



THE CITY OF WESTON Florida

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Reaching farther, together...

CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2005

Prepared by:
Treasury Services Department

CITY OF WESTON, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended September 30, 2005

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INTRODUCTORY SECTION



27 March 2006

Eric M. Hersh
Mayor

Daniel J. Stermer
Commissioner

Murray Chermak
Commissioner

Sharon Cheren
Commissioner

Mercedes G. Henriksson
Commissioner

John R. Flint
City Manager

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

The Comprehensive Annual Financial Report (the Report) of the City of Weston, Florida (the City) for the fiscal year ended September 30, 2005, 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 generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) Statement Number 34 and have been audited in accordance with generally accepted auditing standards.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh its 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 Keefe, McCullough & Co., 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, 2005, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's

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financial statements for the fiscal year ended September 30, 2005, 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 independent auditor's report.

City Profile and Governmental Structure

The City of Weston is located in the southeastern part of the State of Florida and is considered to be one of the largest master planned communities in the country. The City has a land area of 25.5 square miles, a population estimated at 61,042, and is empowered to levy a property tax on real property located within its boundaries.

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

The City provides a full range of services to its residents and businesses through 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 All Service Refuse; planning, zoning and engineering through Calvin, Giordano and Associates, Inc.; finance and administration, parks and recreation, public works, and utilities through Severn Trent Services.

The City is financially accountable for component units consisting of 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 2A 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 a GAAP basis for all governmental and proprietary funds except the 2003 Bond Construction Fund. 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 Director of Treasury Services, 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 1st 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. 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 and 57 as part of the required supplementary information.

Factors Affecting Economic Condition

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

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. Fueled 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 residential community, Weston has prospered and grown to reach maturity during one of the best economic expansions on record.

With the general recovery of the national economy occurring over the last two years, the region encompassing Miami-Dade and Broward Counties experienced growth rates which were higher than the national average. Although, the most visible economic growth engine was the phenomenally strong real estate market, there are other more fundamental factors which contributed to the region's success. High-value



and high-skill services such as investments, banking, financial services, medical care and technology, international trade, and education have given the region's economy a high degree of flexibility. Additionally, because of the diverse industries, corporations and skilled residents, the region's economy is tied to a mechanism comprised of state, national, hemisphere and global trends, which provide not only greater opportunities but also a higher degree of diversification mitigating short-term risks.

During the national economy's gradual return to growth, the region and the City remained well positioned to continue to enjoy a favorable economic environment. The residents of Weston benefit from a variety of local businesses. Major national and international corporations with divisions within the City include American Express, Andrx Pharmaceuticals, Best Buy, Keebler Company, Kraft Foods, Marriott International, Office Depot, Publix Supermarkets, the School Board of Broward County, Sun-Sentinel and Vacation Village. At the end of fiscal year 2005, the City's computerized occupational license system listed 2,557 licensed businesses.

Long-term financial planning. The City of Weston approaches the issue of long-term financial planning very seriously. Being a master planned community and having evolved from a special taxing district to a municipality, planning has always been at the forefront of all efforts. The City has developed and has implemented numerous plans and is currently following a Strategic Value Plan for capital needs and Business Plan for all combined operating and capital expenditures.

The most recent, 2015 Strategic Value and Business Plan not only projects all revenues and expenditures for all City funds on a line-item basis, but also projects all fund balances for all City funds. The plan additionally spells out six strategic policies, dealing with service delivery and funding equity, General Fund undesignated reserves balances, capital funding and payment equity, specific use reserve policies and special assessment equity.

While all of the six above mentioned strategic policies have significant impacts of the City's long-term financial position, the most visible is the desire to maintain a high level of undesignated fund balances in the General Fund to be used in mitigating financial effects of disasters. Strategic policy #3 as adopted by the City Commission mandates that the City maintain a ratio of undesignated fund balances in the General Fund at a rate at least equal to 65% of the previous year's level of General Fund's expenditures. This high level of reserves, one which has almost doubled during fiscal year 2005, is justified as a disaster could easily put a severe strain on the government in terms of lower revenues, higher expenditures or both. By maintaining large reserve balances, the City is able to continue to deliver services or rebuild needed infrastructure



without relying on debt financing, which may become scarce or difficult to obtain quickly.

Notwithstanding the financial effects of the recent storms which resulted in serious damages and high levels of expenditures (validating the above strategic policy #3), the City still projects to be in a strong financial position into at least fiscal year 2015. The City projects that it will be able to maintain the current ad valorem tax rate of 1.5235 and maintain all other rates for taxes/fees/assessments at rates approaching those of general cost escalation (inflation).

Relevant financial policies. The City of Weston maintains a comprehensive set of financial policies related to budgeting for operating and capital expenditures. One such policy affecting the fiscal year 2006 budget relates to re-budgeting of revenues/expenditures in future periods if they are not reasonably to be earned/incurred in the current period. An example of an application of this policy is re-budgeting of \$1.1 million of General Fund recreational grants from fiscal year 2005 to 2006, as the funds were not anticipated to be reimbursed to the City well into fiscal year 2006.

The City also has a policy of limiting advance funding of capital expenditures to items whose one-year advance funding expenditure would be \$100,000 or less. This policy avoids taxing current residents for future benefits and is applied in the fiscal year 2006 budget in the General Fund (public safety and park building capital rehabilitation) and the Fire District fund.

Major initiatives. In order to protect and enhance property value, the City will continue to invest in capital renovations, new capital projects and service enhancements. During fiscal year 2006, the City intends to spend over \$23 million on capital projects such as a new indoor multi-purpose recreational facility in the Vista Park, the Library Park, phase two of city-wide traffic signage rehabilitation, roadway improvement of Three Village Road, South Post Road and Blatt Boulevard, construction of the City Hall and Public Works Facility.

In terms of service enhancements, the City intends to implement its own Building Department and fund and direct Fire Safety Inspection. In the Police Services, there will be an additional patrol zone along the Weston Road corridor and implementation of dive rescue teams. Cultural activities are also projected to be enhanced with more events and cultural programs made available by the Recreation Department. The City will also be able to boast interconnected traffic lights systems, allowing for more efficient traffic flow along major road corridors, decreasing commute time and increasing safety.



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, 2004. This was the seventh consecutive year that the City of Weston received this award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Weston has also received the GFOA's Distinguished Budget Presentation Award for the fiscal year 2005. This was the third consecutive year the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document is judged to be proficient in several categories, including a policy document, a financial plan, an operations guide and a communications device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the many 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'.

*John R. Flint
City Manager*

A handwritten signature in black ink, appearing to read 'James P. Ward'.

*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, 2004

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.



Nancy L. Zjelke

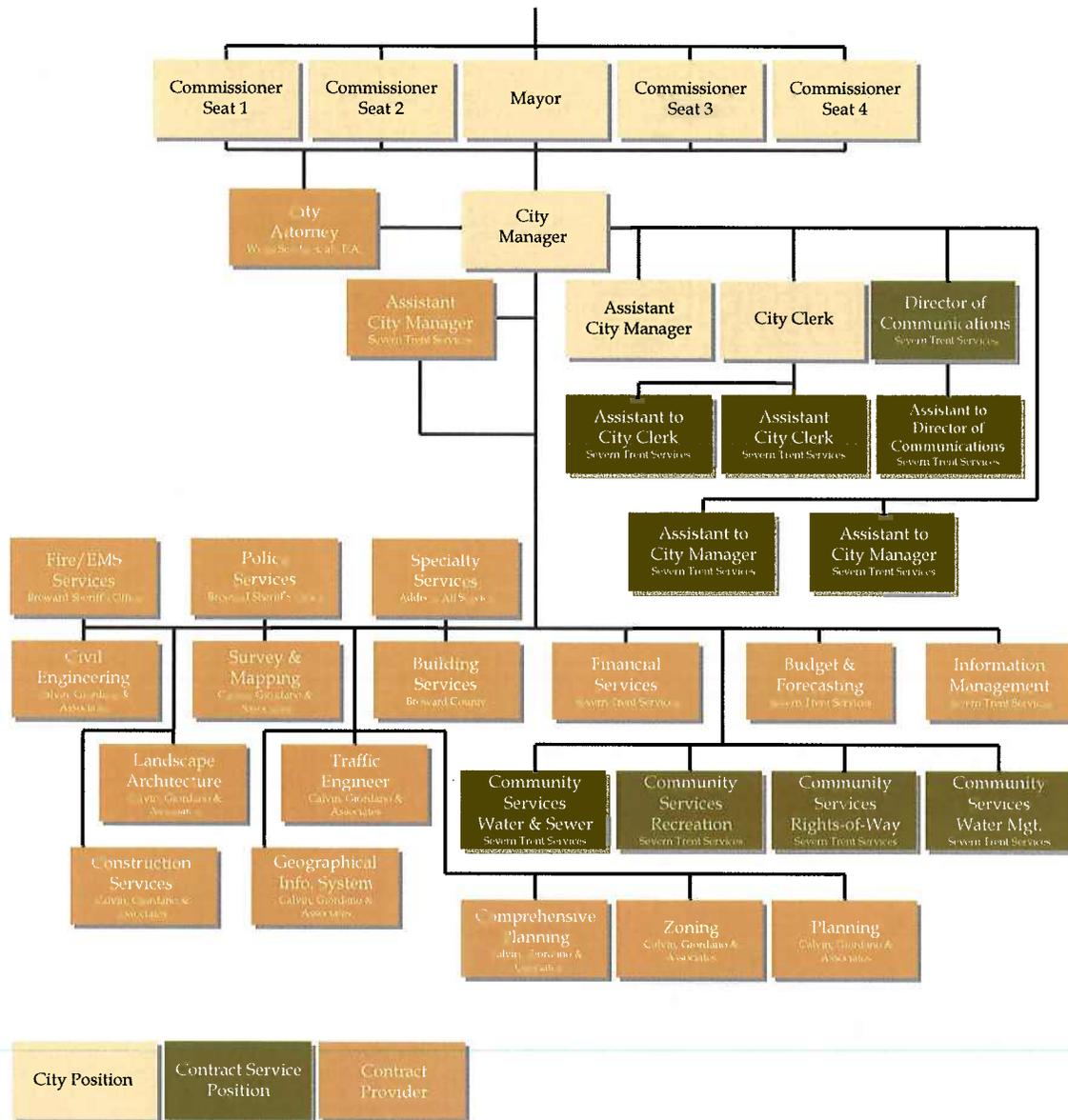
President

Jeffrey R. Emmer

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, 2005

CITY COMMISSION

Eric M. Hersh, Mayor
Daniel J. Stermer, Commissioner
Murray Chermak, Commissioner
Sharon Cheren, Commissioner
Mercedes G. Henriksson, Commissioner

CITY MANAGER

John R. Flint

CITY CLERK

Patricia A. Bates, CMC

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

Keefe, McCullough & Co., LLP
Certified Public Accountants

FINANCIAL SECTION



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A.
PAUL B. SNEIDER, C.P.A. (RETIRED)
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. PINNELL, C.P.A. (RETIRED)
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.

CHRISTOPHER L. COLLINS, C.P.A.
CHARLES K. RUMPF, C.P.A.
ISRAEL J. GOMEZ, C.P.A.

JAMES R. LARAWAY, C.P.A.
ROSS S. GOTTHOFFER, C.P.A.

6550 NORTH FEDERAL HIGHWAY
SUITE 410
FORT LAUDERDALE, FLORIDA 33308
(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmc CPA.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission and City Manager
City of Weston, Florida
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 City of Weston, Florida (the City), as of and for the year ended September 30, 2005, 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'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 opinion.

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 at September 30, 2005, 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 our report dated January 6, 2006, on our consideration of City of Weston's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

City of Weston, Florida

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of City of Weston, Florida taken as a whole. The combining and individual fund statements and schedules and other financial information, as listed in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. All such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 6, 2006

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

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, 2005. 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 through vi of this report.

This report consists of government-wide financial 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 \$289.5 million (net assets). Of this amount, \$64.3 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- During Fiscal Year 2005, revenues exceeded expenses by \$12.9 million, which is the amount of the increase in the City's net assets.
- As of the close of Fiscal Year 2005, the City of Weston's governmental funds reported combined ending fund balances of \$63.9 million. Approximately 91.4% of that amount, or \$58.5 million 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 \$38.7 million, or 160% of total General Fund expenditures. In that same year, revenues exceeded expenditures by \$4.4 million or 18%.
- The City of Weston's total debt decreased by \$3.3 million or 26% with no new debt issued during the fiscal year.

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 reports on 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 and schedules 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 the case of the water and sewer system.
 - Finally the fiduciary fund statement provides information on the financial relationships where the City 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 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 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 have been included as an integral part of the primary government.

The government-wide financial statements are reported on pages 20 and 21 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 a fiduciary 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 short-term 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 five major 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, The Town Foundation Special Revenue Fund (The Town Foundation, Inc., although reported as part of the City's financial statements is a separate legal entity), Fire District Special Revenue Fund, and Community Facilities Construction Fund, which are all 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 all governmental and proprietary funds except the 2003 Bond Construction Fund. A budgetary comparison schedule has been provided for the General Fund, Indian Trace Development District Special Revenue Fund, Town Foundation Special Revenue Fund and Fire District Special Revenue Fund to demonstrate compliance with the budget as well as the special revenue, debt service and capital project nonmajor funds presented in the combining section.

The basic governmental funds financial statements can be found on pages 22 through 27 of this report.

Proprietary funds. The City of Weston maintains one proprietary fund, the Water and 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 28 through 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are 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 fiduciary funds is much like that used for proprietary funds.

The basic financial statements for the fiduciary fund of the City can be found on page 32 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 33 through 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 on pages 56 through 61 of this report.

The combining statements and schedules 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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. There are six basic transactions that 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 assets** 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 assets** 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, on page 8, at the close of the most recent fiscal year, assets of the City of Weston exceeded its liabilities by \$289.5 million. The largest portion of the City of Weston's net assets, \$205 million or 70.8%, is invested 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 assets are 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 \$64.3 million or 22.2% of total net assets 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 \$20.2 million or 7.0% of total net assets 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
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 71,440	\$ 71,161	\$ 23,684	\$ 23,766	\$ 95,124	\$ 94,927
Capital assets	185,741	178,316	28,734	25,113	214,475	203,429
Total assets	257,181	249,477	52,418	48,879	309,599	298,356
Other liabilities	10,140	9,226	3,166	2,731	13,306	11,957
Long-term liabilities outstanding	6,744	9,394	-	350	6,744	9,744
Total liabilities	16,884	18,620	3,166	3,081	20,050	21,701
Net assets:						
Invested in capital assets, net of related debt	176,641	166,308	28,441	24,393	205,082	190,701
Restricted	20,170	7,002	-	-	20,170	7,002
Unrestricted	43,486	57,547	20,811	21,405	64,297	78,952
Total net assets	\$ 240,297	\$ 230,857	\$ 49,252	\$ 45,798	\$ 289,549	\$ 276,655

There was an increase of approximately \$13.2 million in restricted net assets reported in connection with the City of Weston's governmental activities. The main reason for the change was a change in asset classification, which assigned more of the assets to the restricted group based on the specific purpose of the fund which holds these assets.

The government's net assets increased by \$12.9 million during the current fiscal year, with the increase due to current revenues outpacing current expenditures.

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 than meaningful.
4. **Market impact on investment income** might cause investment revenues to fluctuate significantly from year to year.

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

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

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

As illustrated by Table 2: changes in net assets, the City's revenues during Fiscal Year 2005 totaled \$76.6 million and exceeded expenditures by \$12.9 million. That same figure is also the amount of increase in the City's net assets.

Table 2
City of Weston
Changes in Net Assets
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 27,372	\$ 24,338	\$ 15,514	\$ 15,551	\$ 42,885	\$ 39,889
Operating grants and contributions	397	944	-	-	397	944
Capital grants and contributions	59	1,886	4,238	1,164	4,297	3,050
General revenues:						
Property taxes	8,692	7,814	-	-	8,692	7,814
Other taxes	12,280	11,417	-	-	12,280	11,417
Intergovernmental	5,904	4,879	-	-	5,904	4,879
Investment income	1,275	1,047	380	416	1,656	1,463
Miscellaneous	306	131	214	269	521	400
Total revenues	56,285	52,456	20,346	17,400	76,631	69,856
Expenses:						
General government	12,172	8,839	-	-	12,172	8,839
Public safety	15,670	14,357	-	-	15,670	14,357
Community development	1,913	2,264	-	-	1,913	2,264
Public works	11,082	11,025	-	-	11,082	11,025
Parks and recreation	5,746	4,941	-	-	5,746	4,941
Interest on long-term debt	262	362	-	82	262	444
Water and sewer operations	-	-	16,892	16,358	16,892	16,358
Total expenses	46,845	41,788	16,892	16,440	63,737	58,228
Excess before special item	9,440	10,668	3,454	960	12,894	11,628
Special item	-	(5,156)	-	-	-	(5,156)
Increase in net assets	9,440	5,512	3,454	960	12,894	6,472
Net assets at beginning of year	230,857	225,475	45,798	44,635	276,655	270,110
Net asset restatement	-	(130)	-	-	-	(130)
Prior period adjustments	-	-	-	203	-	203
Net assets at end of year	\$ 240,297	\$ 230,857	\$ 49,252	\$ 45,798	\$ 289,549	\$ 276,655

Governmental activities. Governmental activities represent approximately 83% of total net assets and 73.4% of total revenues. Governmental revenues reached \$56.3 million

and were comprised primarily of charges for services at \$27.4 million or approximately 48.6% of total governmental revenues, property taxes at approximately \$8.7 million or 15.4%, franchise fees at \$8.2 million or 14.6%, intergovernmental revenues at \$5.9 million or 10.5% and utility taxes at \$4.1 million or 7.2%. Program revenues are comprised of charges for services, operating grants and contributions and capital grants and contributions and represented approximately 49.4% or \$27.8 million of all revenues with the balance comprised of general revenues that fund all activities not covered by program revenues.

