

THE CITY OF **WESTON** *taking flight* FLORIDA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2003



CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2003

Prepared by:
Treasury Services Department

CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2003

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April 9, 2004

Eric M. Hersh
Mayor

Robin Bartleman
Commissioner

Barbara Herrera - Hill
Commissioner

Daniel J. Stermer
Commissioner

Murray Chermak
Commissioner

John R. Flint
City Manager

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

The Comprehensive Annual Financial Report of the City of Weston, Florida (the City) for the fiscal year ended September 30, 2003, 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 one year 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 audited in accordance with the generally accepted auditing standards. New to this Report is the implementation of the financial reporting requirements of the Governmental Accounting Standards Board (GASB) Statement Number 34.

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. Because 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 Grant Thornton LLP, a firm of licensed certified public accountants. 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, 2003, are free of material misstatement. 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 unqualified opinion that the City's financial statements for the Fiscal Year ended September 30, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component section of this report.

GAAP require 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's MD&A can be found immediately following the report of the independent auditors.

City Profile and Governmental Structure

The City of Weston, incorporated in 1996, is located in the southeastern part of the State of Florida, considered to have one of the largest master planned communities in the Country. The City has a land area of 25.5 square miles and population estimated at 59,314. The City 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. The City Commission is responsible for, among other things, passing 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; however, are elected at large. The Mayor is elected to a four-year term, and is elected at large. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, preparing the City budget, for overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

The City provides a full range of services to its residents and businesses through public and private sector contracts. Contracted services include police through the Broward Sheriff's Office Department of Law Enforcement; fire and emergency medical services (EMS) through the Broward Sheriff's Office Department of Fire Rescue and Emergency Services; building code services through Broward County Building Code Services Division, solid waste and recycling collection through Browning Ferris Industries; planning, zoning and engineering through Calvin, Giordano and Associates, Inc.; finance and administration, parks and recreation, public works, and utilities through Severn Trent Services.

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

The annual budget serves as the foundation of the City's financial planning and control. The City adopts an operating budget on generally accepted accounting principles basis for the general fund and special revenue funds except for the Town Foundation. All departments responsible for City and component unit operations are required to submit their requests for appropriations to the Budget Director for inclusion in the draft Budget by the end of April. The City Manager assisted by the Budget Director and the Finance Director uses these requests as the starting point for developing a proposed budget. The Manager then presents the tentative or proposed budget to the City Commission and the public at two public hearings. Prior to October 1 of every year, the City's annual budget is adopted through the passage of an ordinance at the second public hearing. The level of budgetary control at which expenditures may not exceed the budget is the government level. Any transfers within the funds of the City and the funds of its component units are permissible as long as the total level of expenditures does not exceed the budgeted amount. Appropriations generally lapse at year end. 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 56 - 57 as part of the required supplementary information. For nonmajor special revenue funds with appropriated annual budgets, this comparison is presented in the combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds of this report, which starts on page 63.

Factors Affecting Financial Condition

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

Local economy. Since its inception as a municipality in 1996, the City has experienced a rapid ascension into the ranks of premier communities in Southeast Florida. Fuelled by the growth of its high-quality residential and commercial development, benefiting from its well-thought-out, modern and efficient infrastructure, strategic location, easy access to major communication and transportation lines, excellent schools and recreational opportunities, effective crime fighting and prevention, and vibrant, creative and enterprising resident community, Weston has prospered and grew to reach a near maturity during one of the best economic expansions on record.

As the national economy struggled in the last two years, the region encompassing Miami-Dade and Broward counties has experienced recessionary effects that were generally less severe than the national average. Weston, on the other hand, experienced virtually no negative effects, fuelled largely by the very strong primary and secondary real estate market and the propensity of its businesses to represent a stronger and more resilient firms that not only weathered the recession but also prospered in it. Additionally, the combination of high-value and high-skill services such as investments, banking, financial services, medical care and technology, real estate, international trade and education, among others has given the City's economy a high degree of flexibility. Additionally, because of the industries, corporations and residents of the City, the linkages of the City's economy are tied to a diversified mechanism comprised of regional, state, national, hemisphere and global trends, providing a high degree of diversification and thus mitigating short-term risks.

During the gradual return to growth in the national economy, the City remained well positioned to continue to enjoy a favorable economic environment. In its residential component, only one major project remained unfinished with approximately five hundred homes to be constructed in the next two years. Likewise, in the City's non-residential components it is anticipated that major development and building activities will continue for another two years, with subsequent activity generated but limited infill and redevelopment. The residents of Weston benefit from a varied array of businesses located within its boundaries. Major national and international corporations with divisions within the City's boundaries include Vacation Village, Andrx Pharmaceuticals, American Express, Office Depot, Marriott International, Inc., Levi Strauss and Company, Best Buy, Inc. and the Sun-Sentinel. At the end of Fiscal Year 2003, the City's computerized occupational license system listed 1,455 licensed businesses.

Long-term financial planning. To continue its park and recreational infrastructure, the City will commence the construction of Vista Park located at the southwest quadrant of the City. The project is valued at a total of approximately \$6 million and once completed will provide a 40-acre facility with 4 soccer/football fields, 4 baseball/softball fields, a tot lot, two concession/restroom buildings a maintenance compound and parking lot for 500 vehicles. It is anticipated that the addition of the Vista Park facility will increase the operating budget by approximately \$300,000 per annum. The Vista Park along with some other previously constructed City projects are financed with short-term notes that mature in Fiscal Year 2008 and 2009 and cost the City nearly \$2.75 million in annual debt service that is financed with the proceeds of the Franchise Fees and supplemented with the proceeds of the Electric Utility Taxes.

As the City reaches its build out and completes all major primary infrastructure projects, its focus will shift from construction to maintenance and enhancement. To that effect, the City has adopted the 2010 Strategic Value Plan and 2010 Business Plan to provide both the strategic vision as well as financial projections for the future. Major planned projects include traffic signals financed primarily by developer contributions and Local Option Gas taxes, roadway asphalt overlays funded with Local Option Gas taxes, landscaping, irrigation and signage rehabilitation in the Indian Trace Development District (a blended component unit of the City) financed by special assessments and completion of the comprehensive Bonaventure Master Plan improvements financed with bonds issued in Fiscal Year 2002 and paid for by the special assessments levied on properties within the Bonaventure Development District (a blended component unit of the City). It is projected that with the exception of the Vista Park project and the Bonaventure Master Plan improvements as mentioned above, no other projects will result in any measurable additional operating costs. Also with the exception of the Vista Park and Bonaventure Master Plan, the City plans to conduct all of its improvements outlined above using only fund balances and current resources.

Cash management policies and practices. The City's investment policy is designed to effectively and prudently manage the investment of all City funds while ensuring the preservation of capital, maintaining sufficient liquidity and maximizing investment earnings on the portfolio. Accordingly, deposits are invested in obligations of the U.S. Government or obligations which are unconditionally guaranteed by the U.S. Government, certificates of

deposit and savings accounts insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized pursuant to the Florida Statutes.

Cash temporarily idle during the year was invested in overnight repurchase agreements, money market funds, time deposits, Florida Local Government Surplus Trust Pool, and U.S. Government Agency Securities. The maturities of the investments varied between overnight to seven years but averaged under one year reflecting the need for liquidity combined with the unwillingness to invest for longer terms in a market of record-low yields and the possibility of interest rate increase. In the General Fund, the investment results reached \$1,172,215 which represent an average return of approx. 4.12%.

Risk management. The City also maintains a comprehensive package of insurance coverage to limit exposure to various risks of loss related to general liability, property and casualty, commission errors and omissions, workers' compensation and unemployment compensation claims. All property is fully insured against fire, theft and natural disaster.

All coverages are underwritten by a nationally recognized commercial carrier. The City has in place formal programs for safety and a drug free work place which allows it to take advantage of preferred premium rates.

Pension and other postemployment benefits. The City provides its three employees with pension that are provided through the International City Management Association Retirement Corporation. The City has no obligation in connection with employee pension benefits offered through this plan beyond its contractual payment of contributions.

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, 2002. This is the fifth consecutive year that the City of Weston has received this award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy 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 its annual budget for the Fiscal Year 2003. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as policy document, a financial plan, and operations guide and a communications device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the many contract professionals of the City of Weston.

We would like to express our appreciation to all those who assisted and contributed to the preparation of this report. Credit is also given to the Mayor and the Commissioners for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John R. Flint', with a stylized, sweeping flourish at the end.

John R. Flint
City Manager

A handwritten signature in blue ink, reading 'James P. Ward.', with a cursive style and a period at the end.

James P. Ward
Assistant City Manager
Director of Treasury Services

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, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Edward Handberg".

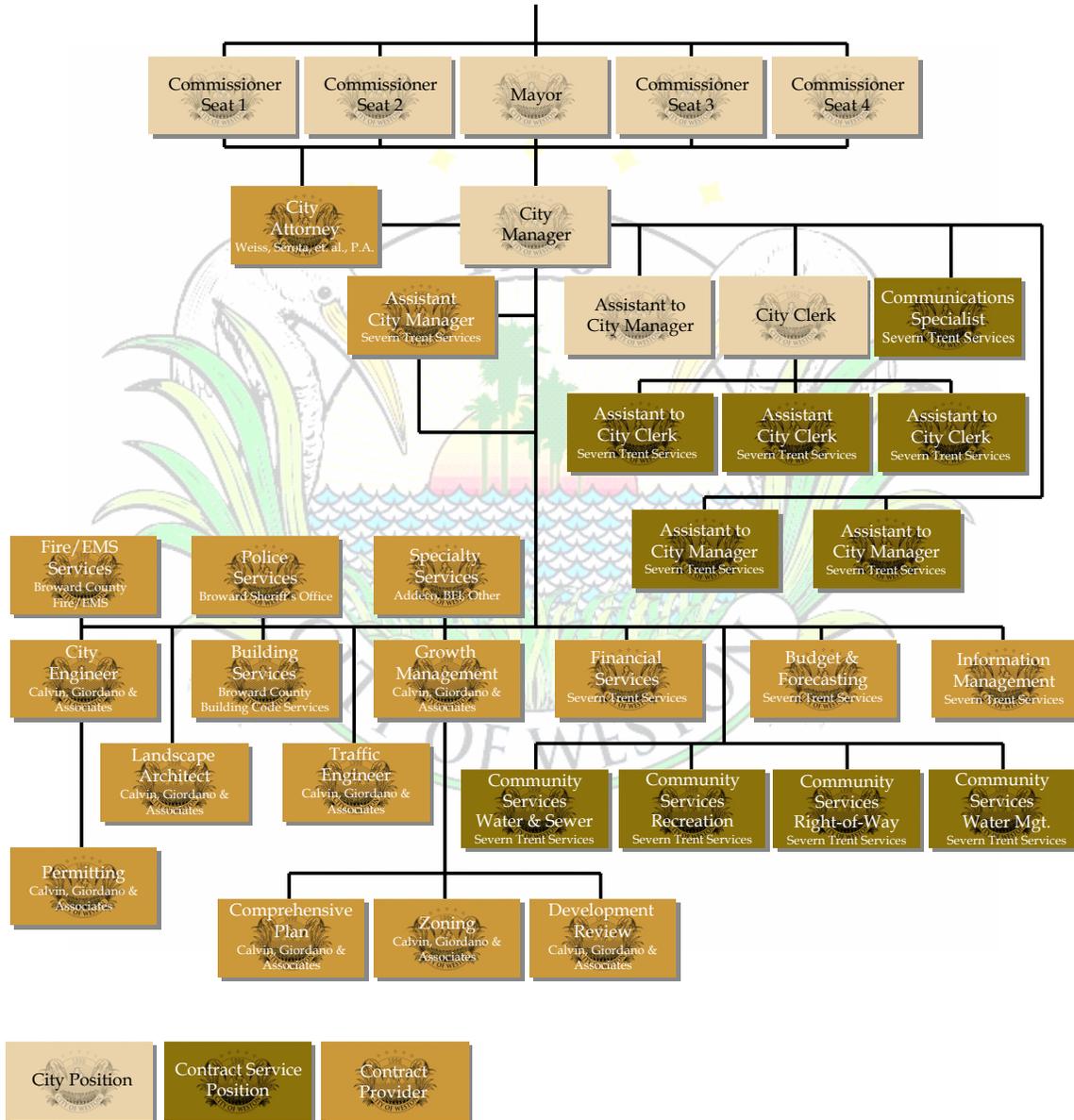
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Organizational Chart

Residents of Weston



City Position designates personnel employed directly by the City.

Contract Service Position designates personnel who work exclusively for the City but are employed by Contract Service Providers.

Contract Provider designates services supplied by public and private entities engaged by the City under contracts to provide those services.

CITY OF WESTON, FLORIDA

CITY OFFICIALS

September 30, 2003

CITY COMMISSION

Eric M. Hersh, Mayor
Robin Bartleman, Commissioner
Barbara Herrera-Hill, Commissioner
Daniel J. Stermer, Commissioner
Murray Chermak, Commissioner

CITY MANAGER

John R. Flint

CITY CLERK

Patricia A. Bates

CITY ATTORNEY

Jamie A. Cole - Weiss Serota Helfman Pastoriza Guedes Cole & Boniske, P.A.

DIRECTOR OF TREASURY SERVICES

James P. Ward - Severn Trent Services

INDEPEDENT AUDITORS

Grant Thornton, LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

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

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 year ended September 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Weston's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 12, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as of September 30, 2003.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Weston, Florida, as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 9, 2004, on our consideration of the City of Weston, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an internal part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 3 through 19 and pages 56 through 59, respectively, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Weston, Florida
April 9, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2003. 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 is significantly different from prior years. Besides the Management's Discussion and Analysis (MD&A), the 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.

Financial Highlights

- The assets of the City of Weston exceeded its liabilities at the close of the most current fiscal year by \$270,108,275 (*net assets*). Of this amount, \$86,001,180 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- During Fiscal Year 2003, revenues exceeded expenses after transfers by \$20,476,842, which is the amount of increase in the City's net assets.
- As of the close of Fiscal Year 2003, the City of Weston's governmental funds reported combined ending fund balances of \$72,832,551. Approximately 83.7% of that amount or \$60,980,526 is *available for spending* at the City's discretion (*unreserved fund balance*).
- At the end of the most recent fiscal year, the fund balance in the general fund was \$29,858,075, or 130% of total general fund expenditures. In that same year, revenues exceeded expenditures by \$4,110,419 or 18%.
- During the year the City issued three new notes in the aggregate amount of \$15,102,805 to refinance existing outstanding notes and finance construction of the new Vista Park.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Weston's basic financial statements. The financial section is one of the component parts of the Comprehensive Annual Financial Report along with the introductory section that includes the table of contents, transmittal letter, City organizational chart and listing of City

officials, the Statistical Section that includes various financial and non-financial information useful in assessing the City and the Compliance Section containing required statements on the compliance and internal control over financial reporting.

The financial section consists of: *management's discussion and analysis* (this part), the *basic financial statements*, *required supplementary information* and an additional section that presents combining statements for nonmajor governmental funds. 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, reporting the City's operations in more detail than the government –wide statements.
 - The *governmental funds* statements illustrate how general governmental functions and services are financed in the short-term as well as what remains for future spending.
 - The *proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like a business, such as in case of the water and sewer system.
 - Finally the *fiduciary funds* statements provide information on the financial relationships where the government acts solely as a trustee or agent for the benefit of those outside of it.
- 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 and in a narrative form providing more detailed information.

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 with combining statements that detail about the City's nonmajor governmental funds.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Weston's finances, in a manner similar to that of a private business.

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

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

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 are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Weston include general government, public safety, recreation, planning and zoning, fire rescue/emergency medical services, sanitation and streets. The business-type activities of the City of Weston include the water and sewer operations.

The government-wide financial statements include not only the City of Weston itself (known as the *primary government*), but also a legally separate homeowners association and two legally separate development districts for which the City of Weston is financially accountable. These component units function for all practical purposes as departments of the City of Weston, and therefore has been included as an integral part of the primary government.

The government-wide financial statements are reported on pages 20 – 25 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Weston, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Weston can be divided into three categories: governmental funds, a proprietary fund and an agency fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's 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 several individual 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 General Fund, Indian Trace Development District Special Revenue Fund, Town Foundation Special Revenue Fund, 1997 Bond Construction Capital Projects Fund, Community Facilities Construction Capital Projects Fund and 2003 Bond Construction Capital Projects Fund,

which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Weston adopts an annual appropriated budget for its general fund and special revenue funds, except for the Town Foundation. A budgetary comparison schedule has been provided for the general fund and Indian Trace special revenue fund to demonstrate compliance with the budget as well as the special revenue nonmajor funds presented in the combining section.

