceed the total budgeted amount. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 69 through 70 as part of the required supplementary information.

Factors Affecting Financial Condition

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

Employment. According to the Florida Department of Economic Opportunity, Florida's December seasonally adjusted unemployment rate was 3.3%, a decrease of 0.6% from a year ago. The state of Florida added 231,200 jobs over the year, an increase of 2.7%. The education and health services industry gained the most jobs, with 54,000 jobs. Other industries that added jobs included leisure and hospitality; professional and business services; construction; trade, transportation, and utilities; financial activities; manufacturing; other services; and information. The only industry losing jobs was government, a decrease of 9,800 jobs.

Although Florida's not seasonally adjusted unemployment rate dropped 0.1% faster than Broward County, Broward County continues to have a lower unemployment rate than the State. In December, Florida's not seasonally adjusted unemployment rate was 3.3%, a decrease of 0.4% compared to last year. Broward County's not seasonally adjusted unemployment rate in December was 3.1%, a decrease of 0.3% from last year. According to Bureau of Labor Statistics, Weston's preliminary not seasonally adjusted unemployment rate in December was 2.7%, a decrease of 0.2% from prior year. This shows the strength of the labor market in Weston.

Housing. While Broward County recent home sales prices may be lagging in growth relative to the State, Broward County's median sales price was higher than Florida's. According to the Broward Council of the Miami Association of Realtors, the statewide median sales price for single-family existing homes in December was \$255,000, an increase of 4.2% from previous year. Broward County's median sales price for single-family existing homes in December 2018 was \$350,000, an increase of 2.9% from previous year. According to the Broward County Property Appraiser,



Weston's median sales for single-family existing homes in 2018 was \$489,848, a decrease of 9.0% from previous year. This data highlights Weston's housing market was not as strong as the County and State.

Furthermore, sales in Broward County dropped in December due to higher interest rates and limited supply. According to the Broward Council of the Miami Association of Realtors, Broward single-family home sales decreased in December from 1,291 to 1,147, a decrease of 11.2% from prior year. Statewide sales of existing single-family homes totaled 20,633 in December according to Florida Realtors, a decrease of 9.9% compared to last year. According to the Broward County Property Appraiser, Weston's single-family existing homes sales in 2018 totaled 56, 0.0% relatively unchanged from prior year. This data highlights the strength of demand for homes in Weston. Despite very minimal new construction, the growth in the volume of closed sales outperformed the County and the State. Weston continues to be a highly desirable place to live.

Legislative. In Fiscal Year 2018, the State Legislature passed three bills of financial significance to the City. The first was Senate Bill 376, an expansion of Workers' Compensation benefits for first responders. While the Florida League of Cities and the City of Weston did not support or oppose this bill, it will certainly increase costs for Workers' Compensation costs which will be passed along to the City of Weston through the City's contract with the Broward Sheriff's Office for law enforcement and fire rescue services. The financial impact of this bill to the City is unknown.

The second bill was House Bill 7087, a tax reduction package providing for a wide range of tax reductions and modifications benefiting households and businesses. The Florida League of Cities and the City of Weston did not support or oppose this bill; however, the total estimated tax reductions associated with the bill are a loss of \$16.8 million in recurring revenue to cities and a loss of \$8.31 million in nonrecurring revenue. The financial impact of the bill solely to the City of Weston is unknown.

The third bill was House Bill 1073, outlining the intent of the State Legislature to create the Florida Open Financial Statement System. The State CFO may choose contractors to build one or more extensible Business Reporting Language (XBRL) taxonomies suitable for state, county, municipal and special district filings and to create a software filing tool that allows statement filers to easily create XBRL documents. The State currently has an annual financial reporting filing process for counties, municipalities and special districts whereby data is cross referenced and uploaded to the State CFO database each year. If the XBRL software is applied to the existing data uploaded to the State CFO database, then there will be no financial impact to counties, cities and special districts. However, if local governments will be required to implement the XBRL software at the local level, then inherently some costs will be incurred. The financial impact of the bill solely to the City of Weston is unknown.

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



Long-term Financial Planning. In Fiscal Year 2018, the City completed its Fiscal Year 2028 Strategic Value and Business Plan to provide a long-term strategic policy document, an operating and financial guide and a financial modeling mechanism for the City of Weston. The plan included updated financial revenue, expense and fund balance projections for all the City's funds, affirmed existing financial policies and added new financial policies to support the City in the future. The major result from this document was the City established an ad valorem tax rate of 3.3464 that was intended to sustain the City for the next three fiscal years. During this three-year period, the City continues monitoring the economy, the real estate market and the state legislative sessions for possible impacts.

During Fiscal Year 2020, the City will begin work on its next 10-year Strategic Value and Business Plan to update the previous Plan with recent historical activity and expected short-term events of significant impact. The updated Plan is expected to be completed by Fiscal Year 2021.

Significant Financial Policies. The 2028 Strategic Value and Business Plan affirmed the existing financial policies and some new financial policies were added. Of these financial policies, several were of note in the City's financial operations during the fiscal year.

Strategic Policy #3 maintains a Disaster Management Reserve adjusted annually for the change in CPI and a Credit Reserve to maintain a AAA and Aaa credit rating with Standard and Poor's and Moody's respectively. This policy helps the City segregate which funds would be available for response to a disaster, which funds would be available to preserve the City's credit ratings by creating a shock absorber against unforeseen financial events, and which funds would be available for stabilization of the ad valorem tax rate.

Strategic Policy #8 develops an Infrastructure Reserve for annual contributions to be set aside each year for ongoing capital maintenance and equipment. This policy helps the City accrue small pro rata amounts to fund future maintenance and equipment expenses instead of funding the entire amount in that fiscal year. By spreading the financial responsibility equally across multiple fiscal years, no one fiscal year or set of taxpayers will be overburdened.

Strategic Policy #9 establishes guidelines and specific rules necessary in carrying out the City's use of debt. Whenever practical and possible the City will attempt to match the length of financing with the useful life of the asset being financed. The City also will utilize borrowing to finance capital improvements or projects instead of City's Excess Revenue Capture Balances and whenever possible, use special assessment debt instead of general obligation debt.

Strategic Policy #10 provides framework for the investment activities of the City of Weston and establishes an operational guideline for its investment staff to follow. This applies to the City's short-term and long-term funds but does not include bond proceeds which may be subject to restrictive covenants.



In Fiscal Year 2018 the City focused on executing its “Your World is Here” theme. The theme reflects a multitude of meanings for our diverse community, yet one common identity. The theme was utilized in the City’s budgets and in the City’s continuous communications outreach. Furthermore, the City strove to meet the expectations of our residents, businesses and stakeholders that our elected officials and staff would maintain the foundations upon which the City was built: the maintenance of infrastructure; funding adequate public safety levels; maintaining quality parks and recreation programs; and exercising fiscal responsibility.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weston, Florida for its Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended September 30, 2017. This was the twentieth consecutive year that the City of Weston received this award. To be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Weston has also received the GFOA’s Distinguished Budget Presentation Award for the Fiscal Year 2018. This was the sixteenth consecutive year the City received this award. To qualify for the Distinguished Budget Presentation Award, the government’s budget document is judged to be proficient in four categories, as: a policy document; a financial plan; an operations guide; and a communications device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the many professionals contracted with to provide services to the City. We would like to express our appreciation to Accounting Manager Cindy Tao, and all those who assisted and contributed to the preparation of this report. Appreciation is given to the Mayor and the Commissioners for their interest and support in planning and conducting the operations of the City in a responsible, progressive and business-like manner.

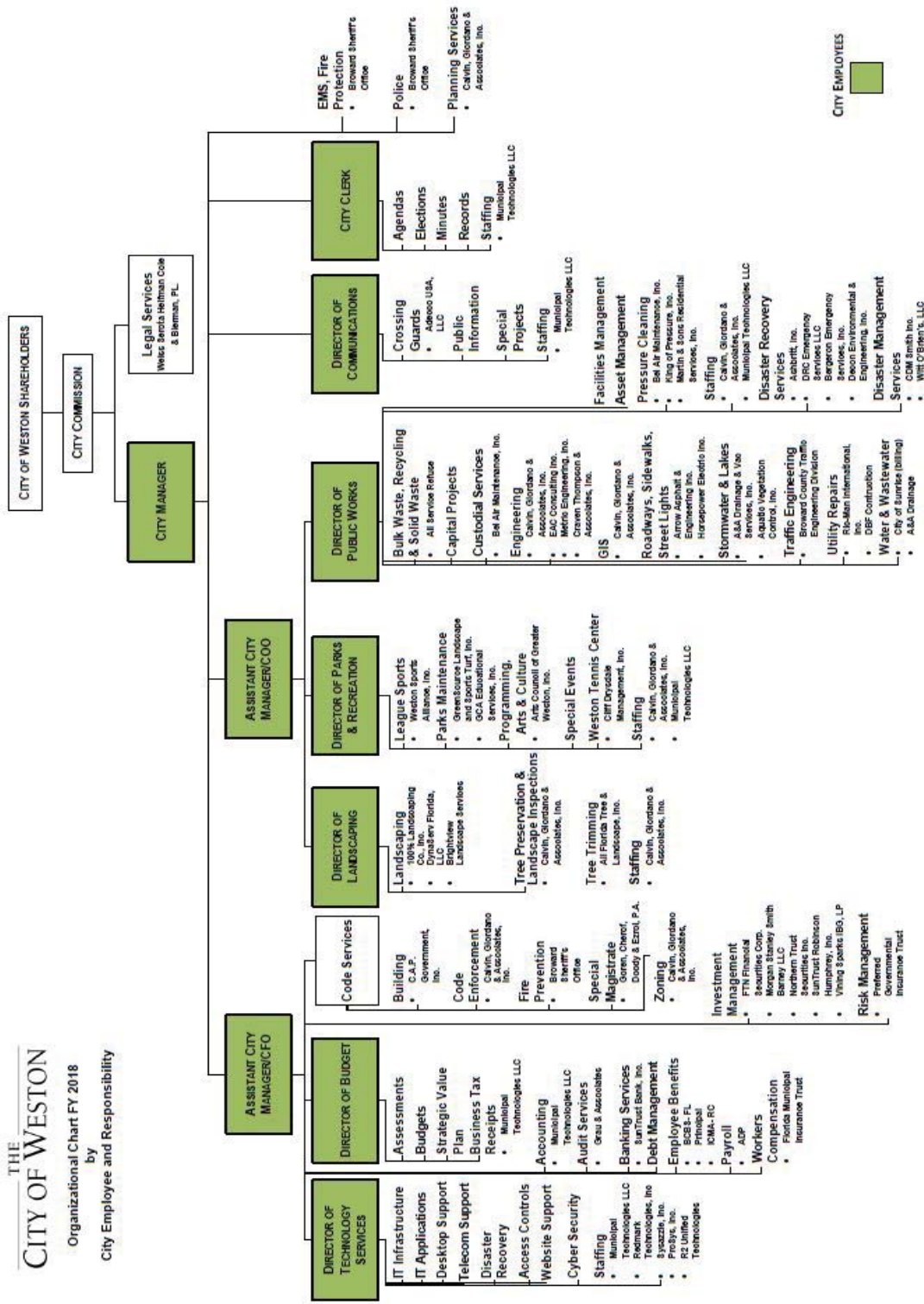
Respectfully submitted,

John R. Flint
City Manager/CEO

Darrel L. Thomas
Assistant City Manager/
Chief Financial Officer

CITY-WIDE ORGANIZATIONAL CHART

THE
CITY OF WESTON
Organizational Chart FY 2018
by
City Employee and Responsibility





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**The City of Weston
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Weston, Florida (the "City") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 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 the management's discussion and analysis, budgetary comparison information, schedule of the City's proportionate share of the net pension liability, and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining non-major fund financial statements, non-major budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements and the additional budgetary comparison 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 information is 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 April 22, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated April 22, 2019, on our consideration of the City's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



April 22, 2019

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

As management of the City of Weston, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the Fiscal Year ended September 30, 2018. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

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

Fiscal Year 2018 Financial Highlights

- The City of Weston's net position at the close of the Fiscal Year is \$339.22 million. Of this amount, \$132.95 million is unrestricted net position to be used to meet the government's ongoing obligations to citizens and creditors.
- During the Fiscal Year, expenses exceeded revenues by \$1.85 million which is the amount of decrease in the City's net position.
- As of the close of the Fiscal Year, the City of Weston's governmental funds reported a combined ending fund balance of \$128.47 million. Approximately 10.2% of that amount, or \$13.2 million, is unassigned and available for spending at the City's discretion.
- At the end of the Fiscal Year, the fund balance in the General Fund was \$72.52 million or 165.1% of total General Fund expenditures. This amount includes \$44.56 million committed to Disaster Response.
- The City of Weston's total outstanding debt, (excluding compensated absences), decreased by \$6.46 million or 10.4% from prior year due to scheduled principal redemptions.

Overview of the Financial Statements

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

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

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

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

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

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

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

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

The government-wide financial statements are reported on pages 20 through 22 of this report.

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

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

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

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

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

The basic governmental funds financial statements can be found on pages 23 through 28 of this report.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The City of Weston's Water and Sewer Enterprise Fund is considered a major fund and the basic financial statements for the fund are provided on pages 29 through 32 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Weston's adopted, amended and actual budgetary data for the General Fund and major special revenue funds. Required supplementary information can be found starting on page 69 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information and budgetary comparisons. Combining and individual fund statements and schedules can be found starting on page 81 of this report.

Government-wide Financial Analysis

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

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

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

6. **Reduction of capital assets through depreciation** will reduce capital assets and net investment in capital assets.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Assets:						
Current and other assets	\$ 182,106	\$ 178,722	\$ 20,273	\$ 19,452	\$ 202,379	\$ 198,174
Capital assets	154,872	153,780	57,522	55,401	212,394	209,181
Total assets	336,978	332,502	77,795	74,853	414,773	407,355
Deferred outflows of resources:						
FRS Pension	141	133	-	-	141	133
Total deferred outflows of resources	141	133	-	-	141	133
Liabilities:						
Other liabilities	13,869	8,380	3,296	3,233	17,165	11,613
Long-term liabilities outstanding	56,660	56,620	-	-	56,660	56,620
Total liabilities	70,529	65,000	3,296	3,233	73,825	68,233
Deferred inflows of resources:						
FRS Pension	18	33	-	-	18	33
Total deferred inflows of resources	18	33	-	-	18	33
Net position:						
Net investment in capital assets	93,014	98,380	57,522	55,401	150,536	153,781
Restricted	49,224	52,493	-	-	49,224	52,493
Unrestricted	124,334	116,729	16,977	16,219	141,311	132,948
Total net position	\$ 266,572	\$ 267,602	\$ 74,499	\$ 71,620	\$ 341,071	\$ 339,222

As illustrated in Table 1, at the close of the Fiscal Year, assets and deferred outflows of resources of the City of Weston exceeded its liabilities and deferred inflows of resources by \$339.22 million. The largest portion of the City of Weston's net position, \$153.78 million or 45.3%, is invested in capital assets (land, buildings, etc.); less any related debt used to acquire those assets that is still outstanding. Although the City of Weston's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the liabilities.

The unrestricted net position in an amount of \$132.95 million or 39.2% of total net position represents the resources that are available to provide services and/or additional capital assets for the City and also to meet the City's obligations to its creditors. The City also has approximately \$52.49 million or 15.5% of total net position in restricted net position; resources that have a pre-committed future use.

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

The government's net position decreased by approximately \$1.85 million during the Fiscal Year.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

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

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

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

Governmental activities. As illustrated by Table 2, the City's revenues from governmental activities during Fiscal Year 2018 were \$84.60 million and exceeded expenses by \$1.03 million. Expenses from governmental activities represent approximately 31.2% of net position from governmental activities and 98.8% of total revenues from governmental activities.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services	\$ 40,881	\$ 42,752	\$ 33,300	\$ 33,753	\$ 74,181	\$ 76,505
Operating grants and contributions	1,902	1,851	-	-	1,902	1,851
Capital grants and contributions	-	-	245	150	245	150
General revenues:						
Property taxes	18,146	19,173	-	-	18,146	19,173
Other taxes	13,147	13,345	-	-	13,147	13,345
State shared revenues	5,901	6,165	-	-	5,901	6,165
Investment income (loss)	775	23	52	(1)	827	22
Other	1,044	1,289	-	-	1,044	1,289
Total revenues	81,796	84,598	33,597	33,902	115,393	118,500
Expenses:						
General government	7,797	7,939	-	-	7,797	7,939
Public safety	36,440	42,119	-	-	36,440	42,119
Public works	20,851	18,245	-	-	20,851	18,245
Parks and recreation	8,505	8,924	-	-	8,505	8,924
Community development	3,827	3,765	-	-	3,827	3,765
Interest on long-term debt	3,014	2,576	-	-	3,014	2,576
Water and sewer operations	-	-	36,303	36,781	36,303	36,781
Total expenses	80,434	83,568	36,303	36,781	116,737	120,349
Increase (decrease) in net position	1,362	1,030	(2,706)	(2,879)	(1,344)	(1,849)
Net position at beginning of fiscal year	265,210	266,572	77,205	74,499	342,415	341,071
Net position at end of fiscal year	\$ 266,572	\$ 267,602	\$ 74,499	\$ 71,620	\$ 341,071	\$ 339,222

Revenues from governmental activities were comprised primarily of charges for services at \$42.75 million or approximately 50.5% of total revenues from governmental activities, taxes at \$32.52 million or 38.4% of total revenues from governmental activities, state shared revenues of \$6.17 million or 7.3% of total revenues from governmental activities and several other sources.