Figure A: City of Weston Fiscal Year 2005 Revenues by Source – Governmental Activities

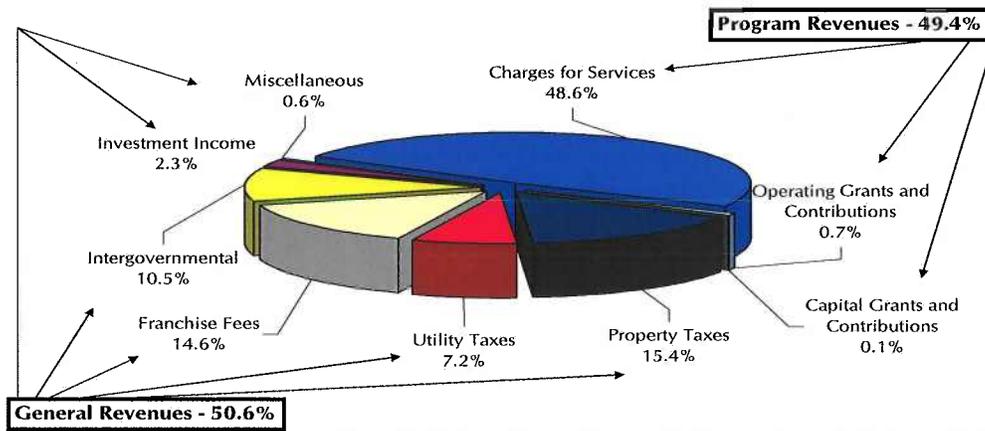
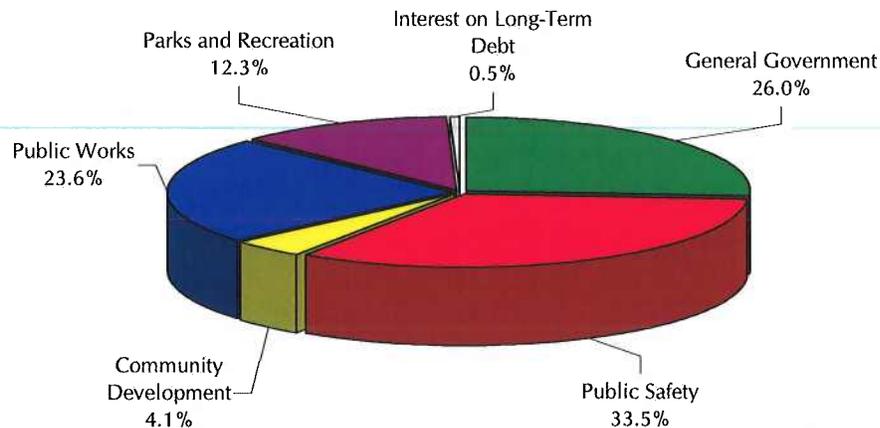
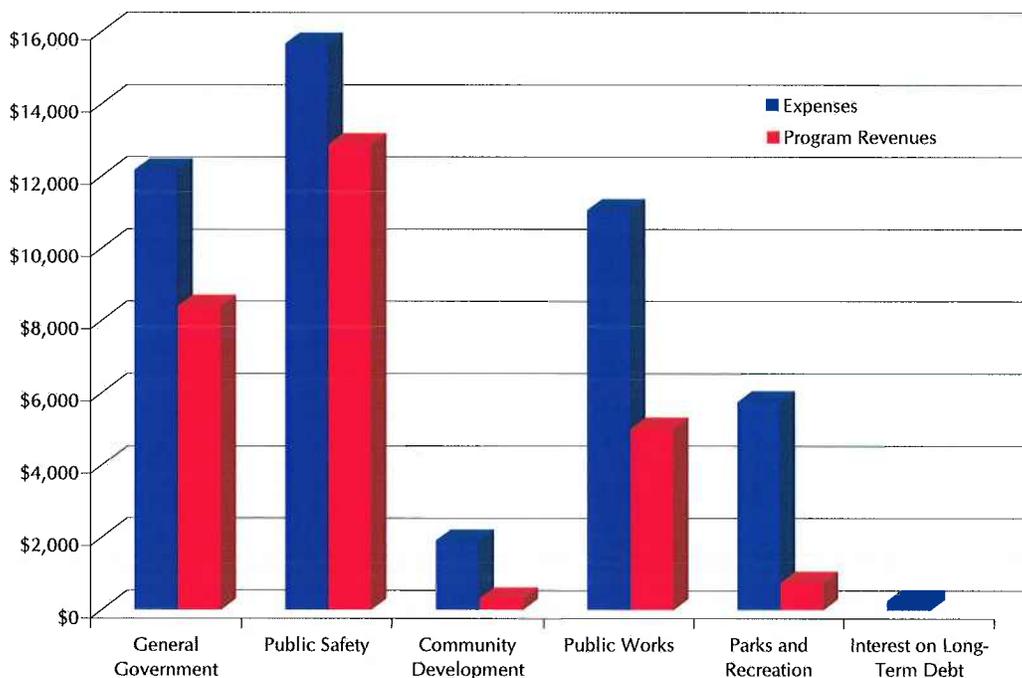


Figure B: City of Weston Fiscal Year 2005 Expenses by Function – Governmental Activities



Governmental activities increased the City of Weston's governmental net assets by \$9.4 million. The increase is primarily due to current revenues exceeding current expenses because capital outlay expenditures are not recognized at the governmental level.

Figure C: City of Weston Fiscal Year 2005 Expenses and Program Revenues - Governmental Activities (in thousands of dollars)

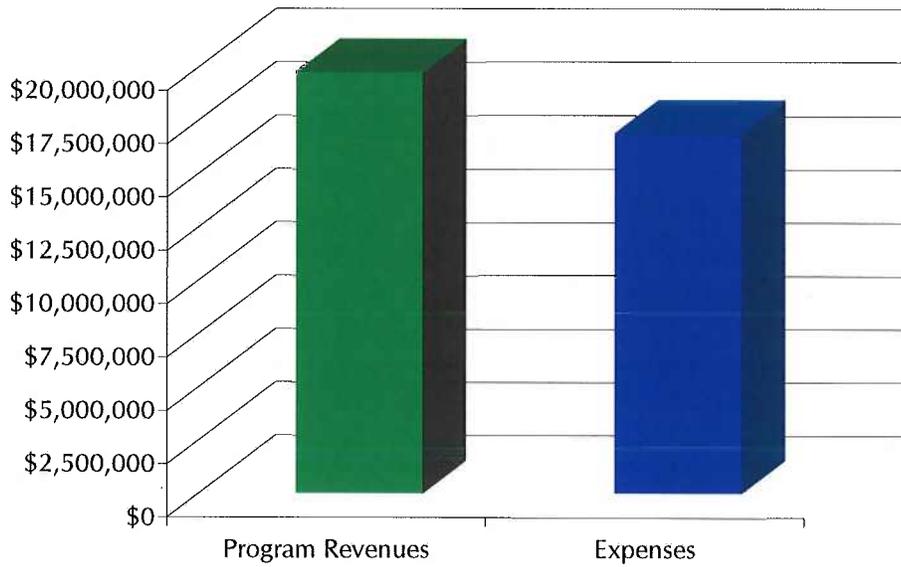


Expenses totaled \$46.8 million and were composed of public safety at \$15.7 million or 33.5% of total expenses, general government at \$12.2 million or 26% of total expenses and public works at \$11.1 million or 23.6% of total expenses are major categories.

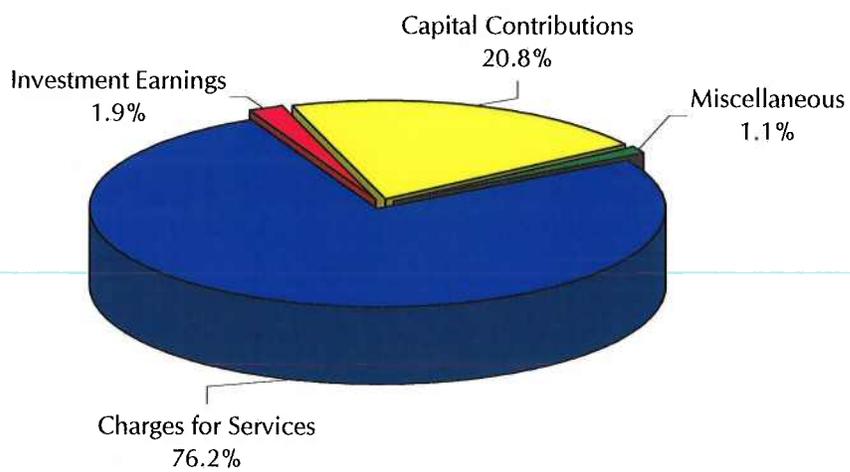
Business-type activities. Business-type activities increased the City's net assets by approximately \$3.5 million over the prior year. At the end of Fiscal Year 2005, they comprised 17% of total government-wide net assets. For the most current fiscal year revenues totaled \$20.3 million and included operating revenues in the form of water and sewer fees, meter use fees, investment earnings, connection fees and miscellaneous revenue.

The largest component of the increase in the City's net assets in business-type activities is capital contributions from developers, which added over \$4.2 million to the net assets in this category.

**Figure D: City of Weston
Fiscal Year 2005 Expenses and Program Revenues – Business-type Activities**



**Figure E: City of Weston
Fiscal Year 2005 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 \$63.9 million, a decrease of \$909,900 over the prior year. Approximately \$58.3 million or 91.4% 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 encumbrances (\$4.3million) and 2) to pay for other construction (\$1.2 million). It is important to note that of the \$58.5 million in unreserved fund balance, \$37.7 million is available in the General Fund of the City, with the balance of \$20.8 million spread among special revenue, capital projects 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 2005, total fund balance reached \$38.7 million, all but \$991,453 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 155% of actual annual expenditures for that year.

The fund balance of the City of Weston's General Fund increased by \$4.4 million during the current year with total revenues increasing by 1.5% to \$28.5 million, expenditures increasing by 2.1% to \$24.3 million and other financing sources decreasing by 42.5% to \$115,869. Similarly to the previous year, actual revenues exceeded originally budgeted amounts. Actual expenditures, on the other hand, were lower than amounts originally budgeted for them, reversing a recent trend. Table 3 on page 15 shows the comparison of actual revenues, expenditures and other financing sources for the General Fund for Fiscal Years 2004 and 2005.

The main changes in the General Fund revenue and expenditure levels between Fiscal Years 2004 and 2005 were:

- Tax revenues rose by more than \$1.7 million or 11.4% to over \$17 million as a result of healthy increases in property values and an increase in the use of services subject to franchise fees and utility taxes.
- Licenses and permits revenue declined by 6.3% to reflect lower development activity associated with the City's buildout.

- *Intergovernmental revenues increased by 9.9% reflecting increases in the City's population and improving state economy that generates higher tax revenues.*
- *Charges for services decreased moderately to account for a slower rate of growth in the City.*
- *Investment income decreased slightly due to market valuation adjustments of some lower yielding securities in the investment portfolio outweighing healthy increases in actual interest income.*
- *Miscellaneous revenues declined in comparison with the previous year, when most of the amount represented a one-time refund of Broward County resource recovery fund surpluses.*
- *General government expenditures increased by 8.5% to reflect general cost escalation and higher legal services expenditures.*
- *Public safety expenditures rose 14.5% to reflect higher service levels and an expanding service base with population growth and cost inflation.*
- *Community development expenditures declined 14.8% reflecting the nearing buildout of the City.*
- *Public works declined 20.6% to reflect a full year of lower costs for solid waste services and lower expenditures on maintenance.*
- *Park and recreation expenses increased 13.3% with the higher operating costs due to expansion of facilities and renovations of existing parks.*
- *Capital outlay declined by 25.3% with many projects financed by the General Fund having been completed in the previous year.*

Indian Trace Development District Special Revenue Fund decreased its fund balance by \$1,034,966 or approximately 8.5% to a total of \$11.2 million, all but \$157,550 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 increased its fund balance by \$105,207 or approximately 29% to a total of \$471,674, all of it unreserved. The Fund accounts for restricted resources used to provide cable television services to the City. Please note that the Town Foundation has a December 31 year end and therefore the information included in the financial statements is as of and for the year ended December 31, 2004.

Fire District Special Revenue Fund increased its fund balance by \$551,153 or approximately 36% to a total of \$2,099,285, all of which is unreserved. The Fund accounts for restricted resources used to provide fire protection services to the City of Weston.

Community Facilities Construction Capital Projects Fund accounts for City-wide capital needs such as public safety and recreation. This fund experienced a decrease in fund balance of \$1,882,228 or approximately 28% to a total of \$4,736,094. This decrease is a result of continued spending to construct park facilities in the City. Of the fund balances in this fund, \$4,351,531 is unreserved and the remaining \$384,563 is reserved for previously signed construction commitments.

Table 3
City of Weston
Comparison of General Fund Revenues and Expenditures
for Fiscal Year 2005 and 2004
(in thousands of dollars)

	FY 2005	FY 2004	Increase/ (Decrease)	Percent Change
Revenues:				
Taxes	\$ 17,175	\$ 15,418	\$ 1,757	11.4%
Licenses and permits	788	841	(53)	-6.3%
Intergovernmental	4,838	4,402	436	9.9%
Charges for services	4,418	5,384	(966)	-17.9%
Fines and forfeitures	355	410	(55)	-13.4%
Investment income	596	640	(44)	-6.9%
Contributions from property owners	-	555	(555)	-100.0%
Miscellaneous	348	438	(90)	-20.5%
Total revenues	28,518	28,088	430	1.5%
Expenditures:				
General government	4,287	3,950	337	8.5%
Public safety	8,999	7,858	1,141	14.5%
Community development	1,573	1,846	(273)	-14.8%
Public works	3,274	4,123	(849)	-20.6%
Parks and recreation	4,858	4,287	571	13.3%
Capital outlay	1,282	1,719	(437)	-25.4%
Total expenditures	24,273	23,783	490	2.1%
Excess of revenues over expenditures	4,245	4,305	(60)	-1.4%
Other Financing Sources (Uses):				
Transfers in	116	206	(90)	-43.7%
Transfers out	-	(5)	5	-100.0%
Total other financing sources	116	201	(85)	-42.3%
Net change in fund balance	\$ 4,361	\$ 4,506	\$ (145)	-3.2%

The City also maintains several non-major funds, including special revenue, capital projects and debt service funds used to account for street and right-of-way maintenance, water management, street lighting, capital improvements and debt service. The non-major funds of the City decreased their assets during Fiscal Year 2005 by \$3,009,806 or approximately 31% 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 decreased by \$594,013 or 2.8% to a total of \$20.8 million. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

As required by City Charter, all contracts and major expenditures were approved by the City Commission. Nevertheless, as is customary for the City of Weston, adoption of the Fiscal Year 2006 Budget also involved the reconciliation of Fiscal Year 2005 budget to actual levels of revenues and expenditures by amending and restating the City's Fiscal Year 2005 budget ordinance.

The original General Fund budget anticipated a current resources surplus of \$2 million, which was to increase the unrestricted fund balance. The actual operating results of the City's General Fund resulted in a current resources surplus of \$4.1 million. Actual revenues exceeded originally budgeted revenues by approximately \$594,000. The principal differences can be summarized as follows:

- Ad valorem tax collections exceeded the budgeted projections by \$269,764 due primarily to final taxable valuations exceeding projected figures from the Broward County Property Appraiser's Office and less than full use of allowable early payment discounts.
- Electric utility taxes increased by \$415,939 over the budget, reflecting higher consumption of utilities.
- Occupational license fees exceeded the budget by \$248,786 as a result of aggressive enforcement of City's business and professional regulations.
- Half cent sales tax revenue was \$301,295 higher than the projected budgeted distribution from the State due to very strong regional and state economic recovery.
- Grant revenues were \$871,573 lower than those projected in the budget as grant reimbursement funds anticipated to be received in Fiscal Year 2005 were delayed due to construction delays.
- Recreation fees exceeded the budget by \$367,371 as a result of very strong demand for City recreational programs and sport league use of City facilities.

Actual expenditures were approximately \$1.5 million lower than the original budget projections. The largest budget-to-actual variations included:

- Public safety services actual expenditures were \$579,015 lower than the budgeted projections due to lower than expected contractual cost escalation for the service.
- Planning and zoning expenses exceeded the budgeted amount by \$344,524 due to higher than expected utilization of planning, traffic engineering and landscaping architecture services by the City.
- Expenditures for engineering services, which are performed on a reimbursement basis, were \$295,125 lower than the budget as a result of slowing demand in light of the City's buildout.

- Maintenance services within the public works department exceeded the budget by \$331,248 as a result of unexpected hurricane cleanup-related activities.
- Park and recreation expenses were lower by \$553,696 due mainly to the postponement in the construction of the Vista Park project and all additional operating costs associated with it.
- Capital outlay expenditures were lower than those anticipated in the budget by \$706,109 as a result of delays in bidding and construction schedules of improvements.

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, 2005, totals \$214 million or 74.1% of total net assets. This investment in capital assets includes land, buildings, 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 Years 2004 and 2005.