The basic governmental funds financial statements can be found on pages 20 – 21 of this report.

Proprietary funds. The City of Weston maintains one *proprietary fund*, the Water & Sewer Enterprise Fund. *Enterprise funds* are used to report the same functions as *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, only 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 27 – 30 of this report.

Agency fund. Agency fund is used to account for resources held for the benefit of parties outside the government. Agency fund is *not* reflected in the government-wide financial statements because the resources of this fund are *not* available to support the City of Weston's own programs. The accounting used for the agency fund is much like that used for proprietary funds.

The basic financial statements for the agency fund of the City can be found on page 31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 – 55 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 individual special revenue funds. Required supplementary information can be found starting on page 56 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary

information on budgetary comparisons. Combining and individual fund statements and schedules can be found starting on page 62 of this report.

Government-wide Financial Analysis

Since this is the first year in which the City of Weston has reported its financial statements in a government-wide format using the GASB 34 reporting model, comparative information from prior years in the new format is not available. Therefore, in lieu of government-wide comparative information, fund-based comparative information is being provided in selected sections. In future years, a comparative analysis of government-wide data will be presented.

Net Assets. Net assets 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 Assets summary presentation as reflected below:

1. **Net results of activities** will impact (increase or decrease) current assets and unrestricted and/or restricted assets.
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. There is a second impact, an increase in investment in capital assets and an increase in related net debt, which will not change the investment in capital assets, net of debt.
4. **Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets and will also reduce unrestricted net assets and increase investment in capital assets, net of debt.
5. **Principal payment on debt** will reduce current assets and reduce long-term debt and also reduce unrestricted net assets and increase investment in capital assets, net of debt.
6. **Reduction of capital assets through depreciation** will reduce capital assets and investment in capital assets, net of debt.

As illustrated in Table 1, at the close of the most recent fiscal year, assets of the City of Weston exceeded its liabilities by \$270,108,275. The largest portion of the City of Weston's net assets, \$172,255,070 or 63.8%, is investments in capital assets (land, buildings, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens and consequently these assets are *not* available for future spending. Although the City of Weston's investment in its capital 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 assets in an amount of \$86,001,180 or 31.8% represent the resources that are available to provide services and/or additional capital assets to the citizens of the City and also to meet the City's obligations to its creditors. The City also has approximately \$11,852,025 or 4.4% in restricted net assets, resources that are subject to external restrictions on how they may be used.

At the end of its most recent fiscal year, the City of Weston is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table 1
City of Weston
Net Assets

	Government	Business-type	
	Activities	Activities	Total
	FY 2003	FY 2003	FY 2003
Current and other assets	\$77,939,496	\$22,199,453	\$100,138,949
Capital assets	\$167,515,932	\$25,680,362	\$193,196,294
Total assets	\$245,455,428	\$47,879,815	\$293,335,243
Long-term liabilities outstanding	\$10,939,264	\$709,590	\$11,648,854
Other liabilities	\$9,041,174	\$2,536,940	\$11,578,114
Total liabilities	\$19,980,438	\$3,246,530	\$23,226,968
Net assets:			
Invested in capital assets, net of related debt	\$147,624,298	\$24,630,772	\$172,255,070
Restricted	\$11,852,025	\$0	\$11,852,025
Unrestricted	\$65,998,667	\$20,002,513	\$86,001,180
Total net assets	\$225,474,990	\$44,633,285	\$270,108,275

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

1. ***Economic conditions*** can reflect a growing, stable or declining overall economic environment and those conditions can have a significant impact on property, non-ad valorem assessments, sales and use taxes, fees and other revenues derived from the community as well as received from other governments.
2. ***Changes in tax, assessment and fee rates by the elected officials*** directly affect the revenue streams and have the most direct and immediate impact of all changes.
3. ***Changing patterns in intergovernmental and grant revenues*** cause measurable deviations and make annual comparisons less that always meaningful.
4. ***Market impact on investment income*** might cause investment revenues to fluctuate widely from year to year.

Some other basic impacts are responsible for changes in annual expenditures:

1. ***Introduction of new programs*** can have substantial impact on department/program expenditures by requiring new personnel, capital and operating funds.
2. ***Changes in service levels*** impacts expenditures by changing the levels of already appropriated expenditures.

3. **Salary/contract pricing increases** can ever present factor contributing to the increase in appropriations. Most contracts entered into by the City of Weston has provisions for increases, either automatic or negotiated each year.
4. While **inflation** generally appears to be models, it still always impacts the prices the City pays for commodities, supplies, fuels, parts and miscellanies services it requires through the year. It is not uncommon that such goods may increase in price impacting expenditures.

Table 2
City of Weston
Changes in Net Assets

	Government Activities FY 2003	Business-type Activities FY 2003	Total FY 2003
Revenues			
Program revenues			
Charges for services	\$11,522,889	\$15,060,786	\$26,583,675
Operating grants and contributions	\$20,000	\$0	\$20,000
Capital grants and contributions	\$8,319,101	\$402,332	\$8,721,433
General revenues			
Property taxes	\$24,137,460	\$0	\$24,137,460
Other taxes	\$7,379,212	\$0	\$7,379,212
Intergovernmental	\$5,316,029	\$0	\$5,316,029
Investment income	\$2,007,798	\$789,439	\$2,797,237
Miscellaneous	\$346,610	\$180,785	\$527,395
Total revenues	\$59,049,099	\$16,433,342	\$75,482,441
Expenses			
General government	\$8,821,581	\$0	\$8,821,581
Public safety	\$16,300,578	\$0	\$16,300,578
Community development	\$3,616,475	\$0	\$3,616,475
Public works	\$6,006,271	\$0	\$6,006,271
Parks and recreation	\$3,840,327	\$0	\$3,840,327
Interest on long-term debt	\$403,891	\$0	\$403,891
Utilities	\$0	\$16,016,476	\$16,016,476
Total expenses	\$38,989,123	\$16,016,476	\$55,005,599
Excess before transfers	\$20,059,976	\$416,866	\$20,476,842
Transfers	\$0	\$0	\$0
Increase in Net assets	\$20,059,976	\$416,866	\$20,476,842
Net assets 10/01/2002	\$205,415,014	\$44,216,419	\$249,631,433
Net assets 09/30/2003	\$225,474,990	\$44,633,285	\$270,108,275

As illustrated by Table 2: Change in Net Assets, the City's revenues during Fiscal Year 2003 reached \$75,482,441 and exceeded expenditures after transfers by \$20,476,842. That same figure is also the amount of increase in the City's net assets.

Figure A: City of Weston Fiscal Year 2003 Revenues by Source – Governmental Activities

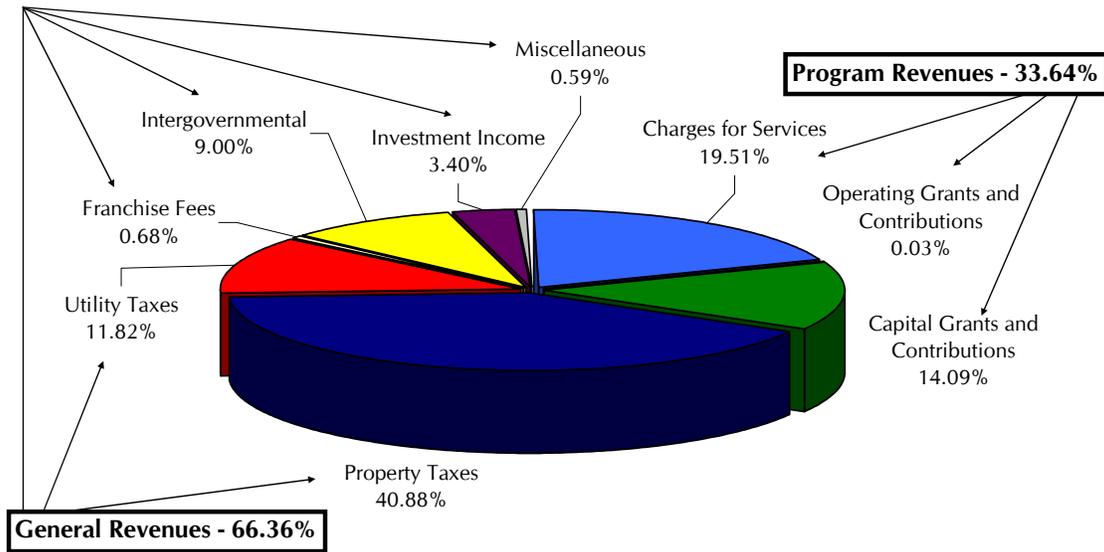
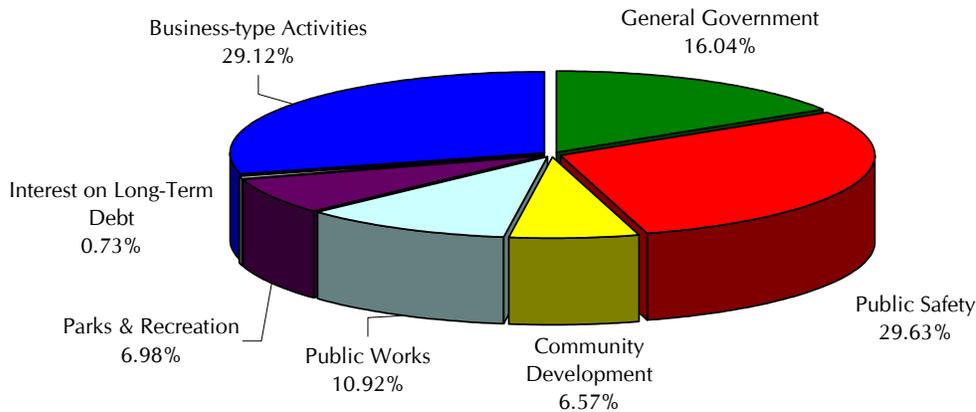


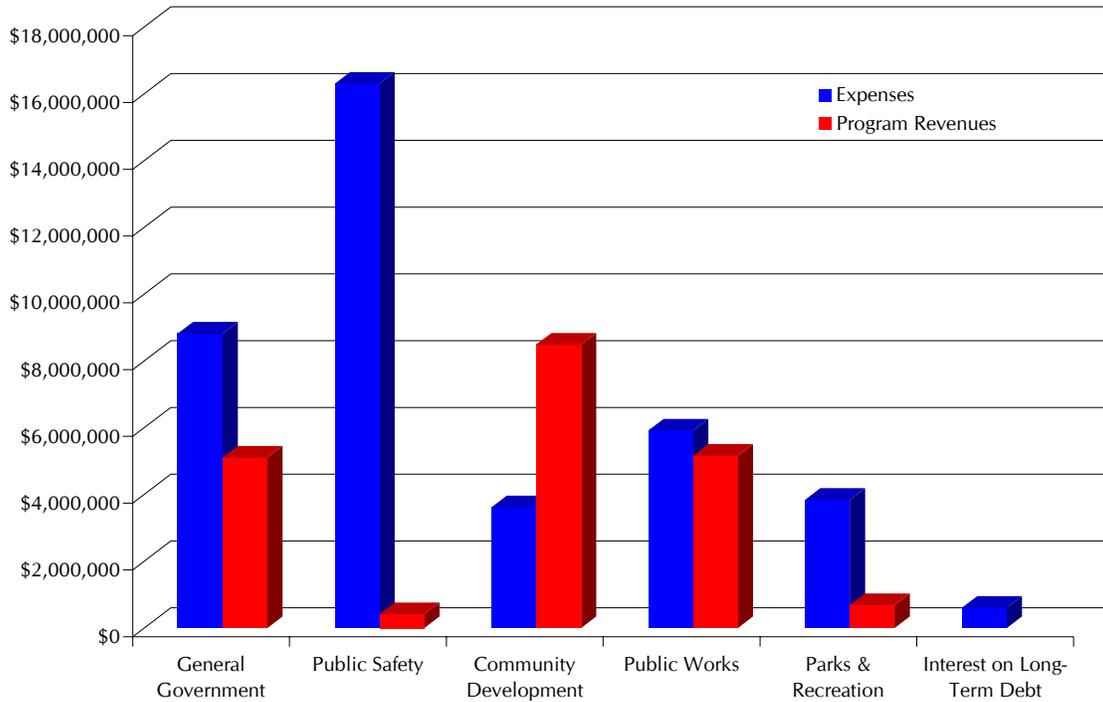
Figure B: City of Weston Fiscal Year 2003 Expenses by Function – Governmental Activities



Governmental activities. Governmental activities represent approximately 83% of total net assets and 78% of total revenues. Revenues reached \$59,049,099 and were comprised primarily of taxes at \$31,516,672 or 53% of total governmental revenues, charges for services at \$11,522,889 at approximately 20%, grants or contributions from property owners at \$8,319,101 or 14% of total, and intergovernmental revenues at \$5,316,029 or approximately 9% of the total revenues. Program revenues comprised of charges for services, operating grants and contributions and capital grants and contributions

and represented about 34% or \$19,861,990 of all revenues with the balance comprised of general revenues that fund all activities not covered by program revenues.

Figure C: City of Weston Fiscal Year 2003 Expenses and Program Revenues - Governmental Activities

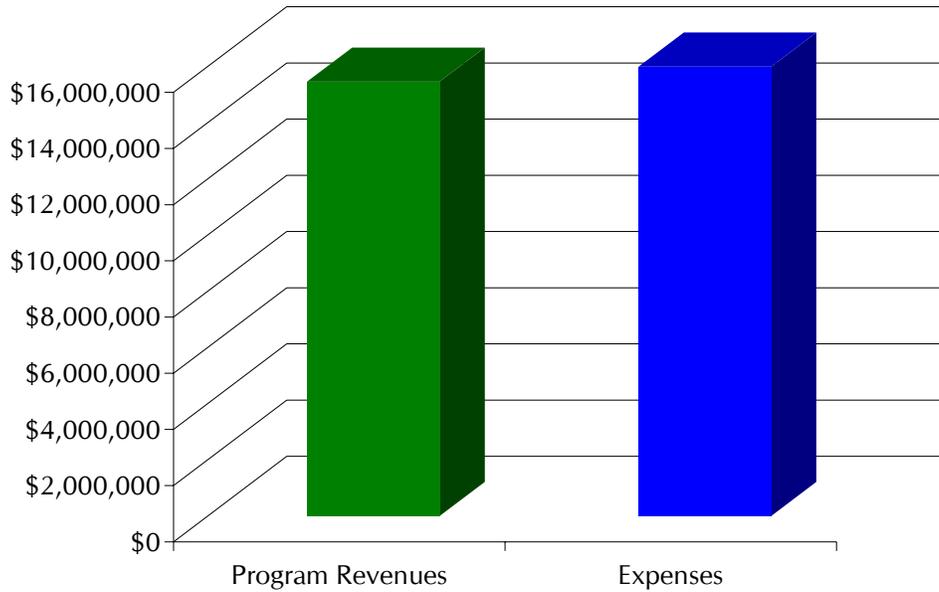


Expenses totaled \$38,989,123 and were composed of public safety at \$16,300,578 or 42% of total expenditures, general government at \$8,821,581 or 23% of total and public works at \$6,006,271 or 15% of total expenditures as major categories.

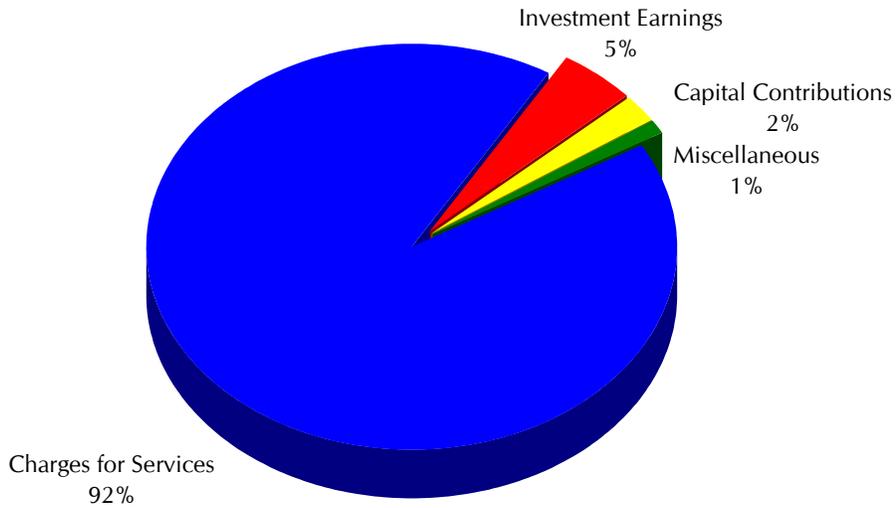
As the current revenues exceeded current expenses after transfers by \$20,059,976, the Government Activities net assets increased by that amount from the prior fiscal year.

