



2006

THE CITY OF WESTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2006

Planting seeds for the future...

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WESTON, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2006

Prepared by:
Treasury Services Department

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CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2006

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CITY OF WESTON, FLORIDA
GFOA CERTIFICATE OF ACHIEVEMENT

September 30, 2005

**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, 2005

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



A handwritten signature in black ink, appearing to read "Thomas J. [unclear]".

President

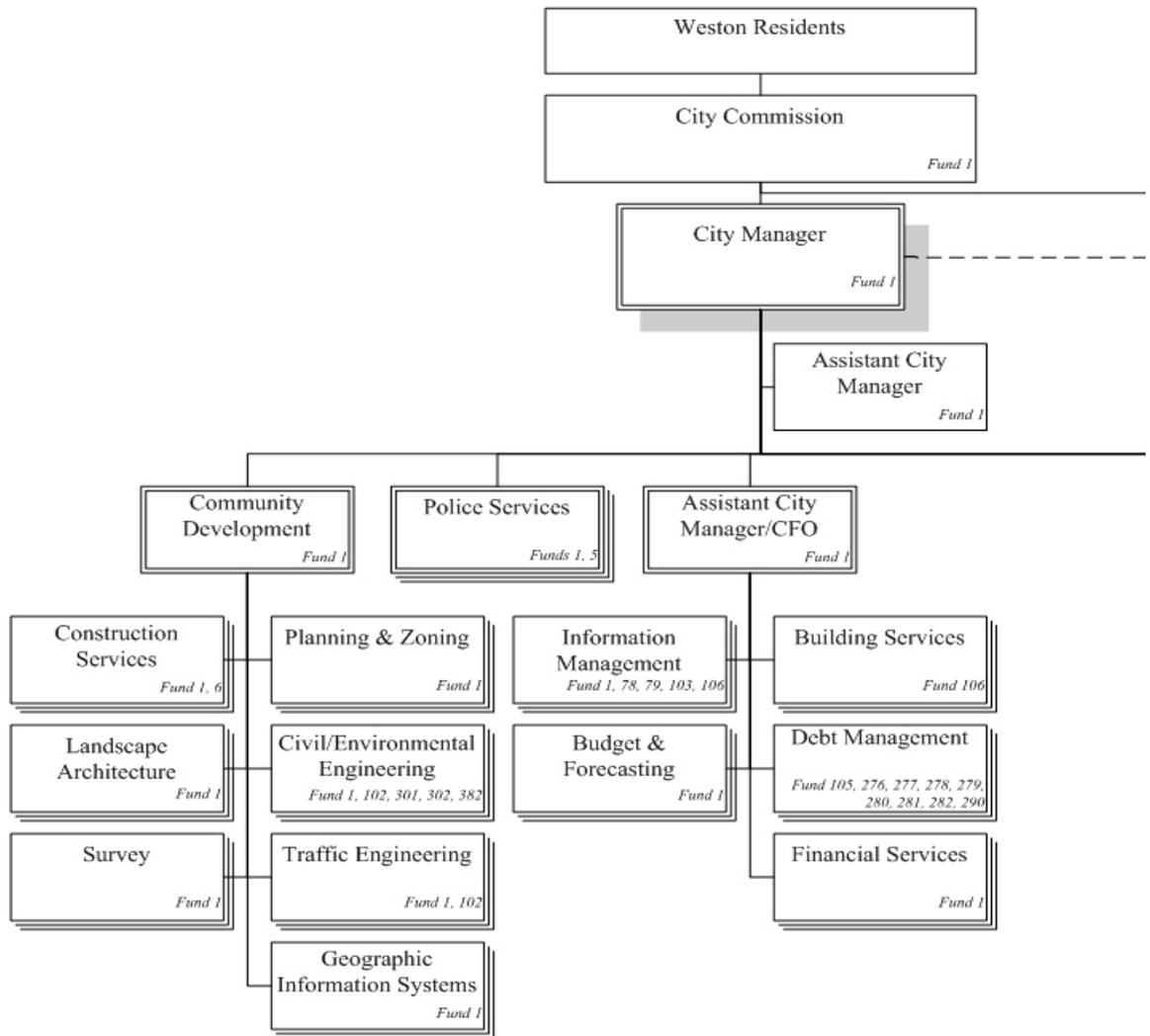
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Executive Director

CITY OF WESTON, FLORIDA

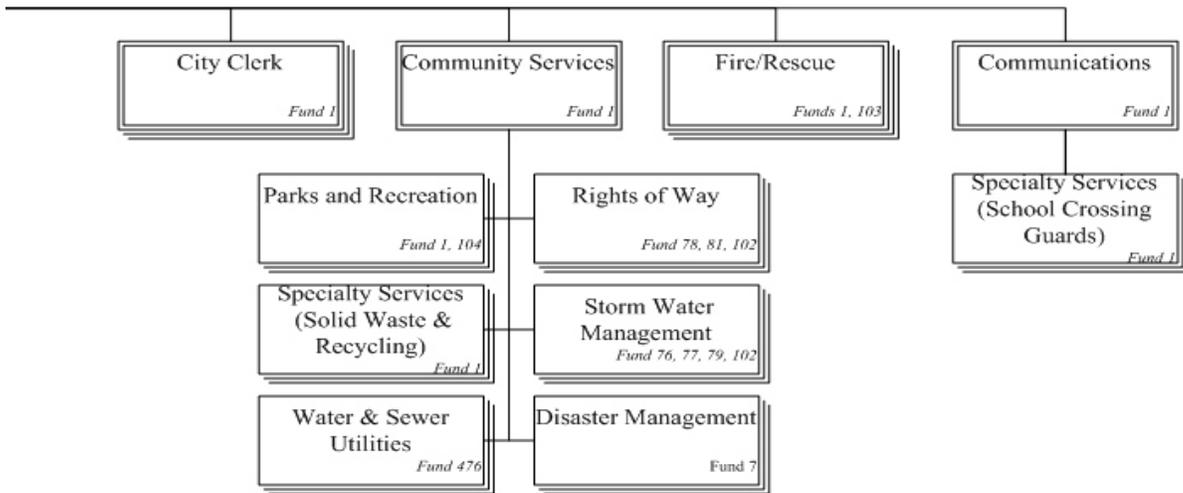
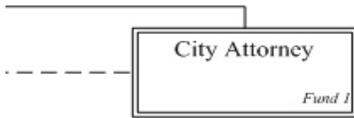
ORGANIZATIONAL CHART

September 30, 2006



Fund Legend

1 - General Fund	79 - BDD Water Management Fund
2 - Site Plan Fund	81 - BDD Right of Way Fund
5 - Law Enforcement Trust Fund	102 - Street Maintenance Fund
6 - Engineering Fee Fund	103 - Fire Protection Services Fund
7 - Disaster Management Fund	104 - Transportation Fund
76 - ITDD Basin I Water Management Fund	105 - Debt Services Fund – Weston Road Street Lighting
77 - ITDD Basin II Water Management Fund	106 - Building Fee Fund
78 - ITDD Basin I Right of Way Fund	276 - ITDD Debt Service Fund 1995A



277 - ITDD Debt Service Fund 1995B	302 - BDD Capital Projects Fund
278 - ITDD Debt Service Fund 2001	379 - ITDD Capital Projects Fund Basin I Series 1997
279 - BDD Debt Service Fund	381 - ITDD Capital Projects Fund Basin II Series 2003
280 - ITDD Debt Service Fund 1997	382 - Capital Projects Fund - Community Development
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CITY OF WESTON, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS

September 30, 2006

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

**ASSISTANT CITY MANAGER/
CHIEF FINANCIAL OFFICER**

David E. Keller

CITY CLERK

Patricia A. Bates, CMC

CITY ATTORNEY

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

INDEPENDENT AUDITORS

Keefe, McCullough & Co., LLP
Certified Public Accountants

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CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

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, 2006. 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-v of this report.

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

Fiscal Year 2006 Financial Highlights

The City of Weston's net assets at the close of the Fiscal Year are \$ 294.73 million. Of this amount, \$ 60.15 million are unrestricted net assets to be used to meet the government's ongoing obligations to citizens and creditors.

During the Fiscal Year, revenues exceeded expenses by \$ 5.18 million which is the amount of increase in the City's net assets.

As of the close of the Fiscal Year, the City of Weston's governmental funds reported a combined ending fund balance of \$ 62.33 million. Approximately 81.48% of that amount, or \$ 50.79 million, is unreserved and available for spending at the City's discretion.

At the end of the Fiscal Year, the fund balance in the General Fund was \$ 35.73 million or 82.71% of total General Fund expenditures.

The City of Weston's total outstanding debt decreased by \$ 2.93 million, or 30.77%, with no new debt issued during the Fiscal Year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Weston's basic financial statements. The financial section is one component of the Comprehensive Annual Financial Report. This Report also includes the introductory section containing the table of contents, transmittal letter, City organizational chart and listing of City officials; the statistical section which includes financial and non-financial information useful in assessing the City; and the compliance section containing required statements on the compliance and internal control over financial reporting.

The financial section consists of: management's discussion and analysis, basic financial statements, required supplementary information and an additional section that presents combining statements for non-major 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.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

The remaining statements are fund financial statements that focus on individual parts of the City government by reporting the City's operations in more detail.

The *governmental funds* statements illustrate how general governmental functions and services are financed in the short-term and what remains for future spending.

The *proprietary funds* statements offer short-term and long-term financial information about activities that the government operates like a business, such as the water and sewer system.