Expenses from governmental activities totaled \$83.57 million and were comprised of public safety at \$42.12 million or 50.4% of total expenses from governmental activities, public works at \$18.25 million or 21.8% of total expenses from governmental activities, parks and recreation at \$8.92 million or 10.7% of total expenses from governmental activities, general government at \$7.94 million or 9.5% of total expenses from governmental activities, and several other sources.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

FIGURE A
REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

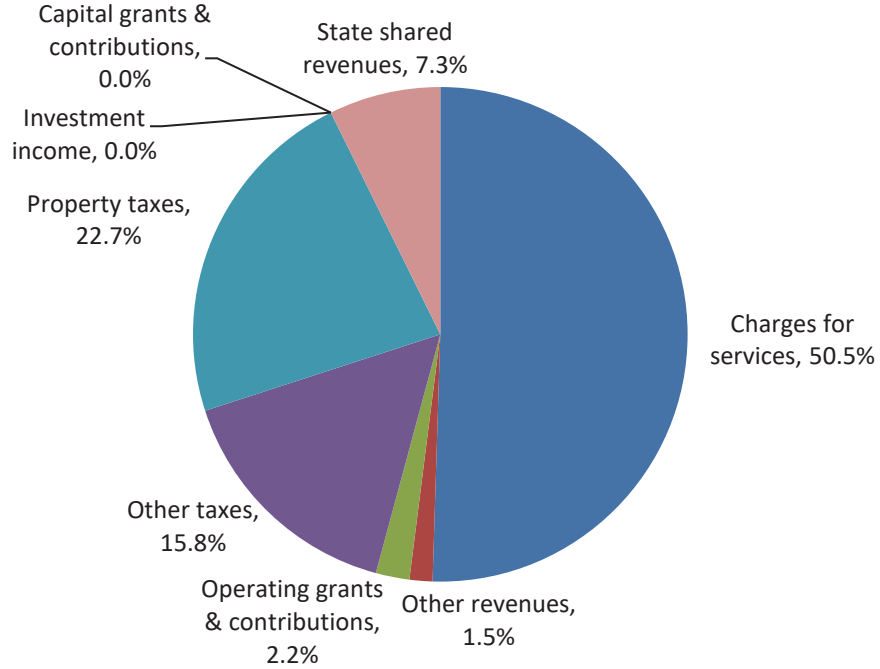
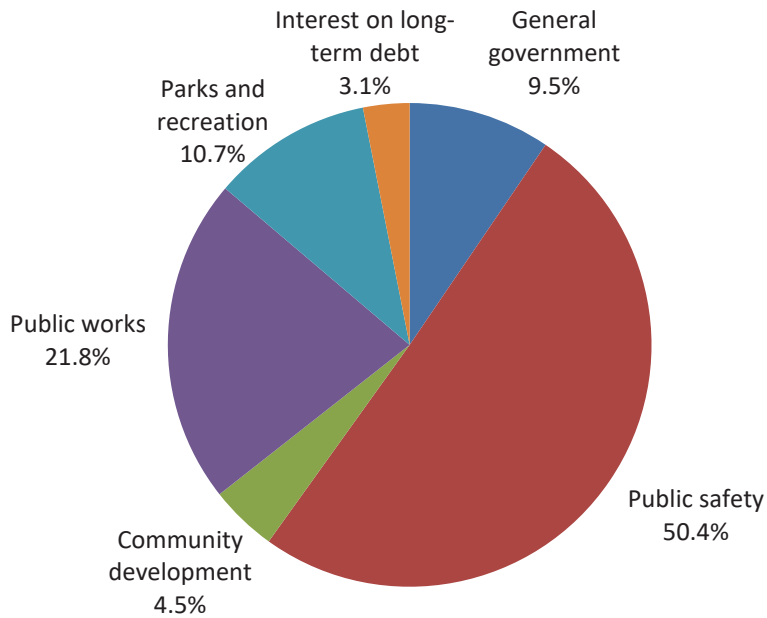


FIGURE B
EXPENSES BY FUNCTION – GOVERNMENTAL ACTIVITIES



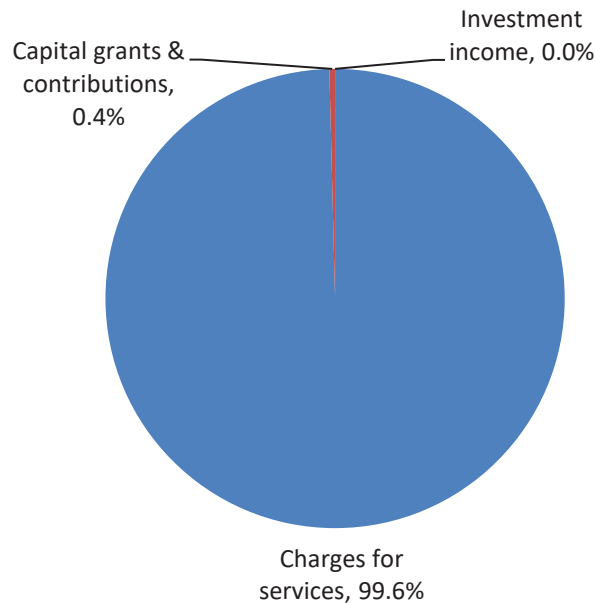
CITY OF WESTON, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Business-type activities. Business-type activities decreased the City’s net position by \$2.88 million from the prior period. At the end of Fiscal Year 2018, net position from business-type activities composed 21.1% of total government-wide net position. For the Fiscal Year, revenues totaled \$33.90 million and included operating revenues and non-operating revenues in the form of water and sewer fees, meter use fees, connection fees, investment income, and miscellaneous revenue. The City operates the water and sewer utility system in a “charge-for-services” manner which should generate minimal annual surpluses or deficits; however, the Proprietary Fund shows an operating loss of \$3.03 million. The business-type capital assets created a depreciation expense of \$2.46 million in the current fiscal year, therefore the water and sewer utility system had an operating loss of approximately \$567,874 if depreciation is excluded. When the total operating and nonoperating activities are adjusted for the depreciation expense a total loss of \$418,365 was realized.

FIGURE C
REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



Financial Analysis of the Government’s Funds

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

As of the end of the Fiscal Year, the City of Weston’s governmental funds reported a combined ending fund balance of \$128.47 million, a decrease of \$504,865 over the prior fiscal year. Approximately \$2.16 million, or 1.7% of that amount, is nonspendable fund balance for prepaid expenses. The restricted fund balance totaled \$51.39 million or 40.0% of total governmental fund balances to indicate that it has externally enforceable limitations restricted to: 1) pay for District operations and maintenance (\$36.81 million); 2) pay for street maintenance (\$5.07 million); 3) provide

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

for roadway projects (\$313,644); 4) provide for law enforcement non-recurring activities (\$556,031); 5) pay for tree preservation (\$104,311); 6) pay for building code enforcement (\$3.41 million); 7) provide for cell tower maintenance (\$25,000); and 8) pay for debt service (\$5.11 million). The committed fund balance totaled \$58.59 million or 45.6% of total governmental fund balances to indicate that it has self-imposed limitations set in place prior to the end of the period committed to: 1) pay for disaster response (\$44.56 million); 2) pay for credit reserve (\$8.88 million); and 3) provide for capital projects and infrastructure (\$5.15 million). The assigned fund balance amounted to \$3.13 million to indicate that it has limitation resulting from intended use assigned to: 1) pay for compensated absences (\$966,582); 2) pay for solid waste services (\$1.96 million); and 3) provide for subsequent year's expenditures (\$200,000). The remainder of the fund balance of \$13.2 million is unassigned and available for new spending.

The General Fund is the chief operating fund of the City of Weston. At the end of Fiscal Year 2018, total fund balance was \$72.52 million, with \$37,488 of that nonspendable, \$25,000 restricted for cell tower maintenance, \$56.13 million committed for specific purposes such as disaster response, and \$3.13 million assigned.

The fund balance of the City of Weston's General Fund decreased by \$3.07 million during the Fiscal Year with total revenues increasing by \$1.41 million from prior year to \$45.37 million and total expenditures increasing by \$4.62 million from prior year to \$43.93 million. Table 3 shows the comparison of actual revenues and expenditures for the General Fund for Fiscal Years 2017 and 2018.

The major changes in the General Fund revenue and expenditure levels between Fiscal Years 2017 and 2018 were:

Revenues:

- Rising interest rates caused a decrease in investment fair market value, which is reflected as a decrease in investment income by \$382,964 or 96.5% from the prior year.
- Other revenues have increased by \$101,429 or 23.1% from prior year to \$538,342 as a result of recognizing security deposit for cell tower maintenance, School Resource Officers funding from Imagine Charter, and Police Explorer Program donations.
- Permits and fees have increased by \$153,271 or 10.1% from prior year to \$1.67 million due to increased revenue in business tax receipts and engineering permit fees.

Expenditures:

- Capital Outlay expenditures increased by \$828,569 or 600.0% from prior year to \$966,679 due to the City's renovations on the Police Services Center interior, Fire Station #55, Fire Station #67, and Fire Station #81.
- Community development expenditures decreased by \$276,281 or 15.9% from prior year to \$1.46 million as a result of decreased spending on services such as civil and environment engineering, landscape architecture, engineering permits, basic services for planning, surveying services and administrative services for zoning.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

- Public safety expenditures increased by \$3.19 million or 14.2% from prior year to \$25.68 million reflecting contractual increases associated with actual costs of services in contracts for police and emergency medical services, as well as an increase in levels of service.

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

	2017	2018	Increase (Decrease) Dollars	Increase (Decrease) Percentage
Revenues:				
Taxes and assessments	\$ 33,636	\$ 34,907	1,271	3.8%
Licenses and permits	1,517	1,670	153	10.1%
Intergovernmental	5,901	6,165	264	4.5%
Charges for services	1,755	1,770	15	0.9%
Fines and forfeitures	319	308	(11)	-3.4%
Investment income (loss)	397	14	(383)	-96.5%
Other	437	538	101	23.1%
Total revenues	43,962	45,372	1,410	3.2%
Expenditures:				
Current:				
General government	5,497	5,937	440	8.0%
Public safety	22,491	25,683	3,192	14.2%
Community development	1,734	1,458	(276)	-15.9%
Public works	2,273	2,360	87	3.8%
Parks and recreation	7,180	7,524	344	4.8%
Capital outlay	138	966	828	600.0%
Total expenditures	39,313	43,928	4,615	11.7%
Excess (deficit) of revenues over expenditures	4,649	1,444		
Other financing sources (uses):				
Transfers out	(4,176)	(4,519)		
Total other financing sources (uses)	(4,176)	(4,519)		
Net change in fund balance	\$ 473	\$ (3,075)		

The Indian Trace Development District Special Revenue Fund increased its fund balance by \$1.11 million or approximately 4.5% of fund balance at beginning of the year, to a total of \$25.57 million with all of the fund balance restricted. The fund accounts for restricted resources used to provide stormwater management and right-of-way services other than roads to the district.

The Bonaventure Development District Special Revenue Fund increased its fund balance by \$353,083, or approximately 6.6% of fund balance at beginning of the year, to a total of \$5.71 million with all of the fund balance restricted. The fund accounts for restricted resources used to provide stormwater management and right-of-way services other than roads to the district.

The Fire District Special Revenue Fund decreased its fund balance by \$514,982, or approximately 8.5% of fund balance at beginning of the year, to a total of \$5.54 million with all of the fund balance restricted. The fund accounts for restricted resources used to provide fire protection and prevention services.

The Bonaventure Development District Debt Service Fund decreased its fund balance by \$12,566, or 0.6% of fund balances at beginning of the year, to a total of \$2.10 million with the entire fund

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

balances restricted. The funds account for financial resources that are restricted for principal and interest.

The Indian Trace Development District Debt Service Fund increased its fund balance by \$73,128, or 2.5% of fund balances at beginning of the year, to a total of \$3.01 million with the entire fund balances restricted. The funds account for financial resources that are restricted for principal and interest.

The Community Facilities Construction Capital Projects Fund accounts for City-wide capital needs, such as public safety and parks and recreation. The Fund experienced a decrease in fund balance of \$516,250, or 17.3% of fund balance at beginning of the year, to a total of \$2.46 million. The decrease in fund balance is a result of capital outlay expenditures incurred.

The City also maintains several non-major funds which are special revenue funds that are used to account for street and right-of-way maintenance, transportation, building permitting, law enforcement, and tree preservation. The non-major funds of the City increased their total fund balances during Fiscal Year 2018 by \$2.08 million or approximately 21.9% of fund balance at beginning of the year, due to the increase in permit fees revenue from development projects at Cleveland Clinic and the Palms.

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

Net position of the Water and Sewer Enterprise Fund decreased by \$2.88 million, or 3.9%, to a total of \$71.62 million. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

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

The Comprehensive Annual Financial Report reports funds committed for disaster response in the General Fund; however, the adopted, amended and final budgets report funds committed for disaster response in a separate fund. Therefore, when comparing the General Fund results to the budget, it is best to use the combined budget comparison schedule located on pages 69 through 71 in this annual report.

The original and final adopted General Fund budget anticipated a current resources deficit of (\$5.79 million) and (\$6.12 million) respectively. The actual operating results of the City's General Fund resulted in a current resources deficit of \$1.12 million.

Actual revenues exceeded final budget revenues by \$1.36 million and the main differences can be summarized as follows:

- Intergovernmental revenues exceeded the original and final budget by \$694,739 due to higher actual revenues in half-cent sales tax, state revenue sharing, and alcoholic beverage licenses than anticipated.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

- Franchise fees and utility taxes exceeded the original and final budget by \$631,197 as a result of higher actual revenues from solid waste franchise fee and electric utility tax.

Actual expenditures were lower than the final budget projections by \$3.65 million. The budget-to-actual variations were due to several factors.

- General government expenditures were lower than the final budget by \$491,941 as a result of lower expenditures in consulting services, legal expenditures and administrative expenditures.
- Capital outlay expenditures were lower than the final budget by \$1.94 million as a result of projects that were delayed.
- Public safety expenditures were lower than the final budget by \$797,974 due to vacancy credits for police and fire.
- Community development expenditures were lower than the final budget by \$320,715 due to reduced expenditures in most development services expenditures.

Capital Asset and Debt Administration

Capital assets. The City of Weston's capital assets for its governmental and business-type activities totals \$209.18 million or 61.7% of total net position. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure and construction in progress. Table 4 presents the governmental and business-type capital assets, net of accumulated depreciation, by category for Fiscal Years 2017 and 2018.

During Fiscal Year 2018, the City constructed or acquired several capital assets. Major capital asset events during the Fiscal Year 2018 included the following:

- Completion of Peace Mound Park Restroom Building, Public Works Services Center Interior Renovations, and Regional Park Artificial Athletic Turf

CITY OF WESTON, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 73,588	\$ 73,588	\$ -	\$ -	\$ 73,588	\$ 73,588
Buildings	28,672	28,347	-	299	28,672	28,646
Machinery and equipment	5,871	4,802	343	315	6,214	5,117
Infrastructure	39,707	36,193	57,154	54,787	96,861	90,980
Land improvements	5,909	8,111	-	-	5,909	8,111
Construction in progress	1,125	2,739	25	-	1,150	2,739
Total capital assets	\$ 154,872	\$ 153,780	\$ 57,522	\$ 55,401	\$ 212,394	\$ 209,181

Additional information on the City’s capital assets can be found in Note 6 on pages 48 through 50 of this report.

Long-term debt. At the end of the Fiscal Year, the City of Weston’s total outstanding debt was \$55.40 million in bonds payable and notes payable secured by certain revenues of the City, including non-ad valorem assessments, half cent local option fuel taxes, local business tax revenues, and electric franchise revenues. The City acts as an agent in the collection of assessments and remittance of debt service payments for no-obligation special assessment bonds held by the Indian Trace Development District and Bonaventure Development District. As of the fiscal year end, the two districts held a total of \$42.90 million in special assessment debt. The City has no general obligation debt or debt that is backed by the full faith and credit of the City of Weston. The City of Weston’s total long-term debt decreased by \$6.46, or 10.4%, from the prior fiscal year.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Bond payable	\$ 46,725	\$ 42,895	\$ -	\$ -	\$ 46,725	\$ 42,895
Notes payable	15,133	12,505	-	-	15,133	12,505
Total debt	\$ 61,858	\$ 55,400	\$ -	\$ -	\$ 61,858	\$ 55,400

More detailed information about the City’s long-term liabilities is presented in Note 7 on pages 50 to 53 of this report.

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

The City of Weston is a “contract city” such that the majority of it’s services are provided via contracts with private service providers. Those contracts include cost escalators based on the Consumer Price Index for the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA) which was up 2.9% for the 12-months ending December 2018. While inflation has remained relatively at or

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

below the 2%-3% target of the Federal Reserve for some time, inflation is anticipated to remain stable during the coming months. The City has enjoyed relatively modest increases in its contracts over the past few years, and hopefully this will continue into the near future. This would put the City in a strong financial position in Fiscal Year 2019 and Fiscal Year 2020.

Job growth in the Fort Lauderdale-Pompano Beach-Deerfield Beach Metro Division was up across all sectors except for leisure and hospitality. According to Greater Fort Lauderdale Alliance, trade, transportation, and utilities in Fort Lauderdale-Pompano Beach-Deerfield Beach Metro Division had the highest annual job growth of all the metro areas statewide. The strong job sectors in Fort Lauderdale-Pompano Beach-Deerfield Beach Metro Division were industry; trade, transportation and utilities; professional and business services; education and health services; other services; and construction. With tourism expected to provide another record breaking year with upgrades at the Fort Lauderdale-Hollywood International Airport, to improvements at Port Everglades, the Fort Lauderdale area continues to be one of the top five tourist destinations in the U.S. and one of the top two passenger cruise ports in the world. The Airport now accepts direct flights from Dubai, London and Barcelona for those looking to make the area their vacation choice. Headwinds remain in the form of a strong U.S. dollar. However, any drag on international tourism will be more than offset by domestic tourism with a strong job market and as wages finally begin to creep higher after almost a decade of little change.

In Fiscal Year 2018, the City's Adopted Budget theme was "Your World is Here" which placed emphasis on reflects a multitude of meanings for our diverse community, yet one common identity. The budget also continues the commitment to sustaining a stable and sound financial environment that will enable the City to maintain and enhance the physical and operating infrastructures.

The City's Fiscal Year 2019 budget theme is "be enlightened, be engaged, be excited". This theme is meant to encourage the residents of City of Weston to be active in government and its program. The Fiscal Year 2019 budget maintains services at their current levels or increases services, provides for continuing improvements in the City's infrastructures, and maintains the City's Aaa credit rating from Moody's and AAA rating from Standard and Poor's that are valuable in obtaining the most favorable borrowing rates and terms for proposed borrowings.

The Fiscal Year 2019 budget provides for an increase in the ad valorem millage rate at 3.3464 mils for the next three fiscal years. The City's gross taxable value increased by 2.61% above the Fiscal Year 2018 gross taxable value to \$8,576,144,049 inclusive of any new construction and improvements to existing properties appearing on the tax roll for the first time. This growth is lower than the 4.5% projection in the City's long-range financial forecasts.