Business-type activities. Business-type activities increased the City's net assets by \$416,866 or approximately 1% over the prior period. At the end of Fiscal Year 2003, they comprised 16% of total government-wide net assets. For the most current fiscal year revenues totaled \$16,433,342 and included operating revenues in the form of water and sewer fees, meter use fees, investment earnings, connection fees and miscellaneous revenue. The City continued to operate the water and sewer utility system at an operating loss being reflected by expenditures of \$655,627.

**Figure D: City of Weston
Fiscal Year 2003 Expenses and Program Revenues – Business-type Activities**



**Figure E: City of Weston
Fiscal Year 2003 Revenues by Source – Business-type Activities**



Financial Analysis of the Government's Funds

As noted earlier, the City of Weston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the most current fiscal year, the City of Weston's governmental funds reported combined ending fund balance of \$72,832,551, an increase of \$15,041,835 over prior year. Approximately \$60,980,526 or 84% of that amount is *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to 1) pay for construction (\$8,509,713) and 2) to pay for other restricted purposes (\$3,342,313). It is important to note that of the \$60,980,523 in unreserved fund balance, only \$29,858,075 is available in the General Fund of the City, with the balance of \$31,122,450 spread among special revenue, capital construction and other funds that have specific purposes within the City and that were set up to account for certain revenues that are legally restricted for specific purposes.

The general fund is the chief operating fund of the City of Weston. At the end of Fiscal Year 2003, total fund balance reached \$29,858,075, all of it unreserved. As a measure of the general's fund liquidity, it may be useful to compare both the unreserved fund balance and total fund balances to total fund expenditures. At the end of the current fiscal year, unreserved fund balance represented approximately 130% of expenditures.

The fund balance of the City of Weston's general fund increased by \$4,553,333 during the current year with total revenues decreasing by 3% to \$27,040,411, expenditures decreasing by 2.5% to \$22,929,992 and other financing sources increasing by 154% to \$442,914. Similarly to the previous period, actual revenues exceeded budgeted amounts and actual expenditures were lower than the budgeted allocations. Table 3 shows the comparison of actual revenues, expenditures and other financing sources for the general fund for Fiscal Years 2002 and 2003.

The main changes in the General Fund revenue and expenditure levels between Fiscal Years 2002 and 2003 were:

- Tax revenues rose by more than \$1.6 million to over \$14 million as a result of healthy increases in property values and use of services subject to franchise fees and utility taxes.
- Licenses and permits decreased by 34% and charges for services dropped by 17% to reflect a drop in development-related activities.
- Infrastructure fees decreased by over \$700 thousand but the decrease was partially offset by an increase of almost \$470 thousand in contributions from property owners, both categories reflecting payments for capital improvements in the City.
- Investment income rose by almost 80% to just under \$1.2 million to reflect a more successful investment strategy in face of a low yield market.
- Miscellaneous revenues decreased by 98.5% illustrating the one-time nature of the previous year's revenues.

Table 3
City of Weston
Comparison of General Fund Revenues and Expenditures
for Fiscal Year 2002 and 2003

	FY 2003	FY 2002	Increase/ (Decrease)	Percent Change
Revenues				
Taxes	\$14,246,047	\$12,624,125	\$1,621,922	12.8%
Licenses and permits	\$732,037	\$1,115,369	(\$383,332)	-34.4%
Intergovernmental	\$3,995,863	\$3,578,905	\$416,958	11.7%
Charges for services	\$5,661,894	\$6,878,414	(\$1,216,520)	-17.7%
Fines and forfeitures	\$404,579	\$407,788	(\$3,209)	-0.8%
Infrastructure fees	\$334,510	\$1,068,452	(\$733,942)	-68.7%
Investment income	\$1,172,215	\$652,059	\$520,156	79.8%
Contributions from Property Owners	\$469,800	\$0	\$469,800	n/a
Miscellaneous	\$23,466	\$1,592,886	(\$1,569,420)	-98.5%
Total Revenues	\$27,040,411	\$27,917,998	(\$877,587)	-3.1%
Expenditures				
General government	\$4,382,735	\$4,006,005	\$376,730	9.4%
Public safety	\$7,113,875	\$6,625,599	\$488,276	7.4%
Community development	\$2,050,165	\$3,885,102	(\$1,834,937)	-47.2%
Public works	\$4,324,771	\$4,001,532	\$323,239	8.1%
Parks and recreation	\$3,503,973	\$2,968,139	\$535,834	18.1%
Capital outlay	\$1,554,473	\$2,009,712	(\$455,239)	-22.7%
Total Expenditures	\$22,929,992	\$23,496,089	(\$566,097)	-2.4%
Excess (deficiency) of revenues over (under) expenditures	\$4,110,419	\$4,421,909	(\$311,490)	-7.0%
Other Financing Sources				
Operating transfers in	\$442,914	(\$827,219)	\$1,270,133	-153.5%
Total other financing sources	\$442,914	(\$827,219)	\$1,270,133	-153.5%
Net change in fund balance	\$4,553,333	\$3,594,690	\$958,643	26.7%

- General government, public safety and public works expenditures rose between 7.4 and 9.4% to reflect higher service levels, expanding service base with population growth and cost inflation.
- Community development expenditures declined substantially by just over 47% to account for the builtout of the City.
- Park and recreation expenses increased with the higher operating costs due to expansion of facilities and renovations of existing parks.
- Capital outlay declined with lower spending on general City infrastructure.

- Net other financing sources increased by just over 153.5% as a result of large operating transfers in due to past debt payments which were made out of general fund and reimbursed to the general fund by the appropriate fund.

Indian Trace Development District special revenue fund of the City increased its fund balance by \$1,413,396 or approximately 12% to a total of \$13,229,795, all of it unreserved. The fund accounts for restricted resources used to provide water management and right-of-way services to the City.

Town Foundation special revenue fund of the City increased its fund balance by \$130,235 or approximately 55% to a total of \$366,467, all of it unreserved. The fund accounts for restricted resources used to provide cable television services to the City.

Capital projects funds are used to account for capital construction activities of the City. During Fiscal Year 2003, 1997 Bond Construction capital projects fund experienced a decrease in its fund balance by \$1,959,496 or 19% to a total of \$8,509,713 as a result of continued capital construction spending. All of the fund balance in this fund is reserved for future construction.

Community Facilities Construction capital projects fund accounts for City-wide capital needs such as public safety and recreation. The fund experienced an increase of \$10,528,606 or 2021% in its fund balance as a result of additional borrowing to construct park facilities in the City. All fund balances in this fund, \$11,049,692, are classified as unreserved.

To construct capital facilities related to the development of the Isles at Weston project, the City established its 2003 Bond Construction capital projects fund during Fiscal Year 2003. The fund ended the most current fiscal year with a fund balance \$594,737.

The City also maintains several non-major funds, including special revenue, capital projects and debt service funds are used to account for street and right-of-way maintenance, water management, fire protection, street lighting, capital improvements and debt service. The non-major funds of the City decreased their assets during Fiscal Year 2003 by \$218,152 or approximately 2% principally as a result of capital spending on infrastructure construction.

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.

Unrestricted net assets of the water and sewer enterprise fund increased by \$416,866 or 2.1% to a total of \$20,002,512. 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

During the Fiscal Year 2003, the City of Weston has not amended its General Fund's or any other fund's budget. As required by City Charter, all contracts and major expenditures were approved by City Commission. Nevertheless, as it is customary for the City of Weston, adoption of the Fiscal Year 2004 Budget also involved the reconciliation of Fiscal Year 2003 budget to actual with lapse of unexpended operating resources and re-appropriation of unexpended capital resources to complete the projects that might have been delayed to the next fiscal year.

The General Fund budget anticipated a current resources deficiency of \$387,977, which was to be made up with unrestricted fund balance. The actual operating results of the City's General Fund resulted in a current resources surplus of \$4,553,333. Actual revenues exceeded budgeted revenues by \$3,121,710 and the main differences can be summarized as follows:

- Simplified communications tax revenues in its first full year exceeded budgeted amounts by \$1,354,238 as changes in the law significantly enlarged the tax basis.
- Electric utility taxes increased by \$940,545 over the budget accounting for higher consumption of utilities.
- Engineering permits were \$644,046 lower than the budgeted projections due to majority of the work being paid from prior year's customer deposits.
- Grant revenues were \$562,757 as the anticipated disbursements of funds from the State of Florida were delayed by longer construction periods of the reimbursable facilities.
- Development review fees exceeded budget projections by \$411,233 due to an increase in miscellaneous permits for building and property improvements.

Actual expenditures were lower than the budget projections by \$1,579,686. The largest budget-to-actual variations included:

- Other governmental expenses were \$1,010,447 under budget mainly due to the release of budgeted excess revenue capture reserve to the undesignated fund balance.
- Police services expenditures were lower by \$265,836 to account for lower than expected need to utilize police patrols in City parks.
- Community development expenses for professional services exceeded the budgeted amount by \$388,427 due to higher than expected utilization of planning, traffic engineering and landscaping architecture services by the City.
- Park and recreation expenses were lower by \$627,360 due mainly to the postponement in the construction of the Vista Park project.

Additionally, transfers in exceeded budgeted amounts by \$239,914.

Capital Asset and Debt Administration

Capital assets. The City of Weston’s investment in capital assets for its governmental and business-type activities, net of accumulated depreciation, as of September 30, 2003, totals \$193,196,294 or 72% of total net assets. This investment in capital includes land, buildings and system, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. Table 4 presents the governmental and business-type capital assets by category for Fiscal Year 2003 only, as it is the first year in which the City is implementing the GASB 34 requirements.

During Fiscal Year 2003, the City has constructed or acquired significant capital assets. Major capital asset events during the Fiscal Year 2003 included the following:

- Acquisition of the water management system for the Isles at Weston subdivision at over \$5.4 million.
- Construction of various park improvements valued at over \$2.9 million.
- Continuation of the Bonaventure Master Plan road, roadway drainage, irrigation, landscaping, signalization and signage improvements at a total project cost of \$5.6 million.
- Last stages of the Indian Trace water management and roadway improvements at over \$4 million.

Table 4
City of Weston
Capital Assets
(net of accumulated depreciation)

	Government Activities FY 2003	Business-type Activities FY 2003	Total FY 2003
Land	\$10,739,199	\$0	\$10,739,199
Buildings and system	\$6,003,206	\$0	\$6,003,206
Improvements other than buildings	\$0	\$24,673,241	\$24,673,241
Machinery and equipment	\$474,042	\$45,259	\$519,301
Infrastructure	\$144,189,068	\$0	\$144,189,068
Construction in progress	\$6,110,417	\$961,862	\$7,072,279
Total	\$167,515,932	\$25,680,362	\$193,196,294

Additional information on the City’s capital assets can be found in Note 6 on pages 46 – 47 of this report.

Long-term debt. At the end of the current fiscal year, the City of Weston had total outstanding special assessment and revenue bonded debt totaling \$15,714,506. Of this amount, \$13,920,853 are notes payable secured by franchise fees, \$744,063 is special assessment debt with governmental commitment for which the government is liable only in the event of default by the property owners and \$1,049,590 are revenue bonds after

discount or debt that is secured solely by specific revenue sources. The City has no general obligation debt or debt that is backed by the full faith and credit of the City of Weston.

Table 5
City of Weston's Outstanding Debt
General Obligation, Special Assessment and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	FY 2003	FY 2002	FY 2003	FY 2002	FY 2003	FY 2002
Notes Payable	\$13,920,853	\$7,287,678	\$0	\$0	\$13,920,853	\$7,287,678
Special assessment debt	\$744,063	\$1,032,635	\$0	\$0	\$744,063	\$1,032,635
Revenue bonds	\$0	\$0	\$1,120,000	\$1,430,000	\$1,120,000	\$1,430,000
Discount	\$0	\$0	(\$70,410)	(\$80,468)	(\$70,410)	(\$80,468)
Total	\$14,664,916	\$8,320,313	\$1,049,590	\$1,349,532	\$15,714,506	\$9,669,845

The City of Weston's total debt increased by \$6,044,661 or 63% during the current fiscal year. The major reason for this increase was issuance of a total of \$15,102,805 in Series 2002 A1, A2 and B Series notes used to refinance outstanding obligations as well as to fund additional park projects, namely the new Vista Park.

More detailed information about the City's long-term liabilities is presented in Note 8 on pages 49 – 51 of this report.

Economic Factors and Next Year's Budget and Ratios

The City of Weston notices a slow improvement in the general economic climate facing the City during Fiscal Year 2004. With a stronger job market and a continued strength in the real estate market, the City sees its most current revenues increase in most categories above the projected levels. The only downward trend exists in the revenues attributable to new construction, as the City's builtout is proceeding more rapidly than anticipated and impacting the revenues derived from licenses and fees connected with new construction.

As other local governments in the State of Florida, the City relies on the combination of property taxes, sales and use taxes, licenses and fees, intergovernmental shared revenue and some miscellaneous revenues to fund its governmental activities. For the business-type and certain governmental activities (building inspections, recreational programs, etc.) the user pays a related fee or charge associated with the service.

Revenues for the fiscal year 2004 adopted general fund budget total approximately \$25 million, an increase of 4.6% over fiscal year 2003. The largest increase (over 28%) is in the area of property taxes, with property taxes, solid waste franchise fees and simplified communications tax leading the way. Property tax increases are primarily due to the increase in taxable real estate property valuations, increase in solid waste franchise fee rate and the increase in budgeted simplified communications taxes that have consistently exceeded prior lower projections.

Such large increases are expected to be tempered by significant 61% decreases in building permit and engineering fee revenues due to the City's builtout, lower solid waste fee revenues due to lower service costs that will be passed on to the consumers, reductions in interest earnings due to the realization of lower investment returns in the current low-rate market environment and no new grant revenue.

Fiscal Year 2004 budgeted expenditures are set at a total of \$23.8 million and are lower than prior year's allocations by approximately 3%. The major changes occur in public safety which increased by approximately \$1.4 million to reflect higher staffing in police services, decreases of \$1.3 million in community services to reflect lower solid waste contact pricing, lower budgeted expenditures for engineering inspection and higher budgeted expenditures for capital projects for signalization, paving and bridge improvements.

If these budgetary projections are realized, the City's general fund balance will increase by approximately \$1.45 million.

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, 2500 Weston Road, Suite 101, Weston, Florida 33331.