The *fiduciary funds* statements provide information on the financial relationships where the government acts solely as a trustee or agent for the benefit of non-stakeholders, such as bondholders.

In addition to the government-wide and fund financial statements, basic financial statements also include notes to the financial statements that explain the numerical information in more detail.

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private business. The statement of net assets presents information on all of the City'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 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 may result in cash flows during future fiscal periods (e.g., uncollected taxes, capital projects).

Both of the government-wide financial statements distinguish functions of the City of Weston that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that merely provide cost recovery through usage fees and charges (business-type activities). The governmental activities of the City of Weston include general government, public safety, 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 the Town Foundation and two legally separate development districts for which the City of Weston is financially responsible. These units function as sub units of the City of Weston, and therefore have been included as an integral part of the primary government.

The government-wide financial statements are reported on pages 18 and 19 of this report.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

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

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

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

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

The City of Weston adopts an annual appropriated budget for all governmental and proprietary funds except the 2003 Bond Construction Fund. A budgetary comparison schedule has been provided for the General Fund, Indian Trace Special Revenue Fund, Town Foundation Special Revenue Fund and Street Maintenance Special Revenue Fund to demonstrate compliance with the budget in addition to the non-major special revenue, debt service and capital project funds presented in the combining section.

The basic governmental funds financial statements can be found on pages 20 through 25 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The City of Weston's Water and Sewer Enterprise Fund is considered a major fund and the basic financial statements for the fund are provided on pages 26 through 29 of this report.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of non-stakeholders. Fiduciary funds are not reflected in the government-wide financial statements because the resources of this fund are not available to directly support the City's programs. The accounting used for the fiduciary funds are much like that used for proprietary funds.

The basic financial statements for the fiduciary funds of the City can be found on page 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Weston's adopted, amended and actual budgetary data for the General Fund and major special revenue funds. Required supplementary information can be found starting on page 53 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found starting on page 60 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 increase or decrease current assets and total net assets.
2. **Borrowing for capital** will increase current assets and long-term debt.
3. **Spending borrowed proceeds on new capital** will reduce current assets and increase capital assets. Concurrently, an increase in investment in capital assets and an increase in net related debt will not change the investment in capital assets, net of debt of the City.
4. **Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets. This will also reduce unrestricted net assets and increase investment in capital assets.
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.
6. **Reduction of capital assets through depreciation** will reduce capital assets and investment in capital assets, net of debt.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Table 1
City of Weston
Net Assets
(in thousands of dollars)

	Governmental Activities			Business-Type Activities			Total		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
ASSETS:									
Current and other assets	\$ 71,161	\$ 71,440	\$ 76,023	\$ 23,766	\$ 23,684	\$ 23,461	\$ 94,927	\$ 95,124	\$ 99,484
Capital assets	<u>178,316</u>	<u>185,741</u>	<u>189,689</u>	<u>25,113</u>	<u>28,734</u>	<u>27,971</u>	<u>203,429</u>	<u>214,475</u>	<u>217,660</u>
Total assets	<u>249,477</u>	<u>257,181</u>	<u>265,712</u>	<u>48,879</u>	<u>52,418</u>	<u>51,432</u>	<u>298,356</u>	<u>309,599</u>	<u>317,144</u>
LIABILITIES:									
Other liabilities	9,226	10,140	16,370	2,731	3,166	1,851	11,957	13,306	18,221
Long-term liabilities outstanding	<u>9,394</u>	<u>6,744</u>	<u>4,193</u>	<u>350</u>	--	--	<u>9,744</u>	<u>6,744</u>	<u>4,193</u>
Total liabilities	<u>18,620</u>	<u>16,884</u>	<u>20,563</u>	<u>3,081</u>	<u>3,166</u>	<u>1,851</u>	<u>21,701</u>	<u>20,050</u>	<u>22,414</u>
NET ASSETS:									
Invested in capital assets, net of related debt	166,308	176,641	183,105	24,393	28,441	27,971	190,701	205,082	211,076
Restricted	7,002	20,170	21,618	--	--	1,883	7,002	20,170	23,501
Unrestricted	<u>57,547</u>	<u>43,486</u>	<u>40,426</u>	<u>21,405</u>	<u>20,811</u>	<u>19,727</u>	<u>78,952</u>	<u>64,297</u>	<u>60,153</u>
Total net assets	<u>\$ 230,857</u>	<u>\$ 240,297</u>	<u>\$ 245,149</u>	<u>\$ 45,798</u>	<u>\$ 49,252</u>	<u>\$ 49,581</u>	<u>\$ 276,655</u>	<u>\$ 289,549</u>	<u>\$ 294,730</u>

As illustrated in Table 1, at the close of the Fiscal Year, assets of the City of Weston exceeded its liabilities by \$ 294.73 million. The largest portion of the City of Weston's net assets, \$ 211.08 million or 71.62%, are investments in capital assets (land, buildings, etc.); less any related debt used to acquire those assets that is still outstanding. Although the City of Weston's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the liabilities.

The unrestricted net assets in an amount of \$ 60.15 million or 20.41% of total net assets represent the resources that are available to provide services and/or additional capital assets for the City and also to meet the City's obligations to its creditors. The City also has approximately \$ 23.50 million or 7.97% of total net assets in restricted net assets; resources that have a pre-committed future use.

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

The government's net assets increased by \$ 5.18 million during the Fiscal Year, with most of the increase due to current revenues outpacing current expenditures as a result of a surge in taxable property value growth.

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 the underlying drivers of ad valorem taxes, non-ad valorem assessments, sales and use taxes, fees and other revenues derived from the community, as well as, those received from other governments.
2. **Changes in tax, assessment and fee rates by the elected officials** directly affect the most fundamental revenue streams and have the most immediate impact of all changes.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

3. **Changing patterns in grant and state revenue sharing calculations** may cause significant deviations to City intergovernmental revenues and put added pressure on City-generated revenues.
4. **Market impact on investment income** might cause investment revenues to fluctuate widely from year to year.

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

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

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

	Governmental Activities			Business-Type Activities			Total		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
REVENUES:									
Program revenues:									
Charges for services	\$ 24,338	\$ 27,372	\$ 32,625	\$ 15,551	\$ 15,514	\$ 15,651	\$ 39,889	\$ 42,886	\$ 48,276
Operating grants and contributions	944	397	7,856	--	--	--	944	397	7,856
Capital grants and contributions	1,886	59	1,431	1,164	4,238	33	3,050	4,297	1,464
General revenues:									
Property taxes	7,814	8,692	9,688	--	--	--	7,814	8,692	9,688
Other taxes	11,417	12,280	13,197	--	--	--	11,417	12,280	13,197
State shared revenues	4,879	5,904	4,888	--	--	--	4,879	5,904	4,888
Investment income	1,047	1,275	3,264	416	380	890	1,463	1,655	4,154
Miscellaneous	131	306	361	269	214	827	400	520	1,188
Total revenues	52,456	56,285	73,310	17,400	20,346	17,401	69,856	76,631	90,711
EXPENSES:									
General government	8,839	12,172	12,876	--	--	--	8,839	12,172	12,876
Public safety	14,357	15,670	17,881	--	--	--	14,357	15,670	17,881
Community development	2,264	1,913	4,019	--	--	--	2,264	1,913	4,019
Public works	11,025	11,082	12,038	--	--	--	11,025	11,082	12,038
Parks and recreation	4,941	5,746	7,608	--	--	--	4,941	5,746	7,608
Interest on long-term debt	362	262	195	82	--	--	444	262	195
Water and sewer operations	--	--	--	16,358	16,892	17,072	16,358	16,892	17,072
Hurricane expenses	--	--	13,841	--	--	--	--	--	13,841
Total expenditures	41,788	46,845	68,458	16,440	16,892	17,072	58,228	63,737	85,530
Excess before special item	10,668	9,440	4,852	960	3,454	329	11,628	12,894	5,181
Special item	(5,156)	--	--	--	--	--	(5,156)	--	--
Increase in net assets	5,512	9,440	4,852	960	3,454	329	6,472	12,894	5,181
NET ASSETS, beginning of year									
	225,475	230,857	240,297	44,635	45,798	49,252	270,110	276,655	289,549
Net asset restatement	(130)	--	--	--	--	--	(130)	--	--
Prior period adjustments	--	--	--	203	--	--	203	--	--
NET ASSETS, end of year	\$ 230,857	\$ 240,297	\$ 245,149	\$ 45,798	\$ 49,252	\$ 49,581	\$ 276,655	\$ 289,549	\$ 294,730

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Figure A: City of Weston Fiscal Year 2006 Revenues by Source - Governmental Activities