During Fiscal Year 2005, the City has constructed or acquired significant capital assets. Major capital asset events during Fiscal Year 2005 included the following:

- Completion of the Vista Park project at over \$6 million.
- Construction of various other park improvements valued at nearly \$1.4 million.
- Completion of a roundabout at the entrance to the Weston Regional Park at over \$1.2 million.
- Construction of new off-ramp exit and signalization at I-75 and Arvida Parkway at nearly \$1 million.
- Various other roadway and signalization improvements valued at over \$2 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 10,739	\$ 10,739	\$ -	\$ -	\$ 10,739	\$ 10,739
Buildings	5,684	5,843	-	-	5,684	5,843
Machinery and equipment	490	406	25	44	515	450
Infrastructure	165,225	153,739	28,696	24,877	193,921	178,616
Construction in progress	3,603	7,589	13	192	3,616	7,781
Total	\$ 185,741	\$ 178,316	\$ 28,734	\$ 25,113	\$ 214,475	\$ 203,429

Additional information on the City's capital assets can be found in Note 7 on pages 43 through 44 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 \$9.46 million. Of this amount, \$9.1 million are notes payable secured by franchise fees and \$359,708 are revenue bonds after discount 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.

The City of Weston's total debt decreased by \$3.3 million or approximately 26% during the current fiscal year. The major reasons for this decrease was that all required payments on the debt were made as scheduled, one debt issue was retired early due to prepayment of assessments securing the debt and no new debt was issued.

Table 5
City of Weston's Outstanding Debt
Note Payable, Special Assessment and Revenue Bonds
(in thousands of dollars)

	Governmental activities		Business-type activities		Total	
	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
Notes payable	\$ 9,100	\$ 11,543	\$ -	\$ -	\$ 9,100	\$ 11,543
Special assessment debt	-	465	-	-	-	465
Revenue bonds	-	-	410	780	410	780
Less discount	-	-	(50)	(60)	(50)	(60)
Total	\$ 9,100	\$ 12,008	\$ 360	\$ 720	\$ 9,460	\$ 12,728

More detailed information about the City's long-term liabilities is presented in Note 9 on pages 48 through 49 of this report.

Economic Factors and Next Year's Budget and Rates

The City of Weston projects a continued improvement in the general economic climate facing the City during Fiscal Year 2006. With a stronger job market and a continued strength in the real estate market, the City anticipates that most of its current revenues will increase above the previous year's levels. The only downward trend exists in the revenues attributable to new construction, as the City's buildout is proceeding rapidly impacting the revenues derived from licenses and fees connected with new construction. However, as the City will initiate the operation of its own Building Department, it projects an increase in rebuilding and remodeling activities as residential and non-residential units alike will begin to be upgraded and expanded and a corresponding increase in revenues related thereto.

Just 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 2006 adopted General Fund budget total approximately \$29.4 million, an increase of approximately 5.4% over Fiscal Year 2005. A large increase (over 13%) is in the area of ad valorem taxes, as the City experienced another year of double digit increases in its taxable value. Other revenue categories with significant changes include utility tax electric, which will increase overall, however, have a larger part of it dedicated to anticipated new borrowing funded out of the community facilities construction capital projects fund. Intergovernmental revenues, and specifically the state revenue sharing and half cent sales tax are projected to trend upwards following State of Florida projections of higher consumer spending. Lastly, as the City will now directly collect the fees and pay the cost of fire inspections, there will be an approximate \$700,000 addition to both General Fund revenues and expenditures.

Fiscal Year 2006 budgeted expenditures are set at a total of approximately \$27 million, an increase over prior year's allocations by approximately 12.5% or \$3 million. The major changes occur in public safety which increased by approximately \$1 million to reflect higher staffing and cost escalation, approximately \$200,000 in increases in the City Attorney department to fund anticipated additional legal defense costs, approximately \$750,000 increase in the community development department as a result of funding fire safety inspections and approximately \$750,000 in increases in community services to reflect increased operating costs for the City's recreation infrastructure, solid waste services and expenditures on recreational capital items.

If these budgetary projections are realized, the City's General Fund balance will increase by approximately \$2.4 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, 2005

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 58,584,099	\$ 18,254,298	\$ 76,838,397
Receivables	2,480,435	941,333	3,421,768
Due from other governments	1,162,402	-	1,162,402
Net investment in direct financing lease	-	410,000	410,000
Restricted assets	9,195,996	4,012,033	13,208,029
Deferred charges and other assets	16,728	66,700	83,428
Capital assets (net of accumulated depreciation):			
Land	10,739,199	-	10,739,199
Buildings	5,683,501	-	5,683,501
Improvements other than buildings	-	28,695,983	28,695,983
Machinery and equipment	489,892	24,721	514,613
Infrastructure	165,225,442	-	165,225,442
Construction in progress	3,603,138	13,210	3,616,348
Total assets	257,180,832	52,418,278	309,599,110
LIABILITIES:			
Accounts payable and other current liabilities	5,371,267	422,795	5,794,062
Unearned revenue	339,840	-	339,840
Due to other funds	133,950	-	133,950
Due to other governments	-	654,124	654,124
Accrued interest payable	119,124	-	119,124
Security deposits	1,012,384	-	1,012,384
Payable from restricted assets	633,113	1,729,654	2,362,767
Noncurrent liabilities:			
Due within one year	2,530,135	359,708	1,629,543
Due in more than one year	6,744,077	-	8,004,377
Total liabilities	16,883,890	3,166,281	20,050,171
NET ASSETS:			
Invested in capital assets, net of related debt	176,641,330	28,440,906	205,082,236
Restricted for:			
Operations and maintenance	12,630,314	-	12,630,314
Capital projects	3,399,315	-	3,399,315
Fire protection services	2,099,285	-	2,099,285
Public transportation and road improvements	1,869,774	-	1,869,774
Law enforcement	171,543	-	171,543
Unrestricted	43,485,381	20,811,091	64,296,472
Total net assets	\$ 240,296,942	\$ 49,251,997	\$ 289,548,939

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

CITY OF WESTON, FLORIDA
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2005

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Assets		
					Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS:							
Primary government:							
Governmental activities:							
General government	\$ 12,172,276	\$ 8,410,385	\$ —	\$ —	\$ (3,761,891)	\$ —	\$ (3,761,891)
Public safety	15,670,056	12,883,317	10,520	—	(2,776,219)	—	(2,776,219)
Community development	1,913,021	308,584	—	—	(1,604,437)	—	(1,604,437)
Public works	11,081,826	5,017,305	386,153	—	(5,678,368)	—	(5,678,368)
Parks and recreation	5,745,633	751,943	—	59,280	(4,934,410)	—	(4,934,410)
Interest on long-term debt	262,269	—	—	—	(262,269)	—	(262,269)
Total government activities	<u>46,845,081</u>	<u>27,371,534</u>	<u>396,673</u>	<u>59,280</u>	<u>(19,017,594)</u>	<u>—</u>	<u>(19,017,594)</u>
Business-type activities:							
Water and sewer	16,892,919	15,513,580	—	4,238,113	—	2,858,774	2,858,774
Total business-type activities	<u>16,892,919</u>	<u>15,513,580</u>	<u>—</u>	<u>4,238,113</u>	<u>—</u>	<u>2,858,774</u>	<u>2,858,774</u>
Total government	<u>\$ 63,738,000</u>	<u>\$ 42,885,114</u>	<u>\$ 396,673</u>	<u>\$ 4,297,393</u>	<u>(19,017,594)</u>	<u>2,858,774</u>	<u>(16,158,820)</u>
General revenues:							
Property taxes					8,692,416	—	8,692,416
Utilities taxes					4,078,750	—	4,078,750
Franchise taxes					8,201,060	—	8,201,060
Intergovernmental					5,903,766	—	5,903,766
Investment income					1,275,412	380,199	1,655,611
Miscellaneous					306,148	214,444	520,592
Total general revenues					<u>28,457,552</u>	<u>594,643</u>	<u>29,052,195</u>
Change in net assets					9,439,958	3,453,417	12,893,375
Net assets at beginning of year					230,856,984	45,798,580	276,655,564
Net assets at end of year					<u>\$ 240,296,942</u>	<u>\$ 49,251,997</u>	<u>\$ 289,548,939</u>

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

CITY OF WESTON, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2005

		Special Revenue Funds	
	General Fund	Indian Trace Development District	Town Foundation (As of December 31, (2004))
ASSETS:			
Cash and investments	\$ 40,993,614	\$ 11,873,844	\$ 1,045,452
Receivables:			
Accounts	1,288,251	26,803	646,938
Interest	102,978	30,657	1,425
Prepays	11,613	5,115	--
Due from other funds	182,164	3,065	--
Due from other governments	574,715	--	587,687
Restricted assets:			
Cash and investments	--	--	--
Accounts receivables	--	--	--
Interest receivable	--	--	--
	<u>43,153,335</u>	<u>11,939,484</u>	<u>2,281,502</u>
Total assets	\$	\$	\$
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 2,315,979	\$ 655,416	\$ 1,809,828
Accrued payroll	40,294	--	--
Unearned revenue	339,840	--	--
Retainage payable	21,766	15,938	--
Due to other funds	698,937	107,625	--
Payable from restricted assets	--	--	--
Security deposits	<u>1,012,384</u>	<u>--</u>	<u>--</u>
	<u>4,429,200</u>	<u>778,979</u>	<u>1,809,828</u>
Total liabilities	\$	\$	\$
Fund balances:			
Reserved for:			
Construction	--	--	--
Encumbrances	979,840	152,435	--
Prepaid expenditures	11,613	5,115	--
Unreserved/reported in:			
General Fund	37,732,682	--	--
Special Revenue Funds	--	11,002,955	471,674
Capital Projects Funds	--	--	--
	<u>38,724,135</u>	<u>11,160,505</u>	<u>471,674</u>
Total fund balances	\$	\$	\$
Total liabilities and fund balances	\$	\$	\$
	<u><u>43,153,335</u></u>	<u><u>11,939,484</u></u>	<u><u>2,281,502</u></u>

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

<u>Special Revenue Funds</u>		<u>Capital Project Fund</u>		<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Fire District</u>	<u>Community Facilities Construction</u>				
\$ --	\$ 3,092,992	\$ 1,578,197	\$ 58,584,099		
1,165	369,290	5,637	2,338,084		
--	4,961	2,330	142,351		
--	--	--	16,728		
--	370,807	191,842	747,878		
--	--	--	1,162,402		
2,087,611	1,370,444	5,618,626	9,076,681		
--	--	86,895	86,895		
10,509	--	21,911	32,420		
<u>\$ 2,099,285</u>	<u>\$ 5,208,494</u>	<u>\$ 7,505,438</u>	<u>\$ 72,187,538</u>		
\$ --	\$ 100,626	\$ 119,445	\$ 5,001,294		
--	--	--	40,294		
--	--	--	339,840		
--	310,490	--	348,194		
--	61,284	13,982	881,828		
--	--	633,113	633,113		
--	--	--	1,012,384		
<u>--</u>	<u>472,400</u>	<u>766,540</u>	<u>8,256,947</u>		
--	--	1,190,711	1,190,711		
--	384,563	2,745,900	4,262,738		
--	--	--	16,728		
--	--	--	37,732,682		
2,099,285	--	2,273,780	15,847,694		
--	4,351,531	528,507	4,880,038		
<u>2,099,285</u>	<u>4,736,094</u>	<u>6,738,898</u>	<u>63,930,591</u>		
<u>\$ 2,099,285</u>	<u>\$ 5,208,494</u>	<u>\$ 7,505,438</u>	<u>\$ 72,187,538</u>		

CITY OF WESTON, FLORIDA

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

September 30, 2005

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET, PAGE 23	\$	63,930,591
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		194,014,728
Less: Accumulated depreciation		(8,273,556)
Accrued interest payable not reported in the governmental funds		(119,124)
Compensated absences not reported in the governmental funds		(155,855)
Notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		<u>(9,099,842)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 20	\$	<u>240,296,942</u>

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

CITY OF WESTON, FLORIDA

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

For the Year Ended September 30, 2005

		Special Revenue Funds	
	General Fund	Indian Trace Development District	Town Foundation (As of December 31, 2004)
REVENUES:			
Taxes	\$ 17,174,989	\$ 7,100,281	\$ --
Licenses and permits	787,695	--	--
Intergovernmental	4,838,267	--	--
Charges for services	4,418,310	--	7,267,891
Fines and forfeitures	354,799	--	--
Investment income	595,877	281,638	17,888
Miscellaneous	348,132	--	207,645
	<u>28,518,069</u>	<u>7,381,919</u>	<u>7,493,424</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	4,287,022	455,468	7,388,217
Public safety	8,999,287	1,283,789	--
Community development	1,572,997	--	--
Public works	3,273,386	5,358,130	--
Parks and recreation	4,858,210	--	--
Capital outlay	1,282,310	1,517,287	--
Debt service:			
Principal	--	--	--
Interest and fiscal charges	--	--	--
	<u>24,273,212</u>	<u>8,614,674</u>	<u>7,388,217</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>4,244,857</u>	<u>(1,232,755)</u>	<u>105,207</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	115,869	197,789	--
Transfers out	--	--	--
	<u>115,869</u>	<u>197,789</u>	<u>--</u>
Total other financing sources (uses)			
Net change in fund balances	<u>4,360,726</u>	<u>(1,034,966)</u>	<u>105,207</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>34,363,409</u>	<u>12,195,471</u>	<u>366,467</u>
FUND BALANCES AT END OF YEAR	<u>\$ 38,724,135</u>	<u>\$ 11,160,505</u>	<u>\$ 471,674</u>

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

<u>Special Revenue Funds</u>		<u>Capital Project Fund</u>		<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>		
<u>Fire District</u>		<u>Community Facilities Construction</u>					
\$	5,783,036	\$	3,519,731	\$	1,659,522	\$	35,237,559
	--		--		--		787,695
	--		--		1,521,452		6,359,719
	--		--		--		11,686,201
	--		--		--		354,799
	83,963		106,668		189,378		1,275,412
	27,100		--		777		583,654
	<u>5,894,099</u>		<u>3,626,399</u>		<u>3,371,129</u>		<u>56,285,039</u>
	3,474		--		7,977		12,142,158
	5,260,461		--		--		15,543,537
	--		--		323,724		1,896,721
	42,711		--		1,489,195		10,163,422
	--		432,195		--		5,290,405
	36,300		2,335,544		3,772,878		8,944,319
	--		2,443,623		464,602		2,908,225
	--		297,265		8,901		306,166
	<u>5,342,946</u>		<u>5,508,627</u>		<u>6,067,277</u>		<u>57,194,953</u>
	<u>551,153</u>		<u>(1,882,228)</u>		<u>(2,696,148)</u>		<u>(909,914)</u>
	--		--		--		313,658
	--		--		(313,658)		(313,658)
	--		--		(313,658)		--
	<u>551,153</u>		<u>(1,882,228)</u>		<u>(3,009,806)</u>		<u>(909,914)</u>
	<u>1,548,132</u>		<u>6,618,322</u>		<u>9,748,704</u>		<u>64,840,505</u>
\$	<u><u>2,099,285</u></u>	\$	<u><u>4,736,094</u></u>	\$	<u><u>6,738,898</u></u>	\$	<u><u>63,930,591</u></u>

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, 2005

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF
ACTIVITIES (PAGE 21) ARE DIFFERENT BECAUSE:

Net change in fund balances - total governmental funds, page 26	\$	(909,914)
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 provision for depreciation. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay		8,944,319
Provision for depreciation		(1,518,908)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal payments		2,908,225
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.		
Change in accrued interest payable		43,897
Change in compensated absences		<u>(27,661)</u>
Change in net assets of governmental activities, page 21	\$	<u>9,439,958</u>

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

CITY OF WESTON, FLORIDA

**STATEMENT OF NET ASSETS -
PROPRIETARY FUND**

September 30, 2005

	<u>Business-Type Activities Enterprise Fund Water and Sewer</u>
ASSETS:	
Current assets:	
Cash and investments	\$ 18,254,298
Receivables:	
Accounts	908,475
Interest	32,858
Deferred charges	66,700
Restricted assets:	
Cash and investments	3,992,227
Interest receivable	<u>19,806</u>
Total current assets	<u>23,274,364</u>
Noncurrent assets:	
Net investment in direct financing lease	410,000
Capital assets:	
Machinery and equipment	144,330
Improvements other than buildings	39,185,307
Construction-in-progress	<u>13,210</u>
Total capital assets	39,342,847
Less: accumulated depreciation	<u>10,608,933</u>
Total capital assets - net	<u>28,733,914</u>
Total noncurrent assets	<u>29,143,914</u>
Total assets	<u>52,418,278</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	422,795
Due to other governments	654,124
Current liabilities payable from restricted assets:	
Customer deposits	1,716,329
Accrued interest payable	13,325
Bonds payable, net of applicable bond discounts of \$50,292	<u>359,708</u>
Total current liabilities	<u>3,166,281</u>
NET ASSETS:	
Invested in capital assets, net of related debt	28,440,906
Unrestricted	<u>20,811,091</u>
Total net assets	<u>\$ 49,251,997</u>

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

CITY OF WESTON, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS -
PROPRIETARY FUND

For the Year Ended September 30, 2005

	Business-Type Activities Enterprise Fund Water and Sewer
OPERATING REVENUES:	
Water and sewer fees	\$ 15,480,125
Meter use fees	33,455
Miscellaneous	<u>214,444</u>
Total operating revenues	<u>15,728,024</u>
OPERATING EXPENSES:	
Water and sewer charges	14,895,475
Meter expense	37,042
Provision for depreciation	953,034
Provision for amortization	23,399
Administrative services	428,210
Other operating expense	<u>509,772</u>
Total operating expenses	<u>16,846,932</u>
Operating loss	<u>(1,118,908)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment income	380,199
Interest expense	<u>(45,987)</u>
Total nonoperating revenues	<u>334,212</u>
Loss before contributions	<u>(784,696)</u>
Contributions - tap fees	126,253
Contributions - developer	<u>4,111,860</u>
	<u>4,238,113</u>
Change in net assets	3,453,417
NET ASSETS AT BEGINNING OF YEAR	<u>45,798,580</u>
NET ASSETS AT END OF YEAR	<u>\$ <u>49,251,997</u></u>

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

CITY OF WESTON, FLORIDA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the Year Ended September 30, 2005

	Business-Type Activities Enterprise Fund Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 15,831,277
Payments to suppliers	<u>(15,494,706)</u>
Net cash provided by operating activities	<u>336,571</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(461,963)
Principal payments on bonds	(370,000)
Direct financing lease payments received	370,000
Interest paid	(58,012)
Developer contributions received	<u>126,253</u>
Net cash used in capital and related financing activities	<u>(393,722)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of investments	8,247,962
Investment income received	392,332
Purchase of investments	<u>(6,656,794)</u>
Net cash flows provided by investing activities	<u>1,983,500</u>
Net increase in cash and cash equivalents	1,926,349
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,619,951</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>4,546,300</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (1,118,908)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Provision for depreciation	953,034
Provision for amortization	23,399
(Increase) Decrease in Operating Assets:	
Accounts receivable	21,448
Increase (Decrease) in Operating Liabilities:	
Accounts payable	375,793
Customer deposits	<u>81,805</u>
Total adjustments	<u>1,455,479</u>
Net cash provided by operating activities	\$ <u><u>336,571</u></u>
NONCASH INVESTING ACTIVITIES:	
Change in fair value of investments	\$ <u><u>306,792</u></u>
Capital contributions - developer	\$ <u><u>4,111,860</u></u>

CITY OF WESTON, FLORIDA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
(continued)**

For the Year Ended September 30, 2005

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>Interest Receivable</u>	<u>Statement of Net Assets Total</u>
Cash and investments	\$ <u>2,114,471</u>	\$ <u>16,139,827</u>	\$ <u> --</u>	\$ <u>18,254,298</u>
Restricted assets	\$ <u>2,431,829</u>	\$ <u>1,560,398</u>	\$ <u>19,806</u>	\$ <u>4,012,033</u>

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

CITY OF WESTON, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUND

September 30, 2005

ASSETS

	<u>Agency Fund</u>
RESTRICTED ASSETS*:	
Investments	\$ <u><u>4,771,364</u></u>

LIABILITIES

PAYABLE FROM RESTRICTED ASSETS*:	
Payable to bond holders	\$ <u><u>4,771,364</u></u>

* Includes the following agency funds: 1995A-1 ITDD, 1995B ITDD, 1997 ITDD, 2002 BDD, 2003 Isles of Weston, and 2005 ITDD (Note 8).