BASIC FINANCIAL STATEMENTS

City of Weston, Florida

STATEMENT OF NET ASSETS

September 30, 2003

ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and investments	\$ 53,657,495	\$ 15,715,033	\$ 69,372,528
Receivables	4,632,443	893,150	5,525,593
Due from other governments	171,331	-	171,331
Net investment in direct financing lease	-	935,123	935,123
Restricted assets	19,478,227	4,562,767	24,040,994
Deferred charges	-	93,380	93,380
Capital assets (net of accumulated depreciation)			
Land	10,739,199	-	10,739,199
Buildings	6,003,206	-	6,003,206
Improvements other than buildings	-	24,673,241	24,673,241
Infrastructure	144,189,068	-	144,189,068
Machinery and equipment	474,042	45,259	519,301
Construction in progress	<u>6,110,417</u>	<u>961,862</u>	<u>7,072,279</u>
Total assets	<u>245,455,428</u>	<u>47,879,815</u>	<u>293,335,243</u>

LIABILITIES

Accounts payable and other current liabilities	3,183,117	24,089	3,207,206
Due to other governments	-	654,124	654,124
Accrued interest payable	196,856	-	196,856
Security deposits	1,265,743	-	1,265,743
Liabilities payable from restricted assets	586,984	1,518,727	2,105,711
Noncurrent liabilities:			
Due within one year	3,808,474	340,000	4,148,474
Due in more than one year	<u>10,939,264</u>	<u>709,590</u>	<u>11,648,854</u>
Total liabilities	<u>19,980,438</u>	<u>3,246,530</u>	<u>23,226,968</u>

NET ASSETS

Invested in capital assets, net of related debt	147,624,298	24,630,772	172,255,070
Restricted for:			
Construction	8,509,713	-	8,509,713
Maintenance	3,342,312	-	3,342,312
Unrestricted	<u>65,998,667</u>	<u>20,002,513</u>	<u>86,001,180</u>
Total net assets	<u>\$ 225,474,990</u>	<u>\$ 44,633,285</u>	<u>\$ 270,108,275</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2003

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 8,821,581	\$ 5,105,806	\$ -	\$ -	\$ (3,715,775)	\$ -	\$ (3,715,775)
Public safety	16,300,578	404,579	-	11,167	(15,884,832)	-	(15,884,832)
Community development	3,616,475	768,132	20,000	7,702,339	4,873,996	-	4,873,996
Public works	6,006,271	4,847,378	-	311,804	(847,089)	-	(847,089)
Parks and recreation	3,840,327	396,994	-	293,791	(3,149,542)	-	(3,149,542)
Interest on long-term debt	403,891	-	-	-	(403,891)	-	(403,891)
Total governmental activities	<u>38,989,123</u>	<u>11,522,889</u>	<u>20,000</u>	<u>8,319,101</u>	<u>(19,127,133)</u>	<u>-</u>	<u>(19,127,133)</u>
Business-type activities:							
Water and sewer	16,016,476	15,060,786	-	402,332	-	(553,358)	(553,358)
Total business-type activities	<u>16,016,476</u>	<u>15,060,786</u>	<u>-</u>	<u>402,332</u>	<u>-</u>	<u>(553,358)</u>	<u>(553,358)</u>
Total government	<u>\$ 55,005,599</u>	<u>\$ 26,583,675</u>	<u>\$ 20,000</u>	<u>\$ 8,721,433</u>	<u>(19,127,133)</u>	<u>(553,358)</u>	<u>(19,680,491)</u>
General revenues:							
Property taxes					24,137,460	-	24,137,460
Utilities taxes					6,977,459	-	6,977,459
Franchise taxes					401,753	-	401,753
Intergovernmental					5,316,029	-	5,316,029
Investment income					2,007,798	789,439	2,797,237
Miscellaneous					346,610	180,785	527,395
Total general revenues					<u>39,187,109</u>	<u>970,224</u>	<u>40,157,333</u>
Change in net assets					20,059,976	416,866	20,476,842
Net assets - beginning					205,415,014	44,216,419	249,631,433
Net assets - ending					<u>\$ 225,474,990</u>	<u>\$ 44,633,285</u>	<u>\$ 270,108,275</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2003

ASSETS	Special Revenue Funds			Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	Indian Trace Development District	Town Foundation	1997 Bond Construction	Community Facilities Construction	2003 Bond Construction			
Cash and investments Receivables	\$ 29,249,301	\$ 790,251	\$ -	\$ 10,264,136	\$ 70,496	\$ 3,939,712	\$ 53,657,495	
Accounts receivable	2,634,963	1,186,418	-	612,180	-	101,047	4,554,823	
Interest	26,819	-	-	19,028	2,698	1,162	77,620	
Due from other funds	730,876	-	-	448,431	-	1,152,212	2,331,519	
Due from other governments	-	-	-	-	-	-	171,331	
Restricted assets	-	-	-	-	-	-	-	
Cash and investments Interest receivable	-	-	9,076,488	-	577,046	5,852,010	19,403,409	
	-	-	20,209	-	-	54,609	74,818	
Total assets	\$ 32,641,959	\$ 1,976,669	\$ 9,096,697	\$ 11,343,775	\$ 650,240	\$ 11,100,752	\$ 80,271,015	

(continued on following page)

City of Weston, Florida

BALANCE SHEET - CONTINUED
GOVERNMENTAL FUNDS

September 30, 2003

	Special Revenue Funds			Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	Indian Trace Development District	Town Foundation	1997 Bond Construction	Community Facilities Construction	2003 Bond Construction			
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 1,126,104	\$ 1,610,202	\$ -	\$ 8,103	\$ 20,000	\$ 187,580	\$ 3,183,117	
Deferred revenue	16,101	-	-	-	-	55,000	71,101	
Due to other funds	375,936	-	-	285,980	35,503	1,634,100	2,331,519	
Payable from restricted assets	-	-	586,984	-	-	-	586,984	
Security deposits	1,265,743	-	-	-	-	-	1,265,743	
Total liabilities	2,783,884	1,610,202	586,984	294,083	55,503	1,876,680	7,438,464	
Fund balances								
Reserved for:								
Maintenance Construction	-	-	-	-	-	3,342,313	3,342,313	
Unreserved/reported in:								
General fund	29,858,075	-	8,509,713	-	-	-	8,509,713	
Special Revenue Funds	-	366,467	-	-	-	-	29,858,075	
Debt Service Fund	-	-	-	-	-	2,526,680	16,122,942	
Capital Projects Funds	-	-	-	11,049,692	594,737	3,004,371	350,708	
Total fund balances	29,858,075	366,467	8,509,713	11,049,692	594,737	9,224,072	72,832,551	
Total liabilities and fund balances	\$ 32,641,959	\$ 1,976,669	\$ 9,096,697	\$ 11,343,775	\$ 650,240	\$ 11,100,752	\$ 80,271,015	

The accompanying notes are an integral part of this statement.

City of Weston, Florida

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

For the Year Ended September 30, 2003

Fund balances - total governmental funds (Page 23)	\$ 72,832,551
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	172,828,306
Less: Accumulated depreciation	(5,312,373)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	71,101
Note interest payable not reported in the governmental funds	(196,856)
Compensated absences not reported in the governmental funds	(82,822)
Notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(14,664,916)</u>
Net assets of governmental activities (Page 20)	<u>\$ 225,474,990</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

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

For the Year Ended September 30, 2003

	Special Revenue Funds			Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	General	Indian Trace Development District	Town Foundation	1997 Bond Construction	Community Facilities Construction	2003 Bond Construction		
Revenues								
Taxes	\$ 14,246,047	\$ 7,196,376	-	\$ -	\$ 2,959,752	\$ -	\$ 7,059,497	\$ 31,461,672
Licenses and permits	732,037	-	-	-	-	-	-	732,037
Intergovernmental	3,995,863	-	-	-	-	-	-	5,316,029
Charges for services	5,661,894	-	4,373,769	-	-	-	1,320,166	10,035,663
Fines and forfeitures	404,579	-	-	-	-	-	-	404,579
Community fees	334,510	-	-	-	-	-	-	334,510
Investment income	1,172,215	476,312	4,456	61,918	113,973	11,513	167,410	2,007,797
Contributions from property owners	469,800	-	60,284	-	152,552	7,702,339	14,410	8,339,101
Miscellaneous	23,466	-	64,687	-	-	-	198,172	346,609
Total revenues	<u>27,040,411</u>	<u>7,672,688</u>	<u>4,438,509</u>	<u>126,605</u>	<u>3,226,277</u>	<u>7,713,852</u>	<u>8,759,655</u>	<u>58,977,997</u>
Expenditures								
Current								
General government	4,382,735	46,924	4,308,274	-	-	-	824	8,738,757
Public safety	7,113,875	4,309,709	-	-	-	-	4,768,541	16,192,125
Community development	2,050,165	1,303,374	-	-	-	-	238,550	3,592,089
Public works	4,324,771	-	-	-	-	-	731,190	5,055,961
Parks and recreation	3,503,973	-	-	-	-	-	-	3,503,973
Capital outlay	1,554,473	599,285	-	2,086,101	648,709	5,419,115	2,476,172	12,783,855
Debt service	-	-	-	-	8,469,630	-	288,572	8,758,202
Principal retirement	-	-	-	-	382,139	-	31,868	414,007
Interest and fiscal charges	-	-	-	-	9,500,478	-	8,535,717	59,038,969
Total expenditures	<u>22,929,992</u>	<u>6,259,292</u>	<u>4,308,274</u>	<u>2,086,101</u>	<u>9,500,478</u>	<u>5,419,115</u>	<u>8,535,717</u>	<u>59,038,969</u>
Excess (deficiency) of revenues over (under) expenditures	4,110,419	1,413,396	130,235	(1,959,496)	(6,274,201)	2,294,737	223,938	(60,972)
Other financing sources (uses):								
Transfers in	442,914	-	-	-	1,700,000	-	-	2,142,914
Transfers out	-	-	-	-	-	(1,700,000)	(442,914)	(2,142,914)
Notes issued	-	-	-	-	15,102,807	-	-	15,102,807
Total other financing sources (uses)	442,914	-	-	-	16,802,807	(1,700,000)	(442,914)	15,102,807
Net change in fund balances	4,553,333	1,413,396	130,235	(1,959,496)	10,528,606	594,737	(218,976)	15,041,835
Fund balances at beginning of year	25,304,742	11,816,399	236,232	10,469,209	521,086	-	9,443,048	57,790,716
Fund balances at end of year	<u>\$ 29,858,075</u>	<u>\$ 13,229,795</u>	<u>\$ 366,467</u>	<u>\$ 8,509,713</u>	<u>\$ 11,049,692</u>	<u>\$ 594,737</u>	<u>\$ 9,224,072</u>	<u>\$ 72,832,551</u>

The accompanying notes are an integral part of this statement.

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 Year Ended September 30, 2003

Amounts reported for governmental activities in the statement of activities
(page 21) are different because:

Net change in fund balance - total government funds (page 25)	\$ 15,041,835
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay	12,783,855
Depreciation expense	(1,419,502)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	71,101
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuance of long-term debt	(15,102,807)
Principal payments	8,758,202
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable	10,114
Compensated absences	<u>(82,822)</u>
Change in net assets of governmental activities (page 21)	<u>\$ 20,059,976</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

**STATEMENT OF NET ASSETS
PROPRIETARY FUND**

September 30, 2003

ASSETS

	Business-Type Activities Enterprise Fund <u>Water and Sewer</u>
Current assets:	
Cash and investments	\$ 15,715,033
Receivables:	
Accounts	856,123
Interest	37,027
Deferred charge	<u>93,380</u>
Total current assets	16,701,563
Non current assets:	
Net investment in direct financing lease	935,123
Restricted assets	
Cash and investments	4,562,159
Interest receivable	608
Capital assets:	
Equipment	147,556
Improvements other than building	33,365,607
Construction in progress	<u>961,862</u>
Total capital assets	34,475,025
Less: accumulated depreciation	<u>(8,794,663)</u>
Total capital assets - net	<u>25,680,362</u>
Total non-current assets	<u>31,178,252</u>
Total assets	<u>47,879,815</u>

LIABILITIES

Current liabilities	
Accounts payable	24,089
Due to other governments	<u>654,124</u>
Total current liabilities	678,213
Current liabilities payable from restricted assets	
Customer deposits	1,500,527
Accrued interest payable	<u>18,200</u>
	1,518,727
Non current liabilities	
Long-term debt	<u>1,049,590</u>
Total non-current liabilities	<u>2,568,317</u>
Total liabilities	<u>3,246,530</u>

NET ASSETS

Invested in capital assets, net of related debt	24,630,772
Unrestricted	<u>20,002,513</u>
Total net assets	<u>\$ 44,633,285</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUND

Year Ended September 30, 2003

	Business-Type Activities Enterprise Fund Water and Sewer
Operating revenues	
Water and wastewater fees	\$ 14,906,507
Meter use fees	154,279
Miscellaneous	<u>180,785</u>
Total operating revenues	<u>15,241,571</u>
Operating expenses	
Water and wastewater charges	14,327,121
Meter expense	43,221
Depreciation	888,520
Amortization	23,398
Administrative services	405,429
Other operating expense	<u>209,509</u>
Total operating expenses	<u>15,897,198</u>
Operating loss	(655,627)
Non-operating revenues (expenses)	
Investment earnings	789,439
Interest expense	<u>(119,278)</u>
Total non-operating revenues	<u>670,161</u>
Income before contributions	14,534
Capital contributions - tap fees	<u>402,332</u>
Change in net assets	416,866
Total net asset at beginning of year	<u>44,216,419</u>
Total net asset at end of year	<u>\$ 44,633,285</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

Year Ended September 30, 2003

	Business-Type Activities Enterprise Fund Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 15,626,879
Payments to suppliers	<u>(14,997,121)</u>
Net cash provided by operating activities	629,758
Cash flows from capital and related financing activities:	
Purchases of capital assets	(240,424)
Principal payments on debt	(310,000)
Direct financing lease payments received	320,075
Interest paid on debt	(124,316)
Developer contributions	<u>402,332</u>
Net cash provided by capital and related financing activities	47,667
Cash flows from non-capital financing activities	
Decrease in due to other funds	<u>(118,418)</u>
Net cash provided by non-capital activities	(118,418)
Cash flows from investing activities:	
Purchase of investments	(6,144,928)
Interests and dividends received	<u>732,838</u>
Net cash flows used in investing activities	<u>(5,412,090)</u>
Net decrease in cash and cash equivalents	(4,853,083)
Cash and cash equivalents at beginning of year	<u>9,977,520</u>
Cash and cash equivalents at end of year	<u>\$ 5,124,437</u>

(continued)

City of Weston, Florida

**STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUND**

Year Ended September 30, 2003

	<u>Business-Type Activities Enterprise Fund Water and Sewer</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (655,627)
Adjustments to reconcile operating loss to cash provided by operating activities:	
Depreciation	888,520
Amortization	23,398
(Increase) decrease in operating assets:	
Accounts receivable	245,150
Increase (decrease) in operating liabilities:	
Accounts payable	(11,841)
Customer deposits	<u>140,158</u>
Total adjustments	<u>1,285,385</u>
Net cash provided by operating activities	<u>\$ 629,758</u>
Noncash investing activities:	
Change in fair value of investments	<u>\$ 63,653</u>

The following is a reconciliation of cash and cash equivalents for the Enterprise Fund:

	<u>Cash and Cash Equivalents on Cash Flows</u>	<u>Other Investments</u>	<u>Balance Sheet Total</u>
Cash and investments	\$ 4,051,949	<u>\$ 11,663,084</u>	<u>\$ 15,715,033</u>
Restricted assets	<u>1,072,488</u>	<u>\$ 3,490,279</u>	<u>\$ 4,562,767</u>
Total	<u>\$ 5,124,437</u>		

The accompanying notes are an integral part of this statement.

City of Weston, Florida

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND

September 30, 2003

ASSETS

	<u>Agency Fund</u>
Restricted assets	
Investments	<u>\$ 3,740,352</u>

LIABILITIES

Payable from restricted assets	
Payable to bond holders	<u>\$ 3,740,352</u>

The accompanying notes are an integral part of this statement.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to governments. In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement #34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments". This statement provides for significant changes in financial reporting. As a result, an entirely new financial presentation format has been implemented. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City of Weston, Florida, (the "City") is a municipal corporation governed by an elected Mayor and a four member commission. 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.

As required by US GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. 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 this unit is combined with data of the primary government.

Blended Component Units

The Indian Trace Development District (the "ITDD") is a blended component unit. The 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, water management and control, roads and other public improvements. The ITDD's boundaries exclude the community of Bonaventure. The ITDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on the ITDD. The ITDD has its own budget and taxing power. The operations and assets of the ITDD are reflected in the Indian Trace Development District Special

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

Blended Component Units - Continued

Revenue Fund, the 1997 Bond Construction Capital Project Fund, the Water and Sewer Enterprise Fund, and the Agency Fund. The component unit has a September 30 year end. There were no separately issued financial statements for the component unit.

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

The Town Foundation became a component unit of the City of Weston on April 30, 2003 when the members of the City Commission became the Board of Directors of the Foundation. Town Foundation provides cable services to certain residents of the City. The Component unit has a December 31 year end and therefore the information presented is for the year ending December 31, 2003. There were no separately issued financial statements for the component unit.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-Wide and Fund Financial Statements - Continued

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary 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 60 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.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Property taxes, franchise taxes, licenses, and interest 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 government.

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 and Town Foundation) account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects). Indian Trace Development District accounts for the maintenance of the water management system within the boundaries of Indian Trace Development District. Town Foundation provides cable services to certain residents of the City.

The *capital project funds* (1997 Bond Construction Community, Facilities Construction, and 2003 Bond Construction) account for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds. The 1997 and 2003 Bond Construction Funds account for water management and roadway improvements funded with special assessment bond proceeds. The Community Facilities Construction Fund accounts for infrastructure projects from note proceeds.

The City reports the following major proprietary fund:

Enterprise Fund - used to account for the water and wastewater 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. Fees on new water and wastewater connections commonly referred to as tap fees, are collected to fund debt service on certain bond issues.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Additionally, the government reports the following fund types:

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long term general obligation debt of governmental funds and is included in other governmental funds.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Proprietary funds distinguish *operating* revenues and expenses from nonoperating 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 enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

Cash and cash equivalents are defined as demand deposits, money market accounts, mutual funds, Florida State Board of Administration treasurer's pool investments and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investments policy permits investment or reinvestment of the City's funds in obligations of the U.S. Government or obligations which are unconditionally guaranteed by the U.S. Government, certificates of deposit and savings accounts, in approved depositories, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, direct obligations of the United States Treasury Securities of, or other interest in any open end or closed end management type investment trust repurchase agreement money market fund and commercial paper.

Investments are stated at fair value, which is based on quoted market prices.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, and Net Assets or Equity - Continued

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the Fiscal Year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/due from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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 unit. 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.

Security deposits represent deposits and bonds held for customers and developers.