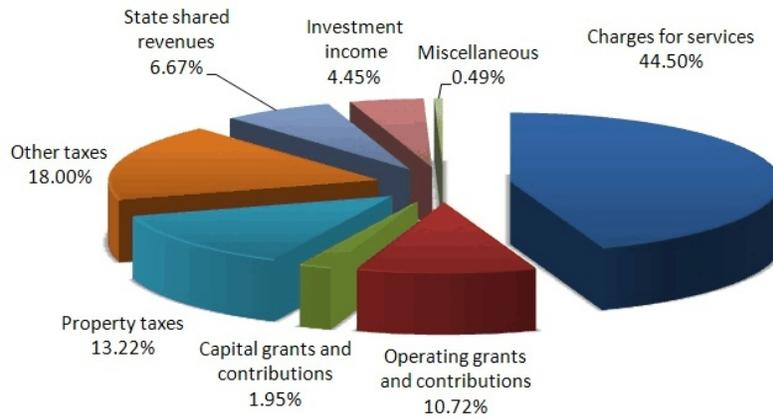
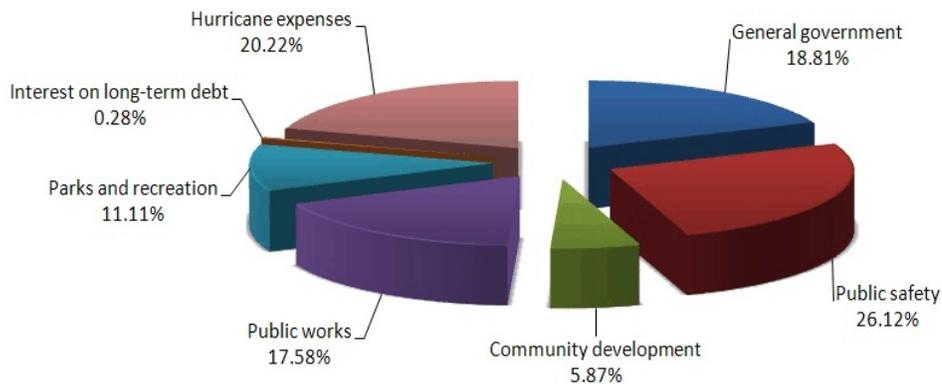


Figure B: City of Weston Fiscal Year 2006 Expenses by Function - Governmental Activities



CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

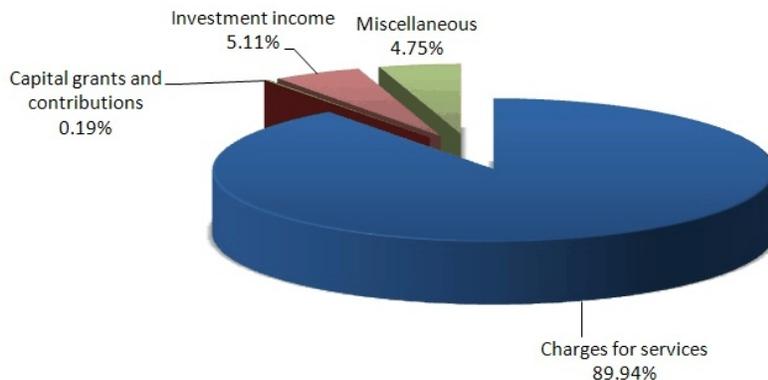
Governmental activities. As illustrated by Table 2, the City's governmental revenues during Fiscal Year 2006 were \$ 73.31 million and exceeded expenditures by \$ 4.85 million. Expenses from governmental activities represent approximately 27.92% of net assets from governmental activities and 93.39% of total revenues from governmental activities.

Governmental revenues were comprised primarily of charges for services at \$ 32.63 million or approximately 44.50%, taxes at \$ 22.89 million or 31.22% of total governmental revenues, grants or contributions \$ 9.29 million or 12.67% of total and several other sources.

Governmental expenses totaled \$ 68.46 million and were composed of public safety at \$ 17.88 million or 26.12% of total expenditures, hurricane expenses of \$ 13.84 million or 20.22% of total expenditures, general government at \$ 12.88 million or 18.81% of total expenditures, public works at \$ 12.04 million or 17.58% and several other sources.

Business-type activities. Business-type activities increased the City's net assets by \$ 329,109 over the prior period. At the end of Fiscal Year 2006, they comprised 16.82% of total government-wide net assets. For the Fiscal Year, revenues totaled \$ 17.40 million and included operating revenues in the form of water and sewer fees, meter use fees, investment earnings, connection fees and miscellaneous revenue. The City continued to operate the water and sewer utility system at an operating loss, but added to net assets as a result of an increase to investment income.

Figure C: City of Weston Fiscal Year 2006 Revenues by Source - Business-type Activities



CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Financial Analysis of the Government's Funds

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

As of the end of the Fiscal Year, the City of Weston's governmental funds reported a combined ending fund balance of \$ 62.33 million, a decrease of \$ 1.60 million over prior fiscal year. Approximately \$ 50.79 million, or 81.48%, of that amount is unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: 1) pay for construction and encumbrances (\$11.10 million); and 2) pay for prepaid expenditures totaling \$ 439,373. It is important to note that \$34.82 million of the total unreserved fund balance is available in the General Fund of the City, with the balance of \$ 15.97 million spread among special revenue and capital projects funds 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 2006, total fund balance reached \$ 35.73 million, with \$ 910,641 of that reserved. As a measure of the General Fund's solvency, it may be useful to compare the unreserved fund balance to total fund expenditures. At the end of the Fiscal Year, unreserved fund balance represented approximately 80.60% of expenditures.

The fund balance of the City of Weston's General Fund decreased by \$ 3 million during the current year with total revenues increasing by 41.87% to \$ 40.46 million, expenditures increasing by 77.96% to \$ 43.20 million and other financing sources decreasing by \$ 375,077 to a net (\$ 259,208). Table 3 shows the comparison of actual revenues, expenditures and other financing sources for the General Fund for Fiscal Years 2005 and 2006.

The major changes in the General Fund revenue and expenditure levels between Fiscal Years 2005 and 2006 were:

Revenues:

Tax revenues rose by \$ 2.68 million or 15.58% to \$ 19.85 million as a result of surge in taxable property values and an increase in the use of services subject to franchise fees and utility taxes.

Licenses and permits revenue decreased by 14.58% to \$ 672,850 as the City was built out and received lower revenues from City development programs such as building, development and site plan permit applications.

Intergovernmental revenues increased by \$ 7.80 million reflecting the reimbursement from FEMA as well as from the State of Florida for costs borne by the City for its recovery from Hurricane Wilma.

Charges for services increased by \$ 270,596 or 6.12% reflecting an increased enrollment in City programs.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Investment income increased sharply by \$ 1.17 million due to the rising fixed income yields experienced during most of the year.

Expenditures:

Hurricane expenses of \$ 16.42 million represent an irregular cost as result of the City's response to Hurricane Wilma in October 2005 and the subsequent infrastructure that was repaired or replaced during the fiscal year.

Public safety expenditures rose 17.64% to \$ 10.59 million reflecting higher service levels, expanding service base with population growth and higher inflation costs.

Park and recreation expenses increased 26.14% or \$ 1.27 million with higher operating costs due to the expansion of new facilities and renovations of existing parks as well as additional recreation programs.

Capital outlay decreased by 48.97% to \$ 654,416 due to capital projects put on hold as a result of the City's response to the damage from Hurricane Wilma.

The Indian Trace Development District Special Revenue Fund increased its fund balance by \$ 2.30 million, or approximately 20.57%, to a total of \$ 13.46 million with all but \$ 223,532 unreserved. The fund accounts for restricted resources used to provide water management and right-of-way services to the district and this increased fund balance will help offset the costs of the district's landscape restoration project.

The Town Foundation Special Revenue Fund increased its fund balance by \$ 24,209, or approximately 5.13% %, to a total of \$ 495,883, 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 for the year ending December 31, 2005.

Table 3
City of Weston
Comparison of General Fund Revenues and Expenditures
(in thousands of dollars)

	2004	2005	2006	Average Annual Change	
				Dollars	Percentage
REVENUES:					
Taxes	\$ 15,418	\$ 17,175	\$ 19,851	\$ 2,217	13.49%
Licenses and permits	841	788	673	(84)	(10.45%)
Intergovernmental	4,402	4,838	12,639	4,119	85.57%
Charges for services	5,384	4,418	4,689	(348)	(5.90%)
Fines and forfeitures	410	355	320	(45)	(11.64%)
Investment income	640	596	1,763	562	94.47%
Contributions from property owners	555	--	--	--	--
Miscellaneous	438	348	523	43	14.87%
Total revenues	28,088	28,518	40,458	6,463	21.70%

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Table 3
City of Weston
Comparison of General Fund Revenues and Expenditures
(in thousands of dollars)
(continued)

	2004	2005	2006	Average Annual Change	
				Dollars	Percentage
EXPENDITURES:					
General government	3,950	4,287	4,721	386	9.33%
Public safety	7,858	8,999	10,587	1,365	16.08%
Community development	1,846	1,573	1,632	(107)	(5.52%)
Public works	4,123	3,274	3,054	(535)	(13.66%)
Parks and recreation	4,287	4,858	6,128	921	19.73%
Hurricane expenses	--	--	16,421	--	--
Capital outlay	1,719	1,282	654	(533)	(37.20%)
Total expenditures	23,783	24,273	43,197	1,497	40.01%
Excess (deficit) of revenues over (under) expenditures	4,305	4,245	(2,739)		
OTHER FINANCING SOURCES (USES):					
Transfers in	206	116	--		
Transfer out	(5)	--	(2,716)		
Insurance proceeds	--	--	2,457		
Total other financing sources	201	116	(259)		
Net change in fund balance	\$ 4,506	\$ 4,361	\$ (2,998)		

The Street Maintenance Special Revenue Fund accounts for City-wide roadway maintenance, signalization and signing improvements, and other roadway-related improvement expenses. The fund balance decreased during the fiscal year by \$ 753,444, or -48.53%, primarily as a result of the master arm construction project which replaced most of the City's trapeze-style traffic signals with stronger, horizontal arm signals. The City was initially replacing only the trapeze-style signals damaged during Hurricane Wilma, but then decided to be proactive and replace almost all signals in the City to avoid future signal damage and outages.