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

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 1 - ORGANIZATION AND OPERATIONS

City of Weston, Florida (the "City") is a municipal corporation governed by an elected Mayor and a four-member commission providing the following services: general government; public safety; community development; public works and parks and recreation. Additional services provided by the City are subcontracted (Note 12) such as : water and sewer services; emergency medical and fire services; police services; professional, administrative, financial and community services; and engineering services. The City was incorporated pursuant to the constitution and laws of the State of Florida in September 1996 when the qualified electors voted in favor of incorporation of the City and approved the Charter.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units

Indian Trace Development District (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 Revenue Fund, the 1997 and 2003 Bond Construction Capital Project Funds, 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 this component unit.

Bonaventure Development District ("BDD") is a blended component unit. 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 BDD. Bonaventure Development District provides water management and control, roads and other public improvements. BDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on BDD. BDD has its own budget and taxing power. The operations and assets of BDD are reflected in Bonaventure Development District and Rights of Way, Special Revenue Funds, Bonaventure Capital Project Fund, and the Agency Fund. The component unit has a September 30 year end. There were no separately issued financial statements for this component unit.

Town Foundation became a component unit of 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, 2004. A copy of the separately issued financial statements for the component unit can be obtained at the Weston City Hall located at 2500 Weston Road, Suite 101, Weston, Florida 33331.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements with the exception of \$ 133,950, which is due to Town Foundation and agency funds for \$ 133,222 and \$ 728, respectively (Note 6). 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 services for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program 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 program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. 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 fund 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore, the agency funds have no measurement focus. Since agency funds report no equity, an operating statement reporting changes in equity is not presented.

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

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, Town Foundation, and Fire District) 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. Fire District is used to account for fire protection services of the entire City. Town Foundation provides cable services to certain residents of the City.

The Capital Project Fund (Community Facilities Construction) accounts for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds. 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 sewer operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing services are generally recovered through user charges.

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 accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity. For specific and additional information reference should be made to Note 8.

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

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

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and provision for depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues or expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and 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, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are carried at fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized.

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.

3. Prepays

Prepays are recorded as assets when the initial payment is made. Each asset is then charged off against operations in the period benefitted. These amounts are reserved in the governmental fund financial statements.

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

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Restricted Assets (Note 5)

Certain proceeds of the City's bond resolutions, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The cash with fiscal agent category represents debt service funds held by a third party until payments are made to bondholders. The maintenance account is used to report revenues that are legally restricted to expenditures for specific purposes. 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. The sinking fund account is used to segregate resources accumulated for debt service payments over the next twelve months. The reserve account is used to report resources set aside to meet applicable bond requirements related to the enterprise fund. The construction account is used to report those proceeds of bond issuances that are restricted for use in construction of certain water, sewer and water management.

5. Capital Assets

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

GASB No. 34 required the City to report and depreciate new infrastructure assets effective September 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the City. Neither their historical cost nor related depreciation had historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The City implemented the general provisions of GASB No. 34 during the fiscal year ended September 30, 2003; however, elected to implement the retroactive infrastructure provisions by the fiscal year ending September 30, 2007.

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

Buildings	40 years
Improvements other than buildings	7-40 years
Machinery and equipment	5-7 years
Infrastructure	40 years

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Compensated Absences

It is the City's policy to permit its three employees to accumulate 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 General Fund. As of September 30, 2005, the amount accrued in the General Fund was \$ 18,515, which is expected to be paid from current resources. Additionally, the amount accrued in the statement of net assets was \$ 155,855, which is expected to be paid from future resources.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discounts. Bond issuance costs are reported as deferred charges and amortized over the life of the bonds using the straight-line method.

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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. 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. Designations of fund balance represent tentative management plans that are subject to change. Restrictions of proprietary fund net assets are limited to outside third-party restrictions.

9. Estimates

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

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

At year-end, the government's carrying amount of deposits was \$ 11,233,623, and the bank balance was \$ 12,164,021. The bank balance includes on-demand repurchase agreements (federated governmental obligations fund) totaling \$ 12,054,213. Repurchase transactions are not insured by the Federal Deposit Insurance Corporation. These repurchase agreements invest only in United States Treasury and government agency securities. The remaining bank balance of \$ 109,808 is deposited in several demand deposit accounts.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and non-negotiable certificates of deposit are 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 25% to 200% 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.

B. Investments

The City's investments policy permits investment or reinvestment of the City's funds primarily in 1) bonds, debentures, notes or other indebtedness to the extent that such obligations are guaranteed by the Government National Mortgage Association, 2) obligations of the United States Government or obligations which are unconditionally guaranteed by the United States Government, 3) certificates of deposit and savings accounts, in approved depositories, 4) the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, 5) direct obligations of the United States Treasury, 6) securities of, or other interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 7) repurchase agreement secured or collateralized by Federal Government obligations, 8) money market funds, and 9) commercial paper.

Investments as of September 30, 2005 were as follows:

	<u>Reported Amount Fair Value</u>
United States Government and Agency Securities	\$ 65,118,987
Commercial Paper	<u>26,683,969</u>
Total	\$ <u>91,802,956</u>

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

	<u>Cash</u>	<u>Cash Equivalents</u>	<u>Investments</u>	<u>Receivables</u>	<u>Total</u>
Cash, cash equivalents and investments	\$ 6,578,505	\$ 9,084,208	\$ 61,175,684	\$ --	\$ 76,838,397
Restricted assets	<u>5,066,945</u>	<u>6,236,895</u>	<u>30,627,272</u>	<u>139,121</u>	<u>42,070,233</u>
Total	\$ <u>11,645,450</u>	\$ <u>15,321,103</u>	\$ <u>91,802,956</u>	\$ <u>139,121</u>	\$ <u>118,908,630</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

	<u>Investments</u>	<u>Restricted Investments</u>
General Fund	\$ 33,052,346	\$ --
Special Revenue Funds:		
Fire District	--	997,772
Indian Trace Development District	9,537,317	--
Capital Projects Funds:		
Community Facilities Construction	1,339,454	--
Other governmental funds	<u>1,106,740</u>	<u>2,800,007</u>
	45,035,857	3,797,779
Agency Fund	--	25,269,095
Enterprise Fund	<u>16,139,827</u>	<u>1,560,398</u>
Total	\$ <u>61,175,684</u>	\$ <u>30,627,272</u>

1. Credit Risk

The City's investment policy was established to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities,
- pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the City will do business, and
- diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Commercial paper investments are rated P-1 and P-2 by Moody's Investors Service, respectively. Investments in United States Government and Agency Securities are not rated.

2. Interest Rate Risk

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

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities to the open market prior to maturity, and
- investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

The City has an investment policy that limits the maturities on individual investments to no more than ten years, provided the weighted averaged maturity of all investments is less than two years. At year end, the weighted average life of the maturities is 1.27 years. The investments at September 30, 2005 meet the City's investment policy restrictions.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

3. Concentration Credit Risk

The City's investment policy limits its investments to no more than 50.00% in any one issuer. GASB Statement 40 requires disclosure when the percentage is 5.00% or more in any one issuer. The investment in the Federal Home Loan Bank is 34.33%, Federal Home Loan Mortgage Corporation Gold Pool is 9.14%, the Federal National Mortgage Association Pool is 11.89%, the Federal Farm CR Banks is 8.61%, the Federal National Mortgage Association is 7.01%, and the Three Pillars FDG Commercial Paper is 8.21%. Given the restriction to the highest rating, the additional concentration is not viewed to be an additional risk by the City.

NOTE 4 - RECEIVABLES

Receivables as of year end are as follows:

	General	Special Revenue Indian Trace Development District	Town Foundation	Fire District	Capital Projects Community Facilities Construction	Other Governmental Funds	Total Governmental Funds	Proprietary Fund Enterprise Fund
Receivables:								
Accounts	\$ 1,288,251	\$ 26,803	\$ 646,938	\$ 1,165	\$ 369,290	\$ 5,637	\$ 2,338,084	\$ 908,475
Interest	102,978	30,657	1,425	--	4,961	2,330	142,351	32,858
	<u>1,391,229</u>	<u>57,460</u>	<u>648,363</u>	<u>1,165</u>	<u>374,251</u>	<u>7,967</u>	<u>2,480,435</u>	<u>941,333</u>
Restricted receivables:								
Accounts	--	--	--	--	--	86,895	86,895	--
Interest	--	--	--	10,509	--	21,911	32,420	19,806
Total	<u>\$ 1,391,229</u>	<u>\$ 57,460</u>	<u>\$ 648,363</u>	<u>\$ 11,674</u>	<u>\$ 374,251</u>	<u>\$ 116,773</u>	<u>\$ 2,599,750</u>	<u>\$ 961,139</u>

There was no allowance for uncollectibles necessary for these receivables as of September 30, 2005.

NOTE 5 - RESTRICTED ASSETS

Restricted assets at September 30, 2005, consist of the following:

	Special Revenue Fund Fire District	Capital Projects Fund Community Facilities Construction	Other Governmental Funds	Agency Fund	Enterprise Fund	Total
Cash with fiscal agent	\$ --	\$ 1,370,444	\$ --	\$ --	\$ --	\$ 1,370,444
Maintenance accounts	2,098,120	--	2,275,737	--	--	4,373,857
Amounts held from property owners	--	--	--	4,771,364	--	4,771,364
Customer deposits	--	--	--	--	1,716,329	1,716,329
Sinking accounts	--	--	--	--	19,806	19,806
Reserve accounts	--	--	--	--	439,963	439,963
Construction accounts	--	--	3,451,695	--	1,835,935	5,287,630
Total	<u>\$ 2,098,120</u>	<u>\$ 1,370,444</u>	<u>\$ 5,727,432</u>	<u>\$ 4,771,364</u>	<u>\$ 4,012,033</u>	<u>\$ 17,979,393</u>
Cash and investments	\$ 2,087,611	\$ 1,370,444	\$ 5,618,626	\$ 4,771,364	\$ 3,992,227	\$ 17,840,272
Revenue receivable	--	--	86,895	--	--	86,895
Interest receivable	10,509	--	21,911	--	19,806	52,226
Total	<u>\$ 2,098,120</u>	<u>\$ 1,370,444</u>	<u>\$ 5,727,432</u>	<u>\$ 4,771,364</u>	<u>\$ 4,012,033</u>	<u>\$ 17,979,393</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 5 - RESTRICTED ASSETS (continued)

Amounts payable from restricted assets at September 30, 2005, consist of the following:

	Non-major Governmental Funds	Agency Fund	Enterprise Fund	Total
Customer deposits	\$ --	\$ --	\$ 1,716,329	\$ 1,716,329
Accrued interest payable	--	--	13,325	13,325
Accounts payable	52,811	--	--	52,811
Contracts payable	420,698	--	--	420,698
Retainages payable	159,604	--	--	159,604
Payable to bondholders	--	4,771,364	--	4,771,364
Total	\$ <u>633,113</u>	\$ <u>4,771,364</u>	\$ <u>1,729,654</u>	\$ <u>7,134,131</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of due to/from other funds for the year ended September 30, 2005 is as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 182,164	\$ 698,937
Indian Trace Development District	3,065	107,625
Communities Facilities Construction	370,807	61,284
Non-major governmental funds:		
Street maintenance	182,649	--
Bonaventure Development District	--	5
Bonaventure Rights of Way	3,095	--
Transportation	6,098	--
Bonaventure	--	11,834
1997 Bond Construction	--	2,143
	<u>747,878</u>	<u>881,828</u>
Less (Note 2B):		
Town Foundation	--	(133,222)
Agency funds	--	(728)
Total	\$ <u>747,878</u>	\$ <u>747,878</u>

Due to/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.

Town Foundation has a December 31 year end and therefore the information presented is for year ending December 31, 2004. Agency funds report only assets and liabilities that are custodial in nature; therefore, are not considered governmental funds. Due to the circumstances mentioned above, both The Town Foundation and Agency Funds resulted in activity not eliminated at the government-wide financial statements level.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

A summary of interfund transfers for the year ended September 30, 2005 is as follows:

<u>Transfers Out</u>	<u>Transfer In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Indian Trace Development District</u>	
Non-major governmental funds:			
Bonaventure Rights of Way	\$ 100,000	\$ --	\$ 100,000
Street Lighting	15,869	--	15,869
Roadway Improvements	--	141,039	141,039
Roadway Improvements Note	--	56,750	56,750
Total	\$ <u>115,869</u>	\$ <u>197,789</u>	\$ <u>313,658</u>

Amounts transferred during the year included \$ 100,000 and \$ 213,658 for expense reimbursements and for the transfer of unused monies after the closure of three non-major governmental funds, respectively.

NOTE 7 - CAPITAL ASSETS, NET

Capital asset activity for the year ended September 30, 2005 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	\$ 10,739,199	\$ --	\$ --	\$ 10,739,199
Construction-in-progress	<u>7,588,848</u>	<u>3,603,138</u>	<u>7,588,848</u>	<u>3,603,138</u>
Total capital assets not being depreciated	<u>18,328,047</u>	<u>3,603,138</u>	<u>7,588,848</u>	<u>14,342,337</u>
Capital assets being depreciated:				
Buildings	6,368,587	--	--	6,368,587
Infrastructure	158,071,423	12,709,243	--	170,780,666
Machinery and equipment	<u>2,302,352</u>	<u>220,786</u>	--	<u>2,523,138</u>
Total capital assets being depreciated	<u>166,742,362</u>	<u>12,930,029</u>	<u>--</u>	<u>179,672,391</u>
Less accumulated depreciation:				
Buildings	525,233	159,853	--	685,086
Infrastructure	4,332,785	1,222,439	--	5,555,224
Machinery and equipment	<u>1,896,630</u>	<u>136,616</u>	--	<u>2,033,246</u>
Total accumulated depreciation	<u>6,754,648</u>	<u>1,518,908</u>	<u>--</u>	<u>8,273,556</u>
Total capital assets, being depreciated, net	<u>159,987,714</u>	<u>11,411,121</u>	<u>--</u>	<u>171,398,835</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 7 - CAPITAL ASSETS, NET (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities capital assets, net	\$ <u>178,315,761</u>	\$ <u>15,014,259</u>	\$ <u>7,588,848</u>	\$ <u>185,741,172</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction-in-progress	\$ <u>191,563</u>	\$ <u> --</u>	\$ <u>178,353</u>	\$ <u>13,210</u>
Total capital assets not being depreciated	<u>191,563</u>	<u> --</u>	<u>178,353</u>	<u>13,210</u>
Capital assets being depreciated:				
Improvements other than buildings	34,433,131	4,752,176	--	39,185,307
Machinery and equipment	<u>144,330</u>	<u> --</u>	<u> --</u>	<u>144,330</u>
Total capital assets being depreciated	<u>34,577,461</u>	<u>4,752,176</u>	<u> --</u>	<u>39,329,637</u>
Less accumulated depreciation:				
Improvements other than buildings	9,555,902	933,422	--	10,489,324
Machinery and equipment	<u>99,997</u>	<u>19,612</u>	<u> --</u>	<u>119,609</u>
Total accumulated depreciation	<u>9,655,899</u>	<u>953,034</u>	<u> --</u>	<u>10,608,933</u>
Total capital assets being depreciated, net	<u>24,921,562</u>	<u>3,799,142</u>	<u> --</u>	<u>28,720,704</u>
Business-type activities capital assets, net	\$ <u>25,113,125</u>	\$ <u>3,799,142</u>	\$ <u>178,353</u>	\$ <u>28,733,914</u>

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

Governmental activities:	
General government	\$ 2,459
Public safety	126,519
Community development	16,300
Public works	918,403
Parks and recreation	<u>455,227</u>
Total provision for depreciation - governmental activities	\$ <u>1,518,908</u>
Business-type activities:	
Enterprise - water and sewer	\$ <u>953,034</u>
Total provision for depreciation - business-type activities	\$ <u>953,034</u>

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2005

NOTE 7 - CAPITAL ASSETS, NET (continued)

Construction Commitments

The City has numerous active construction projects as of September 30, 2005. The projects include road and sidewalk improvements, building improvements, a new public works facility, a new law enforcement motorcycle storage facility, signing and safety improvements and the construction/improvements of sewer 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>
Public Works Facility	\$ --	\$ 1,587,980
Interstate 75 improvements	208,026	680,239
Signalization improvements	59,130	513,165
Indian Trace Roadway improvements	762,448	223,236
Law enforcement - motorcycle storage facility	--	183,010
Bonaventure master plan	755,832	76,401
Swale stabilization	222,089	57,617
Supervisory Control and Data Acquisition System	1,142,532	52,200
Stormwater pump station	551,443	29,151
American Youth Soccer Organization Facility	<u>367,365</u>	<u>23,976</u>
Total	\$ <u>4,068,865</u>	\$ <u>3,426,975</u>

NOTE 8 - NO OBLIGATION SPECIAL ASSESSMENT BONDS

The City, through ITDD and BDD, acts as an agent for the payment of special assessment bonds. Neither the City nor ITDD nor BDD are obligated in any manner for the repayment of these bonds. The City's responsibility through ITDD and BDD is limited to acting as an agent in collecting the assessments and forwarding the collections to bondholders as bond principal and interest payments become 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 \$ 88,865,000 at September 30, 2005.