3. Restricted Assets

Certain proceeds of the City's bond resolutions, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The maintenance account is used to report resources set aside to subsidize potential deficiencies from the City's operation that could adversely affect debt service payments. The construction account is used to report those proceeds of bond issuances that are restricted for use in construction of certain water, wastewater and water management facilities. The sinking fund account is used to segregate resources accumulated for debt service payments over

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, and Net Assets or Equity - Continued

3. Restricted Assets - Continued

the next twelve months. The revenue account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. Amounts held from property owners are held for future payment of special benefit assessment bond principal and interest payments. Customer deposits are classified as restricted assets because they are held on behalf of the customer.

4. Capital Assets

Capital assets , which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets is defined by the City as assets with an initial, individual cost of more than \$750 for equipment and for infrastructure 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 recorded at estimated fair market value at the date of donation.

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

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

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, and Net Assets or Equity - Continued

4. Capital Assets - Continued

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	7 - 40
Infrastructure	40
Vehicles	5
Office equipment	5
Office furniture	7
Computer equipment	5

5. Compensated Absences

It is the City's policy to permit employees to accumulate limited amounts of earned but unused vacation and sick pay benefits. There are no employees in the proprietary fund. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vacation and sick pay is accrued when incurred in the government-wide financial statements and included in non-current liabilities.

6. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 assets. Bond discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, and Net Assets or Equity - Continued

6. Long-Term Obligations - Continued

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

7. Fund Equity

In the fund financial statements, government funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific future purpose. Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Restrictions of retained earnings are limited to outside third-party restrictions.

8. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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 management's estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At year-end, the government's carrying amount of deposits was \$4,346,751 and the bank balance was \$4,326,297. Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Deposits - Continued

defined as Public Deposits. All the public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" ("the Act"). In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits, times the depository's collateral pledging level.

The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All deposits are Category 1 credit risk.

Investments

Certain investments are required to be categorized to give an indication of the level of credit risk assumed by the City through the District at year-end. The three categories of risk as defined by Government Accounting Standards Board (GASB) Statement No. 3 are as follows:

1. Insured or registered, or securities held by the entity or its agent in the entity's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name; and
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

Mutual Funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Mutual funds are not insured or guaranteed, however, the underlying portfolio consists of U.S. Treasury securities.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Investments - Continued

Investments as of September 30, 2003 were as follows:

	Category			Reported Amount Fair Value
	1	2	3	
U.S. Government and Agency Securities	\$ 47,570,569	\$ 6,767,863	\$ -	\$ 54,338,432
Commercial Paper	<u>995,761</u>	<u>5,041,156</u>	<u>-</u>	<u>6,036,917</u>
Total	48,566,330	11,809,019	-	60,375,349
Investments not subject to categorization:				
Mutual funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,356,347</u>
Total investments	<u>\$ 48,566,330</u>	<u>\$ 11,809,019</u>	<u>\$ -</u>	<u>\$ 92,731,696</u>

A reconciliation of cash and investments as shown on the statement of net assets and the investment table above is as follows:

	Cash	Investments	Receivable	Total
Cash and investments	\$ 4,346,751	\$ 65,025,777	\$ -	\$ 69,372,528
Restricted assets	<u>-</u>	<u>27,705,919</u>	<u>75,427</u>	<u>27,781,346</u>
	<u>\$ 4,346,751</u>	<u>\$ 92,731,696</u>	<u>\$ 75,427</u>	<u>\$ 97,153,874</u>

	Investments	Restricted Investments
General Fund	\$ 28,176,304	\$ -
Special Revenue Funds		
Indian Trace Development District	9,343,599	3,897,865
Town Foundation	488,201	-
Capital Projects Funds		
1997 Bond Construction	-	9,076,488
Community Facilities Construction	8,564,158	-
2003 Bond Construction	70,496	577,046
Other Governmental Funds	<u>3,739,865</u>	<u>5,852,010</u>
	50,382,623	19,403,409
Agency Fund	-	3,740,352
Enterprise Fund	<u>14,643,154</u>	<u>4,562,159</u>
Grand total	<u>\$ 65,025,777</u>	<u>\$ 27,705,919</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 3 - RECEIVABLES

Receivables as of year end are as follows:

	General	Special Revenue			Capital Projects	2003 Bond Construction	Other Governmental Funds	Enterprise Fund
		Indian Trace Development District	Town Foundation	1997 Bond Construction	Community Facilities Construction			
Receivables								
Interest	\$ 26,819	\$ 27,913	\$ -	\$ -	\$ 19,028	\$ 2,698	\$ 1,162	\$ 37,027
Accounts	2,634,963	20,215	1,186,418	-	612,180	-	101,047	856,123
Restricted receivables								
Interest	-	-	-	20,209	-	-	54,609	608
Gross and net receivables	<u>\$ 2,661,782</u>	<u>\$ 48,128</u>	<u>\$ 1,186,418</u>	<u>\$ 20,209</u>	<u>\$ 631,208</u>	<u>\$ 2,698</u>	<u>\$ 156,818</u>	<u>\$ 893,758</u>

There was no allowance necessary for these receivables as of September 30, 2003.

NOTE 4 - RESTRICTED ASSETS

Restricted assets at September 30, 2003, consist of the following:

	Special Revenue Fund	Capital Projects Funds		Other Governmental Funds	Agency Fund	Enterprise Fund	Total
	Indian Trace Development District	1997 Bond Construction	2003 Bond Construction				
Maintenance accounts	\$ -	\$ -	\$ -	\$ 5,906,619	\$ -	\$ -	\$ 5,906,619
Customer deposits	-	-	-	-	-	1,500,527	1,500,527
Sinking accounts	-	-	-	-	-	272,376	272,376
Reserve accounts	-	-	-	-	-	450,164	450,164
Construction accounts	<u>3,897,865</u>	<u>9,096,697</u>	<u>577,046</u>	<u>-</u>	<u>3,740,352</u>	<u>2,339,700</u>	<u>19,651,660</u>
Total	<u>\$ 3,897,865</u>	<u>\$ 9,096,697</u>	<u>\$ 577,046</u>	<u>\$ 5,906,619</u>	<u>\$ 3,740,352</u>	<u>\$ 4,562,767</u>	<u>\$ 27,781,346</u>
Cash and investments	\$ 3,897,865	\$ 9,076,488	\$ 577,046	\$ 5,852,010	\$ 3,740,352	\$ 4,562,159	\$ 27,705,919
Receivables	<u>-</u>	<u>20,209</u>	<u>-</u>	<u>54,609</u>	<u>-</u>	<u>608</u>	<u>75,427</u>
Total	<u>\$ 3,897,865</u>	<u>\$ 9,096,697</u>	<u>\$ 577,046</u>	<u>\$ 5,906,619</u>	<u>\$ 3,740,352</u>	<u>\$ 4,562,767</u>	<u>\$ 27,781,346</u>

Amounts payable from restricted assets at September 30, 2003, consist of the following:

	1997 Bond Construction	Enterprise	Agency	Total
Customer deposits	\$ -	\$ 1,500,527	\$ -	\$ 1,500,527
Accrued interest payable	-	18,200	-	18,200
Contracts payable	406,430	-	-	406,430
Retainages payable	180,554	-	-	180,554
Payable to bondholders	<u>-</u>	<u>-</u>	<u>3,740,352</u>	<u>3,740,352</u>
Total	<u>\$ 586,984</u>	<u>\$ 1,518,727</u>	<u>\$ 3,740,352</u>	<u>\$ 5,846,063</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

A summary of due to/from other funds as of September 30, 2003 is as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 730,876	\$ 375,936
Capital Projects Funds		
Community Facilities Construction	448,431	285,980
2003 Bond Construction	-	35,503
Other Governmental Funds	<u>1,152,212</u>	<u>1,634,100</u>
Total	<u>\$ 2,331,519</u>	<u>\$ 2,331,519</u>

Due to/due from other funds is primarily due to temporary borrowings resulting from the time lag between payment of expenditures and when revenues or reimbursements are received.

A summary of interfund transfers for the year ended September 30, 2003 is as follows:

	<u>General Fund</u>	<u>Transfer In Community Facilities Construction Capital Projects</u>	<u>Total</u>
<u>Transfers Out</u>			
Nonmajor governmental funds	\$ 442,914	\$ -	\$ 442,914
2003 Bond Construction			
Capital Projects fund	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>
Total transfers out	<u>\$ 442,914</u>	<u>\$ 1,700,000</u>	<u>\$ 2,142,914</u>

Amounts transferred from Nonmajor Governmental Funds to General Fund were for reimbursements of expense. Amounts transferred from the 2003 Bond Construction, Capital Projects Fund to the Community Facilities Construction Capital Projects Fund were for park expenditures recorded in that fund.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS, NET

Capital asset activity for the year ended September 30, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 5,100,000	\$ 5,639,199	\$ -	\$ 10,739,199
Construction in progress	<u>6,673,113</u>	<u>5,152,280</u>	<u>(5,714,976)</u>	<u>6,110,417</u>
Total capital assets not being depreciated	<u>11,773,113</u>	<u>10,791,479</u>	<u>(5,714,976)</u>	<u>16,849,616</u>
Capital assets being depreciated:				
Buildings	6,368,587	-	-	6,368,587
Infrastructure	139,977,477	7,554,915	-	147,532,392
Machinery and equipment	<u>1,925,274</u>	<u>152,437</u>	<u>-</u>	<u>2,077,711</u>
Total capital assets being depreciated	148,271,338	7,707,352	-	155,978,690
Less accumulated depreciation:				
Buildings	205,539	159,842	-	365,381
Infrastructure	2,420,451	922,872	-	3,343,323
Machinery and equipment	<u>1,266,881</u>	<u>336,788</u>	<u>-</u>	<u>1,603,669</u>
Total accumulated depreciation	<u>3,892,871</u>	<u>1,419,502</u>	<u>-</u>	<u>5,312,373</u>
Total capital assets, being depreciated, net	<u>144,378,467</u>	<u>6,287,850</u>	<u>-</u>	<u>150,666,317</u>
Governmental activities capital assets, net	<u>\$ 156,151,580</u>	<u>\$ 17,079,329</u>	<u>\$ (5,714,976)</u>	<u>\$ 167,515,933</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	<u>\$ 877,437</u>	<u>\$ 84,425</u>	<u>\$ -</u>	<u>\$ 961,862</u>
Total capital assets not being depreciated	877,437	84,425	-	961,862
Capital assets being depreciated:				
Improvements other than buildings	33,209,607	156,000	-	33,365,607
Machinery and equipment	<u>202,790</u>	<u>-</u>	<u>(55,234)</u>	<u>147,556</u>
Total capital assets being depreciated	<u>33,412,379</u>	<u>156,000</u>	<u>(55,234)</u>	<u>33,513,163</u>
Less accumulated depreciation:				
Improvements other than buildings	7,827,530	864,836	-	8,692,366
Machinery and equipment	<u>133,847</u>	<u>23,684</u>	<u>(55,234)</u>	<u>102,297</u>
Total accumulated depreciation	7,961,377	888,520	(55,234)	8,794,663
Total capital assets being depreciated, net	<u>25,451,002</u>	<u>(732,520)</u>	<u>-</u>	<u>24,718,482</u>
Business-type activities capital assets, net	<u>\$ 26,328,439</u>	<u>\$ (648,095)</u>	<u>\$ -</u>	<u>\$ 25,680,362</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 6 - CAPITAL ASSETS, NET - Continued

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

Governmental activities		
General government	\$	-
Public safety		108,452
Community development		24,386
Public works		950,310
Parks and recreation		<u>336,354</u>
Total depreciation expense - governmental activities	\$	<u>1,419,502</u>
Business-type activities:		
Enterprise - water and sewer	\$	<u>888,520</u>
Total depreciation expense - business-type activities	\$	<u>888,520</u>

Construction Commitments

The City has active construction projects as of September 30, 2003. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and bridges, and the construction of additional wastewater treatment facilities. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Master Plan Drainage	\$ 2,546,687	\$ 721,735
Roadway Overlay	643,773	685,109
Arvida Parkway	502,167	304,408
Pavement Overlay/Weekly Asphalt	1,090,130	175,929
Roundabout Regional Park	68,203	11,663
Weston Community Center	<u>980,996</u>	<u>118,779</u>
Total	\$ <u>5,831,956</u>	\$ <u>2,017,423</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 7 - NO OBLIGATION SPECIAL ASSESSMENTS

The City through the ITDD and BDD acts an agent for the payment of special assessment bonds. Neither the City nor the ITDD nor the BDD are obligated in any manner for the repayment of these bonds. The City's responsibility through the ITDD and the BDD is limited to acting as an agent in collecting the assessments and forwarding the collections to bondholders as bonds and interest payments come due. These amounts are reflected in the Agency Fund. Accordingly, no liability for these bonds have been recorded in the City's basic financial statements. The principal amount of outstanding debt under these special assessment bonds was \$118,310,000 at September 30, 2003.

At September 30, 2003, no obligation special assessment bonds are summarized as follows:

<u>Bond Issue</u>	<u>Issue/Reissue Date</u>	<u>Original Principal</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>
1995A ITDD	February 1995	\$ 65,565,000	5 - 5.75%	\$ 39,005,000
1995B ITDD	February 1995	33,010,000	8.25%	19,600,000
1997 ITDD	July 1997	41,635,000	4 - 5%	37,805,000
2002 BDD	January 2002	12,790,000	1.75% - 5.25%	12,570,000
2003 Isles at Weston	April 2003	<u>9,330,000</u>	5.50%	<u>9,330,000</u>
		<u>\$ 162,330,000</u>		<u>\$ 118,310,000</u>

The 1995A, 1995B and 1997 Bond issues relate to the ITDD and are secured by a pledge of the proceeds of the bonds, non-ad valorem special assessments, and moneys and investments on deposit. The Series 1995A and 1995B Bond's proceeds are for various construction projects. Series 1995B Bonds are subordinate to Series 1995A Bonds. The Series 1997 Bonds' proceeds are to be used to pay costs of certain improvements to the water management system. The 2002 Bond issue relates to the BDD and is secured by a pledge of the proceeds of the bonds, non-ad valorem special assessments, and money and investments on deposit. The Series 2002 Bond proceeds are to be used to acquire the Keep Bonaventure Beautiful and commence construction of the balance of the Bonaventure Plan. The 2003 Series Isles at Weston bond proceeds are to be used to finance the cost of infrastructure and facilities improvements and Vista Park improvements.

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 8 - LONG TERM DEBT

The City has issued notes for governmental activities at September 30, 2003 as follows:

<u>Notes Payable</u>	<u>Outstanding Balance</u>
<i>Community Facilities Notes</i>	
\$6,920,815 2002A-1 promissory note with principal and interest due semi-annually with a 2.59% fixed interest rate maturing on April 1, 2008. Monies are used for capital improvements. The note is collateralized by franchise fees.	\$ 6,327,741
\$3,044,582 2002A-2 promissory note with principal and interest due semi-annually with a 2.59% fixed interest rate maturing on April 1, 2009. Monies are used for capital improvements. The note is collateralized by franchise fees.	2,825,990
\$5,137,410 2002B promissory note with principal and interest due semi-annually with a 2.91% fixed interest rate maturing on April 1, 2009. Monies are used for capital improvements. The note is collateralized by franchise fees.	4,767,122
<i>Special Assessment Debt with Government Obligation - Street Lighting Note</i>	
\$730,000 note through Florida Local Government Finance Commission (FLGFC) with principal and interest due annually maturing February 1, 2005. Interest rate is variable based on the 6 month commercial paper rate (1.408% at October 1, 2002 to 1.001% at September 30, 2003). Monies are used to construct and install street lights. Note is collateralized by special assessments. In the event of a delinquency in payment of any assessment, the City may cover any deficiencies in the payment of debt.	310,000
<i>Special Assessment Debt with Government Obligation - Roadway Improvements Note</i>	
\$1,352,671 note through a Bank with principal and interest due semi-annually with a 4.95% fixed interest rate maturing on May 1, 2006. Monies are used for roadway improvements. Note is collateralized by special assessments. In the event of a delinquency in payment of any assessment, the City may cover any deficiencies in the payment of debt.	<u>434,063</u>
Total long-term debt	<u>\$ 14,664,916</u>

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 8 - LONG TERM DEBT - Continued

Annual debt service requirements to maturity for notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 2,659,784	\$ 379,886
2005	2,742,033	308,855
2006	2,678,955	235,797
2007	2,579,630	201,058
2008	2,649,488	91,400
2009	<u>1,355,026</u>	<u>28,435</u>
Total	<u>\$ 14,664,916</u>	<u>\$ 1,245,431</u>

Revenue Bonds

At September 30, 2003, revenue bonds have been issued for the enterprise fund/business type activities as follows:

<u>Bond Issue</u>	<u>Issue Date</u>	<u>Original Principal</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>
Water and Sewer Revenue Bonds Series 1985 ("1985 Bonds")	December 1985	\$ 3,900,000	9.375% to 9.75% to	\$ 1,120,000
Less: Bond Discount				<u>70,410</u>
				<u>\$ 1,049,590</u>

The proceeds of the Bonds were used to pay \$1,075,000 due to the City of Sunrise and advances received from Arvida. The Bonds are payable from the lease revenues from the City of Sunrise. The Water and Sewer Revenue Bonds require the establishment of certain cash and investment accounts and determines the order in which transfers are to be made to these cash and investment accounts.