The Community Facilities Construction Capital Projects Fund accounts for City-wide capital needs such as public safety and recreation. The fund experienced an increase in fund balance of \$ 253,652, or 5.36%, to a total of \$ 4.99 million. This increase in fund balance is a result of reduced spending on construction in the City as a result of the City's response to damage caused by Hurricane Wilma. All of the fund balance is reserved for previously signed construction commitments.

The City also maintains several non-major funds, including special revenue, capital projects and debt service funds that are used to account for street and right-of-way maintenance, water management, capital improvements and debt service. The non-major funds of the City decreased their assets during Fiscal Year 2006 by \$ 419,947, or approximately -5.76%, as a result of capital spending on infrastructure construction.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

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

Net assets of the Water and Sewer Enterprise Fund increased by \$ 329,109, or 0.67%, to a total of \$ 49.58 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

During the Fiscal Year 2006, the City of Weston amended its City budget as a final budget. As required by City Charter, all contracts and major expenditures were approved by City Commission. Nevertheless, as it is customary for the City of Weston, adoption of the Fiscal Year 2007 Budget also involved the reconciliation of Fiscal Year 2006 budget.

The General Fund original budget anticipated a current resources surplus of \$ 1.77 million, which was to increase the unrestricted fund balance. The actual operating results of the City's General Fund resulted in a current resources deficit of \$ 2.49 million.

Actual revenues exceeded original budgeted revenues by \$ 10.82 million and the main differences can be summarized as follows:

Electric utility taxes exceeded the original budget by \$ 1.78 million reflecting the reclassification from pledged revenues for capital projects debt service to General Fund revenues.

Franchise electric fees exceeded the original budget by \$ 1.52 million as a result of pledged revenue being moved back into the General Fund following the retirement of capital projects debt during the fiscal year.

Grant revenues exceeded the original budget by \$ 6.65 million as FEMA reimbursements for costs related to Hurricane Wilma were received.

Investment income exceeded the original budget by \$ 740,444 due to the rising yields on fixed income securities throughout most of the fiscal year.

Actual expenditures were higher than the original budget projections by \$ 14.82 million. The largest budget-to-actual variations included:

Hurricane cleanup expenses for cleanup after Hurricane Wilma during the fiscal year were an extraordinary item and totaled \$ 16.42 million.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Capital outlay fell short of the original budget by \$ 611,502 as a result of the City's decision to push several capital asset projects ahead to future fiscal years to focus its efforts on the response and cleanup after Hurricane Wilma.

Police Services fell short of the original budget by \$ 742,475 due to the delayed addition of a new dive unit to the public safety team.

Capital Asset and Debt Administration

Capital assets. The City of Weston's investment in capital assets, net of related debt and accumulated depreciation for its governmental and business-type activities as of September 30, 2006, totals \$ 211.08 million or 71.62% 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, net of accumulated depreciation, by category for Fiscal Years 2004 through 2006.

During Fiscal Year 2006, the City has constructed or acquired significant capital assets. Major capital asset events during the Fiscal Year 2006 included the following:

Construction of the City Hall facility.

Construction of the Public Works facility and fueling station.

Implementation of the master arm signalization project.

Finalization of the law enforcement motorcycle storage facility.

Final phases of the Bonaventure Master Plan road, roadway drainage, irrigation, landscaping, signalization and signage.

Finalization of the Royal Palm Way-Interstate 75 southbound off-ramp.

Various roadway, signalization and signage projects.

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

	Governmental Activities			Business-Type Activities			Total		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Land	\$ 10,739	\$ 10,739	\$ 10,739	\$ --	\$ --	\$ --	\$ 10,739	\$ 10,739	\$ 10,739
Buildings	5,843	5,684	5,524	--	--	--	5,843	5,684	5,524
Machinery and equipment	406	490	685	44	25	184	450	515	869
Infrastructure	153,739	165,225	165,101	24,877	28,696	--	178,616	193,921	165,101
Improvements other than buildings	--	--	--	--	--	27,767	--	--	27,767
Construction in progress	7,589	3,603	7,640	192	13	20	7,781	3,616	7,660
Total capital assets	\$ 178,316	\$ 185,741	\$ 189,689	\$ 25,113	\$ 28,734	\$ 27,971	\$ 203,429	\$ 214,475	\$ 217,660

Additional information on the City's capital assets can be found in Note 9 on pages 41 and 42 of this report.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Long-term debt. At the end of the current fiscal year, the City of Weston's total outstanding debt was \$ 6.58 million in notes payable secured by franchise electric fees. The City acts as an agent in the collection of assessments and remittance of debt service payments for no-obligation special assessment bonds held by the Indian Trace and Bonaventure Districts. As of the fiscal year end, the two districts held a total of \$ 86.10 in special assessment debt for which the City is not liable and as such, no liability has been recorded in its basic financial statements. The City has no general obligation debt or debt that is backed by the full faith and credit of the City of Weston.

Table 5
City of Weston Outstanding Debt
(in thousands of dollars)

	Governmental Activities			Business-Type Activities			Total		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Notes payable	\$ 11,543	\$ 9,100	\$ 6,584	\$ --	\$ --	\$ --	\$ 11,543	\$ 9,100	\$ 6,584
Special assessment debt	465	--	--	--	--	--	465	--	--
Revenue bonds	--	--	--	780	410	--	780	410	--
Less discount	--	--	--	(60)	(50)	--	(60)	(50)	--
Total debt	\$ 12,008	\$ 9,100	\$ 6,584	\$ 720	\$ 360	\$ --	\$ 12,728	\$ 9,460	\$ 6,584

The City of Weston's total long-term debt decreased by \$ 2.88 million, or 30.40%, during the Fiscal Year. The major reason was that no new debt was issued during Fiscal Year 2006, while scheduled principal payments were being made.

More detailed information about the City's long-term liabilities is presented in Note 9 on pages 44 and 45 of this report.

Economic Factors and Next Year's Budget and Ratios

The City of Weston watched the nation's economy grow at an above average pace during the previous fiscal year. Although the economy slowed in the second half of the year, it was a natural result of the Federal Reserve's policy decisions and a reduction in the brisk pace with which the economy had been growing over the past four years. Within South Florida, a strong job market and a deceleration in real estate sales and prices have stabilized the inflationary pressures in the local housing market. The City feels strongly that the Fed's "soft landing" of the economy is taking shape and that the Miami-Fort Lauderdale metropolitan area will continue to experience moderate economic growth. While the City has seen rapid revenue and expenditure expansion over the last few years, the City's transition to a more mature municipality will inherently curb this growth. Although revenues are expected to continue to grow modestly, the new Governor of Florida, Charlie Christ, has had preliminary discussions of changes to property taxation laws that could change the City's revenue structure dramatically.

Revenues for the Fiscal Year 2007 adopted General Fund budget total approximately \$ 32.78 million, an increase of approximately 14.21% over the original budget for Fiscal Year 2006. An increase of 18.7% in the area of ad valorem property taxes is primarily due to the increase in taxable real estate property valuations. Another increase is in the area of intergovernmental revenue at 6.48%. This increase is due to an anticipated increase in overall state tax receipts, but may slow as a result of the state's sharing calculation which shifts benefits to those areas with higher population growth. The last noteworthy increase is in other locally levied taxes such as electric and communications utility taxes which grew by 22.01%. This increase is misleading because a large portion of electric utility taxes were previously set aside to pay for debt service on bonds issued to fund capital projects. Those bonds have recently matured, but the City plans to issue new debt of approximately \$ 13 million in Fiscal Year 2007.

CITY OF WESTON, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2006

Fiscal Year 2007 budgeted expenditures are set at a total of approximately \$ 29.5 million, an increase over the prior year's allocations by approximately 12.35%. The largest increase occurs in public safety which increased by approximately 17.05% to reflect additional staffing and cost escalation.

If these budgetary projections are realized, the City's general fund balance will increase by approximately \$ 3.28 million. The City spent almost \$ 20 million in Fiscal Year 2006, most of which was reimbursed through FEMA and insurance coverage, on damage from Hurricane Wilma in 2005. Fortunately, there were no disaster events during 2006, so the City has been able to replace some of those funds spent on Wilma and prepare for possible future events.

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.