The Fiscal Year 2019 budget revenues are \$130,617,500 and budget expenditures are \$163,406,500 with a projected net use of fund balance at \$4,951,400. The General Fund Fiscal Year 2019 budget revenues are \$52,676,600 and budget expenditures are \$46,717,300 with a projected excess revenue of \$2,490,500 and an additional \$3,468,800 transferred out to pay down debt.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Requests for Information

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

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CITY OF WESTON, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash, cash equivalents, and equity in pooled cash	\$ 37,071,529	\$ 4,343,400	\$ 41,414,929
Investments	87,828,200	9,078,987	96,907,187
Restricted assets:			
Restricted cash equivalents	4,851,271	-	4,851,271
Restricted investments	-	2,084,728	2,084,728
Assessments receivable, current	3,950,000	-	3,950,000
Accounts receivable, net	3,025,002	3,880,076	6,905,078
Interest receivable	510,000	60,663	570,663
Internal balances	380,868	(380,868)	-
Prepaid costs	55,640	4,676	60,316
Total current assets	137,672,510	19,071,662	156,744,172
Noncurrent assets:			
Assessments receivable, restricted	38,945,000	-	38,945,000
Advance to other governments	2,104,391	-	2,104,391
Nondepreciable capital assets	76,326,888	-	76,326,888
Depreciable capital assets, net	77,453,032	55,400,598	132,853,630
Total noncurrent assets	194,829,311	55,400,598	250,229,909
Total assets	332,501,821	74,472,260	406,974,081
DEFERRED OUTFLOWS OF RESOURCES			
FRS Pension	133,269	-	133,269
Total deferred outflows of resources	133,269	-	133,269
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	5,433,847	757,052	6,190,899
Unearned revenues	862,783	-	862,783
Contracts and retainage payable	257,200	10,357	267,557
Deposits	806,715	-	806,715
Customer deposits, payable from restricted assets	-	2,084,728	2,084,728
Accrued interest payable, payable from restricted assets	1,019,583	-	1,019,583
Noncurrent liabilities due within one year	6,280,352	-	6,280,352
Total current liabilities	14,660,480	2,852,137	17,512,617
Noncurrent liabilities:			
Net pension liability	253,632	-	253,632
Due in more than one year	50,086,342	-	50,086,342
Total noncurrent liabilities	50,339,974	-	50,339,974
Total liabilities	65,000,454	2,852,137	67,852,591
Deferred inflows of resources:			
FRS Pension	32,812	-	32,812
Total deferred inflows of resources	32,812	-	32,812
Net position:			
Net investment in capital assets	98,379,808	55,400,598	153,780,406
Restricted for:			
Operations and maintenance	31,381,825	-	31,381,825
Fire protection services	5,543,364	-	5,543,364
Public transportation and road improvements	7,487,388	-	7,487,388
Law enforcement	556,031	-	556,031
Building code enforcement	3,411,606	-	3,411,606
Cell tower maintenance	25,000	-	25,000
Debt service	4,088,127	-	4,088,127
Unrestricted	116,728,675	16,219,525	132,948,200
Total net position	\$ 267,601,824	\$ 71,620,123	\$ 339,221,947

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

CITY OF WESTON, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,939,372	\$ 3,759,075	\$ -	\$ -
Public safety	42,119,082	13,254,961	144,579	-
Public works	18,245,270	17,508,127	1,705,912	-
Parks and recreation	8,924,027	706,305	-	-
Community development	3,764,668	5,121,258	-	-
Interest on long-term debt	2,576,140	2,402,296	-	-
Total governmental activities	<u>83,568,559</u>	<u>42,752,022</u>	<u>1,850,491</u>	<u>-</u>
Business-type activities:				
Water and sewer	<u>36,781,178</u>	<u>33,753,182</u>	<u>-</u>	<u>150,546</u>
Total business-type activities	<u>36,781,178</u>	<u>33,753,182</u>	<u>-</u>	<u>150,546</u>
Total primary government	<u>120,349,737</u>	<u>76,505,204</u>	<u>1,850,491</u>	<u>150,546</u>
General revenues:				
Property taxes				
Franchise taxes and utility taxes				
Contributions not restricted to specific programs				
Investment income				
Other revenues				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

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

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

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (4,180,297)	\$ -	\$ (4,180,297)
(28,719,542)	-	(28,719,542)
968,769	-	968,769
(8,217,722)	-	(8,217,722)
1,356,590	-	1,356,590
(173,844)	-	(173,844)
<u>(38,966,046)</u>	<u>-</u>	<u>(38,966,046)</u>
-	(2,877,450)	(2,877,450)
<u>-</u>	<u>(2,877,450)</u>	<u>(2,877,450)</u>
<u>(38,966,046)</u>	<u>(2,877,450)</u>	<u>(41,843,496)</u>
19,173,312	-	19,173,312
13,345,297	-	13,345,297
6,165,139	-	6,165,139
22,758	(1,037)	21,721
1,289,330	-	1,289,330
<u>39,995,836</u>	<u>(1,037)</u>	<u>39,994,799</u>
<u>1,029,790</u>	<u>(2,878,487)</u>	<u>(1,848,697)</u>
<u>266,572,034</u>	<u>74,498,610</u>	<u>341,070,644</u>
<u>\$ 267,601,824</u>	<u>\$ 71,620,123</u>	<u>\$ 339,221,947</u>

CITY OF WESTON, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Major Funds			
	Special Revenue Funds			
	General Fund	Indian Trace Development District	Bonaventure Development District	Fire Services District
ASSETS				
Cash, cash equivalents, and equity in pooled cash	\$ 20,825,197	\$ 7,458,684	\$ 1,556,258	\$ 2,040,433
Investments	53,526,391	19,170,836	4,000,005	5,244,466
Receivables:				
Assessments receivable	-	-	-	-
Accounts receivable, net	2,793,552	83,592	21,606	6,311
Interest receivable	302,938	112,433	22,747	33,893
Advance to other governments	-	-	-	-
Prepaid costs	37,488	11,602	2,144	1,138
Due from other funds	-	661,977	367,828	-
Total assets	<u>\$ 77,485,566</u>	<u>\$ 27,499,124</u>	<u>\$ 5,970,588</u>	<u>\$ 7,326,241</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,476,372	\$ 1,777,116	\$ 148,286	\$ 201,577
Unearned revenues	862,783	-	-	-
Contracts and retainage payable	175,006	10,357	-	7,850
Due to other funds	649,485	142,441	113,998	1,573,450
Deposits	806,715	-	-	-
Total liabilities	<u>4,970,361</u>	<u>1,929,914</u>	<u>262,284</u>	<u>1,782,877</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Non-spendable for prepaid costs and advances	37,488	11,602	2,144	1,138
Restricted for:				
District operations and maintenance	-	25,557,608	5,706,160	5,542,226
Street maintenance	-	-	-	-
Roadway projects	-	-	-	-
Law enforcement	-	-	-	-
Tree preservation	-	-	-	-
Building code enforcement	-	-	-	-
Cell tower maintenance	25,000	-	-	-
Debt service	-	-	-	-
Committed to:				
Disaster assistance	44,557,508	-	-	-
Credit reserve	8,880,000	-	-	-
Capital projects	-	-	-	-
Infrastructure	2,691,285	-	-	-
Assigned to:				
Compensated absences	966,582	-	-	-
Solid waste services	1,961,226	-	-	-
Subsequent year's expenditures and contracts	200,000	-	-	-
Unassigned	13,196,116	-	-	-
Total fund balances	<u>72,515,205</u>	<u>25,569,210</u>	<u>5,708,304</u>	<u>5,543,364</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 77,485,566</u>	<u>\$ 27,499,124</u>	<u>\$ 5,970,588</u>	<u>\$ 7,326,241</u>

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

Bonaventure Development District Debt Service	Indian Trace Development District Debt Service	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,988,159	\$ 2,863,112	\$ 189,692	\$ 5,001,265	\$ 41,922,800
-	-	487,561	5,398,941	87,828,200
3,845,000	39,050,000	-	-	42,895,000
-	-	-	119,941	3,025,002
-	-	6,181	31,808	510,000
-	-	-	2,104,391	2,104,391
-	-	-	3,268	55,640
113,998	142,441	2,039,494	281,544	3,607,282
<u>\$ 5,947,157</u>	<u>\$ 42,055,553</u>	<u>\$ 2,722,928</u>	<u>\$ 12,941,158</u>	<u>\$ 181,948,315</u>
\$ -	\$ -	\$ 262,969	\$ 567,527	\$ 5,433,847
-	-	-	-	862,783
-	-	-	63,987	257,200
-	-	-	747,040	3,226,414
-	-	-	-	806,715
<u>-</u>	<u>-</u>	<u>262,969</u>	<u>1,378,554</u>	<u>10,586,959</u>
3,845,000	39,050,000	-	-	42,895,000
<u>3,845,000</u>	<u>39,050,000</u>	<u>-</u>	<u>-</u>	<u>42,895,000</u>
-	-	-	2,107,659	2,160,031
-	-	-	-	36,805,994
-	-	-	5,069,353	5,069,353
-	-	-	313,644	313,644
-	-	-	556,031	556,031
-	-	-	104,311	104,311
-	-	-	3,411,606	3,411,606
-	-	-	-	25,000
2,102,157	3,005,553	-	-	5,107,710
-	-	-	-	44,557,508
-	-	-	-	8,880,000
-	-	2,459,959	-	2,459,959
-	-	-	-	2,691,285
-	-	-	-	966,582
-	-	-	-	1,961,226
-	-	-	-	200,000
-	-	-	-	13,196,116
<u>2,102,157</u>	<u>3,005,553</u>	<u>2,459,959</u>	<u>11,562,604</u>	<u>128,466,356</u>
<u>\$ 5,947,157</u>	<u>\$ 42,055,553</u>	<u>\$ 2,722,928</u>	<u>\$ 12,941,158</u>	<u>\$ 181,948,315</u>

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CITY OF WESTON, FLORIDA

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

SEPTEMBER 30, 2018

Fund balance - governmental funds, page 24 \$ 128,466,356

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

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

Cost of capital assets	260,102,706	
Accumulated depreciation	<u>(106,322,786)</u>	153,779,920

Assets that are not available to pay for current-period expenditures are unavailable in the governmental fund financial statements.		42,895,000
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The net pension liability is not reported as a liability in the fund financial statements, but is reported as a liability in the government-wide financial statements.		(253,632)
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Deferred outflows of resources related to the pension are recorded in the statement of net position.		133,269
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Deferred inflows of resources related to the pension are recorded in the statement of net position.		(32,812)
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Bonds payable		(42,895,000)
Notes payable		(12,505,112)
Accrued interest payable		(1,019,583)
Compensated absences		(966,582)

Net position of governmental activities, page 20		<u>\$ 267,601,824</u>
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The accompanying notes to basic financial statements are an integral part of these statements

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Major Funds			
	General Fund	Special Revenue Funds		
		Indian Trace Development District	Bonaventure Development District	Fire Services District
REVENUES:				
Property taxes	\$ 19,173,312	\$ -	\$ -	\$ -
Franchise fees and utility taxes	13,345,297	-	-	-
Permits and fees	1,670,338	-	-	-
Intergovernmental	6,165,139	-	-	-
Charges for services	1,769,712	-	-	-
Fines and forfeitures	307,368	-	-	-
Net investment income (loss)	14,132	(10,738)	2,261	(5,315)
Special assessments	2,388,300	14,956,504	2,551,623	13,254,961
Other revenues	538,342	218,805	6,980	4,214
Total revenues	<u>45,371,940</u>	<u>15,164,571</u>	<u>2,560,864</u>	<u>13,253,860</u>
EXPENDITURES:				
Current:				
General government	5,936,759	-	-	-
Public safety	25,682,893	2,067,805	608,577	12,548,769
Public works	2,359,830	11,026,929	1,574,548	-
Parks and recreation	7,523,888	-	-	-
Community development	1,458,045	-	-	-
Capital outlay	966,679	960,076	24,656	785,317
Debt service:				
Principal	-	-	-	402,201
Interest	-	-	-	32,555
Total expenditures	<u>43,928,094</u>	<u>14,054,810</u>	<u>2,207,781</u>	<u>13,768,842</u>
Excess (deficiency) of revenues over expenditures	<u>1,443,846</u>	<u>1,109,761</u>	<u>353,083</u>	<u>(514,982)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(4,518,800)	-	-	-
Total other financing sources (uses)	<u>(4,518,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,074,954)	1,109,761	353,083	(514,982)
FUND BALANCES - BEGINNING	<u>75,590,159</u>	<u>24,459,449</u>	<u>5,355,221</u>	<u>6,058,346</u>
FUND BALANCES - ENDING	<u>\$ 72,515,205</u>	<u>\$ 25,569,210</u>	<u>\$ 5,708,304</u>	<u>\$ 5,543,364</u>

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

Bonaventure Development District Debt Service	Indian Trace Development District Debt Service	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 19,173,312
-	-	-	-	13,345,297
-	-	-	3,450,920	5,121,258
-	-	-	1,705,912	7,871,051
-	-	-	-	1,769,712
-	-	-	144,579	451,947
4,560	8,738	1,083	8,037	22,758
923,343	5,308,953	-	-	39,383,684
-	-	-	520,989	1,289,330
<u>927,903</u>	<u>5,317,691</u>	<u>1,083</u>	<u>5,830,437</u>	<u>88,428,349</u>
-	-	-	-	5,936,759
-	-	-	27,568	40,935,612
-	-	-	281,776	15,243,083
-	-	-	-	7,523,888
-	-	-	2,306,623	3,764,668
-	-	2,947,496	721,355	6,405,579
725,000	3,105,000	1,833,175	392,414	6,457,790
215,469	2,139,563	255,462	22,786	2,665,835
<u>940,469</u>	<u>5,244,563</u>	<u>5,036,133</u>	<u>3,752,522</u>	<u>88,933,214</u>
<u>(12,566)</u>	<u>73,128</u>	<u>(5,035,050)</u>	<u>2,077,915</u>	<u>(504,865)</u>
-	-	4,518,800	-	4,518,800
-	-	-	-	(4,518,800)
-	-	4,518,800	-	-
<u>(12,566)</u>	<u>73,128</u>	<u>(516,250)</u>	<u>2,077,915</u>	<u>(504,865)</u>
<u>2,114,723</u>	<u>2,932,425</u>	<u>2,976,209</u>	<u>9,484,689</u>	<u>128,971,221</u>
<u>\$ 2,102,157</u>	<u>\$ 3,005,553</u>	<u>\$ 2,459,959</u>	<u>\$ 11,562,604</u>	<u>\$ 128,466,356</u>

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CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Net change in fund balances - total governmental funds, page 27	\$ (504,865)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of certain of these assets are eliminated and capitalized as capital assets.	5,837,216
Revenues previously recorded in the statement of activities that were unavailable in the prior fiscal year became available in the current fiscal year and were recorded as revenues in the fund financial statements.	(3,830,000)
Repayment of long-term liabilities are reported as expenditures in the governmental funds, but such repayments reduce liabilities in the statement of net position and are eliminated from the statement of activities.	6,457,790
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.	89,695
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:	
Depreciation of capital assets	(6,928,913)
Change in compensated absences	(59,361)
FRS Pension Expense	(31,772)
Change in net position of governmental activities, page 22	<u>\$ 1,029,790</u>

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

CITY OF WESTON, FLORIDA

STATEMENT OF NET POSITION –
PROPRIETARY FUND

SEPTEMBER 30, 2018

	Business-Type Activities
	Water and Sewer Fund
	<hr/>
ASSETS	
Current Assets	
Cash, cash equivalents, and equity in pooled cash	\$ 4,343,400
Investments	9,078,987
Restricted investments	2,084,728
Receivables:	
Intergovernmental receivables	131,155
Accounts receivable, net	3,748,921
Interest receivable	60,663
Prepaid costs	4,676
Total current assets	<hr/> 19,452,530 <hr/>
Capital Assets	
Infrastructure	114,817,663
Property and equipment	773,607
Total capital assets	<hr/> 115,591,270 <hr/>
Less accumulated depreciation	60,190,672
Net capital assets	<hr/> 55,400,598 <hr/>
Total noncurrent assets	<hr/> 55,400,598 <hr/>
Total assets	<hr/> 74,853,128 <hr/>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	757,052
Contracts payable	10,357
Customer deposits payable	
from restricted assets	2,084,728
Due to other fund	380,868
Total current liabilities	<hr/> 3,233,005 <hr/>
Total liabilities	<hr/> 3,233,005 <hr/>
NET POSITION	
Net investment in capital assets	55,400,598
Unrestricted	16,219,525
Total net position	<hr/> \$ 71,620,123 <hr/>

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

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities
	Water and Sewer Fund
OPERATING REVENUES:	
Water and sewer fees	\$ 33,002,007
Miscellaneous revenue	745,690
Other operating revenues	5,485
Total operating revenues	<u>33,753,182</u>
OPERATING EXPENSES:	
Personnel	137,511
Other operating expenses	31,374,827
General and administrative	2,808,718
Depreciation	2,460,122
Total operating expenses	<u>36,781,178</u>
Operating income (loss)	<u>(3,027,996)</u>
NONOPERATING REVENUES (EXPENSES):	
Net investment income (loss)	<u>(1,037)</u>
Total nonoperating revenues (expenses)	<u>(1,037)</u>
Income before capital contributions	<u>(3,029,033)</u>
Capital contributions	150,546
Change in net position	(2,878,487)
NET POSITION - BEGINNING	<u>74,498,610</u>
NET POSITION - ENDING	<u>\$ 71,620,123</u>

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

CITY OF WESTON, FLORIDA

STATEMENT OF CASH FLOWS –
PROPRIETARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-Type Activities
	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 33,816,894
Payments to suppliers	(34,664,887)
Payments to employees	(137,511)
Net cash provided by (used in) operating activities	(985,504)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Amounts due to other funds	380,868
Net cash provided by (used in) noncapital financing	380,868
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Developer contributions received	150,546
Purchase of capital assets	(328,841)
Net cash provided by (used in) capital and related financing activities	(178,295)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	2,544,666
Interest received	2,026
Net cash provided by (used in) investing activities	2,546,692
Net increase (decrease) in cash and cash equivalents	1,763,761
CASH AND CASH EQUIVALENTS, BEGINNING	2,579,639
CASH AND CASH EQUIVALENTS, ENDING	\$ 4,343,400

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

CITY OF WESTON, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 (Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Business-Type Activities</u> <u>Water and Sewer Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating income (loss)	\$ (3,027,996)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	2,460,122
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	169,429
(Increase) decrease in intergovernmental	(131,155)
(Increase) decrease in prepaid costs	(2,065)
Increase (decrease) in accounts payable	493,549
Increase (decrease) in due to other governments	(972,826)
Increase (decrease) in payables from restricted assets	25,438
Total adjustments	<u>2,042,492</u>
Net cash provided by (used in) operating activities	<u>\$ (985,504)</u>
NONCASH TRANSACTION:	
Change in fair value of investments	\$ (238,532)
Total noncash transactions	<u>\$ (238,532)</u>

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1 – ORGANIZATION AND OPERATIONS

The City of Weston, Florida (the “City”) is a municipal corporation governed by an elected Mayor and a four member commission providing the following services: general government; public safety; community development; public works; and parks and recreation. Additional services provided by the City are subcontracted (Note 9) such as: water and sewer services; emergency medical services; fire protection and prevention services; police services; engineering services; building code services; code enforcement; and plan review and inspection services. The City was incorporated pursuant to the constitution and laws of the State of Florida in September 1996 when the qualified electors voted in favor of incorporation of the City and approved the Charter.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the City and its blended component units, entities for which the City is considered to be financially accountable, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The City is financially accountable if the City Commission appoints a voting majority of an organization’s governing body and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial burdens on the City. Blended component units, although legally separate entities, are in substance part of the City’s operations, and so, data from these units is combined with data of the primary government.

Blended Component Units

Indian Trace Development District (“ITDD”) is a blended component unit. ITDD was formed in 1975 by a Broward County Ordinance and in 1981 was reestablished pursuant to Chapter 190 of the Florida Statutes as an independent, special taxing district in Broward County, Florida, to provide facilities for water and sewer, stormwater management and control, roads and other public improvements. ITDD’s boundaries exclude the community of Bonaventure. ITDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on ITDD. In addition, the City has operational responsibility for the District. ITDD has its own budget and taxing power. The operations and assets of ITDD are reflected in Indian Trace Development District Special Revenue and Debt Service Funds. The component unit has a September 30 year end. There were no separately issued financial statements for this component unit.

Bonaventure Development District (“BDD”) is a blended component unit. BDD was created on December 21, 1998, however, it was inactive until June 30, 2001 when the Florida Legislature dissolved West Lauderdale Water Control District and transferred all of the assets of the former to BDD. BDD provides stormwater management and control, roads and other public improvements. BDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on BDD. In addition, the City has operational responsibility for the District. BDD has its own budget and taxing power. The operations and assets of BDD are reflected in the Bonaventure Development District Special Revenue and Debt Service Funds. The component unit has a September 30 year end. There were no separately issued financial statements for this component unit.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – 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 non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

The Enterprise Fund is used to account for the water and sewer operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing services are generally recovered through user charges.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total 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 proprietary funds include the costs of sales and services, administrative expenses, and provision for depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as non-operating revenues or expenses.

D. New Accounting Standards Adopted

During fiscal year 2018, the City adopted three new accounting standards as follows:

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 81 - Irrevocable Split-Interest Agreements

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for periods beginning after December 15, 2016.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 85 - Omnibus 2017

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions of this Statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 86 - Certain Debt Extinguishment Issues

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

E. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles. Unrealized gains and losses in fair value are recognized.