The Series 1985 bonds are subject to prior redemption at the option of the City through the District, in whole or in part, in inverse order of maturity on any interest payment date on or after December 1, 1995, at redemption prices ranging from 103% to 100% of par plus accrued interest.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 8 - LONG TERM DEBT - Continued

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 340,000	\$ 92,625
2005	370,000	58,013
2006	<u>410,000</u>	<u>19,898</u>
Total	1,120,000	170,536
Less bond discount	<u>70,410</u>	<u>-</u>
	<u>\$ 1,049,590</u>	<u>\$ 170,536</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable:					
2002A-1	\$ -	\$ 6,920,815	\$ 593,072	\$ 6,327,741	\$ 1,813,591
2002A-2	-	3,044,582	218,592	2,825,990	665,797
2002B	-	5,137,410	370,288	4,767,122	1,114,829
Bank of America LOC	6,920,813	-	6,920,813	-	-
Northern Trust LOC	200,000	-	200,000	-	-
Special assessment note with government obligation:					
Street lighting note	455,000	-	145,000	310,000	64,257
Tequesta Trace note	166,865	-	166,865	-	-
Roadway improvement note	577,635	-	143,572	434,063	150,000
Compensated absences	<u>-</u>	<u>82,822</u>	<u>-</u>	<u>82,822</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 8,320,313</u>	<u>\$15,185,629</u>	<u>\$ 8,758,202</u>	<u>\$14,747,738</u>	<u>\$ 3,808,474</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 1,430,000	\$ -	\$ 310,000	\$ 1,120,000	\$ 340,000
Less: Deferred amount for issuance discount	<u>(80,468)</u>	<u>-</u>	<u>(10,058)</u>	<u>(70,410)</u>	<u>-</u>
Business-type activity					
Long-term liabilities	<u>\$ 1,349,532</u>	<u>\$ -</u>	<u>\$ 299,942</u>	<u>\$ 1,049,590</u>	<u>\$ 340,000</u>

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 9 - LEASES

Operating Leases

The City entered into a 10 year operating lease agreement on October 1, 1997 for office space. Total cost for such lease was \$94,022 for the year ended September 30, 2003. The following is a schedule by year of future minimum lease payments as of September 30, 2003:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 96,022
2005	98,022
2006	100,002
2007	<u>102,022</u>
Total	<u>\$ 396,068</u>

NOTE 10 - RISK MANAGEMENT/INSURANCE

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

The City purchased an insurance policy that provides coverage of up to a \$2,000,000 maximum for each general liability and property damage occurrence in combination with a maximum annual aggregate coverage of approximately \$5,000,000 for the policy year ending September 30, 2003. Settled claims did not exceed this commercial coverage during the last three fiscal years.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

City of Sunrise Water and Sewer Agreement

An agreement between the City of Sunrise and the 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 to the ITDD, water and sewer service and provide the related billing and collection services to the ITDD's customers based on the City of Sunrise's rate structure. The customers remain with the ITDD, but the ITDD is performing only certain services under the agreement. The pumping and storage facility funded by the 1985 Water and Sewer Revenue Bond proceeds is being leased to the City of Sunrise based on a semi-annual payment schedule to cover the ITDD's debt service on that facility. The direct financing lease minimum lease payment receivable at September 30, 2003 is \$1,070,039 with related unearned interest of \$134,916 for a net investment direct financing lease of \$935,123.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 11 - COMMITMENTS AND CONTINGENCIES - Continued

City of Sunrise Water and Sewer Agreement - Continued

The following is a schedule by year of future minimum lease payments to be received, as lessor, from the City of Sunrise as of September 30, 2003:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 441,575
2005	428,012
2006	<u>200,452</u>
Total	1,070,039
Less: interest	<u>134,916</u>
	<u>\$ 935,123</u>

Litigation

The City is engaged in various lawsuits in the ordinary course of business involving liability and due process rights. One such lawsuit involves a fatal traffic accident where the plaintiff is seeking in excess of \$1 million. However, liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes under the Doctrine of Sovereign Immunity to \$100,000 unless the plaintiff receives a claims bill. Another such lawsuit involves a building permit dispute where the plaintiff is seeking \$2 million in damages. At the present time, the ultimate outcome of these matters are not determinable; accordingly, no amounts have been accrued in the City's financial statements. The City intends to vigorously defend these matters and does not expect them to have a material impact on the basic financial statements.

Emergency Medical and Fire Services Agreement

The City entered into an agreement with Broward Sheriff's Office (BSO) Department of Fire Rescue and Emergency Services to provide emergency medical and fire protection services. Per the agreement, the City provides housing for fire and rescue units and is responsible for major repairs and maintenance. BSO provided the City \$1,100,000 for a new fire/rescue

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 11 - COMMITMENTS AND CONTINGENCIES - Continued

Emergency Medical and Fire Services Agreement - Continued

station. BSO provides emergency medical and fire protection services to the City on a 24-hour, 7-days a week basis. BSO also provides 3 rescue transport units, 3 fire engine units, 1 fire aerial unit, and personnel. The City will pay to the BSO as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 8,004,482
2005	<u>8,640,805</u>
Total minimum payments	<u>\$ 16,645,287</u>

Payments are due in monthly installments. The term of the agreement commenced October 1, 2000 for five years ending September 30, 2005.

Subsequent to year end, in December 2003, the City entered into a new agreement with the BSO Department of Fire Rescue and Emergency Services, effective October 1, 2003 for five years ending September 30, 2008. The payment schedule requires a minimum payment amount for the year ending September 30, 2004 of \$8,004,482. The payment amounts in subsequent years will not increase in any year by more than 5%. Based on a 5% increase, the minimum payment schedule will be \$8,004,482 in fiscal 2004, \$8,640,805 in fiscal 2005, \$9,078,850 in fiscal 2006, \$9,526,432 in fiscal 2007, and \$10,002,817 in fiscal 2008, for a total of \$45,247,450 for the five year period.

The City may request renewal for an additional five years. If the City requests an increase or decrease in the number of emergency medical service or fire engine units provided by BSO, the payment amount will be adjusted accordingly.

NOTE 12 - CHANGES IN ACCOUNTING PRINCIPLES

Effective October 1, 2002, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government - Omnibus, and Statement No. 38 Certain Financial Statement, Note Disclosures*. The implementation of these new accounting statements significantly changed the reporting model and reporting requirements for the City.

(continued)

City of Weston, Florida

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2003

NOTE 12 - CHANGES IN ACCOUNTING PRINCIPLES - Continued

The implementation of these new statements required the following calculation to establish beginning net assets for governmental activities:

Total governmental fund balances as of September 30, 2002	\$ 57,790,716
Capital assets	156,151,580
Long-term liabilities	
Bonds payable	(8,320,313)
Accrued interest on bonds	<u>(206,969)</u>
Total net assets - governmental activities as of September 30, 2002	<u>\$ 205,415,014</u>

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

City of Weston, Florida

**GENERAL FUND
BUDGETARY COMPARISONS SCHEDULE**

Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Taxes				
Ad valorem - current	\$ 6,711,840	\$ 6,711,840	\$ 6,866,836	\$ 154,996
Franchise fees				
Simplified communications tax	1,803,917	1,803,917	3,158,155	1,354,238
Solid waste	230,954	230,954	401,753	170,799
Utility taxes				
Electric	2,813,861	2,813,861	3,754,406	940,545
Gas	<u>42,871</u>	<u>42,871</u>	<u>64,897</u>	<u>22,026</u>
Total tax revenue	11,603,443	11,603,443	14,246,047	2,642,604
Licenses and permits				
City occupational licenses	211,188	211,188	417,267	206,079
Building permits	408,333	408,333	222,656	(185,677)
Engineering permits	<u>736,160</u>	<u>736,160</u>	<u>92,114</u>	<u>(644,046)</u>
Total licenses and permit revenues	1,355,681	1,355,681	732,037	(623,644)
Intergovernmental				
Alcohol beverage licenses	10,803	10,803	13,537	2,734
Half cent sales tax	2,868,927	2,868,927	3,114,130	245,203
State revenue sharing	514,390	514,390	554,405	40,015
Grant revenue	<u>876,548</u>	<u>876,548</u>	<u>313,791</u>	<u>(562,757)</u>
Total intergovernmental revenues	4,270,668	4,270,668	3,995,863	(274,805)
Changes for services				
Development review fees	340,800	340,800	752,033	411,233
Solid waste fees	4,419,155	4,419,155	4,512,868	93,713
Recreation fees	<u>263,984</u>	<u>263,984</u>	<u>396,993</u>	<u>133,009</u>
Total charges for services	5,023,939	5,023,939	5,661,894	637,955
Fines and forfeitures				
Court fines and forfeitures	184,447	184,447	404,579	220,132
Community fees	-	-	334,510	334,510
Investment income				
Interest income	1,015,523	1,015,523	1,172,215	156,692
Contribution from property owners	375,000	375,000	469,800	94,800
Miscellaneous revenues				
Other miscellaneous revenues	<u>90,000</u>	<u>90,000</u>	<u>23,466</u>	<u>(66,534)</u>
Total revenues	<u>23,918,701</u>	<u>23,918,701</u>	<u>27,040,411</u>	<u>3,121,710</u>

(continued)

City of Weston, Florida

**GENERAL FUND
BUDGETARY COMPARISONS SCHEDULE - CONTINUED**

Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current				
General government				
City Commission	\$ 70,046	\$ 70,046	\$ 56,176	\$ 13,870
City Manager/City Clerk	1,115,442	1,115,442	1,213,183	(97,741)
Administrative services	1,913,717	1,913,717	2,116,555	(202,838)
Legal	519,782	519,782	585,942	(66,160)
Other Governmental	<u>1,614,491</u>	<u>1,614,491</u>	<u>410,879</u>	<u>1,203,612</u>
Total general government	5,233,478	5,233,478	4,382,735	850,743
Public safety				
Police services	5,245,025	5,245,025	4,979,189	265,836
Fire services	<u>2,137,661</u>	<u>2,137,661</u>	<u>2,134,686</u>	<u>2,975</u>
Total public safety	7,382,686	7,382,686	7,113,875	268,811
Community development				
Planning and zoning	<u>1,661,738</u>	<u>1,661,738</u>	<u>2,050,165</u>	<u>(388,427)</u>
Total community development	1,661,738	1,661,738	2,050,165	(388,427)
Public works				
Maintenance	-	-	377	(377)
Solid waste	<u>4,419,155</u>	<u>4,419,155</u>	<u>4,324,394</u>	<u>94,761</u>
Total public works	4,419,155	4,419,155	4,324,771	94,384
Parks and recreation				
Parks	<u>4,131,333</u>	<u>4,131,333</u>	<u>3,503,973</u>	<u>627,360</u>
Total parks and recreation	4,131,333	4,131,333	3,503,973	627,360
Capital outlay	<u>1,681,288</u>	<u>1,681,288</u>	<u>1,554,473</u>	<u>126,815</u>
Total expenditures	<u>24,509,678</u>	<u>24,509,678</u>	<u>22,929,992</u>	<u>1,579,686</u>
Excess (deficiency) of revenues over (under) expenditures	(560,977)	(560,977)	4,110,419	4,701,396
Other financing sources				
Transfers in	<u>203,000</u>	<u>203,000</u>	<u>442,914</u>	<u>239,914</u>
Total other financing sources	203,000	203,000	442,914	239,914
Net change in fund balances	(387,977)	(387,977)	4,553,333	4,941,310
Fund balances at beginning of year	<u>20,888,070</u>	<u>20,888,070</u>	<u>25,304,742</u>	<u>4,416,672</u>
Fund balances at end of year	<u>\$ 20,500,093</u>	<u>\$ 20,500,093</u>	<u>\$ 29,858,075</u>	<u>\$ 9,357,982</u>

City of Weston, Florida

**SPECIAL REVENUE FUND
INDIAN TRACE DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE**

Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Non ad valorem assessments	\$ 6,862,247	\$ 6,862,247	\$ 7,196,376	\$ 334,129
Investment income				
Interest income	<u>336,118</u>	<u>336,118</u>	<u>476,312</u>	<u>140,194</u>
Total revenues	<u>7,198,365</u>	<u>7,198,365</u>	<u>7,672,688</u>	<u>474,323</u>
Expenditures				
Current				
General government	-	-	46,924	(46,924)
Public safety	4,570,108	4,570,108	4,309,709	260,399
Community development				
Administrative services	1,564,117	1,564,117	1,303,374	260,743
Capital outlay	2,025,000	2,025,000	599,285	1,425,715
Debt service				
Interest and fiscal charges	<u>39,140</u>	<u>39,140</u>	<u>-</u>	<u>39,140</u>
Total expenditures	<u>8,198,365</u>	<u>8,198,365</u>	<u>6,259,292</u>	<u>1,939,073</u>
Net change in fund balances	(1,000,000)	(1,000,000)	1,413,396	2,413,396
Fund balances at beginning of year	<u>9,946,055</u>	<u>9,946,055</u>	<u>11,816,399</u>	<u>1,870,344</u>
Fund balances at end of year	<u>\$ 8,946,055</u>	<u>\$ 8,946,055</u>	<u>\$ 13,229,795</u>	<u>\$ 4,283,740</u>

City of Weston, Florida

NOTES TO BUDGETARY COMPARISON SCHEDULES

Year Ended September 30, 2003

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, City management submits to the City Commission, a proposed operating budget for the Fiscal Year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. During September, public hearings are conducted to obtain citizen comments on the tentative budget and proposed millage. The final budget is prepared and legally adopted through passage of an ordinance prior to September 30.

The City adopts an operating budget on a generally accepted accounting principles basis for the General, and the Special Revenue Funds, except for Town Foundation. Current year appropriations are encumbered when purchase orders are issued. Encumbered amounts lapse at year end. However, outstanding encumbrances generally are reappropriated as part of the following years budget. Transfers of appropriations within a fund and between funds can be performed by management. Only supplemental appropriations require the approval of the Commission. The legal level of control is the overall government level. There were no supplemental appropriations during the year.

**COMBINING & INDIVIDUAL
FUND STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Street Maintenance Fund

This fund is used to account for revenues received from State and County government which may only be expended for those items prescribed by law.

Bonaventure Development District Fund

This fund accounts for operation, and maintenance activities of the water management and control facilities with the Bonaventure Development District.

Fire District Fund

This fund is used to account for resources and expenditures that are available for the City's Fire Protection Services.

Bonaventure Rights of Way Fund

This fund accounts for operation and maintenance of rights of way within the Bonaventure Development District.

Transportation Fund

This fund is used to account for resources and expenditures activities for public transportation for the City's residents.

NONMAJOR GOVERNMENTAL FUNDS - CONTINUED

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Street Lighting Fund

This fund is used to account for installation of street lights along a strip of Weston Road and is funded via special assessments and loan proceeds.

Bonaventure Fund

This fund is used to account for the financing of the cost of infrastructure and facilities benefiting district lands and the acquisition of capital stock of keep Bonaventure Beautiful Corporation.

Roadway Improvements Note Fund

This fund is used to account for various roadway improvements funded with special assessments to the surrounding property owners.

Debt Service Fund

Debt service funds are used to account the accumulation of resources for and the payment of long term debt principal and interest.

Roadway Improvements Note Fund

This fund is used to account for the accumulation of payment and interest for the roadway improvements note which are payable from non ad valorem taxes.