At September 30, 2005, no obligation special assessment bonds are summarized as follows:

<u>Bond Issue</u>	<u>Issue/Reissue Date</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>
2005 ITDD	February 2005	\$ 46,830,000	2.50%-5.00%	\$ 39,555,000
1995B ITDD	February 1995	33,010,000	8.25%	15,760,000
1997 ITDD	July 1997	41,635,000	5.00%	12,885,000
2002 BDD	January 2002	12,790,000	2.80%-5.125%	11,595,000
2003 Isles at Weston	April 2003	<u>9,330,000</u>	5.50%	<u>9,070,000</u>
		\$ <u>143,595,000</u>		\$ <u>88,865,000</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 8 - NO OBLIGATION SPECIAL ASSESSMENT BONDS (continued)

The 1995B, 1997 and 2005 Bond issues of the ITDD are secured by a pledge of the proceeds of the bonds, non ad-valorem benefit assessments, and money and investments on deposit. These Bond proceeds were utilized for various construction projects within the District. The 2002 Bond issue of the BDD 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 were utilized to acquire the Keep Bonaventure Beautiful and to continue construction of the balance of the Bonaventure Master Plan. The 2003 Series Isles at Weston Bond proceeds are being used to finance the cost of infrastructure and are secured by a pledge of the proceeds of the bonds, non ad-valorem special assessments, and money and investments on deposit.

On February 4, 2005, the ITDD issued \$ 46,380,000 of Water Management Special Benefit Assessment Refunding Bonds, Series 2005 to refinance and restructure a portion of the District's outstanding bond issues.

Pre-Financing Outstanding Indebtedness of the District

Prior to the issuance of the Series 2005 Bonds, the District's indebtedness consisted of: Senior Lien Water Management Special Benefit Refunding Bonds, Series 1995A-1, Subordinate Lien Water Management Special Benefit Refunding Bonds, Series 1995B and Water Management Special Benefit Assessment Bonds, Series 1997. The table below illustrates the District's pre-financing Debt obligations:

<u>Series</u>	<u>Maturity Dates</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal as of September 30, 2004</u>	<u>Call Dates</u>
1995A-1	May 1995 through May 2011	\$ 62,515,000	\$ 35,055,000	05/01/2005 at 102%
1995B	May 1995 through May 2011	\$ 33,010,000	\$ 17,755,000	Noncallable
1997	May 1999 through May 2027	\$ 41,635,000	\$ 36,940,000	05/01/2007 at 101%

Structuring Objectives

The 2005 ITDD Bonds were issued for the purposes of currently refunding and defeasing all of the District's Series 1995A-1 Bonds (\$ 35,055,000) and advance refunding and defeasing a portion (\$ 24,055,000) of the District's Series 1997 Bonds. Structuring objectives were designed to maximize present value savings and to level out the aggregate debt service portfolio by taking advantage of the flat long end of the yield curve and a historically low interest rate environment.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 8 - NO OBLIGATION SPECIAL ASSESSMENT BONDS (continued)

Contributed Funds

The District contributed approximately \$ 14,787,000 in funds to the refunding escrow. The sources of funds were distributed approximately as follows:

Series 1995A-1 Reserve	\$	8,450,900
Series 1997 Reserve		3,672,300
Series 1997 Bond Service Account		2,498,000
Series 1995A-1 Bond Service Account		<u>165,800</u>
	\$	<u><u>14,787,000</u></u>

Series 2005 Reserve Account

Another structuring decision aimed to achieve the District's goal of cash flow relief was satisfying the Series 2005 Debt Service Reserve Requirement with a surety policy in lieu of issuing additional bonds to cash fund the Reserve Account.

Series 2005 Bond and Restructuring Statistics

	Series 2005 Refunding Bonds	Series 1995A-1 and 1997 Refunded Bonds
Par Amount	\$ 46,380,000	\$ 59,100,000
Overall Interest Rate	4.35%	5.23%
Average Life	11.85 Years	5.99 Years

The current and advance refunding of these bonds has reduced the debt service requirements by \$ 6,641,367, resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt adjusted for contributed cash at settlement) of \$ 222,735.

Analysis of debt service streams is as follows:

Refunded debt:		
ITDD 1995A-1 Bond:		
Principal payments	\$ 35,055,000	
Interest payments	7,473,413	
ITDD 1997 Bond:		
Principal payments	24,055,000	
Interest payments	<u>11,966,855</u>	
Debt service stream on refunded debt		\$ 78,550,268
Refunding debt:		
ITDD 2005 Bond:		
Principal payments	46,380,000	
Interest payments	<u>25,528,901</u>	
Debt service stream on refunding debt		<u>71,908,901</u>
Aggregate savings in debt service		\$ <u><u>6,641,367</u></u>

As of September 30, 2005, the outstanding balance of the defeased Series 1997 Bond portion was \$ 23,150,000.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 9 - LONG-TERM DEBT

The City has issued notes for governmental activities at September 30, 2005 as follows:

<u>Notes Payable</u>	<u>Balance</u>
Community Facilities Notes:	
\$ 6,920,813 Series 2002A-1 promissory note with principal and interest due semi-annually with a 2.59% fixed interest rate maturing on April 1, 2008. Monies were used for capital improvements. The note is collateralized by franchise fees.	\$ 3,898,796
\$ 5,137,410 Series 2002B promissory note with principal and interest due semi-annually with a 2.91% fixed interest rate maturing on April 1, 2009. Monies were used for capital improvements. The note is collateralized by franchise fees.	3,268,991
\$ 3,044,582 Series 2002A-2 promissory note with principal and interest due semi-annually with a 2.59% fixed interest rate maturing on April 1, 2009. Monies were used for capital improvements. The note is collateralized by franchise fees.	<u>1,932,055</u>
Total	<u>\$ 9,099,842</u>

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

<u>September 30, Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 2,511,620	\$ 229,267
2007	2,579,630	161,257
2008	2,654,389	91,400
2009	<u>1,354,203</u>	<u>28,436</u>
Total	<u>\$ 9,099,842</u>	<u>\$ 510,360</u>

Revenue Bonds

At September 30, 2005, 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	9.75%	\$ 410,000
Less: Unamortized bond discount				<u>50,292</u>
				<u>\$ 359,708</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 9 - LONG-TERM DEBT (continued)

The proceeds of the Bonds were used to pay for amounts due to the City of Sunrise, advances received from Arvida, and to fund the cost of certain improvements to the water and sewer system. 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, in whole or in part, in inverse order of maturity on any interest payment date, at redemption prices ranging from 100% to 103% of par plus accrued interest.

Annual debt service requirements to maturity for Revenue Bonds are as follows:

<u>September 30, Year Ending</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ <u>410,000</u>	\$ <u>19,898</u>
Total	410,000	19,898
Less: Bond discount	<u>50,292</u>	<u>--</u>
	<u>\$ 359,708</u>	<u>\$ 19,898</u>

Changes in Long-Term Debt

Long-term debt activity for the year ended September 30, 2005 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	\$ 5,129,568	\$ --	\$ 1,230,772	\$ 3,898,796	\$ 1,264,710
2002A-2	2,384,859	--	452,804	1,932,055	464,600
2002B	4,029,037	--	760,046	3,268,991	782,310
Special assessment note:					
Street Lighting Note	160,000	--	160,000	--	--
Roadway Improvements Note	304,603	--	304,603	--	--
Compensated absences	<u>143,389</u>	<u>48,845</u>	<u>17,864</u>	<u>174,370</u>	<u>18,515</u>
Governmental activities:					
Long-term debt	<u>\$12,151,456</u>	<u>\$ 48,845</u>	<u>\$ 2,926,089</u>	<u>\$ 9,274,212</u>	<u>\$ 2,530,135</u>
Business-type activities:					
Bonds payable:					
Series 1985 Water and Sewer Revenue Bonds	\$ 780,000	\$ --	\$ 370,000	\$ 410,000	\$ 410,000
Less: Unamortized Bond discount	<u>60,351</u>	<u>--</u>	<u>10,059</u>	<u>50,292</u>	<u>50,292</u>
Business-type activity Long-term liabilities	<u>\$ 719,649</u>	<u>\$ --</u>	<u>\$ 359,941</u>	<u>\$ 359,708</u>	<u>\$ 359,708</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 10 - LEASES

Operating Leases

The City previously entered into an operating lease agreement through October 1, 2007 for office space. The lease includes a renewal option for two additional five-year terms. During the initial term of the lease, base rent increases at an annual rate of \$ 0.50 per square foot while common area maintenance expense (CAM) is adjusted annually by the landlord not to increase more than 5% from the previous year's actual operating expenses. At termination, should the City renew this agreement the same terms and conditions are applicable except that the base rent shall continue to increase annually at a rate of \$ 0.75 per square foot. Total cost for such lease was \$ 113,761 for the year ended September 30, 2005.

The future minimum lease payments relative to this operating lease at September 30, 2005 are approximately as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$ 117,300
2007	121,100
Thereafter	<u>NONE</u>
Total	\$ <u>238,400</u>

NOTE 11 - RISK MANAGEMENT/INSURANCE

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

The City purchased an insurance policy that provided coverage of up to a \$ 1,000,000 maximum for each general liability occurrence in combination with a maximum annual aggregate coverage of approximately \$ 3,000,000 for the policy year ending September 30, 2005. Other insurance policies carried by City of Weston during the year included: automobile, crime, environmental liability, inland marine, physical damage, property (building and contents), public officials liability and workers' compensation. Deductible amounts ranged from \$ 1,000 to \$ 50,000. Settlement amounts have not exceeded insurance coverage during the last three fiscal years.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

City of Sunrise Water and Sewer Agreement

An agreement between the City of Sunrise and ITDD was executed on June 30, 1993, for a term of 30 years with an option to renew for an additional 30 years. The City of Sunrise agrees to supply to ITDD, water and sewer service and provide the related billing and collection services to ITDD's customers based on the City of Sunrise's rate structure. The customers remain with ITDD, but ITDD is performing only certain services under the agreement. The pumping and storage facility funded by the 1985 Water and Sewer Revenue Bond proceeds is being leased to the City of Sunrise under a capital lease arrangement and is based on a semi-annual payment schedule to cover ITDD's debt service on that facility. The direct financing lease minimum lease payment receivable at September 30, 2005 is \$ 429,988, including unearned interest income of \$ 19,988 for a net investment direct financing lease of \$ 410,000.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

The following is a schedule of the approximate future minimum lease payments to be received, as lessor, from the City of Sunrise as of September 30, 2005:

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$ <u>430,000</u>
Total	430,000
Less: interest income	<u>20,000</u>
	<u>\$ 410,000</u>

Litigation

The City is engaged in various lawsuits which arose in the ordinary course of business, including claims involving plaintiffs who are seeking damages for injuries which allegedly occurred when they fell on City property. The City is also engaged in a case involving a plaintiff claiming that the City improperly refused to issue building permits. The City has prevailed through appeals on most of the claims, but one claim remains pending. The ultimate outcome of the remaining claim is not determinable at this time. Another suit against the City seeks damages for breach of contract, unjust enrichment, quantum merit, fraud and estoppel. As to all of these tort claims, the City is protected by sovereign immunity and thus the potential damages are statutorily limited (unless the plaintiff is able to obtain a claims bill from the Florida legislature). In addition, the City and The Town Foundation, Inc. are involved in a lawsuit regarding the term and the amount that residents pay for bulk cable service under a bulk cable contract. At the present time, the ultimate outcome of all these matters is 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 of Weston previously entered into an agreement with the Broward Sheriff's Office (BSO) Department of Fire Rescue and Emergency Services to provide emergency medical and fire protection services. Under the agreement, the City owns the fire stations and is responsible for major repairs and maintenance; however, BSO shall maintain emergency medical and fire protection equipment purchased by the City. Once such equipment has reached the end of its useful life, BSO shall replace the equipment. BSO provides emergency medical and fire protection services to the City on a twenty-four hour, seven days a week basis. BSO also provides three rescue/transport units, three fire responder engine units, one fire aerial unit, two replacement vehicles and personnel.

The agreement, effective through September 2008, includes an additional five-year period renewal option. For the year ended September 30, 2005, the payment schedule required total payments amounting to \$ 8,404,706 allocated as follows: \$ 5,260,461 for fire protection services and \$ 3,144,245 for emergency medical services.

Effective October 2005, the existing agreement was amended to include the delivery of fire prevention services including one captain and four firefighters certified as Fire Safety Inspectors. Such additional services will require monthly installments to provide for a total annual payment of \$ 731,198.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Payment amounts in subsequent years shall not increase by more than 5.00%, excluding changes in service levels, number of fire engines and emergency service units as requested by the City. Based on a 5.00% annual increase, the approximate future payment schedule will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$ 9,556,200
2007	10,034,000
2008	10,535,700
Thereafter	<u>N/A</u>
Total	\$ <u>30,125,900</u>

Police Services Agreement

The City of Weston previously entered into an agreement with the Broward Sheriff's Office (BSO) to provide for professional police services through September 2007. Under this agreement, BSO provides all necessary labor, supervision, equipment, vehicles, communication facilities and supplies necessary for the purpose of performing the services. Per the agreement, the City provides a police district's office, for which the City is responsible for major improvements and repairs. BSO pays for all utility costs including, but not limited to, telephone, electric, and water services.

The consideration for all services shall be subject to an annual increase not to exceed 5.00%. The percentage rate is calculated on the total consideration paid in the prior year, excluding any adjustments for vacancy rate credits. The City is entitled to a credit if the annual vacancy rate (calculated in dollars, not number of personnel) exceeds 3.50%. Based on the original agreement as amended, the City's consideration for services provided is approximately \$ 6,262,574 for which BSO provides approximately one hundred individuals comprising the department. The original consideration amount has been subject to annual increases and vacancy rate credits as provided by the agreement.

For the year ended September 30, 2005, costs related to this agreement amounted to approximately \$ 7,266,200 less a vacancy rate credit of approximately \$ 151,700. Based on a 5.00% annual increase, the approximate future payment schedule will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$ 7,788,800
2007	8,178,200
Thereafter	<u>N/A</u>
Total	\$ <u>15,967,000</u>

Professional, Administrative, Financial and Community Services Agreement

The City of Weston previously entered into an agreement with Severn Trent Environmental Services, Inc. to provide for administrative, finance, community services and all other duties and functions of the type coming within the jurisdiction of and customarily rendered by municipal departments (other than those provided by other contract providers, such as police, fire, legal, building, engineering, traffic engineering, landscape architecture, and planning and zoning) in accordance with the Charter of the City, and the Statutes of the State of Florida.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

This agreement is in effect through September 2007, and contains an automatic renewal option of one five-year term, unless either the City or Severn Trent Environmental Services, Inc. furnishes to the other party a notice of non-renewal not less than 180 days prior to expiration (Note 14). For each fiscal year, the compensation amount payable for services shall be in an amount agreed to by the City Manager and Severn Trent Environmental Services, Inc., and approved by the City Commission. For the year ended September 30, 2005, costs related to this agreement amounted to approximately \$ 3,320,000. For the year ended September 30, 2006, through the adoption of the City's annual budget, the City Commission approved a budgetary amount of approximately \$ 4,042,600.

Engineering Services Agreement

The City previously entered into an agreement with a consulting firm to provide for planning, zoning and engineering services. This agreement has no expiration date; however, it may be terminated without cause by the City within 120 days upon written notice prior to termination; and with cause by either party within five days upon written notice prior to termination. The contractor is compensated under this contract based on a monthly standard fee and an hourly fee schedule structure, based on several service categories, for which both are subject to a 3.00% annual increase. For the year ended September 30, 2005, the monthly standard fees ranged from approximately \$ 6,600 to approximately \$ 21,900 while the hourly fee ranged from approximately \$ 49 per hour to approximately \$ 164 per hour.