2. Receivables

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

Property taxes are levied and are recognized as receivables on October 1 of each year. Ad valorem property taxes are based on property value. Non ad valorem property taxes are based on per acre or per unit type. The tax bill may be paid at declining discounts from November through February. All unpaid taxes become delinquent on April 1 of the year following the year in which taxes were levied and are subject to the issuance of tax sale certificates as of June 1. Broward County bills and collects all property taxes for the City.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Interfund Receivables and Payables

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

4. Prepaid Costs

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

5. Restricted Assets

Certain proceeds of the City’s bond, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. In addition, assessments receivable related to future payment of special benefit assessment bond principal are considered restricted. Customer deposits are classified as restricted assets because they are held on behalf of the customer.

6. Capital Assets

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

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

7. Compensated Absences

It is the City's policy to permit its employees to accumulate amounts of earned but unused vacation and sick pay benefits. Accumulated compensated absences are recorded as an expense in the government-wide financial statements when earned. Expenditures for compensated absences are recorded in the governmental funds only for employees who had terminated their employment as of the end of the fiscal year. As of September 30, 2018, the City reports accrued compensated absences amounting to \$966,582 in the statement of net position, which is expected to be paid from reserves set aside for this purpose. Additionally, the City has not recorded compensated absences in the governmental funds because amounts outstanding have not matured as of fiscal year end. The General Fund has typically been used in prior years to liquidate compensated absences.

8. Unearned Revenue

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

9. Long Term Obligations

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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.

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

11. Net Position

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

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

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

12. Fund Balance

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Use of Estimates

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

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

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

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

B. Investments

Chapter 33 of the City's Code of Ordinances governs the City's suitable and authorized investment of public funds. The City is highly risk averse in its investment strategy and as such will not purchase any individual security rated lower than the third highest tier (e.g., A-rated) by at least one nationally recognized rating agency in the United States (e.g., Moody's, S&P, Fitch's). U.S Treasury obligations which carry the full faith and credit of the United States Government, U.S. Government agency obligations, U.S. Government instrumentality obligations, or any other debt instrument which carries the full faith and credit of the United States Government or the Federal Deposit Insurance Corporation are exempt from the previously stated rating requirement. In addition, the City will only purchase securities with book yields exceeding the maturity-equivalent Municipal AAA yield, adjusted on a tax equivalent basis.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Section 33.01(B) of the City's Code of Ordinances permits investment of the City's funds in: 33.01(B)(1), U.S. Treasury obligations which carry the full faith and credit of the United States Government and are considered to be the most secure instruments available; 33.01(B)(2), U.S. Government agency and instrumentality obligations that have a liquid market with a readily determinable market value; 33.01(B)(3), Obligations of state and local governments, including their agencies and authorities, either directly or indirectly; 33.01(B)(4), Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1) by a nationally recognized rating agency; 33.01(B)(5), Repurchase agreements collateralized by U.S. Treasury or Government agency and instrumentality securities; 33.01(B)(6), Money market mutual funds regulated by the Securities and Exchange Commission rated in the highest tier by a nationally recognized rating agency and whose portfolios consist of only dollar denominated securities; 33.01(B)(7), Demand deposit accounts, interest bearing time deposits, money market accounts or savings accounts in qualified public depositories, including negotiable certificates of deposit, as defined in F.S. § 280.02; 33.01(B)(8), Obligations of any corporate institution (excluding life and casualty insurance companies); 33.01(B)(9), Mortgage-backed Securities (MBS), Collateralized Mortgage Obligations (CMO's) or Asset-backed Securities (ABS) containing fixed or adjustable-rate mortgages or assets issued by any U.S. Government agency or instrumentality or any corporate institution (excluding life and casualty insurance companies).

Section 33.01(C) of the City's Code of Ordinances prohibits investment of the City's funds in derivative contracts as defined by the Governmental Accounting Standards Board (GASB), which defers to the Federal Accounting Standards Board (FASB) on its definition of a derivative security. The FASB definition of a derivative security, as provided in Statement 133, Paragraph 6-7, is provided in the Appendix preceding the Investment Policy glossary. This section also does not provide authorization for the purchase of private placement or 144A securities as defined by the Securities and Exchange Commission (SEC).

Investments as of September 30, 2018 were as follows:

	Fair Value	Level
U.S. Treasury securities	\$ 4,911,719	2
U.S. Agency securities	53,325,080	2
Municipal bonds	3,038,211	2
Corporate bonds	35,264,768	2
Sovereign Securities	2,452,137	2
	<u>\$ 98,991,915</u>	

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

1. Credit Risk

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

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

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

	RATINGS		
	AAA	AA	A
Government and government sponsored bonds	\$ 2,452,137	\$ 41,799,019	\$ -
Government mortgage backed securities	-	16,437,780	-
Corporate bonds	1,539,358	18,215,150	15,510,260
Municipal bonds	1,600,490	250,955	1,186,766

2. Interest Rate Risk

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The City has an investment policy that, unless matched to a specific cash flow, limits the purchase of securities to maturities of no more than ten years from the date of purchase and additionally limits the purchase of any securities not rated in the highest tier to maturities of less than five years from the date of purchase.

At fiscal year end, the weighted average life of the maturities is as follows:

	<u>Average Maturity (years)</u>
Government and government sponsored bonds	2.49
Government mortgage backed securities	2.42
Corporate bonds	2.54
Municipal bonds	3.58

The investments at September 30, 2018 met the City's investment policy restrictions.

3. Concentration Credit Risk

The City's investment policy limits its investments to no more than 5% of total assets valued at cost in any one security issue and no more than 60% of its total assets valued at cost in any one security type, with certain exceptions. Federal government and agency debt obligations are exempt from both restrictions and cash equivalent investments are exempt from the issuer restriction. GASB Statement 40 requires disclosure when the percentage is 5% or more in any one issuer. At September 30, 2018, the City is in compliance with its policy.

4. Fair Value Measurement

When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the City has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Securities reported at fair value that utilize third party pricing services based on a combination of one or more of the following; matrix pricing, observable trades in similar securities or yield curve analysis, are reported as level 2.

NOTE 4 – RECEIVABLES

Receivable balances as of September 30, 2018 were as follows:

Receivables	General Fund	Indian Trace Development District	Bonaventure Development District	Fire Services Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer
Accounts	\$ 562,025	\$ 13,444	\$ 21,606	\$ 6,311	\$ -	\$ 8,648	\$ 3,805,947
Interest	302,938	112,433	22,747	33,893	6,181	31,808	60,663
Franchise fees and utility taxes	1,639,238	-	-	-	-	-	-
Intergovernmental	592,289	70,148	-	-	-	111,293	131,155
Gross receivables	3,096,490	196,025	44,353	40,204	6,181	151,749	3,997,765
Less allowance for uncollectibles	-	-	-	-	-	-	(57,026)
Net total receivables	<u>\$ 3,096,490</u>	<u>\$ 196,025</u>	<u>\$ 44,353</u>	<u>\$ 40,204</u>	<u>\$ 6,181</u>	<u>\$ 151,749</u>	<u>\$ 3,940,739</u>

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

Furthermore, in September 2017, the City entered into a locally funded agreement with the Florida Department of Transportation (“FDOT”) to advance the funding necessary to expedite the design of certain improvements to the Royal Palm Boulevard and I-75 Exchange. The initial advance under the agreement was \$919,000. During the current year, the advance funding was amended to increase to \$2,104,390. Under the agreement, the City agrees to advance additional amounts as necessary for the project. FDOT will begin reimbursement to the City of the advanced funds in the State of Florida fiscal year 2020-2021, subject to appropriation of funds by the Legislature. The City has agreed not to invoice any portion of the advance to FDOT prior to July 1, 2020. In relation to the agreement at September 30, 2018, the City reported a receivable in nonmajor governmental funds for the advance of \$2,104,390.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 5 – INTERFUND TRANSACTIONS

Interfund receivables and payables at September 30, 2018 were as follows:

	<u>Due to</u>	<u>Due from</u>
Indian Trace Development District	\$ 142,441	\$ -
Indian Trace Development District Debt Service Fund	-	142,441
Bonaventure Development District	113,998	-
Bonaventure Development District Debt Service Fund	-	113,998
	<u>\$ 256,439</u>	<u>\$ 256,439</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the City, the balances between the special revenue funds and the debt service funds relate to assessments collected that have not yet been transferred to the debt service funds.

Receivable and payable balances related to pooled cash amounts are as follows:

	<u>Due to</u>	<u>Due from</u>
General Fund	\$ -	\$ 649,485
Indian Trace Development District	661,977	-
Street maintenance	-	747,040
Bonaventure Development District	367,828	-
Fire Service	-	1,573,450
Capital projects	2,039,494	-
Water and Sewer Fund	-	380,868
Building Fund	281,544	-
	<u>\$ 3,350,843</u>	<u>\$ 3,350,843</u>

Interfund transfers for the year ended September 30, 2018 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 4,518,800
Capital Projects Fund	4,518,800	-
	<u>\$ 4,518,800</u>	<u>\$ 4,518,800</u>

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them. Transfers from the general fund to the capital projects fund are for moving resources to fund capital projects and to make debt service payments related to previously funded capital projects and to fund a portion of capital expenditures in the current fiscal year.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 6 – CAPITAL ASSETS

A summary of changes in the governmental activities capital assets for the fiscal year ended September 30, 2018 is presented as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 73,587,610	\$ -	\$ -	\$ 73,587,610
Construction in progress	1,124,898	4,802,564	(3,188,184)	2,739,278
Total capital assets, not being depreciated	<u>74,712,508</u>	<u>4,802,564</u>	<u>(3,188,184)</u>	<u>76,326,888</u>
Capital assets, being depreciated:				
Infrastructure	114,148,284	79,495	-	114,227,779
Buildings	38,280,595	779,621	-	39,060,216
Land Improvements	10,328,390	2,737,333	-	13,065,723
Machinery and equipment	16,795,713	626,387	-	17,422,100
Total capital assets, being depreciated	<u>179,552,982</u>	<u>4,222,836</u>	<u>-</u>	<u>183,775,818</u>
Less accumulated depreciation:				
Infrastructure	(74,441,092)	(3,593,754)	-	(78,034,846)
Buildings	(9,608,643)	(1,104,170)	-	(10,712,813)
Land Improvements	(4,419,770)	(535,636)	-	(4,955,406)
Machinery and equipment	(10,924,368)	(1,695,353)	-	(12,619,721)
Total accumulated depreciation	<u>(99,393,873)</u>	<u>(6,928,913)</u>	<u>-</u>	<u>(106,322,786)</u>
Total capital assets, being depreciated, net	<u>80,159,109</u>	<u>(2,706,077)</u>	<u>-</u>	<u>77,453,032</u>
Governmental activities capital assets, net	<u>\$ 154,871,617</u>	<u>\$ 2,096,487</u>	<u>\$ (3,188,184)</u>	<u>\$ 153,779,920</u>

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 6 – CAPITAL ASSETS (Continued)

A summary of changes in the business-type activities capital assets for the fiscal year ended September 30, 2018 is presented as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 25,046	\$ 276,898	\$ (301,944)	\$ -
Total capital assets, not being depreciated	<u>25,046</u>	<u>276,898</u>	<u>(301,944)</u>	<u>-</u>
Capital assets, being depreciated:				
Infrastructure	114,511,386	4,313	-	114,515,699
Buildings and improvements	-	301,964	-	301,964
Machinery and equipment	715,640	57,967	-	773,607
Total capital assets, being depreciated	<u>115,227,026</u>	<u>364,244</u>	<u>-</u>	<u>115,591,270</u>
Less accumulated depreciation:				
Infrastructure	(57,357,535)	(2,370,996)	-	(59,728,531)
Buildings and improvements	-	(3,048)	-	(3,048)
Machinery and equipment	(373,015)	(86,078)	-	(459,093)
Total accumulated depreciation	<u>(57,730,550)</u>	<u>(2,460,122)</u>	<u>-</u>	<u>(60,190,672)</u>
Total capital assets, being depreciated, net	<u>57,496,476</u>	<u>(2,095,878)</u>	<u>-</u>	<u>55,400,598</u>
Business-type activities capital assets, net	<u>\$ 57,521,522</u>	<u>\$ (1,818,980)</u>	<u>\$ (301,944)</u>	<u>\$ 55,400,598</u>

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

Governmental activities:	
General government	\$ 1,191,778
Public safety	1,183,470
Public works	3,002,187
Parks and recreation	1,551,478
Total depreciation expense, governmental activities	<u>\$ 6,928,913</u>
Business-type activities:	
Water and sewer	<u>\$ 2,460,122</u>

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 6 – CAPITAL ASSETS (Continued)

Construction Commitments

The City has several active construction projects as of September 30, 2018. The remaining amounts committed for these projects are as follows:

Project	Spent-To-Date	Remaining Commitment
Fire Station Renovations	\$ 1,319,440	\$ 1,724,829
Architectural Services for Weston Community Center	25,750	760,750
Indian Trace Park Renovation	-	2,300,000
Police Services Center Renovations	287,239	955,040
Water & Sewer System Evaluation	112,308	60,057
Total	<u>\$ 1,744,737</u>	<u>\$ 5,800,676</u>

NOTE 7 – LONG-TERM DEBT

Bonds Payable

At September 30, 2018, Bond issues were as follows:

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 7 – LONG-TERM DEBT (Continued)

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

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

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

The Bond Indentures established certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed on assessments to property owners. The City agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The City was in compliance with the requirements at September 30, 2018.

Notes Payable

At September 30, 2018, the City had Community Facilities Notes as follows:

\$3,000,000 Series 2011 promissory note with principal and interest due semiannually with a 2.53% fixed interest rate maturing on November 1, 2019. Funds have been primarily used for the roadway resurfacings within the City. The note is collateralized by local option fuel taxes which totaled \$710,781 in the current fiscal year.

\$7,450,000 Series 2013 promissory note with principal and interest due every three months with fixed interest rates ranging from 1.24% to 2.05% maturing on November 1, 2023. Funds have been primarily used for the construction of the emergency operations center within the City, City park renovations and the purchase of emergency rescue vehicles. The note is collateralized by the local business tax revenues and the electric franchise revenues, which totaled \$1,268,736 and \$3,845,196, respectively for the current fiscal year.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 7 – LONG-TERM DEBT (Continued)

\$6,385,000 Series 2014 promissory note with principal and interest due semiannually with fixed interest rates ranging from 1.07% to 2.23% maturing on November 1, 2024. Funds have been primarily used for the construction of the emergency operations center within the City, certain information technology projects and the purchase of emergency rescue vehicles. The note is collateralized by a pledge of the electric franchise revenues and fire assessments of the City. Assessments totaled \$13,254,961.

\$6,225,000 Series 2016 promissory note with principal and interest due semiannually with a fixed interest rate of 2.66% maturing on May 1, 2026. The funds are to be used for financing capital improvements to various parks within the City. The notes are collateralized by pledged revenues from electric utility service taxes which totaled \$5,273,918 for the current fiscal year.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2018 were as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Total</u>	<u>Amount Due Within One Year</u>
Bonds payable:					
Series 1997 ITDD	\$ 12,885,000	\$ -	\$ -	\$ 12,885,000	\$ -
Series 2002 BDD	4,570,000	-	(725,000)	3,845,000	700,000
Series 2003 Isles at Weston	6,445,000	-	(290,000)	6,155,000	285,000
Series 2005 ITDD	22,825,000	-	(2,815,000)	20,010,000	2,965,000
Notes payable:					
2011	999,742	-	(392,414)	607,328	402,363
2013	4,284,414	-	(972,874)	3,311,540	630,769
2014	4,173,880	-	(687,780)	3,486,100	701,618
2016	5,674,866	-	(574,722)	5,100,144	587,908
Compensated Absences	907,221	250,418	(191,057)	966,582	7,694
	<u>\$ 62,765,123</u>	<u>\$ 250,418</u>	<u>\$ (6,648,847)</u>	<u>\$ 56,366,694</u>	<u>\$ 6,280,352</u>

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 7 – LONG-TERM DEBT (Continued)

At September 30, 2018, the scheduled debt service requirements on the long-term debt were as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 6,272,659	\$ 2,418,759	\$ 8,691,418
2020	6,307,664	2,167,319	8,474,983
2021	6,346,225	1,912,609	8,258,834
2022	6,377,727	1,648,899	8,026,626
2023	6,388,834	1,380,486	7,769,320
2024-2028	21,257,003	3,238,394	24,495,397
2029-2033	2,450,000	385,000	2,835,000
	<u>\$ 55,400,112</u>	<u>\$ 13,151,466</u>	<u>\$ 68,551,578</u>

NOTE 8 – RISK MANAGEMENT

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

The City purchased an insurance policy that provided coverage of up to \$1,000,000 maximum for each general liability occurrence for the fiscal year ended September 30, 2018. Other insurance policies carried by City during the fiscal year included: automobile, crime, environmental liability, inland marine, property (building and contents), public officials liability/employment practices liability, crime coverage, cyber liability, and workers' compensation. Deductible amounts ranged from \$0 to 5% of total insured value. Settlement amounts have not exceeded insurance coverage during the last three fiscal years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

City of Sunrise Water and Sewer Services Agreement

An agreement between the City of Sunrise and ITDD was executed on June 30, 1993, for a term of 30 years with an option to renew for an additional 30 years. The City of Sunrise agrees to supply water and sewer service to ITDD and provide the related billing and collection services to ITDD's customers based on the City of Sunrise's rate structure. The customers remain with ITDD, but ITDD is performing only certain services under the agreement.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

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

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

On September 30, 2015, the City Commission approved an agreement with the Broward Sheriff's Office ("BSO") for emergency medical, fire protection and fire prevention services. The agreement term is October 1, 2015 through September 30, 2019 and is renewable for one five-year term upon the City and BSO agreeing to a renewal and the terms and conditions related thereto. The agreement may be terminated by either party by giving no fewer than 90 days written notice to the other party in accordance with certain provisions contained within the contract. Under the agreement, the City provides certain facilities and vehicles for use by BSO. The City is responsible for the repairs and maintenance to the facilities while BSO is responsible for repairs and maintenance to the vehicles. Under the terms of the agreement, the City will pay \$1,743,195 per month for October 1, 2015 through September 30, 2019. The consideration for all services shall be subject to an annual increase based on BSO's budgeted costs for the following year. For costs other than health insurance premiums, workers' compensation premiums and pension contributions, the maximum increase calculated based on the consideration paid in the previous year, shall be 5.00%. BSO's budgeted costs for health insurance premiums will be based on projected costs. The maximum increase for these costs shall be 9.00% of the budgeted costs in the preceding year. There is no limitation for the increase in the amount attributable to workers' compensation premiums and pension contributions. BSO's budgeted costs for these costs will be based on projected costs supported with third party documentation. The City is entitled to a credit for any vacancies that occur during the fiscal year subject to certain limitations as provided for in the agreement.

For the fiscal year ended September 30, 2018, the City had the following costs: \$9,757,754 (which includes a vacancy credit of \$4,929) for emergency medical services; \$11,735,563 for fire protection services (which includes a vacancy credit of \$5,929); and \$675,834 for fire prevention services (which includes a vacancy credit of \$433).