City of Weston, Florida

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2003

	Special Revenue			Capital Projects				Debt Service				
	Street Maintenance	Bonaventure Development District	Fire District	Bonaventure Rights of Way	Transportation	Total	Street Lighting	Bonaventure	Roadway Improvements	Total Nonmajor Governmental Funds		
Cash and investments	\$ 161,750	\$ 847,437	\$ 2,398	\$ -	\$ 35,327	\$ 1,046,912	\$ -	\$ 2,672,762	\$ 220,038	\$ 2,892,800	\$ -	\$ 3,939,712
Accounts receivable	-	7,390	1,814	-	32,731	41,935	58,123	-	-	58,123	989	101,047
Accrued interest	-	-	-	-	-	-	-	1,162	-	1,162	-	1,162
Due from other funds	-	-	5,385	635,954	138,610	779,949	-	-	372,263	372,263	-	1,152,212
Restricted assets												
Cash and investments Receivables	3,399,206	-	1,740,375	-	-	5,139,581	194,710	-	-	194,710	517,719	5,852,010
	54,609	-	-	-	-	54,609	-	-	-	-	-	54,609
Total assets	\$ 3,615,565	\$ 854,827	\$ 1,749,972	\$ 635,954	\$ 206,668	\$ 7,062,986	\$ 252,833	\$ 2,673,924	\$ 592,301	\$ 3,519,058	\$ 518,708	\$ 11,100,752
LIABILITIES AND FUND BALANCES												
Liabilities												
Accounts payable	\$ 44,524	\$ 81,432	\$ 356	\$ -	\$ -	\$ 126,312	\$ -	\$ 61,268	\$ -	\$ 61,268	\$ -	\$ 187,580
Deferred revenue	-	-	-	-	-	-	55,000	-	-	55,000	-	55,000
Due to other funds	228,728	635,954	102,999	100,000	-	1,067,681	-	-	398,419	398,419	168,000	1,634,100
Total liabilities	273,252	717,386	103,355	100,000	-	1,193,993	55,000	61,268	398,419	514,687	168,000	1,876,680
Fund balances												
Reserved												
Reserved for maintenance	3,342,313	-	-	-	-	3,342,313	-	-	-	-	-	3,342,313
Unreserved												
Undesignated	-	137,441	1,646,617	535,954	206,668	2,526,680	197,833	2,612,656	193,882	3,004,371	350,708	5,881,759
Total fund balances	3,342,313	137,441	1,646,617	535,954	206,668	5,868,993	197,833	2,612,656	193,882	3,004,371	350,708	9,224,072
Total liabilities and fund balances	\$ 3,615,565	\$ 854,827	\$ 1,749,972	\$ 635,954	\$ 206,668	\$ 7,062,986	\$ 252,833	\$ 2,673,924	\$ 592,301	\$ 3,519,058	\$ 518,708	\$ 11,100,752

City of Weston, Florida

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

For the Year Ended September 30, 2003

	Special Revenue			Capital Projects			Total	Debt Service Roadway Improvements Note	Total Nonmajor Governmental Funds
	Street Maintenance	Bonaventure Development District	Fire District	Bonaventure Rights of Way	Transportation Fund	Street Lighting			
Revenues									
Taxes									
Nonadvalorem assessments	\$ -	\$ 150,372	\$ 5,246,136	\$ 1,201,902	\$ -	\$ 6,598,410	\$ -	\$ 109,627	\$ 7,059,497
Contribution from Property Owners	-	-	-	-	-	-	-	-	14,410
Intergovernmental	719,355	-	-	-	206,668	926,023	-	-	-
Local option gas tax	394,143	-	-	-	-	394,143	-	-	-
State revenue sharing	-	-	-	-	-	-	-	-	-
Total inter- governmental revenues	1,113,498	-	-	-	206,668	1,320,166	-	109,627	1,320,166
Investment income	110,534	6,572	10,874	3,673	-	131,653	27,213	1,873	167,410
Interest income	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	54,066	-	-	54,066	-	-	54,066
Fire and EMS	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	1,224,032	156,944	5,311,076	1,205,575	206,668	8,104,295	27,213	144,106	8,759,655
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	824	824
Community development	-	-	-	-	-	-	-	-	-
Administrative services	-	55,182	-	183,368	-	238,550	-	-	238,550
Public safety	-	-	4,768,541	-	-	4,768,541	-	-	4,768,541
Public works	188,933	146,220	9,784	386,253	-	731,190	-	-	731,190
Capital outlay	503,389	-	-	-	-	503,389	1,972,783	-	2,476,172
Debt service	-	-	-	-	-	-	-	-	-
Payment of principal	-	-	-	-	-	-	-	145,000	288,572
Interest expense	-	-	-	-	-	-	-	7,440	24,428
Total	692,322	201,402	4,778,325	569,621	-	6,241,670	1,972,783	168,000	8,535,717
expenditures									
Excess (deficiency) of revenues over (under) expenditures	531,710	(44,458)	532,751	635,954	206,668	1,862,625	(1,945,570)	201,239	223,938

(continued on the following page)

City of Weston, Florida

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

For the Year Ended September 30, 2003

	Street Maintenance			Variance with		Bonaventure Development District			
	Original and Final Budgeted Amounts	Actual Amounts	Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues									
Taxes									
Non ad valorem assessments									
Intergovernmental									
Local option gas tax	829,106	719,355	(109,751)	-	-	-	-	-	-
State revenue sharing	289,344	394,143	104,799	-	-	-	-	-	-
Total intergovernmental revenues	1,118,450	1,113,498	(4,952)	-	-	-	-	-	-
Investment income									
Interest income	47,440	110,534	63,094	8,052	6,572	(1,480)	8,052	6,572	(1,480)
Total revenues	1,165,890	1,224,032	58,142	149,193	156,944	7,751	149,193	156,944	7,751
Expenditures									
Current									
General government									
Administrative services	-	-	-	45,574	55,182	(9,608)	45,574	55,182	(9,608)
Public works	176,700	188,933	(12,233)	143,619	146,220	(2,601)	143,619	146,220	(2,601)
Capital outlay	1,575,250	503,389	1,071,861	-	-	-	-	-	-
Total expenditures	1,751,950	692,322	1,059,628	189,619	201,402	(11,783)	189,619	201,402	(11,783)
Excess (deficiency) of revenues over (under) expenditures	(586,060)	531,710	1,117,770	(40,426)	(44,458)	(4,032)	(40,426)	(44,458)	(4,032)
Other financing uses:									
Transfer out									
Net change in fund balances	(586,060)	531,710	1,117,770	(40,426)	(44,458)	(4,032)	(40,426)	(44,458)	(4,032)
Fund balances at beginning of year	2,139,083	2,810,603	671,520	190,170	181,899	(8,271)	190,170	181,899	(8,271)
Fund balances at end of year	\$ 1,553,023	\$ 3,342,313	\$ 1,789,290	\$ 149,744	\$ 137,441	\$ (12,303)	\$ 149,744	\$ 137,441	\$ (12,303)

(continued on the following page)

City of Weston, Florida

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2003

	Fire District Fund			Bonaventure Rights of Way			Transportation Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues									
Taxes									
Non ad valorem assessments	\$ 4,668,635	\$ 5,246,136	\$ 577,501	\$ 1,189,529	\$ 1,201,902	\$ 12,373	\$ -	\$ -	\$ -
Intergovernmental									
Local option gas tax									
Investment income	17,366	10,874	(6,492)	4,500	3,673	(827)	50,007	206,668	156,661
Interest income		54,066	54,066						
Miscellaneous income									
Total revenues	<u>4,686,001</u>	<u>5,311,076</u>	<u>625,075</u>	<u>1,194,029</u>	<u>1,205,575</u>	<u>11,546</u>	<u>51,744</u>	<u>206,668</u>	<u>154,924</u>
Expenditures									
Current									
General government									
Administrative services				270,854	183,368	87,486			
Public safety	4,920,144	4,768,541	151,603						
Public works	29,140	9,784	19,356	773,175	386,253	386,922			
Capital outlay	150,000		150,000						
Total expenditures	<u>5,099,284</u>	<u>4,778,325</u>	<u>320,959</u>	<u>1,044,029</u>	<u>569,621</u>	<u>474,408</u>			
Excess (deficiency) of revenues over (under) expenditures	(413,283)	532,751	946,034	150,000	635,954	485,954	51,744	206,668	154,924
Other financing uses:									
Transfer out	(103,000)	(103,000)		(100,000)	(100,000)				
Net change in fund balances	<u>(516,283)</u>	<u>429,751</u>	<u>946,034</u>	<u>50,000</u>	<u>535,954</u>	<u>485,954</u>	<u>51,744</u>	<u>206,668</u>	<u>154,924</u>
Fund balances at beginning of year	762,060	1,216,866	454,806						
Fund balances at end of year	<u>\$ 245,777</u>	<u>\$ 1,646,617</u>	<u>\$ 1,400,840</u>	<u>\$ 50,000</u>	<u>\$ 535,954</u>	<u>\$ 485,954</u>	<u>\$ 51,744</u>	<u>\$ 206,668</u>	<u>\$ 154,924</u>

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

These schedules present only the capital assets balances related to governmental funds.

City of Weston, Florida

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

September 30, 2003

Governmental funds capital assets	
Land	\$ 10,739,199
Buildings	6,368,587
Improvements other than buildings	147,532,392
Equipment	2,077,711
Construction in progress	<u>6,110,417</u>
Total governmental funds capital assets	<u>\$ 172,828,306</u>
Investment in governmental funds capital assets	
General fund	\$ 9,017,482
Special revenue funds	2,089,648
Capital projects fund	151,876,508
Donations	<u>9,844,668</u>
Total investment in governmental funds capital assets	<u>\$ 172,828,306</u>

City of Weston, Florida

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY**

September 30, 2003

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government						
City Commission	\$ -	\$ -	\$ 4,774	\$ 33,005	\$ -	\$ 37,779
City Manager/ City Clerk	-	-	379	91,808	-	92,187
Total general government	-	-	5,153	124,813	-	129,966
Public safety						
Fire services	-	2,303,918	8,726	87,421	-	2,400,065
Police services	-	1,653,028	14,189	57,405	-	1,724,622
Total public safety	-	3,956,946	22,915	144,826	-	4,124,687
Community development						
Field maintenance	-	-	717,172	22,991	-	740,163
Parks and recreation						
Parks	5,320,084	2,090,860	14,939,803	585,957	980,996	23,917,700
Public works						
Signs/signals	-	-	1,349,087	-	29,211	1,378,298
Roadways	-	-	5,212,958	82,342	225,150	5,520,450
Rights of way	-	-	6,869,075	-	-	6,869,075
Streetlights	-	-	1,313,640	-	-	1,313,640
Water management	5,419,115	320,781	117,102,589	1,116,782	4,875,060	123,834,327
Total public works	5,419,115	320,781	131,847,349	1,199,124	5,129,421	143,915,790
Total govern- mental funds capital assets	<u>\$ 10,739,199</u>	<u>\$ 6,368,587</u>	<u>\$ 147,532,392</u>	<u>\$ 2,077,711</u>	<u>\$ 6,110,417</u>	<u>\$ 172,828,306</u>

City of Weston, Florida

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

September 30, 2003

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets October 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Governmental Funds Capital Assets September 30, 2003</u>
General Government				
City Commission	\$ 37,779	\$ -	\$ -	\$ 37,779
City Manager/City Clerk	<u>92,187</u>	<u>-</u>	<u>-</u>	<u>92,187</u>
Total general government	129,966	-	-	129,966
Public safety				
Fire services	2,400,065	-	-	2,400,065
Police services	<u>1,724,622</u>	<u>-</u>	<u>-</u>	<u>1,724,622</u>
Total public safety	4,124,687	-	-	4,124,687
Community development				
Field maintenance	740,163	-	-	740,163
Parks and recreation				
Parks	21,013,854	2,903,846	-	23,917,700
Public works				
Signs/signals	1,349,087	29,211	-	1,378,298
Roadways	4,918,577	601,873	-	5,520,450
Rights of way	6,869,075	-	-	6,869,075
Streetlights	1,313,640	-	-	1,313,640
Water management	<u>119,585,402</u>	<u>9,248,925</u>	<u>-</u>	<u>128,834,327</u>
Total public works	<u>134,035,781</u>	<u>9,880,009</u>	<u>-</u>	<u>143,915,790</u>
Total governmental funds capital assets	<u>\$ 160,044,451</u>	<u>\$ 12,783,855</u>	<u>\$ -</u>	<u>\$ 172,828,306</u>

City of Weston, Florida

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Development</u>	<u>Public Works</u>	<u>Parks and Recreation</u>	<u>Interest on Long-Term Debt</u>	<u>Water and Sewer</u>	<u>Total</u>
2003	\$ 8,821,581	\$ 16,300,578	\$ 3,616,475	\$ 6,006,271	\$ 3,840,327	\$ 403,891	\$ 16,016,476	\$ 55,005,599

(1) Information for Fiscal Years 1994 - 2002 is unavailable.

City of Weston, Florida

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years (1)

Fiscal Year	Program Revenues			General Revenues				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Inter-Governmental	Investment Income	Miscellaneous	
2003	\$ 26,583,675	\$ 20,000	\$ 8,721,433	\$ 31,516,672	\$ 5,316,029	\$ 2,007,798	\$ 346,610	\$ 74,512,217

(1) Information for Fiscal Years 1994 - 2002 is unavailable.

City of Weston, Florida

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years (2)

Fiscal Year	General Government	Public Safety	Community Development	Public Works	Parks and Recreation	Non-Departmental	Capital Outlay	Debt Service	Total
1997	\$ 2,053,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,641,057	\$ 277,854	\$ 5,972,699
1998	\$ 1,524,735	\$ 2,921,948	\$ 1,351,368	\$ 2,766,202	\$ 992,768	\$ 34,444	\$ 5,550,670	\$ 218,214	\$ 15,360,349
1999	\$ 2,380,791	\$ 2,818,246	\$ 2,578,571	\$ 3,805,705	\$ 1,072,662	\$ 36,650	\$ 9,464,074	\$ 343,766	\$ 22,500,465
2000	\$ 3,104,326	\$ 3,707,050	\$ 3,357,182	\$ 8,115,619	\$ 1,456,609	\$ 2,841,008	\$ 17,940,391	\$ 1,825,403	\$ 42,347,588
2001	\$ 3,159,029	\$ 8,922,430	\$ 3,436,104	\$ 8,510,064	\$ 2,534,181	\$ 312,673	\$ 14,706,436	\$ 1,571,026	\$ 43,151,943
2002	\$ 3,801,418	\$ 10,574,449	\$ 6,255,075	\$ 7,553,745	\$ 2,968,139	\$ 329,476	\$ 14,527,143	\$ 3,115,187	\$ 49,124,632
2003	\$ 8,738,757	\$ 16,192,125	\$ 3,592,089	\$ 5,055,961	\$ 3,503,973	\$ -	\$ 12,783,855	\$ 9,172,209	\$ 59,038,969

(1) Includes general, special revenue, capital projects and debt service funds.

(2) City established September 2, 1996 with operations commencing October 1, 1996.

City of Weston, Florida

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years (2)

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Service	Fines and Forfeitures	Community Fees	Investment Income	Contributions	Miscellaneous	Total
1997	\$ 1,492,976	\$ 81,891	\$ -	\$ -	\$ 41,419	\$ -	\$ 577,902	\$ -	\$ 341,372	\$ 2,535,560
1998	\$ 9,482,866	\$ 1,652,134	\$ 2,363,872	\$ 2,789,301	\$ 126,156	\$ 1,552,909	\$ 2,469,941	\$ -	\$ 181,150	\$ 20,618,329
1999	\$ 12,362,730	\$ 2,484,535	\$ 3,263,657	\$ 3,234,461	\$ 142,006	\$ 3,244,706	\$ 2,202,881	\$ -	\$ 212,633	\$ 27,147,609
2000	\$ 17,968,080	\$ 2,539,807	\$ 4,481,279	\$ 4,200,830	\$ 179,700	\$ 405,283	\$ 2,598,117	\$ -	\$ 5,817,033	\$ 38,190,129
2001	\$ 24,882,822	\$ 1,240,656	\$ 4,432,602	\$ 6,487,806	\$ 288,428	\$ 64,974	\$ 2,647,016	\$ 676,623	\$ 300,011	\$ 41,020,938
2002	\$ 27,614,662	\$ 1,115,369	\$ 4,773,029	\$ 6,878,414	\$ 407,788	\$ 1,068,452	\$ 1,840,065	\$ 11,320,984	\$ 1,657,633	\$ 56,676,396
2003	\$ 31,461,672	\$ 732,037	\$ 5,316,029	\$ 10,035,663	\$ 404,579	\$ 334,510	\$ 2,007,797	\$ 8,339,101	\$ 346,609	\$ 58,977,997

(1) Includes general, special revenue, capital projects and debt service funds.

(2) City established September 2, 1996 with operations commencing October 1, 1996.