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CITY OF WESTON, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2006

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 62,664,871	\$ 19,173,585	\$ 81,838,456
Cash deposited with court registry	4,108,895	--	4,108,895
Receivables	2,416,158	578,254	2,994,412
Due from Town Foundation	24,667	--	24,667
Due from other governments	2,128,380	--	2,128,380
Restricted assets	4,240,152	3,709,476	7,949,628
Deferred charges and other assets	439,373	--	439,373
Capital assets (net of accumulated depreciation):			
Land	10,739,199	--	10,739,199
Buildings	5,523,649	--	5,523,649
Improvements other than buildings	--	27,767,203	27,767,203
Machinery and equipment	684,591	184,250	868,841
Infrastructure	165,101,500	--	165,101,500
Construction in progress	7,640,447	19,500	7,659,947
Total assets	265,711,882	51,432,268	317,144,150
LIABILITIES:			
Accounts payable and other current liabilities	4,789,398	24,313	4,813,711
Due to Advanced Cable Communications	5,171,657	--	5,171,657
Unearned revenue	871,362	--	871,362
Due to Fiduciary Funds	2,990	--	2,990
Accrued interest payable	88,581	--	88,581
Security deposits	2,272,780	--	2,272,780
Payable from restricted assets	581,081	1,826,849	2,407,930
Noncurrent liabilities:			
Due within one year	2,592,067	--	2,592,067
Due in more than one year	4,193,125	--	4,193,125
Total liabilities	20,563,041	1,851,162	22,414,203
NET ASSETS:			
Invested in capital assets, net of related debt	183,105,340	27,970,953	211,076,293
Restricted for:			
Operations and maintenance	15,744,768	--	15,744,768
Capital projects	2,167,649	1,882,627	4,050,276
Fire protection services	2,547,465	--	2,547,465
Public transportation and road improvements	1,157,278	--	1,157,278
Unrestricted	40,426,341	19,727,526	60,153,867
Total net assets	\$ 245,148,841	\$ 49,581,106	\$ 294,729,947

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

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CITY OF WESTON, FLORIDA
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2006

	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:					
Public safety	\$ 17,881,279	\$ 8,015,129	\$ --	\$ --	\$ (9,866,150)
Hurricane expenses	13,840,456	--	6,320,071	--	(7,520,385)
General government	12,876,372	8,947,381	--	--	(3,928,991)
Public works	12,037,924	12,137,125	1,535,424	330,953	1,965,578
Parks and recreation	7,608,388	434,573	--	1,100,000	(6,073,815)
Community development	4,018,553	3,091,095	--	--	(927,458)
Interest on long-term debt	194,548	--	--	--	(194,548)
Total government activities	<u>68,457,520</u>	<u>32,625,303</u>	<u>7,855,495</u>	<u>1,430,953</u>	<u>(26,545,769)</u>
Business-type activities:					
Water and sewer	17,072,029	15,651,294	--	33,048	(1,387,687)
Total business-type activities	<u>17,072,029</u>	<u>15,651,294</u>	<u>--</u>	<u>33,048</u>	<u>(1,387,687)</u>
Total government	<u>\$ 85,529,549</u>	<u>\$ 48,276,597</u>	<u>\$ 7,855,495</u>	<u>\$ 1,464,001</u>	<u>(26,545,769)</u>
General revenues:					
Property taxes					9,687,605
Franchise taxes					8,997,082
State shared revenues - unrestricted					4,887,711
Utilities taxes					4,200,623
Investment income					889,661
Miscellaneous					360,907
Total general revenues					<u>31,397,668</u>
Change in net assets					329,109
Net assets at beginning of year					<u>49,251,997</u>
Net assets at end of year					<u>\$ 245,148,841</u>
					<u>\$ 49,581,106</u>
					<u>\$ 294,729,947</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, 2006

	Special Revenue Funds			
	General Fund	Indian Trace Development District	Town Foundation (As of December 31, 2005)	Street Maintenance
ASSETS:				
Cash and investments	\$ 37,396,661	\$ 13,841,400	\$ 364,292	\$ 2,756,277
Cash deposited with court registry	--	--	4,108,895	--
Receivables:				
Accounts	866,228	--	675,941	--
Interest	228,864	59,776	1,455	--
Prepays	438,083	1,290	--	8,571
Due from other funds	1,750,742	--	24,667	85,986
Due from other governments	1,347,610	78,009	601,949	87,798
Restricted assets:				
Cash and investments	--	--	--	--
Interest receivable	--	--	--	--
Total assets	<u>\$ 42,028,188</u>	<u>\$ 13,980,475</u>	<u>\$ 5,777,199</u>	<u>\$ 2,938,632</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 1,830,400	\$ 511,352	\$ 109,659	\$ 1,109,649
Due to Advanced Cable Communications	--	--	5,171,657	--
Accrued payroll	20,241	--	--	--
Unearned revenue	236,761	--	--	--
Retainage payable	46,886	--	--	212,910
Due to other funds	1,894,798	12,030	--	816,891
Due to fiduciary funds	--	598	--	--
Payable from restricted assets	--	--	--	--
Security deposits	<u>2,272,780</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>6,301,866</u>	<u>523,980</u>	<u>5,281,316</u>	<u>2,139,450</u>
Fund balances (deficit):				
Reserved for:				
Encumbrances	472,558	222,242	--	1,466,690
Prepaid expenditures	438,083	1,290	--	--
Unreserved/reported in:				
General Fund	34,815,681	--	--	--
Special Revenue Funds	--	13,232,963	495,883	(667,508)
Capital Projects Funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>35,726,322</u>	<u>13,456,495</u>	<u>495,883</u>	<u>799,182</u>
Total liabilities and fund balances	<u>\$ 42,028,188</u>	<u>\$ 13,980,475</u>	<u>\$ 5,777,199</u>	<u>\$ 2,938,632</u>

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

<u>Capital Project Fund</u>		
<u>Community Facilities Construction</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,501,890	\$ 5,804,351	\$ 62,664,871
--	--	4,108,895
446,930	85,053	2,074,152
14,833	28,507	342,006
--	--	439,373
1,501,959	349,376	3,712,730
--	13,014	2,128,380
1,370,444	2,858,112	4,228,556
<u> --</u>	<u> 11,596</u>	<u> 11,596</u>
\$ <u>5,836,056</u>	\$ <u>9,150,009</u>	\$ <u>79,710,559</u>
\$ 565,543	\$ 311,797	\$ 4,438,400
--	--	5,171,657
--	--	20,241
--	634,601	871,362
70,961	--	330,757
209,806	754,538	3,688,063
--	2,392	2,990
--	581,081	581,081
<u> --</u>	<u> --</u>	<u> 2,272,780</u>
<u>846,310</u>	<u>2,284,409</u>	<u>17,377,331</u>
5,782,488	3,158,609	11,102,587
--	--	439,373
--	--	34,815,681
--	4,695,695	17,757,033
<u>(792,742)</u>	<u>(988,704)</u>	<u>(1,781,446)</u>
<u>4,989,746</u>	<u>6,865,600</u>	<u>62,333,228</u>
\$ <u>5,836,056</u>	\$ <u>9,150,009</u>	\$ <u>79,710,559</u>

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CITY OF WESTON, FLORIDA

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

September 30, 2006

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET, PAGE 21	\$ 62,333,228
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	200,215,805
Less: Accumulated depreciation	(10,526,419)
Accrued interest payable not reported in the governmental funds	(88,581)
Compensated absences not reported in the governmental funds	(201,146)
Notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(6,584,046)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 18	\$ <u>245,148,841</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, 2006

		Special Revenue Funds	
	General Fund	Indian Trace Development District	Town Foundation (As of December 31, 2005)
REVENUES:			
Taxes	\$ 19,851,490	\$ 9,530,466	\$ --
Intergovernmental	12,638,735	--	--
Charges for services	4,688,906	--	7,496,060
Investment income	1,762,744	802,204	37,714
Licenses and permits	672,850	--	--
Miscellaneous	523,227	--	130,148
Fines and forfeitures	320,073	--	--
	<u>40,458,025</u>	<u>10,332,670</u>	<u>7,663,922</u>
EXPENDITURES:			
Current:			
Public safety	10,586,861	1,290,840	--
General government	4,721,455	338,677	7,639,713
Public works	3,053,499	6,389,965	--
Parks and recreation	6,127,932	--	--
Community development	1,631,552	--	--
Hurricane expenses	16,420,915	--	--
Capital outlay	654,416	140,505	--
Debt service:			
Principal	--	--	--
Interest and fiscal charges	--	--	--
	<u>43,196,630</u>	<u>8,159,987</u>	<u>7,639,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,738,605)</u>	<u>2,172,683</u>	<u>24,209</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	--	--	--
Insurance proceeds	2,457,152	123,307	--
Transfers out	(2,716,360)	--	--
	<u>(259,208)</u>	<u>123,307</u>	<u>--</u>
Net change in fund balances	<u>(2,997,813)</u>	<u>2,295,990</u>	<u>24,209</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>38,724,135</u>	<u>11,160,505</u>	<u>471,674</u>
FUND BALANCES AT END OF YEAR	<u>\$ 35,726,322</u>	<u>\$ 13,456,495</u>	<u>\$ 495,883</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>Street Maintenance</u>	<u>Community Facilities Construction</u>		
\$ --	\$ 2,740,888	\$ 7,643,115	\$ 39,765,959
1,461,385	--	74,039	14,174,159
--	--	--	12,184,966
64,520	163,078	433,480	3,263,740
--	--	2,273,833	2,946,683
--	--	464	653,839
--	--	--	320,073
<u>1,525,905</u>	<u>2,903,966</u>	<u>10,424,931</u>	<u>73,309,419</u>
--	--	5,824,887	17,702,588
--	--	80,300	12,780,145
596,620	--	900,251	10,940,335
--	541,310	--	6,669,242
--	--	2,343,419	3,974,971
--	--	--	16,420,915
2,932,729	834,477	1,696,031	6,258,158
--	2,515,796	--	2,515,796
--	225,091	--	225,091
<u>3,529,349</u>	<u>4,116,674</u>	<u>10,844,888</u>	<u>77,487,241</u>
<u>(2,003,444)</u>	<u>(1,212,708)</u>	<u>(419,957)</u>	<u>(4,177,822)</u>
1,250,000	1,466,360	--	2,716,360
--	--	--	2,580,459
--	--	--	(2,716,360)
<u>1,250,000</u>	<u>1,466,360</u>	<u>--</u>	<u>2,580,459</u>
<u>(753,444)</u>	<u>253,652</u>	<u>(419,947)</u>	<u>(1,597,363)</u>
<u>1,552,626</u>	<u>4,736,094</u>	<u>7,285,557</u>	<u>63,930,591</u>
\$ <u><u>799,182</u></u>	\$ <u><u>4,989,746</u></u>	\$ <u><u>6,865,600</u></u>	\$ <u><u>62,333,228</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, 2006