Broward Sheriff's Office Police Services Agreement

On September 29, 2014, the City Commission approved an agreement with the Broward Sheriff's Office ("BSO") for police services. The agreement term is October 1, 2014 through September 30, 2019 and is renewable for one five-year term upon the City and BSO agreeing to a renewal and the terms and conditions related thereto. The agreement may be terminated by either party by giving no fewer than 90 days written notice to the other party in accordance with certain provisions contained within the contract. Under this agreement, BSO provides all necessary labor, supervision, equipment, vehicles, communication facilities and supplies necessary for the purpose of performing the services. Per the agreement, the City provides a police district's office, for which the City is responsible for major improvements and repairs. BSO pays for all utility costs including, but not limited to, telephone, electric, and water services. Under the terms of the agreement, the City will pay \$1,133,492 per month for October 1, 2014 through September 30, 2019. The consideration for all services shall be subject to an annual increase based on BSO's budgeted costs for the following year. For costs other than health

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

insurance premiums, workers' compensation premiums and pension contributions, the maximum increase calculated based on the consideration paid in the previous year, shall be 5.00%. BSO's budgeted costs for health insurance premiums will be based on projected costs. The maximum increase for these costs shall be 9.00% of the budgeted costs in the preceding year. There is no limitation for the increase in the amount attributable to workers' compensation premiums and pension contributions. BSO's budgeted costs for these costs will be based on projected costs supported with third party documentation. The City is entitled to a credit for any vacancies that occur during the fiscal year subject to certain limitations as provided for in the agreement.

On October 17, 2016, the City Commission approved the first amendment to the agreement to provide for two additional SRO's and to adjust the consideration for the 2016/2017 fiscal year to \$1,283,827 per month.

On November 6, 2017, the City Commission approved the second amendment to the agreement to provide for five additional deputies and four additional Sergeants and to adjust the consideration for the 2017/2018 fiscal year to \$11,361,321 per month.

On March 9, 2018, the City Commission approved the third amendment to the agreement to provide for three additional SRO's and to adjust the consideration for the 2017/2018 fiscal year to \$1,384,088 per month.

On July 3, 2018, the City Commission approved the fourth amendment to the agreement to provide for one additional SRO and to adjust the consideration for the 2017/2018 fiscal year to \$1,386,360 per month (total of \$16,636,319).

Expenditures totaled approximately \$15,802,031 (which includes a vacancy credit of \$510,524 and School Resource Officer (SRO) credit of \$323,764) related to the agreement for the fiscal year ended September 30, 2018.

Calvin Giordano and Associates Professional Services Agreement

On October 15, 2001, the City Commission approved an agreement with a contractor to provide for planning, zoning and engineering services. This agreement had no expiration date; however, it could be terminated without cause by the City within 120 days upon written notice prior to termination, and, with cause by either party within five days upon written notice prior to termination. The contractor was compensated under this contract based on a monthly standard fee and an hourly fee schedule structure, based on several service categories, for which both were subject to a maximum 3% annual increase. The costs for fixed monthly services ranged from \$8,333 per month to \$20,000 per month and hourly rates ranged from \$45 per hour to \$200 per hour.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

On August 20, 2007, the City Commission approved an amendment to the agreement in order for the consulting firm to include provisions for supplemental services, transition and leased employees and to revise the provisions for indemnification, cost and attorney's fees, notice and governing law and consent to jurisdiction. Designated employees for certain supplemental services, such as: parks and recreation, rights of way and public works were included. The fee to be paid by the City for the supplemental services was 145% (120% for overtime compensation) of the actual salary paid to the employees of the consultant performing the services.

On April 7, 2008, the City Commission approved an amendment to the agreement to update the scope of services to add services and further clarify the scope of services and to adjust the fee schedule accordingly. The contractor was compensated under this contract based on a monthly standard fee and an hourly fee schedule structure, based on several service categories, for which both were subject to a maximum 5% annual increase. The costs for fixed monthly services ranged from \$208 per month to \$24,817 per month and hourly rates ranged from \$70 per hour to \$350 per hour.

On September 21, 2009, the City Commission approved an amendment to the agreement to include the provision the code enforcement services at a fixed monthly cost of \$13,917.

On August 17, 2015, the City Commission approved an amendment to the agreement to update the scope of services, fees and to include provisions relating to the lease of City vehicles. The contractor was compensated under this contract based on a monthly standard fee and an hourly fee schedule structure, based on several service categories, for which both were subject to a maximum annual increase based on the twelve-month change in the consumer price index. The costs for fixed monthly services ranged from \$300 per month to \$41,128 per month and hourly rates ranged from \$90 per hour to \$419 per hour.

On August 15, 2016, the City Commission approved an amendment to the agreement to remove sections dealing with engineering, survey and wetlands management services as the City procured those services from other engineering firms via a request for qualifications.

On March 20, 2017, the City Commission approved an amendment to the agreement to remove section dealing with fixed fees and modify other sections of the agreement including and establishing a new and annually adjusted multiplier for designated employees performing supplemental services. The fee to be paid by the City for the supplemental services is 152.77% and 182.21% of the actual salary paid to the employees of the contractor performing the services for Tier One and Tier Two designated employees, respectively. The total base compensation will increase by 3% each year, subject to adjustment based on employee turnover. In addition, multipliers will increase each year for the remainder of the agreement.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

CAP Government Building Code Services Agreement

The City entered into an agreement with a contractor on June 2, 2015 to provide for plan review and inspection services. The agreement is effective through March 31, 2020 and may be terminated by either party within sixty (60) days after written notice. The consideration for all services is based on a standard schedule of fees and is subject to an annual increase by an amount equal to the Consumer Price Index increase, with a maximum annual increase not to exceed 5%. Payments to the contractor are made based on the following schedule: (1) for residential permits; 30% of the costs of service upon the issuance of a permit and 70% of the total costs of service upon issuance of a building permit, issuance of a certificate of occupancy or completion of final inspection; (2) for all other permits; 50% of the costs of service upon the issuance of a permit and 50% of the total costs of service upon issuance of a building permit, issuance of a certificate of occupancy or completion of final inspection. The City processes payments to the contractor on a monthly basis, paying all amounts that become due for the prior month in arrears.

For the year ended September 30, 2018, costs related to the services provided by the contractor amounted to approximately \$1,644,361.

Florida Department of Transportation (FDOT) Agreement

In September 2017, the City entered into a locally funded agreement with the FDOT to advance funding for the design of construction plans for improvements to the Royal Palm Boulevard and Weston Road intersection. Under the agreement, the City is responsible for all costs relating to the project. The agreement provided for an initial advance of \$210,000. During the fiscal year, FDOT requested an additional advance of \$88,915, for a total of \$298,915. If project costs exceed the advanced deposit, the City will provide additional amounts to FDOT. Under the agreement, if the final project cost is less than advanced amounts, the balance will be retained by FDOT towards future phases of the project.

Municipal Technologies Administrative and Technology Services Agreement

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

On August 20, 2007, the City Commission approved an amendment to the agreement to provide for administrative and financial services. The monthly base compensation to be paid by the City was approximately \$53,077 and \$75,491 for technology and administrative and financial services, respectively, for which both are subject to a maximum 5% annual increase. The fee for technology services was established as a fixed fee. The fee for administrative and financial services was established at 145% (120% for overtime compensation) of the actual salaries paid to certain designated employees of the consultant performing the services.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

On March 6, 2017, the City Commission approved an amendment to the agreement to convert technology service from a fixed fee to an hourly fee, to adjust the multiple on the actual salaries paid, to include an overhead cost component and to add a termination date. The technology service fee converts to an hourly fee similar to the fee structure for administrative and financial services. The total fee paid by the City for technology and administrative and financial services is established at 140.06% of the actual salary paid to the employees of the contractor performing the services. The total base compensation will increase by 3% each year, subject to adjustment based on employee turnover. In addition, multipliers will increase each year for the remainder of the agreement. The monthly base compensation to be paid by the City is approximately \$240,665 for technology and administrative and financial services. In addition, an overhead cost of \$160,000 is established and is annually adjusted by the consumer price index not to exceed a 5% annual increase. Lastly, a termination provision is included with a date of September 30, 2022. The previous termination provisions remain in effect.

For the fiscal year ended September 30, 2018, costs related to the services provided by the consultant amounted to approximately \$2,887,981.

Legal

There are various claims and legal actions against the City for which no provision has been made in the financial statements. Although the outcome of these claims is not presently determinable, it is the opinion of the City's management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Encumbrances

At September 30, 2018, encumbrances outstanding are as follows:

General Fund	\$	1,378,122
Street Maintenance Fund		15,066
Bonaventure Development District		13,820
Indian Trace Development District		14,563
Fire Services Fund		862,414
Law Enforcement Trust Fund		477,520
Community Facilities Construction Fund		5,590,973
Water and Sewer Fund		71,272
	\$	<u>8,423,750</u>

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS

Florida Retirement System (FRS)

General Information about the FRS

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

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

The City's pension expense totaled \$31,772 for the fiscal year ended September 30, 2018.

FRS Pension Plan

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

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

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

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

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

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

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

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

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2018 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u> <u>October 1, 2017 to June 30, 2018</u>		<u>Percent of Gross Salary</u> <u>July 1, 2018 to September 30, 2018</u>	
	<u>Employee</u>	<u>Employer (1)</u>	<u>Employee</u>	<u>Employer (1)</u>
FRS, Elected Local Officers	3.00	45.5	3.00	48.7

(1) Employer rates include a postemployment HIS contribution rate of 1.66%. Also, employer rates include .06% for administrative costs of the Investment plan.

The City’s contributions to the Plan totaled \$19,080 for the fiscal year ended September 30, 2018. This excludes the HIS defined benefit pension plan contributions.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

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

At September 30, 2018, the City reported a liability of \$236,461 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City’s proportionate share of the net pension liability was based on the City’s contributions for the year ended June 30, 2018 relative to the contributions made during the year ended June 30, 2017 of all participating members. At June 30, 2018, the City’s proportionate share was .000785% percent, which was an increase of .0000161% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018 the City recognized pension expense of \$31,716 related to the Pension Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,032	\$ (727)
Change of assumptions	77,264	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(18,270)
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	27,447	(10,617)
City FRS contributions subsequent to the measurement date	6,017	-
Total	<u>\$ 130,760</u>	<u>\$ (29,614)</u>

The deferred outflows of resources related to pensions, totaling \$6,017, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2019	\$ 36,857
2020	25,153
2021	3,507
2022	16,749
2023	11,199
Thereafter	1,664
Total	<u>\$ 95,129</u>

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial Assumptions – The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Assumption</u>	<u>Rate</u>
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>(Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.6%	1.9%

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

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 431,551	\$ 236,461	\$ 74,427

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

Payables to the Pension Plan – At September 30, 2018, the City did not report a payable to the Plan for the fiscal year ended September 30, 2018.

HIS Pension Plan

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

Benefits Provided – For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the contribution rate was 1.66% of payroll from October 1, 2016 through September 30, 2018 pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

The City’s contributions to the HIS Plan totaled \$714 for the fiscal year ended September 30, 2018.

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

At September 30, 2018, the City reported a net pension liability of \$17,171 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City’s proportionate share of the net pension liability was based on the year ended June 30, 2018 contributions relative to the year ended June 30, 2017 contributions of all participating members. At June 30, 2018, the City’s proportionate share was .000162%, which was an increase of .0000012% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$56 related to the HIS Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 263	\$ (29)
Change of assumptions	1,910	(1,815)
Net difference between projected and actual earnings on FRS pension plan investments	10	-
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	106	(1,354)
City FRS contributions subsequent to the measurement date	220	-
Total	<u>\$ 2,509</u>	<u>\$ (3,198)</u>

The deferred outflows of resources related to pensions, totaling \$220, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018.

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

<u>Year Ending September 30:</u>	<u>Amount</u>
2019	\$ (636)
2020	(633)
2021	(443)
2022	(100)
2023	618
Thereafter	285
Total	<u><u>\$ (909)</u></u>

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Assumption</u>	<u>Rate</u>
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.87%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projected Scale BB. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	2.87%	3.87%	4.87%
Net Pension Liability	\$ 19,557	\$ 17,171	\$ 15,182

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

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 10 – EMPLOYEE RETIREMENT PLANS (Continued)

Payables to the Pension Plan – At September 30, 2018, the City did not report a payable to the HIS Plan for the fiscal year ended September 30, 2018.

Deferred Compensation Plans

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

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

During the fiscal year ended September 30, 2018, the City was required to contribute 16% of each eligible employee's gross earnings. Under an existing employment contract agreement, the City is also required to contribute the maximum allowed by pension regulations to the City Manager's account under MPP.

The contribution requirement and actual contributions made for the fiscal year ended September 30, 2018, was \$265,657. Under MPP, all assets and income of MPP are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of MPP are not included in the City's financial statements.

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

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

The City does not provide any post-retirement benefits to employees. In addition, the City assigns both eligible active employees and eligible retirees equal, age adjusted premiums and makes available to both groups the same plan options. Since both groups are assigned the same age adjusted premiums, there is no implicit City subsidy, and there is no remaining City liability to recognize under GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions."

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 11 – SUBSEQUENT EVENTS

Bond Issuance

In December 2018, the City issued Series 2018 Bonds in an aggregate principal amount of \$10,000,000. The Bonds were issued to finance the construction of certain road and building improvements as well as purchasing equipment. The Series 2018 Bonds are comprised of the Series 2018A Bonds (\$1,444,000) that are secured by pledged revenues of non-ad valorem revenues, and the Series 2018B Bonds (\$7,056,000) and Series 2018C Bonds (\$1,500,000) which are both secured by the communication tax revenues. The Bonds are subject to interest rates of 3.23% for Series 2018A and Series 2018B and 2.98% for Series 2018C. Bond payments for each series, consisting of principal and interest, are due quarterly, commencing on February 1, 2019. The final maturity date for the Series 2018A and Series 2018B is November 1, 2028 and for the Series 2018C is November 1, 2023. Bonds of each series are subject to optional prepayment on or after February 1, 2021.

NOTE 12 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 83 - Certain Asset Retirement Obligations

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 84 - Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease

CITY OF WESTON, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 12 – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED (Continued)

receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement applies to notes to financial statements of all periods presented. If application for prior periods presented is not practicable, the reason for not applying this Statement to prior periods presented should be disclosed.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

GASB 90 - Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Except as discussed in paragraph 11, in the period this Statement is first applied, changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. Also, the reason for not restating prior periods presented should be disclosed. In the first period that this Statement is applied, the notes to financial statements should disclose the nature of the restatement and its effect.

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

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CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 18,976,600	\$ 18,976,600	\$ 19,173,312	\$ 196,712
Franchise fees and utility taxes	12,714,100	12,714,100	13,345,297	631,197
Permits and fees	1,674,600	1,674,600	1,670,338	(4,262)
Intergovernmental	5,470,400	5,470,400	6,165,139	694,739
Charges for services	1,539,600	1,539,600	1,769,712	230,112
Fines and forfeitures	424,900	424,900	307,368	(117,532)
Net investment income	450,000	450,000	13,023	(436,977)
Special assessments	2,350,200	2,350,200	2,388,300	38,100
Other revenues	414,900	414,900	538,342	123,442
Total revenues	44,015,300	44,015,300	45,370,831	1,355,531
EXPENDITURES:				
General Government:				
City Commission	247,400	247,400	210,410	36,990
City Manager	1,297,000	1,297,000	1,226,454	70,546
Administrative	4,106,800	4,152,800	3,931,899	220,901
Legal	831,500	731,500	567,996	163,504
Total general government	6,482,700	6,428,700	5,936,759	491,941
Public Safety:				
Police	13,730,100	14,003,298	13,199,949	803,349
Emergency medical services	9,817,900	9,817,900	9,804,692	13,208
Crossing guard	604,700	604,700	623,283	(18,583)
Total public safety	24,152,700	24,425,898	23,627,924	797,974

See accompanying notes to required supplementary information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Public Works				
Operating expenditures	2,350,200	2,350,200	2,359,830	(9,630)
Total public works	2,350,200	2,350,200	2,359,830	(9,630)
Parks and Recreation:				
Personal services	354,500	354,500	359,220	(4,720)
Operating expenditures	6,880,100	7,280,100	7,164,668	115,432
Total culture and recreation	7,234,600	7,634,600	7,523,888	110,712
Community Development:				
Operating expenditures	2,065,500	1,765,500	1,444,785	320,715
Total community development	2,065,500	1,765,500	1,444,785	320,715
Capital outlay	3,000,000	3,011,500	1,073,898	1,937,602
Total capital outlay	3,000,000	3,011,500	1,073,898	1,937,602
Total expenditures	45,285,700	45,616,398	41,967,084	3,649,314
Excess (deficiency) of revenues over expenditures	(1,270,400)	(1,601,098)	3,403,747	5,004,845
OTHER FINANCING SOURCES (USES):				
Use of fund balance	5,789,200	6,119,898	-	(6,119,898)
Transfers out	(4,518,800)	(4,518,800)	(4,518,800)	-
Total other financing sources (uses)	1,270,400	1,601,098	(4,518,800)	(6,119,898)
Net change in fund balance	\$ -	\$ -	\$ (1,115,053)	\$ (1,115,053)

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

Net change in fund balance, Page 70 \$ (1,115,053)

Amounts reported for budget to actual are different because:

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

Net change in fund balance - Disaster Management Fund (2,053,994)

Net change in encumbrances - General Fund 94,093

General Fund net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Page 26 \$ (3,074,954)

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Net investment income (loss)	\$ 207,400	\$ 221,400	\$ (10,738)	\$ (232,138)
Special assessments	14,720,700	14,720,700	14,956,504	235,804
Other revenues	449,000	449,000	218,805	(230,195)
Total revenues	<u>15,377,100</u>	<u>15,391,100</u>	<u>15,164,571</u>	<u>(226,529)</u>
EXPENDITURES:				
Current:				
Public safety	2,256,800	2,256,800	2,067,805	188,995
Public works	12,614,400	10,371,600	11,054,215	(682,615)
Capital outlay	1,130,000	1,180,000	744,329	435,671
Total expenditures	<u>16,001,200</u>	<u>13,808,400</u>	<u>13,866,349</u>	<u>(57,949)</u>
Excess (deficiency) of revenues over expenditures	<u>(624,100)</u>	<u>1,582,700</u>	<u>1,298,222</u>	<u>(284,478)</u>
OTHER FINANCING SOURCES (USES):				
Use of fund balance	<u>1,021,700</u>	<u>1,071,700</u>	<u>-</u>	<u>(1,071,700)</u>
Total other financing sources (uses)	<u>1,021,700</u>	<u>1,071,700</u>	<u>-</u>	<u>(1,071,700)</u>
Net change in fund balances	<u>\$ 397,600</u>	<u>\$ 2,654,400</u>	<u>\$ 1,298,222</u>	<u>\$ (1,356,178)</u>

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(CONTINUED)

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

Net change in fund balance, Page 72 \$ 1,298,222

Amounts reported for budget to actual are different because:

Net change in encumbrances - ITDD (188,461)

ITDD net change in fund balance per the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds, Page 26 \$ 1,109,761

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Variance With Final Budget-
	Original & Final	Actual Amounts	Positive (Negative)
REVENUES:			
Net investment income	\$ 56,100	\$ 2,261	\$ (53,839)
Special assessments	3,484,700	2,551,623	(933,077)
Other revenues	-	6,980	6,980
Total revenues	<u>3,540,800</u>	<u>2,560,864</u>	<u>(979,936)</u>
EXPENDITURES:			
Current:			
Public safety	664,200	608,577	55,623
Public works	2,761,700	1,602,084	1,159,616
Capital outlay	<u>350,000</u>	<u>25,444</u>	<u>324,556</u>
Total expenditures	<u>3,775,900</u>	<u>2,236,105</u>	<u>1,539,795</u>
Excess (deficiency) of revenues over expenditures	<u>(235,100)</u>	<u>324,759</u>	<u>559,859</u>
OTHER FINANCING SOURCES (USES):			
Use of fund balance	<u>235,100</u>	<u>-</u>	<u>(235,100)</u>
Total other financing sources (uses)	<u>235,100</u>	<u>-</u>	<u>(235,100)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 324,759</u>	<u>\$ 324,759</u>

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(CONTINUED)

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

Net change in fund balance, Page 74 \$ 324,759

Amounts reported for budget to actual are different because:

Net change in encumbrances - BDD 28,324

BDD net change in fund balance per the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds, Page 26 \$ 353,083

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts <u>Original & Final</u>	Actual Amounts	Variance With Final Budget- Positive (Negative)
REVENUES:			
Net investment income (loss)	\$ 66,400	\$ (5,315)	\$ (71,715)
Special assessments	13,069,600	13,254,961	185,361
Other revenues	-	4,214	4,214
Total revenues	<u>13,136,000</u>	<u>13,253,860</u>	<u>117,860</u>
EXPENDITURES:			
Current:			
Public safety	12,701,100	12,548,769	152,331
Capital outlay	2,000,000	417,465	1,582,535
Debt service:			
Principal	402,300	402,201	99
Interest	<u>32,600</u>	<u>32,555</u>	<u>45</u>
Total expenditures	<u>15,136,000</u>	<u>13,400,990</u>	<u>1,735,010</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,000)</u>	<u>(147,130)</u>	<u>1,852,870</u>
OTHER FINANCING SOURCES (USES):			
Use of fund balance	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (147,130)</u>	<u>\$ (147,130)</u>

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(CONTINUED)

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

Net change in fund balance, Page 76 \$ (147,130)

Amounts reported for budget to actual are different because:

Net change in encumbrances - Fire Services (367,852)

Fire Services net change in fund balance per the Statement of Revenues,
Expenditures, and Changes in Fund Balances - Governmental Funds, Page 26 \$ (514,982)

See accompanying notes to required supplementary Information

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

Florida Statutes require that all City governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. Accordingly, the City has established budgeting procedures.