City of Weston, Florida

PROPERTY TAX LEVIES AND COLLECTIONS (2)

Last Ten Fiscal Years (1)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of		Total Tax Collections	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
			Current Taxes Collected	Delinquent Tax Collections						
1998	\$ 4,611,453	\$ 4,434,429	96.2%	\$ -	\$ 4,434,429	\$ 177,024	\$ 4,434,429	96.2%	\$ 177,024	3.8%
1999	\$ 6,136,219	\$ 5,863,038	95.5%	\$ 177,024	\$ 6,040,062	\$ 347,779	\$ 6,040,062	98.4%	\$ 347,779	5.7%
2000	\$ 11,617,637	\$ 11,208,680	96.5%	\$ 84,140	\$ 11,292,820	\$ 672,596	\$ 11,292,820	97.2%	\$ 672,596	5.8%
2001	\$ 16,943,926	\$ 16,337,190	96.4%	\$ 70,266	\$ 16,407,416	\$ 1,209,106	\$ 16,407,416	96.8%	\$ 1,209,106	7.1%
2002	\$ 17,559,645	\$ 16,788,309	95.6%	\$ 20,015	\$ 16,808,324	\$ 755,064	\$ 16,808,324	95.7%	\$ 755,064	4.3%
2003	\$ 19,653,896	\$ 20,610,630	104.9%	\$ 73,193	\$ 20,683,823	\$ 681,871	\$ 20,683,823	105.2%	\$ 681,871	3.5%

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

(2) Includes ad valorem and non ad valorem tax assessments.

City of Weston, Florida

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (3)

Last Ten Fiscal Years (1)

Fiscal Year	Real Property		Personal Property		Exemptions (2)		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property		Assessed Value	Estimated Actual Value	
1998	\$2,279,996,380	\$2,253,898,570	\$ 72,799,316	\$ 81,346,511	\$ 278,211,390		\$2,074,584,306	\$2,335,245,081	88.84%
1999	\$2,410,632,770	\$2,747,883,570	\$ 98,398,335	\$ 98,583,345	\$ 292,438,300		\$2,509,031,105	\$2,846,466,915	88.15%
2000	\$2,751,630,140	\$3,124,035,570	\$ 106,495,712	\$ 107,956,994	\$ 325,941,770		\$2,858,125,852	\$3,231,992,564	88.43%
2001	\$3,213,009,630	\$3,646,101,100	\$ 132,541,852	\$ 133,695,208	\$ 378,305,560		\$3,345,551,482	\$3,779,796,308	88.51%
2002	\$3,742,177,160	\$4,370,115,510	\$ 154,395,895	\$ 155,296,809	\$ 425,112,420		\$3,896,573,055	\$4,525,412,319	86.10%
2003	\$4,542,698,570	\$5,034,463,060	\$ 167,159,128	\$ 193,063,642	\$ 467,601,590		\$4,709,857,698	\$5,227,526,702	90.10%

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

(2) Includes homestead exemption of \$25,000 per qualifying household.

(3) Source: Broward County Property Appraiser's Office.

City of Weston, Florida
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENT
Last Ten Fiscal Years (1)

Fiscal Year	City of Weston			County			School District			Total	
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
1997	-(1)	-(1)	-(1)	7.1487	.6893	7.838	9.446	.5285	9.9745	3.1557	23.1047
1998	1.5235	-	1.5235	6.9145	.6565	7.571	9.239	.4866	9.7256	3.2440	22.6952
1999	1.5235	-	1.5235	6.8947	.6763	7.571	8.674	.4543	9.1283	3.2305	21.4533
2000	1.5235	-	1.5235	6.8903	.6347	7.525	8.541	.4143	8.9553	3.2183	21.2221
2001	1.5235	-	1.5235	6.8903	.6347	7.525	8.541	.4143	8.9553	3.2183	21.2221
2002	1.5235	-	1.5235	6.6677	.7328	7.401	8.359	.3951	8.7541	3.5213	21.1994
2003	1.5235	-	1.5235	6.6685	.6965	7.365	8.541	.3415	8.8825	3.5474	21.3184

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

City of Weston, Florida
PRINCIPAL TAXPAYERS
September 30, 2003
(amounts expressed in thousands)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Cocowalk Development Inc.	Timeshare	\$ 132,670,570	2.8%
TCC Partners	Hospital	71,985,250	1.5%
Berkley Vacation Resorts Inc.	Timeshare	54,660,400	1.2%
Meridian Business Campus	I.O.C. Center	39,618,160	0.8%
San Michelle II LLC	Apartment Complex	34,264,600	0.7%
Weston Apartments Corp.	Apartment Complex	33,519,310	0.7%
Fairlake at Weston LP	Rental Community	25,961,860	0.6%
San Michelle Joint Venture	Apartment Complex	23,907,910	0.5%
Patriot American Hospitality	Hotel & Resort Complex	20,594,760	0.4%
Clover Weston LLC	Retail Center	<u>19,267,760</u>	<u>0.4%</u>
		<u>\$ 456,450,580</u>	<u>9.7%</u>

City of Weston, Florida

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS (2)**

September 30, 2003

<u>Fiscal Year</u>	<u>Street Lighting</u>		<u>Fire District</u>	
	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected (1)</u>
2001	\$ 169,000	\$ 131,000	\$ 3,190,000	\$ 3,492,000
2002	\$ 107,512	\$ 109,024	\$ 4,048,850	\$ 4,185,698
2003	\$ 113,132	\$ 109,627	\$ 5,437,804	\$ 5,245,460

(1) Includes prepayments and foreclosures.

(2) The City's first special assessment billing occurred during fiscal 2001.

City of Weston, Florida

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2003

Assessed valuation	<u>\$ 5,333,514,400</u>
--------------------	-------------------------

Debt Limit - The City Charter does not set a limit of Bond Indebtedness.

City of Weston, Florida

COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT

September 30, 2003

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Weston</u>	<u>Amount Applicable to City of Weston</u>
City of Weston	\$ -	- %	\$ -
Broward County	\$ 330,957,969	5.26%	17,408,389
Broward School District	\$ 958,875,502	5.26%	<u>50,436,851</u>
Total			<u>\$ 67,845,240</u>

(1) Based on ratio of net assessed valuation of \$5,333,514,400, \$101,420,395,870 and \$101,420,395,870, respectively.

Source: Broward County Accounting Division
School Board of Broward County

City of Weston, Florida

**REVENUE BOND COVERAGE
WATER AND SEWER ENTERPRISE FUND**

Last Ten Fiscal Years (1)

Fiscal Year	Gross Revenues (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage
				Principal	Interest	Total	
1997	\$ 7,808,294	\$ 5,915,056	\$ 1,893,238	\$ 180,000	\$ 254,336	\$ 434,336	4.36
1998	\$ 9,857,171	\$ 8,203,719	\$ 1,653,452	\$ 195,000	\$ 236,285	\$ 431,285	3.83
1999	\$ 11,821,015	\$ 10,052,723	\$ 1,768,292	\$ 215,000	\$ 218,171	\$ 433,171	4.08
2000	\$ 13,640,176	\$ 11,689,959	\$ 1,950,217	\$ 235,000	\$ 196,608	\$ 431,608	4.52
2001	\$ 14,579,768	\$ 13,052,412	\$ 1,527,356	\$ 260,000	\$ 172,820	\$ 432,820	3.53
2002	\$ 15,406,969	\$ 14,167,767	\$ 1,239,202	\$ 280,000	\$ 146,251	\$ 426,251	2.91
2003	\$ 16,031,010	\$ 14,985,280	\$ 1,045,730	\$ 310,000	\$ 119,278	\$ 429,278	2.44

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) Total revenues (including interest) exclusive of the tap fees.

(3) Total operating expenses exclusive of depreciation, amortization and interest.

(4) Includes principal and interest of the 1985 water and sewer revenue bonds only, which are paid from operations.

City of Weston, Florida
DEMOGRAPHIC STATISTICS
September 30, 2003
Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>Population</u>	<u>Household Income</u>	<u>Median Age</u>	<u>Formal Schooling</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (6)</u>
1998	38,752 (2)	\$ 63,770 (3)	33.8 (2)	Not Available	7,167	5.1%
1999	42,522 (7)	Not Available (5)	Not Available (5)	Not Available	8,122	5.1%
2000	48,543 (7)	Not Available (5)	Not Available (5)	Not Available	15,389	3.7%
2001	53,159 (7)	\$ 80,920 (2)	34.1 (2)	Not Available	16,047	3.9%
2002	57,651 (7)	Not Available (5)	Not Available (5)	Not Available	16,233	5.9%
2003	59,314 (7)	Not Available (5)	Not Available (5)	Not Available	16,530	5.8%

Data Sources:

- (1) City established September 2, 1996 with operations commencing October 1, 1996. Information not available for fiscal year 1997.
- (2) U.S. Department of Commerce Bureau of Census.
- (3) U.S. Bureau of the Census and THK Associates, Inc.
- (4) School Board of Broward County, Sagemont Academy and First Baptist Church of Weston, Three Village Montessori School.
- (5) Not available for the City of Weston.
- (6) Rate unavailable for Weston. This is the unemployment rate for the City of Fort Lauderdale.
- (7) University of Florida, Bureau of Economic and Business Research.

City of Weston, Florida
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
Last Ten Fiscal Years (1)

Fiscal Year	Property Value (2)*			Exemptions	Total	Commercial Construction (3)		Residential Construction (3)		
	Commercial	Residential	Agricultural			Number of Units	Value*	Number of Units	Value*	
1998	\$ 211,454,700	\$ 2,383,548,331	\$ 18,453,440	\$ 278,211,390	\$ 2,335,245,081	43	\$ 29,513,746	1,246	\$ 186,247,950	\$ 399,182,000
1999	\$ 348,110,770	\$ 2,759,789,190	\$ 13,161,500	\$ 326,312,960	\$ 2,794,748,500	57	\$ 151,450,840	1,592	\$ 265,868,570	\$ 500,318,000
2000	\$ 348,178,950	\$ 2,759,789,190	\$ 13,161,500	\$ 325,941,770	\$ 2,795,187,870	96	\$ 174,004,581	1,654	\$ 279,797,612	\$ 591,871,000
2001	\$ 478,786,400	\$ 3,148,445,610	\$ 18,993,450	\$ 378,305,560	\$ 3,267,919,900	83	\$ 135,704,129	1,524	\$ 340,296,286	\$ 601,889,000
2002	\$ 557,138,780	\$ 3,782,199,000	\$ 27,414,710	\$ 425,112,420	\$ 3,941,640,070	49	\$ 20,851,591	990	\$ 218,775,784	\$ 712,806,000
2003	\$ 718,567,700	\$ 4,695,346,520	\$ 25,908,000	\$ 467,601,590	\$ 5,907,423,810	47	\$ 32,815,905	421	\$ 195,542,756	\$ 599,912,000

* Amounts expressed in thousands.

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) Source: Broward County Property Appraiser's Office.

(3) Source: Broward County Building Department

(4) Source: Federal Deposit Insurance Corporation as of June 30th

City of Weston, Florida

MISCELLANEOUS STATISTICS

September 30, 2003

Date of Incorporation	September 3, 1996
Form of Government	Commission - Manager
Number of employees (excluding police and fire)	
Classified	0
Exempt	3
Area in square miles	25.5
City of Weston facilities and services:	
Miles of streets (public)	41
Number of street lights	1,323
Culture and recreation:	
Community Centers	1
Parks	13
Park acreage	243
Swimming pools	0
Tennis courts	18
Fire protection:	
Number of stations	3
Number of fire personnel and officers	100
Number of calls answered	4,452
Number of inspections conducted	1,364
Police protection:	
Number of stations	1
Number of police personnel and officers	85
Number of patrol units	75
Number of law violations:	
Arrests	
Felony	257
Misdemeanor	271
NTA	213
By warrant	139
Traffic arrests	1,226
D.U.I.	52
Traffic Violations	
Moving citations	9,562
Non-moving citations	4,867
Parking violations	966
Sewerage system:	
Miles of sanitary sewers (public)	127
Miles of storm sewers (public)	95
Number of treatment plants	0
Number of service connections	18,515
Daily average treatment in gallons	6,885,383
Maximum daily capacity of treatment plant in gallons	N/A

City of Weston, Florida

MISCELLANEOUS STATISTICS - CONTINUED

September 30, 2003

Water System:	
Miles of water mains (public)	205
Number of service connections	18,722
Number of fire hydrants	1,518
Daily average consumption in gallons	8,777,684
Maximum daily capacity of plant in gallons	N/A
Electric Distribution System:	
Miles of service	N/A
Number of distribution stations	N/A
Facilities and services not included in the City:	
Cable Television System:	
Miles of service	289
Number of satellite receiving stations	5
Education:	
Number of elementary schools	10
Number of elementary school instructors	384
Number of secondary schools	5
Number of secondary school instructors	380
Facilities and services not included in the reporting entity:	
Hospitals:	
Number of hospitals	1
Number of patient beds	150

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

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

We have audited the basic financial statements of the City of Weston, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated April 9, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Weston, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described below:

The City's investment policy requires the financial officer to annually obtain 8 hours of education relating to investments. The financial officer did not comply with this requirement.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Weston, Florida's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Weston, Florida's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described below:

During the current year, the management company for the City experienced a high degree of turnover in its accounting and finance staff. Consequently, significant delays were encountered in completing analyses of accounts, which resulted in a number of journal entries being recorded

Internal Control Over Financial Reporting - Continued

during the audit process. Subsequent to year end, the management company has addressed the staffing issues and placed more emphasis on ensuring proper resources are being applied to the accounting and finance area.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that would also be considered material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the members of the City Commission, management and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Weston, Florida
April 9, 2004

MANAGEMENT LETTER REQUIRED BY
SECTION 10.554(g) OF THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have audited the financial statements of the City of Weston, Florida, (the "City") as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated April 9, 2004.

We have issued our Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting dated April 9, 2004. Disclosures in this report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554 (1) (g) 1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1) (g) 1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit.

The Rules of the Auditor General (Section 10.554 (1) (g) 2.) require that we comment as to whether or not the City has complied with Section 218.415, Florida Statutes, regarding the investment of public funds. The City has complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554 (1) (g) 3.) require disclosure in the management letter of any recommendations to improve financial management, accounting procedures and internal controls. There were written recommendations to improve financial management, accounting procedures, and internal controls, which are addressed in the auditor's report on compliance and on internal control over financial reporting.

The Rules of the Auditor General (Section 10.554 (1) (g) 4.) require disclosure in the management letter of the following matters which were also addressed in the auditor's report on compliance and on internal control over financial reporting: there were no violations of laws, rules, regulations and contractual provisions which may or may not materially affect the financial statements that were discovered within the scope of the audit; there were no improper or illegal expenditures discovered within the scope of the audit which may or may not materially affect the financial statements; there were improper or inadequate accounting procedures; there were failures to properly record financial transactions that required audit adjustments; there were no other inaccuracies, shortages, defalcations or instances of fraud discovered by or that come to the attention of the auditor.

The Rules of the Auditor General (Section 10.554 (1) (g) 5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The City of Weston, Florida, was established pursuant to Chapter 96-472, Laws of Florida. Indian Trace Community Development District, a blended component unit of the City of Weston, Florida was established by Chapter 80-407, Laws of Florida. Bonaventure Development District, a blended component unit of the City of Weston, Florida was established by City of Weston Ordinance #98-61, Chapter 2001-303, Laws of Florida. Town Foundation, a blended component unit of the City of Weston, Florida was established by the City of Weston Resolution No. 2003-25.

The Rules of the Auditor General (Section 10.554 (1) (g) 6a & c.), requires a statement on the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." Management of the City of Weston has determined that the City of Weston, Florida, is not in a state of financial emergency as a consequence of the conditions described by Section 218.503(1), Florida Statutes. In connection with our audit of the basic financial statements of the City of Weston, Florida, the results of our tests did not indicate that the City is in a state of financial emergency as a consequence of the conditions in Section 218.503(1). The financial condition assessment procedures pursuant to Rule 10.556 (8) were applied in this determination.

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 6b.), we determined that the annual financial report for the City of Weston, Florida, for the fiscal year ended September 30, 2003, that was filed with the Florida Department of Financial Services pursuant to Section 218.32 (1) (a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003.

This management letter is intended solely for the information of the members of the City Commission, management and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.



Weston, Florida
April 9, 2004



Eric M. Hersh
Mayor

Robin Bartleman
Commissioner

Barbara Herrera - Hill
Commissioner

Daniel J. Stermer
Commissioner

Murray Chermak
Commissioner

John R. Flint
City Manager

MANAGEMENT RESPONSE TO AUDITOR COMMENTS CONTAINED IN THE REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS OF THE CITY OF WESTON

Compliance – Investment Policy

The Management will provide for appropriate investment training in compliance with applicable Florida Statutes and the City's investment policy.

Internal Control Over Financial Reporting – Journal Entries Recorded During the Audit Process

Subsequent to year end, the management company has addressed the staffing issues and placed a high degree of emphasis on ensuring proper resources are assigned to accounting and finance area.