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF
ACTIVITIES ARE DIFFERENT BECAUSE:

Net change in fund balances - total governmental funds, page 24	\$ (1,597,363)
<p>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.</p>	
Capital outlay	6,258,158
Capital outlay - disposals	(42,332)
Provision for depreciation	(2,267,612)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Principal payments	2,515,796
<p>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.</p>	
Change in accrued interest payable	30,543
Change in compensated absences	<u>(45,291)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 19	\$ <u><u>4,851,899</u></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, 2006

	Business-Type Activities Enterprise Fund <u>Water and Sewer</u>
ASSETS:	
Current assets:	
Cash and investments	\$ 19,173,585
Receivables:	
Accounts	511,206
Interest	67,048
Restricted assets:	
Cash and investments	3,700,087
Interest receivable	<u>9,389</u>
Total current assets	<u>23,461,315</u>
Noncurrent assets:	
Capital assets:	
Improvements other than buildings	39,267,922
Machinery and equipment	328,626
Construction-in-progress	<u>19,500</u>
Total capital assets	39,616,048
Less: accumulated depreciation	<u>11,645,095</u>
Total capital assets - net	<u>27,970,953</u>
Total noncurrent assets	<u>27,970,953</u>
Total assets	<u>51,432,268</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	24,313
Current liabilities payable from restricted assets:	
Customer deposits	1,789,351
Due to other governments	<u>37,498</u>
Total current liabilities	<u>1,851,162</u>
Total liabilities	<u>1,851,162</u>
NET ASSETS:	
Invested in capital assets	27,970,953
Restricted for:	
Capital projects	1,882,627
Unrestricted	<u>19,727,526</u>
Total net assets	\$ <u><u>49,581,106</u></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, 2006

	Business-Type Activities Enterprise Fund <u>Water and Sewer</u>
OPERATING REVENUES:	
Water and sewer fees	\$ 15,644,044
Miscellaneous	827,135
Meter use fees	<u>7,250</u>
Total operating revenues	<u>16,478,429</u>
OPERATING EXPENSES:	
Water and sewer charges	15,024,300
Provision for depreciation	1,036,162
Administrative services	459,700
Other operating expense	399,866
Provision for amortization	116,992
Meter expense	<u>28,347</u>
Total operating expenses	<u>17,065,367</u>
Operating loss	<u>(586,938)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment income	889,661
Interest expense	<u>(6,662)</u>
Total nonoperating revenues	<u>882,999</u>
Income before contributions	296,061
Contributions - tap fees	<u>33,048</u>
Change in net assets	329,109
NET ASSETS AT BEGINNING OF YEAR	<u>49,251,997</u>
NET ASSETS AT END OF YEAR	\$ <u><u>49,581,106</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, 2006

	Business-Type Activities Enterprise Fund <u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 16,948,720
Payments to suppliers	<u>(16,927,321)</u>
Net cash provided by operating activities	<u>21,399</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Direct financing lease payments received	410,000
Developer contributions received	33,048
Interest paid	(19,987)
Purchase of capital assets	(273,201)
Principal payments on bonds	<u>(410,000)</u>
Net cash used in capital and related financing activities	<u>(260,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of investments	5,582,344
Investment income received	865,888
Purchase of investments	<u>(5,501,815)</u>
Net cash flows provided by investing activities	<u>946,417</u>
Net increase in cash and cash equivalents	707,676
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,546,300</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>5,253,976</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (586,938)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Provision for depreciation	1,036,162
Provision for amortization	116,992
(Increase) decrease in operating assets:	
Accounts receivable	397,269
Increase (decrease) in operating liabilities:	
Accounts payable	(398,482)
Due to other governments	(616,626)
Customer deposits	<u>73,022</u>
Total adjustments	<u>608,337</u>
Net cash provided by operating activities	\$ <u><u>21,399</u></u>
NONCASH INVESTING ACTIVITIES:	
Change in fair value of investments	\$ <u><u>(34,008)</u></u>

CITY OF WESTON, FLORIDA

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

For the Year Ended September 30, 2006

THE FOLLOWING IS A RECONCILIATION
OF CASH AND CASH EQUIVALENTS FOR
THE ENTERPRISE FUND:

	Cash and Cash Equivalents on Statement of Cash Flows	Other Investments	Statement of Net Assets Total
Cash and investments	\$ 2,367,423	\$ <u>16,806,162</u>	\$ <u>19,173,585</u>
Restricted assets	<u>2,886,553</u>	\$ <u>813,534</u>	\$ <u>3,700,087</u>
	\$ <u>5,253,976</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, 2006

A S S E T S

	<u>Agency Fund</u>
RESTRICTED ASSETS*:	
Investments	\$ <u><u>4,913,016</u></u>

L I A B I L I T I E S

PAYABLE FROM RESTRICTED ASSETS*:	
Payable to bond holders	\$ <u><u>4,913,016</u></u>

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

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

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CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

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; engineering services; and plan review and inspection services. The City was incorporated pursuant to the constitution and laws of the State of Florida in September 1996 when the qualified electors voted in favor of incorporation of the City and approved the Charter.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Units

Indian Trace Development District (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, 2002 Bond Construction 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, 2005. 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, 2006

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 \$ 24,667, which is due from Town Foundation (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, other intergovernmental revenues, 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, 2006

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 Street Maintenance) 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 stormwater management infrastructure and the non-roadway portions of the public right-of-way within the boundaries of Indian Trace Development District. Town Foundation provides cable services to certain residents of the City. Street maintenance accounts for transportation-related operating, maintenance and capital costs.

The Capital Project Fund (Community Facilities Construction) accounts for the acquisition of equipment and construction/rehabilitation 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 type:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The City utilizes these funds to account for revenues collected from special assessments levied upon the properties within the ITDD and BDD; and, forwarding the collections to bondholders as bond principal and interest payments become due. The City nor ITDD nor BDD are obligated in any matter for the repayment of these bonds; accordingly, no liability for these bonds has been recorded in the City's basic financial statements.

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, 2006

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.

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. 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 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.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Capital Assets

Capital assets, which include land, construction-in-progress, buildings, machinery and equipment, and infrastructure and improvements 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. 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
Machinery and equipment	5-7 years
Infrastructure and improvements	7-40 years

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. Accumulated compensated absences are recorded as an expense in the government-wide financial statements when earned. Expenditures for compensated absences are recorded in the governmental funds only for employees who had terminated their employment as of the end of the fiscal year. As of September 30, 2006, the City reports accrued compensated absences amounting to \$ 201,146 in the statement of net assets, which is expected to be paid from future resources. Additionally, the City has not recorded compensated absences in the governmental funds because amounts outstanding have not matured as of the year end.

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.

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Fund Balance and Net Assets

In the governmental funds, reservations of fund balances are reported to indicate that portion of fund balance that is legally segregated for specific purposes. Designations indicate tentative managerial plans or intent to use financial resources in a future period. Undesignated fund balance indicates the portion of fund balance that is available for future use.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Prepaid expenditures are reported as reservations under the consumption method. Such assets technically are available to liquidate the related expenditures that will be recognized when those assets are eventually consumed.

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets. Net assets restricted for capital projects represent limitations placed on net asset use imposed by creditors through applicable bond covenants. Net assets restricted for operations and maintenance and fire protection services represent limitations placed on net asset use by enabling legislation representing an implicit contract with taxpayers for non-ad valorem taxes and cable fees collected for specified purposes. Lastly, net assets restricted for public transportation and road improvements represent limitations placed on net asset use by state enabling legislation from proceeds distributed to the City from state revenue sharing and local option gas tax collections.

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

The City's deposits must be placed with banks and savings and loans which are qualified as public depositories prior to receipt of public monies under Chapter 280, Florida Statutes. These deposits are insured by the FDIC up to \$ 200,000, \$ 100,000 for demand deposits and \$ 100,000 for savings deposits. Monies deposited in amounts greater than the insurance coverage are covered by the participation of the bank in the Florida Security for Public Deposits Act.

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

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

At September 30, 2006, the carrying amount of the City's deposits was \$ 1,420,733 with a bank balance of \$ 50,689. The bank balance was covered by Federal depository insurance. Included in the carrying amount of deposits was \$ 400 cash on hand.

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, 2006 were as follows:

	<u>Reported Amount Fair Value</u>
Money market mutual funds	\$ 34,824,950
Mortgage-backed securities - fixed rate	28,582,547
Agency notes and bonds	26,132,209
Collateralized mortgage obligations - fixed rate	<u>3,719,276</u>
Total	\$ <u>93,258,982</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	\$ 50,689	\$24,167,269	\$57,620,498	\$ --	\$ 81,838,456
Restricted assets	<u>1,370,444</u>	<u>10,657,681</u>	<u>813,534</u>	<u>20,985</u>	<u>12,862,644</u>
Total	\$ <u>1,421,133</u>	\$ <u>34,824,950</u>	\$ <u>58,434,032</u>	\$ <u>20,985</u>	\$ <u>94,701,100</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

	<u>Investments</u>	<u>Restricted Investments</u>
General Fund	\$ 37,345,972	\$ --
Special Revenue Funds:		
Indian Trace Development District	13,841,400	--
Town Foundation	364,292	--
Street maintenance	2,756,277	--
Capital Projects Fund:		
Community Facilities Construction	2,501,890	--
Other governmental funds	<u>5,804,351</u>	<u>2,858,112</u>
	62,614,182	2,858,112
Agency Fund	--	4,913,016
Enterprise Fund	<u>19,173,585</u>	<u>3,700,087</u>
Total	\$ <u>81,787,767</u>	\$ <u>11,471,215</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.