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

The City adopts the operating budgets on a basis of accounting other than GAAP for all governmental and proprietary funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. See Note 9 for encumbrances outstanding at September 30, 2018.

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

For the Indian Trace Development District Special Revenue Fund, actual expenditures on a budgetary basis exceeded appropriations by \$57,949. The over expenditure was funded by available fund balances.

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN LIABILITY

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

	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability	0.000785%	0.000769%	0.000848%	0.000878%	0.000707%
City's proportionate share of the FRS net pension liability	236,461	227,456	214,036	113,341	43,115
City's covered payroll	43,000	46,333	53,000	53,000	53,000
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	550%	491%	404%	214%	81%
FRS plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

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

	2018	2017	2016	2015	2014
City's proportion of the HIS net pension liability	0.000162%	0.000161%	0.000172%	0.000175%	0.000178%
City's proportionate share of the HIS net pension liability	17,171	17,216	20,004	17,816	16,679
City's covered payroll	43,000	46,333	53,000	53,000	53,000
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	39.93%	37.16%	37.74%	33.62%	31.47%
HIS plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

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

(2) Information is not available for years prior to 2014. As information is available it will be presented.

CITY OF WESTON, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

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

	2018	2017	2016	2015
Contractually required FRS contribution	\$ 19,080	\$ 18,880	\$ 23,154	\$ 22,822
FRS contributions in relation to the contractually required contribution	(19,080)	(18,880)	(23,154)	(22,822)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 43,000	\$ 46,333	\$ 53,000	\$ 53,000
FRS contributions as a percentage of covered payroll	44.37%	40.75%	43.69%	43.06%

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

	2018	2017	2016	2015
Contractually required HIS contribution	\$ 714	\$ 769	\$ 880	\$ 774
HIS contributions in relation to the contractually required contribution	(714)	(769)	(880)	(774)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 43,000	\$ 46,333	\$ 53,000	\$ 53,000
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.46%

(1) Information is not available for periods prior to 2015. As information becomes available it will be presented.

CITY OF WESTON, FLORIDA

OTHER SUPPLEMENTARY INFORMATION

NON MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

CITY OF WESTON, FLORIDA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Special Revenue Funds				
	Street Maintenance Fund	Transportation Fund	Building Fee Fund	Law Enforcement Trust Fund	Tree Fund
ASSETS					
Cash, cash equivalents, and equity in pooled cash	\$ 1,659,180	\$ 190,894	\$ 2,742,611	\$ 349,824	\$ 58,756
Investments	4,264,542	128,188	684,303	276,566	45,342
Receivables:					
Accounts receivable, net	100,058	6,795	8,648	4,440	-
Interest receivable	24,783	694	4,677	1,441	213
Advance to other governments	2,104,391	-	-	-	-
Prepaid costs	-	-	3,268	-	-
Due from other funds	-	-	281,544	-	-
Total assets	<u>\$ 8,152,954</u>	<u>\$ 326,571</u>	<u>\$ 3,725,051</u>	<u>\$ 632,271</u>	<u>\$ 104,311</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 232,170	\$ 12,927	\$ 310,177	\$ 12,253	\$ -
Contracts and retainage payable	-	-	-	63,987	-
Due to other funds	747,040	-	-	-	-
Total liabilities	<u>979,210</u>	<u>12,927</u>	<u>310,177</u>	<u>76,240</u>	<u>-</u>
Fund balances:					
Non-spendable for prepaid costs and advances	2,104,391	-	3,268	-	-
Restricted for:					
Street maintenance	5,069,353	-	-	-	-
Roadway projects	-	313,644	-	-	-
Law enforcement	-	-	-	556,031	-
Tree preservation	-	-	-	-	104,311
Building code enforcement	-	-	3,411,606	-	-
Total fund balances	<u>7,173,744</u>	<u>313,644</u>	<u>3,414,874</u>	<u>556,031</u>	<u>104,311</u>
Total liabilities and fund balances	<u>\$ 8,152,954</u>	<u>\$ 326,571</u>	<u>\$ 3,725,051</u>	<u>\$ 632,271</u>	<u>\$ 104,311</u>

**Total
Governmental
Funds**

\$ 5,001,265
5,398,941

119,941
31,808
2,104,391
3,268
281,544

\$ 12,941,158

\$ 567,527
63,987

747,040

1,378,554

2,107,659

5,069,353
313,644
556,031
104,311
3,411,606

11,562,604

\$ 12,941,158

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Special Revenue Funds</u>				
	Street Maintenance Fund	Transportation Fund	Building Fee Fund	Law Enforcement Trust Fund	Tree Fund
REVENUES:					
Permits and fees	\$ -	\$ -	\$ 3,450,920	\$ -	\$ -
Intergovernmental	1,624,489	81,423	-	-	-
Fines and forfeitures	-	-	-	144,579	-
Interest income	4,351	328	2,905	411	42
Other revenues	29,715	66,522	390,294	-	34,458
Total revenues	1,658,555	148,273	3,844,119	144,990	34,500
EXPENDITURES:					
Current:					
Public safety	-	-	-	27,568	-
Public works	249,010	32,766	-	-	-
Community development	-	-	2,306,623	-	-
Capital outlay	505,011	53,197	-	163,147	-
Debt service:					
Principal	392,414	-	-	-	-
Interest	22,786	-	-	-	-
Total expenditures	1,169,221	85,963	2,306,623	190,715	-
 Excess (deficiency) of revenues over expenditures	 489,334	 62,310	 1,537,496	 (45,725)	 34,500
 FUND BALANCES - BEGINNING	 6,684,410	 251,334	 1,877,378	 601,756	 69,811
 FUND BALANCES - ENDING	 <u>\$ 7,173,744</u>	 <u>\$ 313,644</u>	 <u>\$ 3,414,874</u>	 <u>\$ 556,031</u>	 <u>\$ 104,311</u>

**Total
Governmental
Funds**

\$ 3,450,920
1,705,912
144,579
8,037
520,989

5,830,437

27,568
281,776
2,306,623
721,355

392,414
22,786

3,752,522

2,077,915

9,484,689

\$ 11,562,604

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,481,200	\$ 1,481,200	\$ 1,624,489	\$ 143,289
Net investment income	25,000	25,000	4,351	(20,649)
Other revenues	-	160,000	29,715	(130,285)
Total revenues	<u>1,506,200</u>	<u>1,666,200</u>	<u>1,658,555</u>	<u>(7,645)</u>
EXPENDITURES:				
Current:				
Public works	978,800	1,138,800	248,760	890,040
Debt service:				
Principal	402,400	402,400	392,414	9,986
Interest	12,900	12,900	22,786	(9,886)
Capital outlay	<u>1,736,600</u>	<u>3,010,906</u>	<u>520,077</u>	<u>2,490,829</u>
Total expenditures	<u>3,130,700</u>	<u>4,565,006</u>	<u>1,184,037</u>	<u>3,380,969</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,624,500)</u>	<u>\$ (2,898,806)</u>	<u>\$ 474,518</u>	<u>\$ 3,373,324</u>
Other financing sources (uses):				
Use of fund balance	<u>1,624,500</u>	<u>2,898,806</u>	<u>-</u>	<u>(2,898,806)</u>
Total other financing sources (uses)	<u>1,624,500</u>	<u>2,898,806</u>	<u>-</u>	<u>(2,898,806)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 474,518</u>	<u>\$ 474,518</u>

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 83,600	\$ 83,600	\$ 81,423	\$ (2,177)
Net investment income	-	-	328	328
Other revenues	-	40,000	66,522	26,522
Total revenues	<u>83,600</u>	<u>123,600</u>	<u>148,273</u>	<u>24,673</u>
EXPENDITURES:				
Current:				
Public works	29,500	69,500	32,766	36,734
Capital outlay	-	63,000	53,197	9,803
Total expenditures	<u>29,500</u>	<u>132,500</u>	<u>85,963</u>	<u>46,537</u>
Excess (deficiency) of revenues over expenditures	54,100	\$ (8,900)	\$ 62,310	\$ 71,210
Other financing sources (uses):				
Use of fund balance	-	8,900	-	(8,900)
Total other financing sources (uses)	<u>-</u>	<u>8,900</u>	<u>-</u>	<u>(8,900)</u>
Net change in fund balances	<u>\$ 54,100</u>	<u>\$ -</u>	<u>\$ 62,310</u>	<u>\$ 62,310</u>

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Permits and fees	\$ 1,964,100	\$ 2,089,100	\$ 3,450,920	\$ 1,361,820
Net investment income	10,000	10,000	2,905	(7,095)
Other revenues	-	-	390,294	390,294
Total revenues	<u>1,974,100</u>	<u>2,099,100</u>	<u>3,844,119</u>	<u>1,745,019</u>
EXPENDITURES:				
Current:				
Community development	<u>2,018,700</u>	<u>2,393,700</u>	<u>2,306,623</u>	<u>87,077</u>
Total expenditures	<u>2,018,700</u>	<u>2,393,700</u>	<u>2,306,623</u>	<u>87,077</u>
Excess (deficiency) of revenues over expenditures	<u>(44,600)</u>	<u>\$ (294,600)</u>	<u>\$ 1,537,496</u>	<u>\$ 1,832,096</u>
OTHER FINANCING SOURCES (USES):				
Use of fund balance	<u>44,600</u>	<u>294,600</u>	<u>-</u>	<u>(294,600)</u>
Total other financing sources (uses)	<u>44,600</u>	<u>294,600</u>	<u>-</u>	<u>(294,600)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,537,496</u>	<u>\$ 1,537,496</u>

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-
	Original	Final		Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 144,579	\$ 134,579
Net investment income	100	100	411	311
Total revenues	<u>10,100</u>	<u>10,100</u>	<u>144,990</u>	<u>134,890</u>
EXPENDITURES:				
Current:				
Public safety	30,100	30,100	27,568	2,532
Capital outlay	<u>800,000</u>	<u>811,700</u>	<u>638,218</u>	<u>173,482</u>
Total expenditures	<u>830,100</u>	<u>841,800</u>	<u>665,786</u>	<u>176,014</u>
Excess (deficiency) of revenues over expenditures	<u>(820,000)</u>	<u>(831,700)</u>	<u>(520,796)</u>	<u>310,904</u>
OTHER FINANCING SOURCES (USES):				
Use of fund balance	<u>820,000</u>	<u>831,700</u>	<u>-</u>	<u>(831,700)</u>
Total other financing sources (uses)	<u>820,000</u>	<u>831,700</u>	<u>-</u>	<u>(831,700)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (520,796)</u>	<u>\$ (520,796)</u>

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES:			
Net investment income	\$ 100	\$ 42	\$ (58)
Other revenues	10,000	34,458	24,458
Total revenues	<u>10,100</u>	<u>34,500</u>	<u>24,400</u>
EXPENDITURES:			
Current:			
Public works	10,100	-	10,100
Total expenditures	<u>10,100</u>	<u>-</u>	<u>10,100</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 34,500</u>	<u>\$ 34,500</u>

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts Original & Final</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES:			
Net investment income	\$ -	\$ 8,738	\$ 8,738
Special assessments	<u>5,250,100</u>	<u>5,308,953</u>	<u>58,853</u>
Total revenues	<u>5,250,100</u>	<u>5,317,691</u>	<u>67,591</u>
EXPENDITURES:			
Debt service:			
Principal	3,110,000	3,105,000	5,000
Interest	<u>2,140,100</u>	<u>2,139,563</u>	<u>537</u>
Total expenditures	<u>5,250,100</u>	<u>5,244,563</u>	<u>5,537</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>73,128</u>	<u>73,128</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 73,128</u>	<u>\$ 73,128</u>

CITY OF WESTON, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual Amounts</u>	
REVENUES:			
Net investment income	\$ -	\$ 4,560	\$ 4,560
Special assessments	946,300	923,343	(22,957)
Total revenues	<u>946,300</u>	<u>927,903</u>	<u>(18,397)</u>
EXPENDITURES:			
Debt service:			
Principal	730,000	725,000	5,000
Interest	216,300	215,469	831
Total expenditures	<u>946,300</u>	<u>940,469</u>	<u>5,831</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(12,566)</u>	<u>(12,566)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (12,566)</u>	<u>\$ (12,566)</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL – MAJOR GOVERNMENTAL FUNDS –
 CAPITAL PROJECTS FUND (BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES:				
Net investment income	\$ 53,500	\$ 53,500	\$ 1,083	\$ (52,417)
Total revenues	53,500	53,500	1,083	(52,417)
EXPENDITURES:				
Current:				
Capital outlay	2,500,000	5,454,484	6,322,790	(868,306)
Debt service:				
Principal	1,764,800	1,764,800	1,833,175	(68,375)
Interest	254,000	254,000	255,462	(1,462)
Total expenditures	4,518,800	7,473,284	8,411,427	(938,143)
Excess (deficiency) of revenues over expenditures	(4,465,300)	(7,419,784)	(8,410,344)	(990,560)
OTHER FINANCING SOURCES (USES):				
Use of fund balance	-	2,900,984	-	(2,900,984)
Transfers in	4,518,800	4,518,800	4,518,800	-
Total other financing sources (uses)	4,518,800	7,419,784	4,518,800	(2,900,984)
Net change in fund balances	\$ 53,500	\$ -	\$ (3,891,544)	\$ (3,891,544)

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CITY OF WESTON, FLORIDA

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

	<u>Contents</u>	<u>Page</u>
Financial Trends		
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.		93-102
Revenue Capacity		
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.		103-107
Debt Capacity		
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.		108-112
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.		113-115
Operating and Other Information		
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.		116-119

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

CITY OF WESTON, FLORIDA

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
GOVERNMENTAL ACTIVITIES:				
Net investment in capital assets	\$ 145,206,178	\$ 145,362,221	\$ 144,551,678	\$ 141,207,361
Restricted	21,662,019	22,651,755	24,409,220	27,262,791
Unrestricted	<u>60,421,771</u>	<u>62,068,556</u>	<u>64,408,184</u>	<u>69,260,974</u>
Total governmental activities, net position	<u>\$ 227,289,968</u>	<u>\$ 230,082,532</u>	<u>\$ 233,369,082</u>	<u>\$ 237,731,126</u>
BUSINESS-TYPE ACTIVITIES:				
Net investment in capital assets	\$ 69,962,573	\$ 67,759,066	\$ 66,388,195	\$ 64,379,020
Restricted	-	-	-	-
Unrestricted	<u>22,711,490</u>	<u>22,693,543</u>	<u>21,527,549</u>	<u>21,034,674</u>
Total business-type activities, net position	<u>\$ 92,674,063</u>	<u>\$ 90,452,609</u>	<u>\$ 87,915,744</u>	<u>\$ 85,413,694</u>
PRIMARY GOVERNMENT:				
Net investment in capital assets	\$ 215,168,751	\$ 213,121,287	\$ 210,939,873	\$ 205,586,381
Restricted	21,662,019	22,651,755	24,409,220	27,262,791
Unrestricted	<u>83,133,261</u>	<u>84,762,099</u>	<u>85,935,733</u>	<u>90,295,648</u>
Total primary government, net position	<u>\$ 319,964,031</u>	<u>\$ 320,535,141</u>	<u>\$ 321,284,826</u>	<u>\$ 323,144,820</u>

Note: Net position was restated in 2014 and 2015 to account for prior period adjustments.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	138,689,946	\$ 149,179,975	\$ 93,465,505	\$ 88,508,796	\$ 93,013,715	\$ 98,379,808
	29,959,840	39,440,053	41,627,220	46,625,978	49,224,659	52,493,341
	<u>72,751,236</u>	<u>64,959,030</u>	<u>126,340,256</u>	<u>130,074,839</u>	<u>124,333,660</u>	<u>116,728,675</u>
\$	<u>241,401,022</u>	\$ <u>253,579,058</u>	\$ <u>261,432,981</u>	\$ <u>265,209,613</u>	\$ <u>266,572,034</u>	\$ <u>267,601,824</u>
\$	63,333,387	\$ 64,427,618	\$ 61,474,906	\$ 59,411,246	\$ 57,521,522	\$ 55,400,598
	-	-	-	-	-	-
	<u>19,097,332</u>	<u>19,012,722</u>	<u>17,920,122</u>	<u>17,793,805</u>	<u>16,977,088</u>	<u>16,219,525</u>
\$	<u>82,430,719</u>	\$ <u>83,440,340</u>	\$ <u>79,395,028</u>	\$ <u>77,205,051</u>	\$ <u>74,498,610</u>	\$ <u>71,620,123</u>
\$	202,023,333	\$ 211,607,593	\$ 154,940,411	\$ 147,920,042	\$ 150,535,237	\$ 153,780,406
	29,959,840	39,440,053	41,627,220	46,625,978	49,224,659	52,493,341
	<u>91,848,568</u>	<u>83,971,752</u>	<u>144,260,378</u>	<u>147,868,644</u>	<u>141,310,748</u>	<u>132,948,200</u>
\$	<u>323,831,741</u>	\$ <u>335,019,398</u>	\$ <u>340,828,009</u>	\$ <u>342,414,664</u>	\$ <u>341,070,644</u>	\$ <u>339,221,947</u>