In addition, and as required by the City Manager, the consultant provides the necessary personnel and equipment for special project design, permitting, inspections, special reports, studies and related services. These additional services are quoted/priced and authorized under separate contracts.

For the year ended September 30, 2005, costs related to the services provided by the consultant amounted to approximately \$2,977,000.

NOTE 13 - RETIREMENT PLANS

Defined Benefit Plan

The City participates in the Florida Retirement System (FRS), a state-wide cost-sharing multiple-employer public employee retirement system (PERS), available to governmental units within the state and administered by the State of Florida Division of Retirement, Department of Administration. The elected officials of the City are eligible to participate in the FRS. All rates, benefits, and amendments are established by the State of Florida through its legislative body.

FRS members with six years of service are entitled to a retirement benefit. Such benefit, payable monthly for life, is based on the percentage shown below, times the number of years of credited service, times the average of the member's five highest years of earnings.

Elected Officers' Class:

Retirement up to age 62 or 30 years of service	3.00%
--	-------

Normal retirement age for the Elected Officers' Class is 62. If a member is vested but has not reached normal retirement age, early retirement can be taken. The amount of the benefit will be reduced by 5% for each year the retirement date precedes normal retirement age.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 13 - RETIREMENT PLANS (continued)

In addition, eligible FRS members can elect to participate in the deferred retirement option program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to a maximum of sixty months, and to continue employment with the City. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Contributions to the FRS are made by the City as a percentage of covered payroll. The required contribution rate in effect at year-end was 15.23% for the Elected Officers' Class. No employee contributions are required. Additionally, the City is required to contribute 8.22% for all DROP participants. At September 30, 2005, the City had four employees participating in the FRS, and no participants in the DROP.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2005 and the two preceding years were as follows:

	<u>FY 2005</u>	<u>FY 2004</u>	<u>FY 2003</u>
Contributions requirements	\$ 5,793	\$ 6,905	\$ 2,456
Contributions made (100%)	\$ 5,793	\$ 6,905	\$ 2,456
Total covered payroll	\$ 48,000	\$ 53,380	\$ 51,530
Percent of contributions to total covered payroll	12.07%	12.94%	4.77%

The pension benefit obligation (i.e., the actuarial present value of credited projected benefits) is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The disclosure of the pension benefit obligation is intended to help users assess the FRS's funding status on a going concern basis, assess progress in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers.

The FRS issues an annual report including the disclosures above, a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement, Research, Education and Policy Section, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560 or online at www.myfrs.com.

Deferred Compensation Plans

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

Pursuant to resolution number 97-20, the City has adopted a pension plan and trust for the sole benefit of the employees of the City. The City contributes to a Money Purchase Plan (Plan), which is a defined contribution pension plan.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE 13 - RETIREMENT PLANS (continued)

City contributions and related earnings are 100% vested immediately after acceptance of employment. Plan participants are not required to contribute as a condition of participation in the Plan.

During the year, the City was required to contribute 8.5% of each eligible employee's gross earnings, excluding bonuses and overtime. Under an existing employment contract agreement, the City is also required to contribute the maximum allowed by pension regulations to the City Manager's account under this Plan.

The contribution requirement and actual contributions made for the year ended September 30, 2005, was \$ 60,531. Under this Plan, all assets and income of the Plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the Plan are not included in the City's financial statements.

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

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

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

NOTE 14 - SUBSEQUENT EVENTS

The City Commission has adopted a resolution (2005-98) approving an agreement between the City and a service provider for plan review and inspection services. The service provider will act as the City of Weston's Building Department and commence operations on October 1, 2005. The agreement, effective through September 2011, includes two additional five-year period renewal options. The consideration for all services is based on a standard schedule of fees and shall be subject to an annual increase not to exceed 5.00%. This agreement may be terminated by either party within sixty days after written notice.

On November 7, 2005, the City Commission approved a resolution (2005-165) authorizing expenditures for hurricane Wilma cleanup. The City Manager has been authorized to expend up to \$ 10,000,000 as deemed necessary to engage contractors for debris cleanup and repair damages caused by this natural disaster. In addition, the City Manager has been authorized to apply for and accept any and all available related reimbursements from state and Federal governmental agencies.

On November 21, 2005, the City Commission approved a resolution (2005-166) to partially terminate a service provider agreement for Records Management, Information Technologies and Databases - Municipal Management, and Lease of Hardware and Software, effective March 1, 2006. The annual compensation has been preliminarily decreased by a total of \$ 150,000 per year pending additional reductions which are expected. In connection with this termination, the City Commission approved the acquisition of computer hardware and software with an approximate total value of \$ 520,000.

On February 6, 2006, the City and the Town Foundation, Inc. reached a settlement agreement concerning their bulk cable contract which includes a service agreement that will permanently terminate on December 31, 2013 (Note 12).

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2005

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes:				
Ad-valorem - current	\$ 8,422,652	\$ 8,692,416	\$ 8,692,416	\$ --
Franchise fees:				
Simplified communications tax	3,496,731	3,319,565	3,319,565	--
Solid waste	1,116,577	1,084,258	1,084,258	--
Utility taxes:				
Electric	3,594,526	4,010,465	4,010,465	--
Gas	68,833	68,285	68,285	--
Total tax revenues	<u>16,699,319</u>	<u>17,174,989</u>	<u>17,174,989</u>	<u>--</u>
Licenses and permits:				
City occupational licenses	315,681	564,467	564,467	--
Building permits	51,042	114,759	114,759	--
Engineering permits	75,249	108,469	108,469	--
Total licenses and permits revenues	<u>441,972</u>	<u>787,695</u>	<u>787,695</u>	<u>--</u>
Intergovernmental:				
Alcohol beverage licenses	13,537	16,764	16,764	--
Half cent sales tax	3,297,718	3,599,013	3,599,013	--
State revenue sharing	947,295	936,685	936,685	--
Grant revenue	1,157,378	285,805	285,805	--
Total intergovernmental revenues	<u>5,415,928</u>	<u>4,838,267</u>	<u>4,838,267</u>	<u>--</u>
Charges for services:				
Development review fees	360,057	280,921	280,921	--
Solid waste fees	3,018,572	2,942,138	2,942,138	--
Recreation fees	335,799	703,170	703,170	--
Recycle fees	412,408	444,203	444,203	--
Tennis center fees	55,986	47,878	47,878	--
Total charges for services	<u>4,182,822</u>	<u>4,418,310</u>	<u>4,418,310</u>	<u>--</u>
Fines and forfeitures:				
Court fines and forfeitures	318,486	354,799	354,799	--
Investment income	765,504	595,877	595,877	--
Miscellaneous	100,000	348,132	348,132	--
Total revenues	<u>27,924,031</u>	<u>28,518,069</u>	<u>28,518,069</u>	<u>--</u>
EXPENDITURES:				
Current:				
General government:				
City Commission	89,963	57,040	57,040	--
City Manager/City Clerk	1,408,077	1,270,819	1,270,819	--
Administrative services	2,151,815	2,083,027	2,083,027	--
Legal	535,674	871,672	871,672	--
Total general government	<u>4,185,529</u>	<u>4,282,558</u>	<u>4,282,558</u>	<u>--</u>

CITY OF WESTON, FLORIDA

**BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND
(continued)**

For the Year Ended September 30, 2005

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Public safety:				
Police services	6,238,966	5,806,612	5,806,612	--
EMS services	<u>3,322,700</u>	<u>3,176,039</u>	<u>3,176,039</u>	<u>--</u>
Total public safety	<u>9,561,666</u>	<u>8,982,651</u>	<u>8,982,651</u>	<u>--</u>
Community development:				
Planning and zoning	1,147,083	1,491,607	1,491,607	--
Engineering	<u>528,120</u>	<u>232,995</u>	<u>232,995</u>	<u>--</u>
Total community development	<u>1,675,203</u>	<u>1,724,602</u>	<u>1,724,602</u>	<u>--</u>
Public works:				
Solid waste	3,018,572	2,942,138	2,942,138	--
Maintenance	<u>--</u>	<u>331,248</u>	<u>331,248</u>	<u>--</u>
Total public works	<u>3,018,572</u>	<u>3,273,386</u>	<u>3,273,386</u>	<u>--</u>
Parks and recreation:				
Parks	<u>5,356,138</u>	<u>4,802,442</u>	<u>4,802,442</u>	<u>--</u>
Total parks and recreation	<u>5,356,138</u>	<u>4,802,442</u>	<u>4,802,442</u>	<u>--</u>
Capital outlay	<u>2,184,000</u>	<u>1,477,891</u>	<u>1,477,891</u>	<u>--</u>
Total expenditures	<u>25,981,108</u>	<u>24,543,530</u>	<u>24,543,530</u>	<u>--</u>
Excess of revenues over expenditures	1,942,923	3,974,539	3,974,539	--
OTHER FINANCING SOURCES:				
Transfers in	<u>100,000</u>	<u>115,869</u>	<u>115,869</u>	<u>--</u>
Net change in fund balance	2,042,923	4,090,408	4,090,408	--
FUND BALANCE AT BEGINNING OF YEAR	<u>31,497,957</u>	<u>33,653,890</u>	<u>33,653,890</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u>33,540,880</u>	\$ <u>37,744,298</u>	\$ <u>37,744,298</u>	\$ <u>--</u>

CITY OF WESTON, FLORIDA

**BUDGETARY COMPARISONS SCHEDULE -
INDIAN TRACE DEVELOPMENT DISTRICT
Special Revenue Fund**

For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ 6,920,492	\$ 7,100,281	\$ 7,100,281	\$ --
Investment income	<u>294,147</u>	<u>281,638</u>	<u>281,638</u>	<u>--</u>
Total revenues	<u>7,214,639</u>	<u>7,381,919</u>	<u>7,381,919</u>	<u>--</u>
 EXPENDITURES:				
Current:				
Public works	6,253,884	5,727,499	5,727,499	--
Public safety	1,310,593	1,283,789	1,283,789	--
General government	585,162	455,468	455,468	--
Capital outlay	<u>650,000</u>	<u>428,436</u>	<u>428,436</u>	<u>--</u>
Total expenditures	<u>8,799,639</u>	<u>7,895,192</u>	<u>7,895,192</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,585,000)	(513,273)	(513,273)	--
 OTHER FINANCING SOURCES:				
Transfers in	<u>41,011</u>	<u>197,789</u>	<u>197,789</u>	<u>--</u>
Net change in fund balance	(1,543,989)	(315,484)	(315,484)	--
 FUND BALANCE AT BEGINNING OF YEAR				
	<u>11,464,581</u>	<u>11,323,554</u>	<u>11,323,554</u>	<u>--</u>
 FUND BALANCE AT END OF YEAR				
	\$ <u>9,920,592</u>	\$ <u>11,008,070</u>	\$ <u>11,008,070</u>	\$ <u>--</u>

CITY OF WESTON, FLORIDA
BUDGETARY COMPARISONS SCHEDULE -
TOWN FOUNDATION
Special Revenue Fund

For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Cable revenues	\$ 7,206,228	\$ 6,942,011	\$ 6,942,011	\$ --
Administrative income	--	325,880	325,880	--
Other income	--	207,645	207,645	--
Investment income	<u>721</u>	<u>17,888</u>	<u>17,888</u>	<u>--</u>
Total revenues	<u>7,206,949</u>	<u>7,493,424</u>	<u>7,493,424</u>	<u>--</u>
EXPENDITURES:				
Current:				
Cable services	5,854,716	5,841,696	5,841,696	--
Taxes and licenses	853,753	859,935	859,395	--
Legal fees	--	441,760	441,760	--
Administrative expenses	163,681	164,317	164,317	--
Other charges	319,799	81,049	81,049	--
Audit fees	<u>15,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>7,206,949</u>	<u>7,388,217</u>	<u>7,388,217</u>	<u>--</u>
Net change in fund balance	--	105,207	105,207	--
FUND BALANCE AT BEGINNING OF YEAR	<u>--</u>	<u>366,467</u>	<u>366,467</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>--</u></u>	\$ <u><u>471,674</u></u>	\$ <u><u>471,674</u></u>	\$ <u><u>--</u></u>

CITY OF WESTON, FLORIDA
BUDGETARY COMPARISONS SCHEDULE -
FIRE DISTRICT
Special Revenue Fund

For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ 5,370,413	\$ 5,783,036	\$ 5,783,036	\$ --
Investment income	14,492	83,963	83,963	--
Miscellaneous:				
Fire and EMS	<u> --</u>	<u> 27,100</u>	<u> 27,100</u>	<u> --</u>
Total revenues	<u>5,384,905</u>	<u>5,894,099</u>	<u>5,894,099</u>	<u> --</u>
EXPENDITURES:				
Current:				
General government	27,500	3,474	3,474	--
Public safety	5,408,237	5,260,461	5,260,461	--
Public works	44,500	74,510	74,510	--
Capital outlay	<u>50,000</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total expenditures	<u>5,530,237</u>	<u>5,338,445</u>	<u>5,338,445</u>	<u> --</u>
Net change in fund balance	(145,332)	555,654	555,654	--
FUND BALANCE AT BEGINNING OF YEAR	<u>1,449,170</u>	<u>1,543,631</u>	<u>1,543,631</u>	<u> --</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>1,303,838</u></u>	\$ <u><u>2,099,285</u></u>	\$ <u><u>2,099,285</u></u>	\$ <u><u> --</u></u>

CITY OF WESTON, FLORIDA

NOTES TO BUDGETARY COMPARISONS SCHEDULES

For the Year Ended September 30, 2005

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

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

Prior to August 15, management submits to the City Commission, 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 all governmental and proprietary funds except for the Roadway Improvement Note Fund and the 2003 Bond Construction Fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. At September 30, 2005, encumbrances outstanding are as follows:

General Fund	\$ 979,840
Special Revenue Funds:	
Indian Trace Development District Fund	152,435
Street Maintenance Fund	1,062,250
Bonaventure Development District	3,553
Capital Project Funds:	
Community Facilities Construction Fund	384,563
1997 Bond Construction Fund	<u>1,680,097</u>
	<u>\$ 4,262,738</u>

Transfers of appropriations within a fund and between funds can be performed by management. Only supplemental appropriations require the approval of the City Commission. The legal level of control is the overall government level.

The following is a reconciliation of budgetary basis to GAAP basis for the results of operations of various funds for the year ended September 30, 2005:

	Excess (Deficiency) of Revenues over Expenditures								
	General Fund	Special Revenue Funds					Capital Project Funds		
		Indian Trace Development District	Fire District	Street Maintenance	Bonaventure Development District	Bonaventure Rights of Way	Community Facilities Construction	Bonaventure	1997 Bond Construction
Statement of revenues, expenditures and changes in fund balances	\$ (1) 4,360,726	\$ (1) (1,034,966)	\$ (2) 551,153	\$ (3) (2,416,487)	\$ (3) (109,642)	\$ (3) 340,801	\$ (2) (1,882,228)	\$ (4) (45,468)	\$ (4) (181,788)
Net changes in encumbrances	<u>(270,318)</u>	<u>719,482</u>	<u>4,501</u>	<u>619,632</u>	<u>(3,553)</u>	<u>4,214</u>	<u>1,253,127</u>	<u>20,855</u>	<u>46,871</u>
Statement of revenues, expenditures and changes in fund balances - budget and actual	\$ (5) 4,090,408	\$ (6) (315,484)	\$ (7) 555,654	\$ (8) (1,796,855)	\$ (8) (113,195)	\$ (9) 345,015	\$ (10) (629,101)	\$ (11) (24,613)	\$ (11) (134,917)
	(1) see page 25		(4) see page 65		(7) see page 60		(10) see page 70		(11) see page 71
	(2) see page 26		(5) see page 57		(8) see page 67				
	(3) see page 64		(6) see page 58		(9) see page 68				

**OTHER FINANCIAL
INFORMATION**

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Street Maintenance Fund - This fund is used to account for revenues (fuel taxes) received from state and county governments which may only be expended (roadway system) for those items prescribed by law.

Bonaventure Development District Fund - This fund accounts for operating and maintenance activities of the water management and control facilities within the Bonaventure Development District.

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 (fuel taxes) and expenditures activities for public transportation for the City's residents.

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 was used to account for restricted revenues and expenditures available for the repayment of debt incurred for the installation of street lights along a section of Weston Road.

Bonaventure Fund - This fund is used to account for financing the cost of infrastructure and facilities benefitting District lands and the acquisition of capital stock of Keep Bonaventure Beautiful Corporation.

Roadway Improvements Note Fund - This fund was used to account for various roadway improvements funded with special assessments to the surrounding property owners.

1997 Bond Construction - This fund is used to account for various improvements to the water management system funded with special assessments to the surrounding property owners.

2003 Bond Construction - This fund is used to account for financing the cost of infrastructure and facilities improvements and Vista Park improvements funded with special assessments to the surrounding property owners.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Roadway Improvements Note Fund - This fund was used to account for the accumulation for and payment of principal and interest for the Roadway Improvements Note which was payable from non ad-valorem taxes.