Substantially all investments held by the City of Weston as of September 30, 2006 are rated AAA by Moody's Investors Service.

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 1.53 years. The investments at September 30, 2006 meet the City's investment policy restrictions.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

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 Mortgage Corp. (Freddie Mac) is 29.40% (\$ 27,422,295), Federal Home Loan Bank is 18.72% (\$ 17,459,881) and Fannie Mae is 9.91% (\$ 9,243,705.) 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			Capital Projects	Other Non-major Governmental Funds	Total Governmental Funds	Proprietary Fund
		Indian Trace Development District	Town Foundation	Street Maintenance	Community Facilities Construction			Enterprise Fund
Receivables:								
Accounts	\$ 866,228	\$ --	\$ 675,941	\$ --	\$ 446,930	\$ 85,053	\$ 2,074,152	\$ 511,206
Interest	<u>228,864</u>	<u>59,776</u>	<u>1,455</u>	<u>8,571</u>	<u>14,833</u>	<u>28,507</u>	<u>342,006</u>	<u>67,048</u>
	1,095,092	59,776	677,396	8,571	461,763	113,560	2,416,158	578,254
Restricted receivables:								
Interest	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,596</u>	<u>11,596</u>	<u>9,389</u>
Total	<u>\$ 1,095,092</u>	<u>\$ 59,776</u>	<u>\$ 677,396</u>	<u>\$ 8,571</u>	<u>\$ 461,763</u>	<u>\$ 125,156</u>	<u>\$ 2,427,754</u>	<u>\$ 587,643</u>

There was no allowance for uncollectibles necessary for these receivables as of September 30, 2006.

NOTE 5 - RESTRICTED ASSETS

Restricted assets at September 30, 2006, consist of the following:

	Capital Projects Fund Community Facilities Construction	Other Non-major Governmental Funds	Agency Fund	Enterprise Fund	Total
Cash with fiscal agent	\$ 1,370,444	\$ --	\$ --	\$ --	\$ 1,370,444
Amounts held from property owners	--	--	4,913,016	--	4,913,016
Customer deposits	--	--	--	1,789,351	1,789,351
Reserve accounts	--	--	--	37,498	37,498
Construction accounts	<u>--</u>	<u>2,869,708</u>	<u>--</u>	<u>1,882,627</u>	<u>4,752,335</u>
Total	<u>\$ 1,370,444</u>	<u>\$ 2,869,708</u>	<u>\$ 4,913,016</u>	<u>\$ 3,709,476</u>	<u>\$ 12,862,644</u>
Cash and investments	\$ 1,370,444	\$ 2,858,112	\$ 4,893,522	\$ 3,700,087	\$ 12,822,165
Interest receivable	<u>--</u>	<u>11,596</u>	<u>19,494</u>	<u>9,389</u>	<u>40,479</u>
Total	<u>\$ 1,370,444</u>	<u>\$ 2,869,708</u>	<u>\$ 4,913,016</u>	<u>\$ 3,709,476</u>	<u>\$ 12,862,644</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 5 - RESTRICTED ASSETS (continued)

Amounts payable from restricted assets at September 30, 2006, consist of the following:

	Non-major Governmental Funds	Agency Fund	Enterprise Fund	Total
Customer deposits	\$ --	\$ --	\$ 1,789,351	\$ 1,789,351
Due to other governments	--	--	37,498	37,498
Accounts payable	143,229	--	--	143,229
Contracts payable	318,378	--	--	318,378
Retainages payable	119,474	--	--	119,474
Payable to bondholders	<u>--</u>	<u>4,913,016</u>	<u>--</u>	<u>4,913,016</u>
Total	<u>\$ 581,081</u>	<u>\$ 4,913,016</u>	<u>\$ 1,826,849</u>	<u>\$ 7,320,946</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of due to/from other funds for the year ended September 30, 2006 is as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 1,750,742	\$ 1,894,798
Indian Trace Development District	--	12,030
Town Foundation	24,667	--
Street Maintenance	85,986	816,891
Communities Facilities Construction	1,501,959	209,806
Non-major governmental funds:		
Bonaventure Development District	--	6,055
Fire District	6,055	224,627
Transportation	--	7,875
Building Fee	343,321	395,003
1997 Bond Construction	<u>--</u>	<u>120,978</u>
	3,712,730	3,688,063
Less (Note 2B):		
Town Foundation	<u>(24,667)</u>	<u>--</u>
Total	<u>\$ 3,688,063</u>	<u>\$ 3,688,063</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, 2005. The City of Weston and this component unit have different fiscal years; therefore, the internal accounts resulted in activity not eliminated at the government-wide financial statements level.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2006

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

A summary of interfund transfers for the year ended September 30, 2006 is as follows:

<u>Transfers Out</u>	<u>Transfer In</u>		<u>Total</u>
	<u>Street Maintenance</u>	<u>Community Facilities Construction</u>	
General Fund	\$ <u>1,250,000</u>	\$ <u>1,466,360</u>	\$ <u>2,716,360</u>
Total	\$ <u>1,250,000</u>	\$ <u>1,466,360</u>	\$ <u>2,716,360</u>

During the year, \$ 1,250,000 was transferred from the General Fund to the Street Maintenance Fund to subsidize capital expenditures for the City's transportation infrastructure. In addition, the General Fund transferred \$ 1,466,360 from reserves previously received from voluntary developer contributions. It is anticipated that voluntary contributions will cease due to the build-out of the City. Therefore, the remaining reserves have been transferred to the Community Facilities Construction Fund to provide for new and rehabilitating existing municipal infrastructure.

NOTE 7 - CAPITAL ASSETS, NET

Capital asset activity for the year ended September 30, 2006 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>3,603,138</u>	<u>7,640,447</u>	<u>3,603,138</u>	<u>7,640,447</u>
Total capital assets not being depreciated	<u>14,342,337</u>	<u>7,640,447</u>	<u>3,603,138</u>	<u>18,379,646</u>
Capital assets being depreciated:				
Infrastructure and improvements	170,765,917	1,790,021	--	172,555,938
Buildings	6,368,587	--	--	6,368,587
Machinery and equipment	<u>2,537,887</u>	<u>388,496</u>	<u>14,749</u>	<u>2,911,634</u>
Total capital assets being depreciated	<u>179,672,391</u>	<u>2,178,517</u>	<u>14,749</u>	<u>181,836,159</u>
Less accumulated depreciation:				
Infrastructure and improvements	5,542,933	1,911,505	--	7,454,438
Buildings	685,086	159,852	--	844,938
Machinery and equipment	<u>2,045,537</u>	<u>196,255</u>	<u>14,749</u>	<u>2,227,043</u>
Total accumulated depreciation	<u>8,273,556</u>	<u>2,267,612</u>	<u>14,749</u>	<u>10,526,419</u>
Total capital assets, being depreciated, net	<u>171,398,835</u>	<u>(89,095)</u>	<u>--</u>	<u>171,309,740</u>
Governmental activities capital assets, net	\$ <u>185,741,172</u>	\$ <u>7,551,352</u>	\$ <u>3,603,138</u>	\$ <u>189,689,386</u>

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 7 - CAPITAL ASSETS, NET (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Construction-in-progress	\$ 13,210	\$ 6,290	\$ --	\$ 19,500
Total capital assets not being depreciated	13,210	6,290	--	19,500
Capital assets being depreciated:				
Improvements other than buildings	39,185,307	82,615	--	39,267,922
Machinery and equipment	144,330	184,296	--	328,626
Total capital assets being depreciated	39,329,637	266,911	--	39,596,548
Less accumulated depreciation:				
Improvements other than buildings	10,489,324	1,011,395	--	11,500,719
Machinery and equipment	119,609	24,767	--	144,376
Total accumulated depreciation	10,608,933	1,036,162	--	11,645,095
Total capital assets being depreciated, net	28,720,704	(769,251)	--	27,951,453
Business-type activities capital assets, net	\$ 28,733,914	\$ (762,961)	\$ --	\$ 27,970,953

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

Governmental activities:	
Public safety	\$ 178,691
General government	8,604
Public works	1,097,589
Parks and recreation	939,146
Community development	43,582
Total provision for depreciation - governmental activities	\$ 2,267,612
Business-type activities:	
Enterprise - water and sewer	\$ 1,036,162
Total provision for depreciation - business-type activities	\$ 1,036,162

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 7 - CAPITAL ASSETS, NET (continued)

Construction Commitments

The City has numerous active construction projects as of September 30, 2006. The projects include the construction of a new City Hall building, a new public works facility and fueling station, a new law enforcement motorcycle storage facility, signing/safety and roadway improvements, building improvements, construction/improvements of sewer treatment facilities and a development study for the construction of a new recreational facility. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
City Hall facility	\$ 512,128	\$ 5,426,348
Public Works facility	923,040	2,781,697
Signalization improvements	2,072,224	1,077,045
Recreational facility	459,813	281,437
Interstate 75 improvements	659,657	228,608
Roadway improvements	1,076,824	111,212
Swale stabilization	222,089	57,617
Bonaventure Master Plan	529,977	39,016
Public Works facility - fueling station	271,700	14,300
American Youth Soccer Organization facility	394,964	8,876
Law enforcement - motorcycle storage facility	<u>189,142</u>	<u>6,125</u>
Total	\$ <u>7,311,558</u>	\$ <u>10,032,281</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 \$ 86,095,000 at September 30, 2006.