CITY OF WESTON, FLORIDA

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
EXPENSES:				
Governmental activities:				
General government	\$ 14,082,852	\$ 14,436,864	\$ 14,479,978	\$ 14,720,515
Public safety	28,277,210	29,736,970	31,259,379	30,000,624
Community development	3,815,921	3,583,588	3,562,247	4,063,861
Public works	19,483,491	18,227,358	19,448,387	19,423,235
Parks and recreation	7,797,451	7,142,671	6,499,557	6,488,400
Interest on long-term debt	<u>556,824</u>	<u>550,579</u>	<u>476,920</u>	<u>474,391</u>
Total governmental activities expenses	<u>74,013,749</u>	<u>73,678,030</u>	<u>75,726,468</u>	<u>75,171,026</u>
Business-type activities:				
Water and sewer	<u>21,749,227</u>	<u>27,030,052</u>	<u>27,774,974</u>	<u>28,239,315</u>
Total business-type activities expenses	<u>21,749,227</u>	<u>27,030,052</u>	<u>27,774,974</u>	<u>28,239,315</u>
Total primary government expenses	<u>\$ 95,762,976</u>	<u>\$ 100,708,082</u>	<u>\$ 103,501,442</u>	<u>\$ 103,410,341</u>
PROGRAM REVENUES:				
Governmental activities:				
Charges for services:				
Public safety	\$ 12,885,012	\$ 13,144,579	\$ 13,751,058	\$ 13,903,705
General government	9,701,806	10,330,343	11,148,540	12,142,210
Public works	15,290,434	15,284,218	16,421,301	15,326,696
Parks and recreation	433,137	510,972	502,994	555,680
Community development	1,947,138	1,973,902	2,183,929	2,446,512
Interest on long-term debt	-	-	-	-
Operating grants and contributions:				
General government	-	-	-	-
Public safety	4,204	6,003	-	3,491
Public works	1,404,819	1,386,838	1,407,257	1,563,353
Capital grants and contributions:				
Public safety	-	-	-	-
Public works	2,079,725	88,975	594,600	-
Parks and recreation	135,611	-	168,800	64,201
Community development	-	-	-	-
Total governmental activities program revenues	<u>43,881,886</u>	<u>42,725,830</u>	<u>46,178,479</u>	<u>46,005,848</u>
Business-type activities:				
Charges for services	18,741,127	23,812,724	24,323,304	24,727,624
Capital grants and contributions	<u>913</u>	<u>18,591</u>	<u>1,637</u>	<u>19,875</u>
Total business-type activities program revenues	<u>18,742,040</u>	<u>23,831,315</u>	<u>24,324,941</u>	<u>24,747,499</u>
Total primary government program revenues	<u>\$ 62,623,926</u>	<u>\$ 66,557,145</u>	<u>\$ 70,503,420</u>	<u>\$ 70,753,347</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	15,328,415	\$ 15,453,764	\$ 8,705,627	\$ 6,515,412	\$ 7,797,748	\$ 7,939,372
	30,257,585	32,331,049	32,387,901	34,050,728	36,439,774	42,119,082
	3,979,269	4,439,038	4,589,251	3,867,527	3,826,619	3,764,668
	19,796,874	18,405,486	19,667,919	21,477,701	20,850,757	18,245,270
	6,814,089	6,842,681	7,122,360	8,742,871	8,505,171	8,924,027
	434,448	1,386,322	2,831,842	2,947,039	3,013,679	2,576,140
	<u>76,610,680</u>	<u>78,858,340</u>	<u>75,304,900</u>	<u>77,601,278</u>	<u>80,433,748</u>	<u>83,568,559</u>
	<u>30,235,566</u>	<u>31,999,842</u>	<u>33,092,855</u>	<u>34,001,728</u>	<u>36,303,192</u>	<u>36,781,178</u>
	<u>30,235,566</u>	<u>31,999,842</u>	<u>33,092,855</u>	<u>34,001,728</u>	<u>36,303,192</u>	<u>36,781,178</u>
\$	<u>106,846,246</u>	<u>110,858,182</u>	<u>108,397,755</u>	<u>111,603,006</u>	<u>116,736,940</u>	<u>120,349,737</u>
\$	14,089,809	\$ 15,229,073	\$ 11,859,925	\$ 12,459,463	\$ 13,154,487	\$ 13,254,961
	12,373,841	12,703,086	4,390,510	3,723,104	3,715,763	3,759,075
	16,687,298	15,790,123	17,374,843	16,208,344	16,174,154	17,508,127
	551,413	610,857	676,958	695,733	701,900	706,305
	2,850,164	4,166,866	4,156,502	3,952,197	4,527,971	5,121,258
	-	-	2,884,277	2,742,481	2,607,009	2,402,296
	-	-	-	-	-	-
	8,705	-	1,406,727	192,893	209,044	144,579
	2,173,686	1,555,743	1,615,458	1,588,965	1,692,930	1,705,912
	-	-	284,520	-	-	-
	-	283,686	-	-	-	-
	21,676	140,399	-	-	-	-
	-	-	-	-	-	-
	<u>48,756,592</u>	<u>50,479,833</u>	<u>44,649,720</u>	<u>41,563,180</u>	<u>42,783,258</u>	<u>44,602,513</u>
	26,852,447	28,054,542	30,622,285	31,460,835	33,299,747	33,753,182
	11,404	11,771	136,574	129,247	245,401	150,546
	<u>26,863,851</u>	<u>28,066,313</u>	<u>30,758,859</u>	<u>31,590,082</u>	<u>33,545,148</u>	<u>33,903,728</u>
\$	<u>75,620,443</u>	<u>78,546,146</u>	<u>75,408,579</u>	<u>73,153,262</u>	<u>76,328,406</u>	<u>78,506,241</u>

CITY OF WESTON, FLORIDA

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
NET (EXPENSE)/REVENUE:				
Governmental activities:	\$ (30,131,863)	\$ (30,952,200)	\$ (29,547,989)	\$ (29,165,178)
Business-type activities	<u>(3,007,187)</u>	<u>(3,198,737)</u>	<u>(3,450,033)</u>	<u>(3,491,816)</u>
Total primary government net expense	<u>\$ (33,139,050)</u>	<u>\$ (34,150,937)</u>	<u>\$ (32,998,022)</u>	<u>\$ (32,656,994)</u>
GENERAL REVENUE AND OTHER CHANGES IN NET POSITION:				
Governmental activities:				
Property taxes	\$ 11,690,337	\$ 11,951,934	\$ 12,012,358	\$ 12,182,114
Franchise taxes	4,234,529	4,594,025	4,511,449	4,543,769
Utilities taxes	9,954,522	9,660,085	9,186,690	8,843,916
Intergovernmental	3,920,277	3,884,759	4,095,602	4,475,639
Investment income (loss)	3,376,320	3,236,029	2,043,278	2,860,056
Contributions not restricted to specific programs	-	-	-	-
Miscellaneous	491,475	417,932	985,162	621,728
Gain on disposal of fixed assets	-	-	-	-
Transfers in	409,120	-	-	-
Transfers out	(107,257)	-	-	-
Special Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>33,969,323</u>	<u>33,744,764</u>	<u>32,834,539</u>	<u>33,527,222</u>
Business-type activities:				
Investment Income (loss)	905,750	799,922	481,575	592,027
Miscellaneous	180,291	177,361	431,593	397,739
Transfers out	<u>(409,120)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>676,921</u>	<u>977,283</u>	<u>913,168</u>	<u>989,766</u>
Total primary government	<u>34,646,244</u>	<u>34,722,047</u>	<u>33,747,707</u>	<u>34,516,988</u>
CHANGES IN NET POSITION:				
Governmental activities	3,837,460	2,792,564	3,286,550	4,362,044
Business-type activities	<u>(2,330,266)</u>	<u>(2,221,454)</u>	<u>(2,536,865)</u>	<u>(2,502,050)</u>
Total primary government	<u>\$ 1,507,194</u>	<u>\$ 571,110</u>	<u>\$ 749,685</u>	<u>\$ 1,859,994</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	(27,854,088)	\$ (28,378,507)	\$ (30,655,180)	\$ (36,038,098)	\$ (37,650,490)	\$ (38,966,046)
	<u>(3,371,715)</u>	<u>(3,933,529)</u>	<u>(2,333,996)</u>	<u>(2,411,646)</u>	<u>(2,758,044)</u>	<u>(2,877,450)</u>
\$	<u>(31,225,803)</u>	<u>(32,312,036)</u>	<u>(32,989,176)</u>	<u>(38,449,744)</u>	<u>(40,408,534)</u>	<u>(41,843,496)</u>
\$	12,576,540	\$ 12,899,908	\$ 16,194,863	\$ 17,149,747	\$ 18,145,610	\$ 19,173,312
	4,781,714	5,123,237	5,108,304	5,120,083	5,207,378	5,459,606
	8,655,727	8,431,980	8,367,975	7,940,594	7,939,299	7,885,691
	4,883,143	5,233,462	-	-	-	-
	<u>(1,579,817)</u>	<u>2,660,971</u>	<u>1,900,100</u>	<u>1,760,997</u>	<u>775,425</u>	<u>22,758</u>
	-	-	5,600,328	5,775,780	5,901,373	6,165,139
	2,206,677	654,299	1,396,769	2,067,529	1,043,826	1,289,330
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>31,523,984</u>	<u>35,003,857</u>	<u>38,568,339</u>	<u>39,814,730</u>	<u>39,012,911</u>	<u>39,995,836</u>
	(258,334)	423,116	288,684	221,669	51,603	(1,037)
	647,074	777,719	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>388,740</u>	<u>1,200,835</u>	<u>288,684</u>	<u>221,669</u>	<u>51,603</u>	<u>(1,037)</u>
	<u>31,912,724</u>	<u>36,204,692</u>	<u>38,857,023</u>	<u>40,036,399</u>	<u>39,064,514</u>	<u>39,994,799</u>
	3,669,896	6,625,350	7,913,159	3,776,632	1,362,421	1,029,790
	<u>(2,982,975)</u>	<u>(2,732,694)</u>	<u>(2,045,312)</u>	<u>(2,189,977)</u>	<u>(2,706,441)</u>	<u>(2,878,487)</u>
\$	<u>686,921</u>	<u>3,892,656</u>	<u>5,867,847</u>	<u>1,586,655</u>	<u>(1,344,020)</u>	<u>(1,848,697)</u>

CITY OF WESTON, FLORIDA

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund:				
Reserved	\$ 444,010	\$ 414,245	\$ -	\$ -
Unreserved	52,668,026	56,788,740	-	-
Nonspendable	-	-	119,742	430,842
Restricted	-	-	-	-
Committed	-	-	49,694,689	51,367,202
Assigned	-	-	1,198,410	1,730,813
Unassigned	-	-	9,818,155	11,987,132
Total General Fund	<u>\$ 53,112,036</u>	<u>\$ 57,202,985</u>	<u>\$ 60,830,996</u>	<u>\$ 65,515,989</u>
All other governmental funds:				
Reserved	\$ 1,834,113	\$ 2,398,627	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	22,268,087	21,285,644	-	-
Capital Project Funds	5,616,548	4,613,454	-	-
Debt Service Funds	-	-	-	-
Nonspendable	-	-	74,079	356,543
Restricted	-	-	24,350,991	29,764,862
Committed	-	-	4,673,918	4,854,924
Assigned	-	-	-	-
Unassigned (deficit)	-	-	(226,690)	(278,442)
Total all other governmental funds	<u>\$ 29,718,748</u>	<u>\$ 28,297,725</u>	<u>\$ 28,872,298</u>	<u>\$ 34,697,887</u>

Note: Information for fiscal years 2009 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications. In addition, 2014 has been restated for prior period adjustments.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
24,788	185,855	50,649	76,320	35,769	37,488
-	-	-	-	-	25,000
51,151,093	52,030,265	53,823,857	55,131,058	56,663,983	56,128,793
10,482,765	1,509,192	3,097,472	6,582,582	8,642,936	3,127,808
<u>7,389,259</u>	<u>10,989,092</u>	<u>15,157,834</u>	<u>13,326,272</u>	<u>10,247,471</u>	<u>13,196,116</u>
<u>\$ 69,047,905</u>	<u>\$ 64,714,404</u>	<u>\$ 72,129,812</u>	<u>\$ 75,116,232</u>	<u>\$ 75,590,159</u>	<u>\$ 72,515,205</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,396	86,732	18,990	82,918	11,116	2,122,543
30,621,067	40,574,144	42,029,648	46,615,297	48,393,737	51,368,649
4,655,729	6,612,443	1,233,025	5,454,666	2,976,209	2,459,959
-	-	609,400	1,012,500	2,000,000	-
<u>(154,925)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 35,135,267</u>	<u>\$ 47,273,319</u>	<u>\$ 43,891,063</u>	<u>\$ 53,165,381</u>	<u>\$ 53,381,062</u>	<u>\$ 55,951,151</u>

CITY OF WESTON, FLORIDA

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES:				
Taxes	\$ 53,420,243	\$ 53,627,280	\$ 54,956,105	\$ 54,578,503
Special Assessments	-	-	-	-
Licenses and permits	2,672,471	2,822,226	3,213,133	2,374,029
Intergovernmental	7,566,730	5,328,365	6,283,356	6,124,337
Charges for services	9,786,648	10,560,509	11,124,164	12,095,130
Fines and forfeitures	235,459	421,253	407,820	555,227
Investment Income (loss)	3,376,320	3,236,029	2,043,278	2,860,056
Developer contributions	-	57,000	-	-
Grant revenue	-	-	-	-
Miscellaneous	491,475	417,932	985,162	945,788
Total revenues	<u>77,549,346</u>	<u>76,470,594</u>	<u>79,013,018</u>	<u>79,533,070</u>
EXPENDITURES:				
Current:				
General government	13,711,292	13,883,095	13,692,445	13,881,110
Public safety	27,768,240	29,242,713	30,764,415	29,500,203
Community development	3,671,423	3,553,248	3,551,789	4,059,861
Public works	14,182,391	14,120,717	15,333,068	15,052,335
Parks and recreation	6,374,698	5,930,723	5,306,959	5,314,952
Capital outlay	7,679,062	4,320,526	3,414,027	1,848,256
Debt service:				
Principal	3,678,085	2,170,522	2,241,545	1,895,912
Interest	654,779	579,124	506,186	469,859
Total expenditures	<u>77,719,970</u>	<u>73,800,668</u>	<u>74,810,434</u>	<u>72,022,488</u>
Excess of revenues over expenditures	<u>(170,624)</u>	<u>2,669,926</u>	<u>4,202,584</u>	<u>7,510,582</u>
OTHER FINANCING SOURCES (USES):				
Bonds/notes issued	-	-	-	3,000,000
Transfers in	746,348	149,527	-	-
Transfers out	(444,485)	(149,527)	-	-
Proceed from sales of capital assets	-	-	-	-
Repayment of Federal Funds	-	-	-	-
Total other financing sources	<u>301,863</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>
Net change in fund balances	<u>\$ 131,239</u>	<u>\$ 2,669,926</u>	<u>\$ 4,202,584</u>	<u>\$ 10,510,582</u>
 Debt service as a percentage of noncapital expenditures	 6.19%	 3.96%	 3.85%	 3.37%

Note: It was recommended that we separate the Special Assessments Revenue from the Taxes Revenue in 2015 and going forward.

	2013	2014	2015	2016	2017	2018
\$	55,891,712	\$ 57,403,734	\$ 29,671,142	\$ 30,210,424	\$ 31,292,287	\$ 32,518,609
	-	-	36,713,032	37,256,127	37,934,726	39,383,684
	2,704,681	4,043,669	4,156,502	3,952,197	4,527,971	5,121,258
	7,104,593	7,238,930	7,215,786	7,364,745	7,594,303	7,871,051
	13,139,980	12,642,730	1,949,189	1,627,277	1,754,820	1,769,712
	495,050	554,314	998,364	653,614	527,811	451,947
	(1,579,817)	2,660,972	1,900,100	1,760,997	775,425	22,758
	-	-	-	-	-	-
	-	-	1,477,424	-	-	-
	2,524,377	939,341	2,526,520	2,067,529	1,043,826	1,289,330
	<u>80,280,576</u>	<u>85,483,690</u>	<u>86,608,059</u>	<u>84,892,910</u>	<u>85,451,169</u>	<u>88,428,349</u>
	14,494,868	15,458,074	7,016,259	5,603,091	5,496,951	5,936,759
	29,751,058	31,821,657	31,343,493	32,954,393	34,880,602	40,935,612
	3,975,269	4,435,038	4,585,918	3,864,028	3,826,619	3,764,668
	15,467,250	13,459,368	15,840,604	17,460,093	17,786,604	15,243,083
	5,672,729	5,694,169	5,851,839	7,409,180	7,179,855	7,523,888
	4,700,945	9,341,368	15,837,252	2,988,959	5,826,381	6,405,579
	1,791,261	9,923,832	5,438,382	5,630,626	6,435,687	6,457,790
	457,900	329,969	3,046,161	2,946,802	2,917,500	2,665,835
	<u>76,311,280</u>	<u>90,463,475</u>	<u>88,959,908</u>	<u>78,857,172</u>	<u>84,350,199</u>	<u>88,933,214</u>
	3,969,296	(4,979,785)	(2,351,849)	6,035,738	1,100,970	(504,865)
	-	7,450,000	6,385,000	6,225,000	-	-
	-	9,356,330	1,573,000	2,422,600	4,175,600	4,518,800
	-	(9,356,330)	(1,573,000)	(2,422,600)	(4,175,600)	(4,518,800)
	-	-	-	-	-	-
					(411,362)	-
	<u>-</u>	<u>7,450,000</u>	<u>6,385,000</u>	<u>6,225,000</u>	<u>(411,362)</u>	<u>-</u>
\$	<u>3,969,296</u>	<u>2,470,215</u>	<u>4,033,151</u>	<u>12,260,738</u>	<u>689,608</u>	<u>(504,865)</u>
	3.14%	12.64%	11.60%	11.31%	11.75%	10.98%

CITY OF WESTON, FLORIDA

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

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other¹</u>	<u>Less: Tax-Exemptions</u>	<u>Total Taxable Assessed Value</u>
2009	\$ 7,614,491,080	\$ 739,195,620	\$ 284,938,620	\$ 508,674,880	\$ 1,307,878,750	\$ 7,839,421,450
2010	6,631,906,250	769,372,880	299,028,020	535,850,260	1,329,626,330	6,906,531,080
2011	5,957,509,640	701,624,650	266,723,910	528,046,740	1,309,811,320	6,144,093,620
2012	6,072,523,670	640,260,760	253,136,080	537,256,420	1,299,798,940	6,203,377,990
2013	6,232,539,600	621,642,020	254,413,020	541,165,180	1,288,779,930	6,360,979,890
2014	6,396,736,340	605,269,150	258,913,240	561,875,970	1,266,330,560	6,556,464,140
2015	6,734,658,950	621,904,640	277,767,330	561,136,830	1,275,172,520	6,920,295,230
2016	7,103,673,960	638,841,010	273,698,460	591,829,790	1,307,967,130	7,300,076,090
2017	7,430,833,730	719,663,720	285,644,040	602,071,020	1,319,287,010	7,718,925,500
2018	7,783,619,000	814,029,810	303,529,380	608,991,070	1,334,327,260	8,175,842,000

Source: Broward County Property Appraiser.