CITY OF WESTON, FLORIDA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2005

	Special Revenue				Total
	Street Maintenance	Bonaventure Development District	Bonaventure Rights of Way	Transportation	
ASSETS:					
Cash and investments	\$ --	\$ 620,827	\$ 957,370	\$ --	\$ 1,578,197
Accounts receivable	--	--	5,637	--	5,637
Interest receivable	--	515	1,815	--	2,330
Due from other funds	182,649	--	3,095	6,098	191,842
Restricted assets:					
Cash and investments	1,875,354	--	--	305,132	2,180,486
Accounts receivable	81,481	--	--	5,414	86,895
Interest receivable	<u>7,852</u>	<u>--</u>	<u>--</u>	<u>504</u>	<u>8,356</u>
Total assets	\$ <u>2,147,336</u>	\$ <u>621,342</u>	\$ <u>967,917</u>	\$ <u>317,148</u>	\$ <u>4,053,743</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ --	\$ 77,653	\$ 41,792	\$ --	\$ 119,445
Due to other funds	--	5	--	--	5
Payable from restricted assets	<u>594,710</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>594,710</u>
Total liabilities	<u>594,710</u>	<u>77,658</u>	<u>41,792</u>	<u>--</u>	<u>714,160</u>
Fund balances:					
Reserved:					
Construction	--	--	--	--	--
Encumbrances	1,062,250	3,553	--	--	1,065,803
Unreserved:					
Undesignated	<u>490,376</u>	<u>540,131</u>	<u>926,125</u>	<u>317,148</u>	<u>2,273,780</u>
Total fund balances	<u>1,552,626</u>	<u>543,684</u>	<u>926,125</u>	<u>317,148</u>	<u>3,339,583</u>
Total liabilities and fund balances	\$ <u>2,147,336</u>	\$ <u>621,342</u>	\$ <u>967,917</u>	\$ <u>317,148</u>	\$ <u>4,053,743</u>

Capital Projects				Total	Total Non-major Governmental Funds
Bonaventure	1997 Bond Construction	2003 Bond Construction			
\$ --	\$ --	\$ --	\$ --	\$ 1,578,197	
--	--	--	--	5,637	
--	--	--	--	2,330	
--	--	--	--	191,842	
539,977	2,287,849	610,314	3,438,140	5,618,626	
--	--	--	--	86,895	
<u>364</u>	<u>8,635</u>	<u>4,556</u>	<u>13,555</u>	<u>21,911</u>	
\$ <u>540,341</u>	\$ <u>2,296,484</u>	\$ <u>614,870</u>	\$ <u>3,451,695</u>	\$ <u>7,505,438</u>	
\$ --	\$ --	\$ --	\$ --	\$ 119,445	
11,834	2,143	--	13,977	13,982	
--	<u>38,403</u>	--	<u>38,403</u>	<u>633,113</u>	
<u>11,834</u>	<u>40,546</u>	--	<u>52,380</u>	<u>766,540</u>	
--	575,841	614,870	1,190,711	1,190,711	
--	1,680,097	--	1,680,097	2,745,900	
<u>528,507</u>	--	--	<u>528,507</u>	<u>2,802,287</u>	
<u>528,507</u>	<u>2,255,938</u>	<u>614,870</u>	<u>3,399,315</u>	<u>6,738,898</u>	
\$ <u>540,341</u>	\$ <u>2,296,484</u>	\$ <u>614,870</u>	\$ <u>3,451,695</u>	\$ <u>7,505,438</u>	

CITY OF WESTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2005

	Special Revenue					Capital Projects
	Street Maintenance	Bonaventure Development District	Bonaventure Rights of Way	Transportation	Total	Street Lighting
REVENUES:						
Taxes:						
Non ad-valorem assessments	\$ --	\$ 190,740	\$ 1,441,119	\$ --	\$ 1,631,859	\$ 27,663
Intergovernmental:						
Local option gas tax	1,064,549	--	--	70,750	1,135,299	--
State revenue sharing	386,153	--	--	--	386,153	--
 Total intergovernmental revenues	 <u>1,450,702</u>	 <u>--</u>	 <u>--</u>	 <u>70,750</u>	 <u>1,521,452</u>	 <u>--</u>
Investment income	43,424	19,949	17,056	7,795	88,224	1,016
Miscellaneous	427	350	--	--	777	--
 Total revenues	 <u>1,494,553</u>	 <u>211,039</u>	 <u>1,458,175</u>	 <u>78,545</u>	 <u>3,242,312</u>	 <u>28,679</u>
 EXPENDITURES:						
Current:						
General government	--	1,750	5,713	--	7,463	--
Community development:						
Administrative services	--	31,574	292,150	--	323,724	--
Public works	460,088	181,528	702,097	38,375	1,382,088	--
Capital outlay	3,450,952	105,829	17,414	--	3,574,195	--
Debt service:						
Principal	--	--	--	--	--	160,000
Interest and fiscal charges	--	--	--	--	--	1,344
 Total expenditures	 <u>3,911,040</u>	 <u>320,681</u>	 <u>1,017,374</u>	 <u>38,375</u>	 <u>5,287,470</u>	 <u>161,344</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(2,416,487)</u>	 <u>(109,642)</u>	 <u>440,801</u>	 <u>40,170</u>	 <u>(2,045,158)</u>	 <u>(132,665)</u>
 OTHER FINANCING SOURCES (USES):						
Transfers out	--	--	(100,000)	--	(100,000)	(15,869)
 Net change in fund balances	 <u>(2,416,487)</u>	 <u>(109,642)</u>	 <u>340,801</u>	 <u>40,170</u>	 <u>(2,145,158)</u>	 <u>(148,534)</u>
 FUND BALANCES AT BEGINNING OF YEAR	 <u>3,969,113</u>	 <u>653,326</u>	 <u>585,324</u>	 <u>276,978</u>	 <u>5,484,741</u>	 <u>148,534</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 1,552,626</u>	 <u>\$ 543,684</u>	 <u>\$ 926,125</u>	 <u>\$ 317,148</u>	 <u>\$ 3,339,583</u>	 <u>\$ --</u>

<u>Bonaventure</u>	<u>Capital Projects</u>			<u>Total</u>	<u>Debt</u>	<u>Total</u>
	<u>Roadway</u>	<u>1997</u>	<u>2003</u>		<u>Service</u>	
	<u>Improvements</u>	<u>Bond</u>	<u>Bond</u>		<u>Improvements</u>	<u>Governmental</u>
	<u>Note</u>	<u>Construction</u>	<u>Construction</u>		<u>Note</u>	<u>Funds</u>
\$ --	\$ --	\$ --	\$ --	\$ 27,663	\$ --	\$ 1,659,522
--	--	--	--	--	--	1,135,299
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>386,153</u>
--	--	--	--	--	--	1,521,452
13,600	468	65,448	19,381	99,913	1,241	189,378
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>777</u>
<u>13,600</u>	<u>468</u>	<u>65,448</u>	<u>19,381</u>	<u>127,576</u>	<u>1,241</u>	<u>3,371,129</u>
514	--	--	--	514	--	7,977
--	--	--	--	--	--	323,724
--	--	107,107	--	107,107	--	1,489,195
58,554	--	140,129	--	198,683	--	3,772,878
--	--	--	--	16,000	304,602	464,602
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,344</u>	<u>7,557</u>	<u>8,901</u>
<u>59,068</u>	<u>--</u>	<u>247,236</u>	<u>--</u>	<u>467,648</u>	<u>312,159</u>	<u>6,067,277</u>
<u>(45,468)</u>	<u>468</u>	<u>(181,788)</u>	<u>19,381</u>	<u>(340,072)</u>	<u>(310,918)</u>	<u>(2,696,148)</u>
--	(141,039)	--	--	(156,908)	(56,750)	(313,658)
<u>(45,468)</u>	<u>(140,571)</u>	<u>(181,788)</u>	<u>19,381</u>	<u>(496,980)</u>	<u>(367,668)</u>	<u>(3,009,806)</u>
<u>573,975</u>	<u>140,571</u>	<u>2,437,726</u>	<u>595,489</u>	<u>3,896,295</u>	<u>367,668</u>	<u>9,748,704</u>
\$ <u>528,507</u>	\$ <u>--</u>	\$ <u>2,255,938</u>	\$ <u>614,870</u>	\$ <u>3,399,315</u>	\$ <u>--</u>	\$ <u>6,738,898</u>

CITY OF WESTON, FLORIDA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

For the Year Ended September 30, 2005

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2005</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1995A				
ASSETS:				
Investments	\$ <u>1,070,076</u>	\$ <u>84,901</u>	\$ <u>1,154,977</u>	\$ <u>--</u>
LIABILITIES:				
Payable to bond holders	\$ <u>1,070,076</u>	\$ <u>84,901</u>	\$ <u>1,154,977</u>	\$ <u>--</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1995B				
ASSETS:				
Investments	\$ <u>801,336</u>	\$ <u>3,385,558</u>	\$ <u>3,461,370</u>	\$ <u>725,524</u>
LIABILITIES:				
Payable to bond holders	\$ <u>801,336</u>	\$ <u>3,385,558</u>	\$ <u>3,461,370</u>	\$ <u>725,524</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1997				
ASSETS:				
Investments	\$ <u>3,353,974</u>	\$ <u>1,302,672</u>	\$ <u>4,330,315</u>	\$ <u>326,331</u>
LIABILITIES:				
Payable to bond holders	\$ <u>3,353,974</u>	\$ <u>1,302,672</u>	\$ <u>4,330,315</u>	\$ <u>326,331</u>
INDIAN TRACE DEVELOPMENT DISTRICT, TAX BENEFIT FUND				
ASSETS:				
Investments	\$ <u>2,411,506</u>	\$ <u>13,137,926</u>	\$ <u>13,806,443</u>	\$ <u>1,742,989</u>
LIABILITIES:				
Payable to bond holders	\$ <u>2,411,506</u>	\$ <u>13,137,926</u>	\$ <u>13,806,443</u>	\$ <u>1,742,989</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 2003				
ASSETS:				
Investments	\$ <u>274,958</u>	\$ <u>667,632</u>	\$ <u>642,289</u>	\$ <u>300,301</u>
LIABILITIES:				
Payable to bond holders	\$ <u>274,958</u>	\$ <u>667,632</u>	\$ <u>642,289</u>	\$ <u>300,301</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 2005				
ASSETS:				
Investments	\$ <u>--</u>	\$ <u>8,121,871</u>	\$ <u>7,227,523</u>	\$ <u>894,348</u>
LIABILITIES:				
Payable to bond holders	\$ <u>--</u>	\$ <u>8,121,871</u>	\$ <u>7,227,523</u>	\$ <u>894,348</u>
BONAVENTURE DEVELOPMENT DISTRICT, SERIES 2002				
ASSETS:				
Investments	\$ <u>703,363</u>	\$ <u>1,103,266</u>	\$ <u>1,024,758</u>	\$ <u>781,871</u>
LIABILITIES:				
Payable to bond holders	\$ <u>703,363</u>	\$ <u>1,103,266</u>	\$ <u>1,024,758</u>	\$ <u>781,871</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Investments	\$ <u>8,615,213</u>	\$ <u>27,803,826</u>	\$ <u>31,647,675</u>	\$ <u>4,771,364</u>
Total assets	\$ <u>8,615,213</u>	\$ <u>27,803,826</u>	\$ <u>31,647,675</u>	\$ <u>4,771,364</u>
LIABILITIES:				
Payable to bond holders	\$ <u>8,615,213</u>	\$ <u>27,803,826</u>	\$ <u>31,647,675</u>	\$ <u>4,771,364</u>
Total liabilities	\$ <u>8,615,213</u>	\$ <u>27,803,826</u>	\$ <u>31,647,675</u>	\$ <u>4,771,364</u>

CITY OF WESTON, FLORIDA

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

For the Year Ended September 30, 2005

	Street Maintenance		Bonaventure Development District	
	Budgeted Amounts Original	Actual Amounts	Budgeted Amounts Original	Actual Amounts
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ -	\$ -	\$ 180,121	\$ 190,740
Intergovernmental:				
Local option gas tax	1,040,140	1,064,549	-	-
State revenue sharing	390,692	386,153	-	-
Total intergovernmental revenues	1,430,832	1,450,702	180,121	190,740
Investment income	15,445	43,424	8,051	19,949
Miscellaneous	-	427	-	350
Total revenues	1,446,277	1,494,553	188,172	211,039
EXPENDITURES:				
Current:				
General government	-	-	-	1,750
Community development:				
Administrative services	-	-	32,772	31,574
Public works	626,300	403,955	185,400	290,910
Capital outlay	2,090,000	2,887,453	125,000	-
Total expenditures	2,716,300	3,291,408	343,172	324,234
Excess (deficiency) of revenues over (under) expenditures	(1,270,023)	(1,796,855)	(155,000)	(113,195)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Net change in fund balances	(1,270,023)	(1,796,855)	(155,000)	(113,195)
FUND BALANCES AT BEGINNING OF YEAR	1,544,466	2,287,231	585,515	653,326
FUND BALANCES AT END OF YEAR	\$ 274,443	\$ 490,376	\$ 430,515	\$ 540,131

CITY OF WESTON, FLORIDA

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

For the Year Ended September 30, 2005

	Bonaventure, Rights of Way			Transportation Fund		
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts
REVENUES:						
Taxes:						
Non ad-valorem assessments	\$ 1,360,889	\$ 1,441,119	\$ 1,441,119	\$ -	\$ -	\$ -
Intergovernmental:						
Local option gas tax	-	-	-	70,010	70,750	70,750
State revenue sharing	-	-	-	-	-	-
Total intergovernmental revenues	1,360,889	1,441,119	1,441,119	70,010	70,750	70,750
Investment income	5,079	17,056	17,056	2,629	7,795	7,795
Miscellaneous	-	-	-	-	-	-
Total revenues	1,365,968	1,458,175	1,458,175	72,639	78,545	78,545
EXPENDITURES:						
Current:						
General government	-	5,713	5,713	-	-	-
Community development:						
Administrative services	328,768	292,150	212,150	-	-	-
Public works	812,200	669,542	669,542	42,000	38,375	38,375
Capital outlay	75,000	45,755	45,755	293,000	-	-
Total expenditures	1,215,968	1,013,160	1,013,160	335,000	38,375	38,375
Excess (deficiency) of revenues over (under) expenditures	150,000	445,015	445,015	(262,361)	40,170	40,170
OTHER FINANCING SOURCES (USES):						
Transfers out	(100,000)	(100,000)	(100,000)	-	-	-
Net change in fund balances	50,000	345,015	345,015	(262,361)	40,170	40,170
FUND BALANCES AT BEGINNING OF YEAR	507,881	581,110	581,110	262,886	276,978	276,978
FUND BALANCES AT END OF YEAR	\$ 557,881	\$ 926,125	\$ 926,125	\$ 525	\$ 317,148	\$ 317,148

CITY OF WESTON, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -
NON-MAJOR DEBT SERVICE FUND
ROADWAY IMPROVEMENTS NOTE FUND**

For the Year Ended September 30, 2005

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance</u>
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ --	\$ --	\$ --	\$ --
Investment income	<u>2,631</u>	<u>1,241</u>	<u>1,241</u>	<u>--</u>
Total revenues	<u>2,631</u>	<u>1,241</u>	<u>1,241</u>	<u>--</u>
EXPENDITURES:				
Debt service:				
Principal	304,602	304,602	304,602	--
Interest and fiscal charges	<u>7,725</u>	<u>7,557</u>	<u>7,557</u>	<u>--</u>
Total expenditures	<u>312,327</u>	<u>312,159</u>	<u>312,159</u>	<u>--</u>
Excess (deficiency) of revenue over (under) expenditures	(309,696)	(310,918)	(310,918)	--
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(41,011)</u>	<u>(56,750)</u>	<u>(56,750)</u>	<u>--</u>
Net change in fund balance	(350,707)	(367,668)	(367,668)	--
FUND BALANCE, BEGINNING OF THE YEAR	<u>350,707</u>	<u>367,668</u>	<u>367,668</u>	<u>--</u>
FUND BALANCE, END OF THE YEAR	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS

For the Year Ended September 30, 2005

	Street Lighting		Community Facilities		Construction	
	Budgeted Amounts	Actual Amounts	Budgeted Amounts	Actual Amounts	Budgeted Amounts	Variance
REVENUES:						
Taxes:						
Non ad-valorem assessments	\$ 28,463	\$ 27,663	\$ 27,663	\$ 27,663	\$ --	\$ --
Franchise fees	--	--	1,016	--	3,519,731	--
Investment income	--	1,016	--	1,016	106,668	--
Total revenues	<u>28,463</u>	<u>28,679</u>	<u>28,679</u>	<u>28,679</u>	<u>3,626,399</u>	<u>--</u>
EXPENDITURES:						
Current:						
General government	1,696	--	--	5,000	--	--
Capital outlay	--	--	--	2,500,000	1,514,612	--
Debt service:						
Principal	169,600	160,000	160,000	2,478,293	2,443,623	--
Interest and fiscal charges	--	1,344	1,344	262,595	297,265	--
Total expenditures	<u>171,296</u>	<u>161,344</u>	<u>161,344</u>	<u>5,245,888</u>	<u>4,255,500</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(142,833)	(132,665)	(132,665)	(2,249,302)	(629,101)	--
OTHER FINANCING (USES):						
Transfers out	--	(15,869)	(15,869)	--	--	--
Net change in fund balances	<u>(142,833)</u>	<u>(148,534)</u>	<u>(148,534)</u>	<u>(2,249,302)</u>	<u>(629,101)</u>	<u>--</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>142,833</u>	<u>148,534</u>	<u>148,534</u>	<u>9,940,339</u>	<u>4,980,632</u>	<u>--</u>
FUND BALANCES AT END OF YEAR \$	<u>--</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,691,037</u>	<u>\$ 4,351,531</u>	<u>\$ --</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS