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

<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Assessed Value as a % of Actual Taxable Value</u>
1.5235	\$ 7,988,137,043	98.14%
1.7670	6,976,317,207	99.00%
2.0000	6,212,789,585	98.89%
2.0000	6,289,202,350	98.64%
2.0000	6,463,574,357	98.41%
2.0000	6,661,485,397	98.42%
2.3900	7,026,703,993	98.49%
2.3900	7,437,993,866	98.15%
2.3900	7,860,167,040	98.20%
2.3900	8,309,228,070	98.39%

CITY OF WESTON, FLORIDA

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

Fiscal Year	City Operating Millage	City Debt Service Millage	Total City Millage	Overlapping County District Rates						
				Broward County	Broward School District	South Florida	Florida	Children's Services Council	Hospital District (either or)	
						Water Management District	Inland Navigation District		North Broward Hospital District	South Broward Hospital District
2009	1.5235	-	1.5235	5.3145	7.4170	0.6240	0.0345	0.3754	1.7059	1.1913
2010	1.7670	-	1.7670	5.3889	7.4310	0.6240	0.0345	0.4243	1.7059	1.2732
2011	2.0000	-	2.0000	5.5530	7.6310	0.6240	0.0345	0.4696	1.8750	1.2732
2012	2.0000	-	2.0000	5.5530	7.4180	0.4363	0.0345	0.4789	1.8750	0.7500
2013	2.0000	-	2.0000	5.5530	7.4560	0.4289	0.0345	0.4902	1.8564	0.6000
2014	2.0000	-	2.0000	5.7230	7.4800	0.4110	0.0345	0.4882	1.7554	0.4000
2015	2.3900	-	2.3900	5.7230	7.4380	0.3842	0.0345	0.4882	1.5939	0.1863
2016	2.3900	-	2.3900	5.7230	7.2740	0.3551	0.0320	0.4882	1.4425	0.1737
2017	2.3900	-	2.3900	5.6690	6.9063	0.3307	0.0320	0.4882	1.3462	0.1615
2018	2.3900	-	2.3900	5.6690	6.5394	0.3100	0.0320	0.4882	1.2483	0.1496

Source: Broward County Property Appraiser

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

CITY OF WESTON, FLORIDA

TABLE 7
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND TEN YEARS AGO
SEPTEMBER 30, 2018

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Teachers Insurance and Annuity	\$ 56,284,270	1	0.67%	\$		
Weston Apartments Corp.	54,591,300	2	0.65%	39,473,600	6	0.57%
TREA Weston, LLC	43,868,550	3	0.52%	46,329,250	5	0.67%
GK Weston Corporate Center	42,648,800	4	0.51%			
Fairlake at Weston, LP	42,316,670	5	0.51%	29,924,730	10	0.43%
Cocowalk Development Inc.	39,046,560	6	0.47%	81,667,700	1	1.18%
El-Ad San Michele LLC	38,508,000	7	0.46%	-	-	-
Liberty Property LP	37,779,480	8	0.45%	-	-	-
St. Andrews at Weston LTD	25,008,730	9	0.30%	-	-	-
Clover Weston LLC	23,006,740	10	0.28%			
Bonaventure Hotel Association, Ltd.	-	-	-	53,853,880	2	0.78%
Meridian Business Campus	-	-	-	51,638,580	3	0.75%
San Michelle, LLC	-	-	-	47,362,810	4	0.69%
Weston Town Center, LLC	-	-	-	39,366,390	7	0.57%
Estate of Swan Lake Corp.	-	-	-	38,588,970	8	0.56%
Westview Resorts Corp.	-	-	-	36,101,320	9	0.52%
Total	\$ 403,059,100		4.82%	\$ 464,307,230		6.72%

Source: Broward County Property Appraiser

CITY OF WESTON, FLORIDA

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

Fiscal Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 49,893,982	\$ 49,094,027	98.40%	-	\$ 49,094,027	98.40%
2010	49,943,620	48,353,004	96.82%	-	48,353,004	96.82%
2011	50,547,590	47,450,130	93.87%	-	47,450,130	93.87%
2012	40,129,000	40,077,789	99.87%	-	40,077,789	99.87%
2013	50,128,740	46,870,951	93.50%	-	46,870,951	93.50%
2014	51,530,436	49,367,106	95.80%	-	49,367,106	95.80%
2015	53,014,999	52,864,584	99.72%	-	52,864,584	99.72%
2016	57,388,512	54,364,816	94.73%	-	54,364,816	94.73%
2017	58,941,657	56,043,593	95.08%	-	56,043,593	95.08%
2018	61,756,974	59,285,311	96.00%	-	59,285,311	96.00%

Source: City of Weston budget documents and CAFRs.

Note: Taxes levied column is exclusive of discounts. Amount column is inclusive of discounts.

CITY OF WESTON, FLORIDA

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Community Facilities Construction Notes	Series 1997 ITDD, Series 2003 Isles at Weston, & Series 2005 ITDD ¹		Series 2002 BDD ¹			
2009	\$ 17,040,669	\$ -	\$ -	\$ -	\$ 17,040,669	0.65%	\$ 276
2010	14,870,147	-	-	-	14,870,147	0.61%	240
2011	12,628,602	-	-	-	12,628,602	0.48%	194
2012	13,732,690	-	-	-	13,732,690	0.50%	210
2013	11,941,429	-	-	-	11,941,429	0.45%	182
2014	9,467,597	50,670,000		6,615,000	66,752,597	2.50%	1,016
2015	13,804,215	47,945,000		5,950,000	67,699,215	2.55%	1,030
2016	17,913,589	45,115,000		5,265,000	68,293,589	2.54%	1,027
2017	15,132,902	42,155,000		4,570,000	61,857,902	2.33%	929
2018	12,505,112	39,050,000		3,845,000	55,400,112	1.96%	827

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements and on Table 14.

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

CITY OF WESTON, FLORIDA

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

The City currently has no general obligation debt.

CITY OF WESTON, FLORIDA

**TABLE 11
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITY DEBT
SEPTEMBER 30, 2018**

Government Unit	Net Debt Outstanding	Percentage Applicable to Weston ⁽¹⁾	Amount Applicable to Weston
Broward County	\$ 207,550,000	4.72%	\$ 9,806,365
Broward County School Board	1,807,155,000	4.34%	78,457,898
Subtotal, overlapping debt			88,264,263
The City of Weston, direct debt			55,400,112
Total direct and overlapping debt ⁽²⁾			\$ 143,664,375

Source: Broward County 2017 CAFR, Broward County School Board 2017 CAFR, and Broward County Property Appraiser

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

(2) Includes all governmental activities debt.

CITY OF WESTON, FLORIDA

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

The City Charter does not set a debt margin.

CITY OF WESTON, FLORIDA

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

Fiscal Year	Community Facilities Construction Notes						Debt Service		Coverage
	Franchise Fees - Electricity	Simplified Communication Tax	Non-ad Valorem Assessments	6c Local Option Gas Taxes	Business Tax Revenue	Utility Tax Fee - Electric	Principal	Interest	
2009	\$ 1,383,370	\$ 1,347,800	\$ 10,721,745	\$ -	\$ -	\$ -	\$ 2,269,787	\$ 463,156	4.92
2010	-	1,350,903	10,217,512	-	-	-	897,006	453,708	8.56
2011	-	1,350,900	10,697,026	-	-	-	931,130	419,585	8.92
2012	-	1,350,900	10,407,320	-	-	-	965,463	385,252	8.71
2013	-	1,351,000	10,623,940	647,930	-	-	997,696	353,018	9.35
2014	4,006,946	-	11,476,161	658,377	992,395	-	9,107,186	248,168	1.83
2015	4,006,341	-	11,859,925	681,984	1,008,525	-	1,139,398	154,710	13.57
2016	3,838,753	2,668,130	12,459,463	647,589	1,111,450	5,040,267	1,354,773	178,108	16.81
2017	3,888,555	2,559,040	13,154,487	709,077	1,089,712	5,131,272	2,003,168	305,144	11.49
2018	3,845,196	2,535,774	13,254,961	710,781	1,268,736	5,273,918	1,833,175	255,462	12.87

Fiscal Year	Bond Payable								
	Series 2002 BDD Debt Service			Series 1997, Series 2003 Isles at Weston, Series 2005 ITDD Debt Service					
	Special Assessments	Principal	Interest	Coverage	Special Assessments	Principal	Interest	Coverage	
2014	\$ 1,158,357	\$ 580,000	\$ 342,364	1.26	\$ 5,352,629	\$ 2,610,000	\$ 2,596,250	1.03	
2015	996,772	665,000	314,381	1.02	5,277,505	2,725,000	2,499,775	1.01	
2016	983,707	685,000	283,191	1.02	5,273,774	2,830,000	2,396,401	1.01	
2017	974,957	695,000	251,120	1.03	5,287,052	2,960,000	2,288,800	1.01	
2018	923,343	725,000	215,469	0.98	5,308,953	3,105,000	2,139,563	1.01	

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

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CITY OF WESTON, FLORIDA

**TABLE 14
STATISTICS
DEMOGRAPHICS AND ECONOMICS
SEPTEMBER 30, 2018**

Calendar Year	Estimated Population	Estimated Personal Income (Thousands of Dollars)	Per Capita Personal Income	Median Household Income	Median Age	High School or Higher	Bachelor's Degree or Higher	Median Home Value	Unemployment Rate
2009	61,697	2,607,192	42,258	95,454	35.9	95.8	58.2	494,100	7.1%
2010	61,840	2,448,369	39,592	95,454	35.9	95.8	58.2	494,100	7.9%
2011	65,237	2,637,662	40,432	93,553	35.3	95.9	58.5	451,600	6.9%
2012	65,448	2,744,955	41,941	94,084	37.5	96.1	58.1	421,300	5.9%
2013	65,677	2,671,412	40,675	93,886	38.0	96.3	57.8	390,700	4.9%
2014	65,672	2,669,829	40,654	93,074	37.9	96.6	58.5	375,100	4.2%
2015	65,734	2,659,072	40,452	91,613	38.8	97.0	57.9	382,900	4.0%
2016	66,526	2,686,919	40,389	93,814	38.8	97.2	59.1	399,000	3.8%
2017	66,603	2,653,730	39,844	93,883	39.3	96.7	58.7	414,000	2.9%
2018	66,972	2,821,396	42,128	96,173	40.2	96.7	60.0	442,600	2.7%

Sources:

City population data from University of Florida, Bureau of Economic and Business Research; Per Capita Income data from the U.S. Department of Commerce, Bureau of Economic Analysis for Broward County; Unemployment data from U.S. Department of Labor, Bureau of Labor Statistics for the City of Weston.

CITY OF WESTON, FLORIDA

**TABLE 15
PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO
SEPTEMBER 30, 2018**

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

CITY OF WESTON, FLORIDA

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

	<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>
City Commission	5	5	5	5	5	5	5	5	5	5
City Management	9	9	9	9	9	9	9	10	10	10
Contracted employees:										
General government:										
Administrative services	6	5.5	5.5	6	10	10	10	11	11	12
Finance services	3	3	3	3	4	4	4	4	4	4
Community services*	25.5	29	29	25.5	23	23	23	27	27	30
Information technology services	5	5	5	7	7	7	7	7	7	6
Fire rescue and inspection	65	65	65	66	67	67	67	67	67	67
Emergency medical services	54	54	54	54	54	54	54	54	54	54
Police protection	<u>103</u>	<u>103</u>	<u>103</u>	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>	<u>103</u>	<u>112</u>
Total	<u>275.5</u>	<u>278.5</u>	<u>278.5</u>	<u>276.5</u>	<u>280</u>	<u>280</u>	<u>280</u>	<u>286</u>	<u>288</u>	<u>300</u>

Source: City of Weston Finance Department and Communications Department.

*Community services includes public works and parks and recreation.

CITY OF WESTON, FLORIDA

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government:					
Building permits issued	2,352	2,697	2,631	2,451	2,662
Building inspections conducted	2,846	7,571	11,249	10,576	11,810
Business tax receipts	5,319	3,368	4,547	3,826	3,249
Fire:					
Emergency responses	4,492	4,278	4,276	4,149	4,000
Inspections	3,999	3,070	3,525	3,784	3,115
Police:					
Physical arrests ¹	887	560	492	562	411
Parking violations	565	717	560	436	410
Traffic violations ¹	5,971	6,888	4,383	7,204	8,778
Refuse collection:					
Refuse collected (tons per year)	24,061	23,519	27,998	31,870	32,147
Recyclables collected (tons per year)	3,997	3,605	3,582	3,795	3,324
Parks and recreation:					
Athletic programs	11	11	12	11	11
Sports alliance registrants	7,500	6,600	6,596	6,165	6,463
Community center admissions (program participants)	1,098	1,056	1,021	1,163	1,452
Water:					
New connections	3	4	3	1	-
Water main breaks	1	-	1	-	-
Average daily consumption (thousands of gallons)	8,051	7,671	7,908	7,311	7,499
Peak monthly consumption (thousands of gallons) ²	287,141	261,627	271,531	272,832	273,177
Wastewater:					
Average daily sewage treatment (thousands of gallons) ³	6,843	6,398	6,490	6,145	6,310

Source: City of Weston Public Works, Recreational Department, Information Technologies Department, and the City of Sunrise

Note:

- 1 The format of collecting data has changed from 2008 to 2009.
- 2 Based on billed consumption generated through the City's utility billing system.
- 3 Based on metered water service along with the residential consumption caps that are in place.

2014	2015	2016	2017	2018
2,378	2,506	2,509	3,138	5,076
11,943	13,495	12,139	12,897	14,957
3,153	3,264	3,124	3,262	3,209
4,300	4,343	3,882	4,292	4,247
3,182	2,247	2,246	3,011	2,122
479	410	380	501	604
331	432	487	493	475
6,963	6,148	7,994	10,570	13,071
36,451	35,427	19,976	20,449	20,143
4,335	4,641	4,470	4,545	4,560
12	11	14	15	17
6,428	6,869	7,961	8,817	8,224
1,063	1,152	1,032	892	785
8	6	3	5	3
-	-	-	-	2
7,436	7,091	7,412	7,579	7,151
248,579	271,705	257,112	284,167	252,274
6,277	6,476	6,220	6,308	6,044

CITY OF WESTON, FLORIDA

TABLE 18
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013
Fire:					
Stations	3	3	3	3	3
Rescue units	4	4	4	4	4
Rescue/Suppression units	4	4	4	4	4
Fire rescue personnel (full time equivalent)	119	119	119	120	121
Police:					
Stations	1	1	1	1	1
Patrol units	64	64	85	74	74
Sworn personnel	*	*	73	74	74
Refuse collection:					
Collection trucks	7	7	7	7	7
Other public works:					
Streets (miles) ¹	41	49	49	49	49
Bike lanes (miles) ¹	46	45	45	45	45
Highways (miles) ¹	42	34	34	34	34
Streetlights ^{2,3,5}	1,252	1,283	1,283	1,344	1,406
Traffic signals	156	156	156	156	156
Parks and recreation:					
Acreage	245	245	245	245	245
Playgrounds	11	11	11	11	11
Basball/softball diamonds	21	21	21	21	21
Soccer/football fields	18	18	18	18	18
Basketball courts	9	9	9	9	9
Roller Hockey rinks	8	8	8	8	8
Turf Soccer rinks	-	-	-	-	-
Tennis courts	18	18	18	18	18
Skate parks	1	1	1	1	1
Amphitheater	1	1	1	1	1
Outdoor concert stage	1	1	1	1	1
Community centers	1	1	1	1	1
Water:					
Water mains (miles) ^{1,4}	205	210	210	210	212
Fire hydrants ^{1,4}	1,518	1,936	1,936	1,789	1,789
Storage capacity (mgd)	23.8	23.8	23.8	23.8	23.8
Lakes and canals (acres) ¹	1,877	2,140	2,140	2,140	2,140
Wastewater:					
Sanitary sewers (miles) ¹	127	182	182	182	182
Storm sewers (miles)	30	30	30	30	30
Treatment capacity (million gallons per day)	30.45	30.45	30.45	30.45	30.45

Source: City of Weston Public Works, Recreational Department, Information Technologies Department, and the City of Sunrise

Note:

- * Data not available.
- 1 GIS updated to reflect current numbers in 2010.
- 2 GIS updated to reflect current numbers in 2009.
- 3 The City added 31 street lights along Manatee Isles Drive in 2010.
- 4 Fire hydrants and water mains only account for ITDD infrastructure
- 5 Owned and maintained by City of Weston

2014	2015	2016	2017	2018
3	3	3	3	3
4	4	4	4	4
4	4	4	4	4
121	121	121	121	121
1	1	1	1	1
74	74	76	76	85
78	78	80	81	93
7	7	10	10	15
53	53	51	51	51
45	45	46	46	46
34	34	32	32	32
1,390	1,390	1,379	1,384	1,389
156	156	156	156	156
245	245	245	245	245
11	11	11	11	11
21	21	21	21	20
18	18	18	18	19
9	9	9	9	9
8	4	4	4	4
-	4	4	4	4
18	18	18	18	18
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
212	212	214	214	214
1,789	1,789	1,791	1,791	1,791
23.8	23.8	23.8	23.8	23.8
2,140	2,140	2,152	2,152	2,177
196	196	198	198	198
30	30	31	31	30
30.45	30.99	30.99	30.99	30.99

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CITY OF WESTON, FLORIDA

COMPLIANCE SECTION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weston, Florida (the "City") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 22, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated April 22, 2019.

The City's responses to the findings identified in our audit are described in the accompanying Management Letter. We did not audit the City's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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



April 22, 2019



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

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

We have examined the City of Weston, Florida's ("City") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the City 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 City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

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

Grau & Associates

April 22, 2019



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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the City of Weston, Florida (the "City") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 22, 2019.

Auditor's Responsibility

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

Other 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 Accountant's 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 April 22, 2019, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

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

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

April 22, 2019

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2018- 01 Permit, Development Fees and Related Revenues and Deposits Procedures

Observation: During the performance of audit procedures, we noted certain areas relating to permits, development fees, and related deposits that needs improvement. The following conditions were identified:

- Reconciliation procedures and documentary evidence for various deposits collected for permits and other cost recovery items needs to be improved. Detailed deposits schedules were not reconciled to recorded amounts.
- Deposits schedule provided include approximately \$165,000 of aged deposits for which adequate documentation relating to the customer and status of amounts could not be readily ascertained. The City is in the process of reconciling balances, closing out certain projects, and refunding remaining deposits to customer where applicable.
- For one of the permits selected, permit application and related documentation could not be located.

Recommendation: The City should implement additional procedures to improve reconciliation of various revenues and deposit amounts. Furthermore, amounts held on deposits should be reviewed regularly and adequate documentation maintained to ensure that amounts that may be refundable to customers are returned in a timely manner.

Management Response: The City currently has a regular cost recovery deposit and bond deposit reconciliation process to ensure that current deposits are adequately documented and reconciled. In Fiscal Year 2018 as a result of Management Comment 2017-01, the City began an aged deposit research project. Over the past year, the City has diligently researched deposits older than ten years. Over 50 deposit accounts older than ten years have been researched and closed. Approximately 20 deposits accounts older than ten years remain and are under review. The City anticipates completion of its aged deposit research project by then end of the 2019 calendar year.

2018- 02 Capital Outlay and Capital Assets Reconciliation Procedures

Observation: Capital outlay and capital asset schedules provided for the audit were not adequately reconciled and had to be corrected during the audit.

Recommendation: The City should implement additional procedures to improve reconciliation of various capital outlay accounts and capital assets schedules. We recommend that capital outlay amount be periodically reconciled during the fiscal year to enable more accurate and timely reconciliation during year-end closing procedures.

Management Response: The City will consider a periodic reconciliation of capital outlay and capital assets during the fiscal year to help streamline the audit and fiscal year end process.

REPORT TO MANAGEMENT (Continued)

II. PRIOR YEAR FINDINGS AND CURRENT YEAR STATUS AND RECOMMENDATIONS

2017- 01 Purchasing and Disbursement Policies And Processes

Current Status: Recommendation has been implemented.

2017- 02 Permit, Development Fees and Related Revenues and Deposits Procedures

Current Status: See finding 2018-01 above.

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2017, except as noted above.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2018, except as noted above.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2018.

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

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

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2018. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.





THE CITY OF WESTON

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Weston, FL 33326
www.WestonFL.org

The Nation's Premier Municipal CorporationSM