For the Year Ended September 30, 2005

	Bonaventure			1997 Bond Construction		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final	
REVENUES:						
Taxes:						
Non ad-valorem assessments	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Franchise fees	--	--	--	--	--	--
Contribution from property owners	--	--	--	--	--	--
Investment income	<u>3,163</u>	<u>13,600</u>	<u>13,600</u>	<u>32,358</u>	<u>65,448</u>	<u>65,448</u>
Total revenue	<u>3,163</u>	<u>13,600</u>	<u>13,600</u>	<u>32,358</u>	<u>65,448</u>	<u>65,448</u>
EXPENDITURES:						
Current:						
General government	--	--	--	--	--	--
Capital outlay	<u>425,665</u>	<u>38,213</u>	<u>38,213</u>	<u>100,000</u>	<u>200,365</u>	<u>200,365</u>
Debt service:						
Principal	--	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--	--
Total expenditures	<u>425,665</u>	<u>38,213</u>	<u>38,213</u>	<u>100,000</u>	<u>200,365</u>	<u>200,365</u>
Excess (deficiency) of revenues over (under) expenditures	(422,502)	(24,613)	(24,613)	(67,642)	(134,917)	(134,917)
OTHER FINANCING (USES):						
Transfers out	--	--	--	--	--	--
Net change in fund balances	<u>(422,502)</u>	<u>(24,613)</u>	<u>(24,613)</u>	<u>(67,642)</u>	<u>(134,917)</u>	<u>(134,917)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,581,532</u>	<u>553,120</u>	<u>553,120</u>	<u>6,471,660</u>	<u>710,758</u>	<u>710,758</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,159,030</u>	<u>\$ 528,507</u>	<u>\$ 528,507</u>	<u>\$ 6,404,018</u>	<u>\$ 575,841</u>	<u>\$ 575,841</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
SCHEDULE BY SOURCE

September 30, 2005

GOVERNMENTAL FUNDS CAPITAL ASSETS:	
Land	\$ 10,739,199
Buildings	6,368,587
Infrastructure	170,780,666
Machinery and equipment	2,523,138
Construction-in-progress	<u>3,603,138</u>
Total governmental funds capital assets	\$ <u>194,014,728</u>
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS:	
General Fund	\$ 12,177,355
Special Revenue Funds	9,377,117
Capital Projects Funds	162,046,538
Contributions	<u>10,413,718</u>
Total investment in governmental funds capital assets	\$ <u>194,014,728</u>

CITY OF WESTON, FLORIDA

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

September 30, 2005

Function and Activity	Land	Buildings	Infrastructure	Machinery and Equipment	Construction in Progress	Total
GENERAL GOVERNMENT:						
City Commission	\$ -	\$ -	\$ 4,774	\$ 33,005	\$ -	\$ 37,779
City Manager/City Clerk	-	-	49,412	106,806	57,952	214,170
Total general government	-	-	54,186	139,811	57,952	251,949
PUBLIC SAFETY:						
Fire services	-	2,303,918	284,543	117,214	-	2,705,675
Police services	-	1,653,028	55,875	118,104	20,549	1,847,556
Total public safety	-	3,956,946	340,418	235,318	20,549	4,553,231
COMMUNITY DEVELOPMENT:						
Field maintenance	-	-	916,119	54,757	-	970,876
PARKS AND RECREATION:						
Parks	5,320,084	2,090,860	24,932,699	835,567	1,198,104	34,377,314
PUBLIC WORKS:						
Signs/signals	-	-	2,487,875	-	1,348,481	3,836,356
Roadways/rights of way	-	-	19,982,640	82,342	108,248	20,173,230
Streetlights	-	-	1,313,640	-	-	1,313,640
Water management	5,419,115	320,781	120,753,089	1,175,343	869,804	128,538,132
Total public works	5,419,115	320,781	144,537,244	1,257,685	2,326,533	153,861,358
Total governmental funds capital assets	\$ 10,739,199	\$ 6,368,587	\$ 170,780,666	\$ 2,523,138	\$ 3,603,138	\$ 194,014,728

CITY OF WESTON, FLORIDA

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

For the Year Ended September 30, 2005

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets October 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Governmental Funds Capital Assets September 30, 2005</u>
GENERAL GOVERNMENT:				
City Commission	\$ 37,779	\$ —	\$ —	\$ 37,779
City Manager/City Clerk	<u>92,187</u>	<u>121,983</u>	<u>—</u>	<u>214,170</u>
Total general government	<u>129,966</u>	<u>121,983</u>	<u>—</u>	<u>251,949</u>
PUBLIC SAFETY:				
Fire services	2,615,958	264,617	174,900	2,705,675
Police services	<u>1,795,258</u>	<u>52,298</u>	<u>—</u>	<u>1,847,556</u>
Total public safety	<u>4,411,216</u>	<u>316,915</u>	<u>174,900</u>	<u>4,553,231</u>
COMMUNITY DEVELOPMENT:				
Field maintenance	970,876	—	—	970,876
PARKS AND RECREATION:				
Parks	30,626,805	7,984,759	4,234,250	34,377,314
PUBLIC WORKS:				
Signs/signals	2,567,708	2,041,967	773,319	3,836,356
Roadways/rights of way	15,537,994	5,131,429	496,193	20,173,230
Streetlights	1,313,640	—	—	1,313,640
Water management	<u>129,512,204</u>	<u>936,115</u>	<u>1,910,187</u>	<u>128,538,132</u>
Total public works	<u>148,931,546</u>	<u>8,109,511</u>	<u>3,179,699</u>	<u>153,861,358</u>
Total governmental funds capital assets	<u>\$ 185,070,409</u>	<u>\$ 16,533,168</u>	<u>\$ 7,588,849</u>	<u>\$ 194,014,728</u>

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT AUDITORS' REPORT)

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
2004	8,839,265	14,356,677	2,264,049	11,025,247	4,941,431	361,879	16,438,571	58,227,119
2005	12,172,276	15,670,056	1,913,021	11,081,826	5,745,633	262,269	16,892,919	63,738,000

(1) Information for fiscal years 1996 - 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
2004	39,888,601	943,670	3,050,493	19,231,648	4,879,282	1,463,532	400,709	69,857,935
2005	42,885,114	396,673	4,297,393	20,972,226	5,903,766	1,655,611	520,592	76,631,375

(1) Information for fiscal years 1996 - 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
2004	8,785,406	14,213,721	2,251,951	10,173,657	4,399,639	--	12,342,760	3,052,563	55,219,697
2005	12,142,158	15,543,537	1,896,721	10,163,422	5,290,405	--	8,944,319	3,214,391	57,194,953

(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

Table 4

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years (2)

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	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	4,432,279	6,487,806	288,428	64,974	2,647,016	676,623	300,011	41,020,615
2002	27,614,662	1,115,369	4,432,602	6,878,414	407,788	1,068,452	1,840,065	1,132,984	1,657,633	46,147,969
2003	31,461,672	732,037	4,773,029	10,035,663	404,579	334,510	2,007,797	8,339,101	346,609	58,434,997
2004	32,220,554	840,778	5,909,695	9,757,728	410,047	-	1,047,103	1,799,587	528,766	52,514,258
2005	35,237,559	787,695	6,359,719	11,686,201	354,799	-	1,275,412	-	583,654	56,285,039

(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

Table 5

PROPERTY TAX LEVIES AND COLLECTIONS (2)

Last Ten Fiscal Years (1)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	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
1998	\$ 4,611,453	\$ 4,434,429	96.2%	\$ -	\$ 4,434,429	96.2%	\$ 177,024	3.8%
1999	6,151,068	6,035,502	98.1%	(2,872)	6,032,630	98.1%	323,074	5.3%
2000	11,359,391	11,252,371	99.1%	42,739	11,295,110	99.4%	431,874	3.8%
2001	14,962,421	15,413,164	103.0%	42,965	15,456,129	103.3%	388,909	2.6%
2002	16,343,622	16,578,608	101.4%	23,512	16,602,120	101.6%	365,397	2.2%
2003	19,653,894	20,575,697	104.7%	34,933	20,610,630	104.9%	330,464	1.7%
2004	20,674,960	21,032,315	101.7%	4,841	21,037,156	101.8%	392,036	1.9%
2005	22,283,030	23,169,741	104.0%	45,267	23,215,008	104.2%	347,041	1.6%

(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	\$ 2,253,989,570	\$ 72,799,316	\$ 81,346,511	\$ 278,211,390	\$ 2,352,795,696	\$ 2,335,336,081	100.75%	
1999	2,410,632,770	2,747,883,570	98,398,335	98,583,345	326,312,960	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%	
2004	5,180,034,950	6,425,988,770	185,638,900	186,438,014	512,586,610	5,365,673,850	6,612,426,784	81.15%	
2005	5,745,082,710	7,280,960,020	184,478,871	185,803,502	553,730,520	5,929,561,581	7,466,763,522	79.41%	

(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 GOVERNMENTS

Table 7

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	7.8380	9.4460	.5285	9.9745	3.1557	20.9682
1998	1.5235	-	1.5235	6.9145	.6565	7.5710	9.2390	.4866	9.7256	3.2440	22.0641
1999	1.5235	-	1.5235	6.8947	.6763	7.5710	8.6740	.4543	9.1283	3.2305	21.4533
2000	1.5235	-	1.5235	6.8903	.6347	7.5250	8.5410	.4143	8.9553	3.2183	21.2221
2001	1.5235	-	1.5235	6.8903	.6347	7.5250	8.5410	.4143	8.9553	3.2183	21.2221
2002	1.5235	-	1.5235	6.6677	.7328	7.4005	8.3590	.3951	8.7541	3.5213	21.1994
2003	1.5235	-	1.5235	6.6685	.6965	7.3650	8.5410	.3415	8.8825	3.5474	21.3184
2004	1.5235	-	1.5235	6.6065	.5815	7.1880	8.1240	.2936	8.4176	3.6275	20.7566
2005	1.5235	-	1.5235	6.4831	.5399	7.0230	8.0140	.2555	8.2695	3.6389	20.4549

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

CITY OF WESTON, FLORIDA

Table 8

PRINCIPAL TAXPAYERS

September 30, 2005
(amounts expressed in thousands)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Cocowalk Development, Inc.	Timeshare	\$ 135,567,100	2.3%
Westview Resorts, Inc.	Timeshare	76,215,920	1.3%
Berkley Vacation Resorts, Inc.	Timeshare	57,000,000	1.0%
TCC Partners	Hospital	55,841,830	0.9%
Meridian Business Campus	I.O.C. Center	42,336,410	0.7%
San Michelle II, LLC	Apartment Complex	37,744,910	0.6%
Weston Apartments Corp.	Apartment Complex	35,446,860	0.6%
Estates of Swan Lake	Real Estate Developer	34,646,670	0.6%
Fairlake at Weston, LP	Rental Community	28,638,760	0.5%
San Michelle Joint Venture	Apartment Complex	<u>26,230,870</u>	<u>0.4%</u>
		<u>\$ 529,669,330</u>	<u>8.9%</u>

CITY OF WESTON, FLORIDA

Table 9

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years (2)

Fiscal Year	Street Lighting		Fire District	
	Special Assessment Billings	Special Assessment Collections	Special Assessment Billings	Special Assessment Collections (1)
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
2004	107,512	106,880	5,073,783	5,327,988
2005	28,463	28,191	5,370,413	5,783,036

(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, 2005

Table 10

ASSESSED VALUATION	\$ <u>5,929,561,581</u>
--------------------	-------------------------

Debt Limit - the City Charter does not set a limit of bond indebtedness.

CITY OF WESTON, FLORIDA

Table 11

COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT

September 30, 2005

<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	607,815,602	5.11%	31,059,377
Broward School District	1,316,647,745	5.11%	<u>67,280,700</u>
			\$ <u><u>98,340,077</u></u>

Source: Broward County Accounting Division
School Board of Broward County

CITY OF WESTON, FLORIDA

Table 12

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)		Total	Coverage
				Principal	Interest		
1997	\$ 7,808,294	\$ 5,915,056	\$ 1,893,238	\$ 180,000	\$ 154,336	\$ 334,336	5.66
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
2004	16,236,623	15,443,578	793,045	340,000	81,575	421,575	1.88
2005	16,108,223	15,870,499	237,724	370,000	45,987	415,987	0.57

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

(2) Total revenues (including investment income) exclusive of tap fees and developer contributions.

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

(4) Includes principal and interest of the 1985 Water and Sewer Revenue Bonds only, which are paid from operations.

CITY OF WESTON, FLORIDA

Table 13

DEMOGRAPHIC STATISTICS

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>
1998	38,752 (2)	\$ 63,770 (3)	33.8 (2)	Not Available	7,167
1999	42,522 (6)	Not Available (5)	Not Available (5)	Not Available	8,122
2000	48,543 (6)	Not Available (5)	Not Available (5)	Not Available	15,389
2001	53,159 (6)	80,920 (2)	34.1 (2)	Not Available	16,047
2002	57,651 (6)	Not Available (5)	Not Available (5)	Not Available	16,233
2003	59,314 (6)	Not Available (5)	Not Available (5)	Not Available	16,530
2004	60,636 (6)	Not Available (5)	Not Available (5)	Not Available	16,623
2005	61,042 (6)	Not Available (5)	Not Available (5)	Not Available	17,778

Data Sources:

- (1) City established September 2, 1996 with operations commencing October 1, 1996.
- (2) United States Department of Commerce Bureau of Census.
- (3) United States Bureau of the Census and THK Associates, Inc.
- (4) School Board of Broward County, Sagemont Academy and Christian Weston, Three Village Montessori School.
- (5) Not available for City of Weston.
- (6) 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)*				Total	Commercial Construction (3)		Residential Construction (3)		Bank Deposits (4)
	Commercial	Residential	Agricultural	Exemptions		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	4,972,220,630	47	32,815,905	421	195,542,756	599,912,000
2004	810,618,230	5,600,867,140	11,374,430	512,586,610	5,910,273,190	53	23,920,500	365	82,435,780	768,954,000
2005	907,460,560	6,360,131,800	13,938,500	553,730,520	7,835,261,380	**	**	**	**	944,463,000

* Amounts expressed in thousands.

** Information not available

(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 30.

CITY OF WESTON, FLORIDA

Table 15

MISCELLANEOUS STATISTICS

September 30, 2005

DATE OF INCORPORATION	September 2, 1996
FORM OF GOVERNMENT	Commission - Manager
NUMBER OF EMPLOYEES (EXCLUDING POLICE AND FIRE):	
Classified	0
Exempt	3
AREA IN SQUARE MILES	25.8
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	234
Swimming pools	0
Tennis courts	18
Fire protection:	
Number of stations	3
Number of fire personnel and officers	106
Number of calls answered	5,126
Number of inspections conducted	1,874
Police protection:	
Number of stations	1
Number of police personnel and officers	93
Number of patrol units	83
Number of law violations:	
Arrests:	
Felony	117
Misdemeanor	141
NTA	92
By warrant	80
Traffic arrests	578
D.U.I.	21
Domestic violence	80
Traffic violations:	
Moving citations	3,060
Non-moving citations	1,917
Parking violations	300
Sewerage system:	
Miles of sanitary sewers (public)	127
Miles of storm sewers (public)	95
Number of treatment plants	0
Number of service connections	18,703
Daily average treatment in gallons	8,542,000
Maximum daily capacity of treatment plant in gallons	N/A

CITY OF WESTON, FLORIDA

Table 15

MISCELLANEOUS STATISTICS
(continued)

September 30, 2005

Water system:	
Miles of water mains (public)	205
Number of service connections	19,388
Number of fire hydrants	1518
Daily average consumption in gallons	10,326,000
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	593
Number of secondary schools	5
Number of secondary school instructors	519
Facilities and services not included in the reporting entity:	
Hospitals:	
Number of hospitals	1
Number of patient beds	150

**OTHER REPORTS OF
INDEPENDENT AUDITORS**



KEEFE, MCCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

6550 NORTH FEDERAL HIGHWAY
SUITE 410
FORT LAUDERDALE, FLORIDA 33308
(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmc CPA.com

JOHN R. KEEFE, C.P.A.
JOHN E. MCCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A.
PAUL B. SNEIDER, C.P.A. (RETIRED)
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. PINNELL, C.P.A. (RETIRED)
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.

CHRISTOPHER L. COLLINS, C.P.A.
CHARLES K. RUMPF, C.P.A.
ISRAEL J. GOMEZ, C.P.A.

JAMES R. LARAWAY, C.P.A.
ROSS S. GOTTHOFFER, C.P.A.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Weston, Florida (the City), as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 6, 2006. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered City of Weston, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

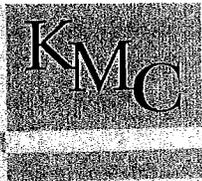
City of Weston, Florida

This report is intended solely for the information and use of City management, members of the City Commission, 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..

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 6, 2006



KEEFE, MCCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

6550 NORTH FEDERAL HIGHWAY
SUITE 410
FORT LAUDERDALE, FLORIDA 33308
(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmc CPA.com

JOHN R. KEEFE, C.P.A.
JOHN E. MCCULLOUGH, C.P.A. (RETIRED)
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INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

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

We have audited the basic financial statements of City of Weston, Florida (the "City"), as of and for the year ended September 30, 2005, and have issued our report thereon dated January 6, 2006.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which are dated January 6, 2006, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with 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)(h)1.) require that we address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings, 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 report.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

The rules of the Auditor General (Section 10.554(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any findings.

The Rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs and are not clearly inconsequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the basic financial statements); (4) failure to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters requiring disclosure in the management letter or the basic financial statements.

City of Weston, Florida

The Rules of the Auditor General (Section 10.554(1)(h)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 basic financial statements. City of Weston, Florida was established pursuant to Chapter 96-472, Laws of Florida. Indian Trace Community Development District, a blended component unit of City of Weston, Florida was established by Chapter 80-407, Laws of Florida. Bonaventure Development District, a blended component unit of 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 City of Weston, Florida, was established by City of Weston Resolution No. 2003-25.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.b.), we determined that the annual financial report for the City for the fiscal year ended September 30, 2005, 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, 2005.

As required by the Rules of the Auditor General (Section 10.554(h)6.c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

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

Fort Lauderdale, Florida
January 6, 2006