At September 30, 2006, 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	\$ 46,380,000	2.50%-5.00%	\$ 39,555,000
1995B ITDD	February 1995	33,010,000	8.25%	13,600,000
1997 ITDD	July 1997	41,635,000	5.00%	12,885,000
2002 BDD	January 2002	12,790,000	3.125%-5.125%	11,125,000
2003 Isles at Weston	June 2003	<u>9,330,000</u>	5.50%	<u>8,930,000</u>
		\$ <u>143,145,000</u>		\$ <u>86,095,000</u>

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

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. Remaining resources from the 1997 Bond issue are being utilized on the completion of a new public works facility. 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 in 2002 and to fund capital improvements within the Bonaventure Master Plan. The Bonaventure Master Plan was completed in fiscal year 2005 with the remaining funds currently encumbered for the engineering and design of two pump facilities to replace the District's aged facilities. The 2003 Series Isles at Weston Bond proceeds were used to finance the construction of the stormwater management infrastructure at the Isles at Weston community and are secured by a pledge of the proceeds of the bonds, non ad-valorem special assessments, and money and investments on deposit. Remaining funds are kept available for future related capital project needs within the community.

Defeased Bonded Debt

The ITDD previously defeased a portion (\$ 24,055,000) of the Series 1997 Bonds by placing certain proceeds in an irrevocable trust to provide for future debt service payments. As of September 30, 2006, the outstanding balance of the defeased Series 1997 Bonds for which the trust accounts' assets and related liabilities are not included in the City's financial statements was \$ 22,205,000. This remaining balance is expected to be paid off by May 2007.

NOTE 9 - LONG-TERM DEBT

The City has issued notes for governmental activities at September 30, 2006 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.	\$ 2,629,885
\$ 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.	1,467,464
\$ 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.	<u>2,486,697</u>
Total	\$ <u>6,584,046</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 9 - LONG-TERM DEBT (continued)

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>
2007	\$ 2,579,630	\$ 161,257
2008	2,649,488	91,400
2009	<u>1,354,928</u>	<u>28,436</u>
Total	\$ <u>6,584,046</u>	\$ <u>281,093</u>

Changes in Long-Term Debt

Long-term debt activity for the year ended September 30, 2006 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	\$3,898,796	\$ --	\$ 1,268,911	\$2,629,885	\$ 1,297,679
2002A-2	1,932,055	--	464,591	1,467,464	476,711
2002B	3,268,991	--	782,294	2,486,697	805,240
Compensated absences	<u>174,370</u>	<u>36,418</u>	<u>9,642</u>	<u>201,146</u>	<u>12,437</u>
Governmental activities:					
Long-term debt	<u>\$9,274,212</u>	<u>\$ 36,418</u>	<u>\$ 2,525,438</u>	<u>\$6,785,192</u>	<u>\$ 2,592,067</u>
Business-type activities:					
Bonds payable:					
Series 1985 Water and Sewer Revenue Bonds (Note 12)	\$ 410,000	\$ --	\$ 410,000	\$ --	\$ --
Less: Unamortized Bond discount	<u>50,292</u>	<u>--</u>	<u>50,292</u>	<u>--</u>	<u>--</u>
Business-type activity Long-term liabilities	<u>\$ 359,708</u>	<u>\$ --</u>	<u>\$ 359,708</u>	<u>\$ --</u>	<u>\$ --</u>

NOTE 10 - LEASES

Operating leases:

During the year, the City entered into several operating lease agreements to lease computer equipment under one master lease agreement dated November 2005 (Note 12). These agreements are payable in monthly installments aggregating approximately \$ 7,800 and expire at various times from June 2008 through March 2010. In the event that sufficient funds are not appropriated and budgeted by the City Commission, the City may terminate these operating agreements by providing a sixty-day written notice prior to the end of its current fiscal period. Total equipment rental expense in connection with these agreements amounted to \$ 63,558 for the year ending September 30, 2006.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 10 - LEASES (continued)

The City previously entered into an operating lease agreement through September 30, 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 \$ 123,438 for the year ended September 30, 2006.

The future minimum lease payments relative to these operating leases at September 30, 2006 are approximately as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$ 194,400
2008	85,200
2009	58,600
2010	19,600
Thereafter	<u>NONE</u>
Total	<u>\$ 357,800</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, 2006. Other insurance policies carried by City of Weston during the year included: automobile, crime, environmental liability, inland marine, property (building and contents), public officials liability and workers' compensation. Deductible amounts ranged from \$ 1,000 to \$ 15,000. 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 (Note 9) 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. In December 2005, the 1985 Water and Sewer Revenue Bonds were paid off as scheduled, at which time the capital lease arrangement expired. However, the City of Sunrise's City Commission approved to exercise its purchase option and as of September 30, 2006 final documentation and transfer of title to this property is still in process. As of September 30, 2006, the City of Weston leased this facility to the City of Sunrise on a month-to-month basis for nominal consideration. For the year ended September 30, 2006, the City of Weston received \$ 429,988, including \$ 19,988 of interest income under this lease arrangement.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2006

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Litigation

The City has been engaged in various lawsuits which arose in the ordinary course of business, including a claim involving a plaintiff who is seeking damages for injuries which allegedly occurred when plaintiff fell on City property. The City has prevailed through appeals on most of the claims, but the above described claim remains pending. The ultimate outcome of the remaining claim is not determinable at this time. As to all of 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. (the "Foundation") were involved in a lawsuit regarding the term and the amount that residents pay for bulk cable service under a bulk cable contract. On February 6, 2006, the lawsuit brought against the Foundation and the City of Weston, Florida by Advocate Communications d/b/a Advanced Cable Communications, was settled and the case is now closed. The suit, originally filed on October 27, 2004, brought five counts against the Foundation alleging 1) theft of cable services under state law, 2) theft of cable services under Federal law, 3) paying monies collected from residents as opposed to paying from all "closed" residential units and not paying in a timely manner, 4) clarifying the definition of "basic cable," and 5) violation of the Franchise Agreement with the City of Weston, Florida.

The key points of the settlement are that 1) the rate for basic cable charged by Advanced Cable Communications to the Foundation will be lowered from \$ 36.59 per month to \$ 36.09 per month, plus taxes and fees, effective January 1, 2006, 2) future rate increases will be capped at 5.5% per year, 3) the service agreement will terminate on December 31, 2013, however, there is an option for the Foundation to renew the agreement, 4) the total monthly cost billed by the Foundation will be reduced because the Foundation will no longer have to fund this litigation.

The money deposited with the Court Registry has been disbursed to Advanced Cable Communications. Additionally, as a result of the timing of certain payments made by the Foundation and due to the fact that the Foundation had not yet made the payment for basic programming services provided to residents as of December 31, 2005, the Foundation owed Advanced Cable Communications \$ 709,515. The Foundation is required to repay this amount to Advanced Cable Communications in monthly payments of \$ 9,675 for eight years until December 2013 including interest at 7%. The note evidencing this obligation is collateralized by a conditional assignment of assessments for cable services until the note is paid in full.

At the present time, the ultimate outcome of some outstanding 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.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the City. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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. 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. These additional services are provided to the City on a forty-hour, five days per week full-time basis.

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

The agreement, effective through September 2008, includes an additional five-year period renewal option. In addition, either party may terminate this agreement effective September 30 of any year with no fewer than two hundred and seventy (270) days written notice to the other party. For the year ended September 30, 2006, the payment schedule required total payments amounting to \$ 9,804,041 allocated as follows: \$ 5,678,647 for fire protection services, \$ 3,394,196 for emergency medical services and \$ 731,198 for fire prevention services..

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>
2007	\$ 10,294,200
2008	10,809,000
Thereafter	<u>NONE</u>
Total	\$ <u><u>21,103,200</u></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. BSO has the right of termination only for cause attributed to a material breach while the City of Weston may terminate this service agreement at discretion with or without cause by giving written notice. However, such termination shall not be effective until the ninety-first (91) day after the receipt thereof by BSO.

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 \$ 6,873,300 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, 2006, costs related to this agreement amounted to approximately \$ 7,778,100, including a one-time cost to the City for public safety diving equipment of \$ 96,645 and a vacancy rate credit of approximately \$ 409,520. Based on BSO's notice of consideration payable for fiscal year 2006/2007, the approximate future payment schedule will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$ 8,838,400
Thereafter	<u>NONE</u>
Total	\$ <u><u>8,838,400</u></u>

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Professional, Administrative, Financial and Community Services Agreement

The City of Weston previously entered into an agreement with Severn Trent Environmental Services, Inc. (STS) 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.

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. 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.

The City and STS may terminate this service agreement at their discretion, either with or without cause, by giving written notice to the other party; provided, however, that such termination shall not be effective until one hundred and eighty(180) days after receipt. Also, the City may partially terminate this service agreement as to any specific service or services by giving at least sixty (60) days advance written notice. On November 21, 2005, the City Commission approved a resolution (2005-166) to partially terminate services for Records Management, Information Technologies and Databases - Municipal Management, and Lease of Hardware and Software, effective March 1, 2006. In connection with this termination, the City Commission approved the acquisition of computer hardware and software (Note 10) and a contract for technology services with a new service provider as discussed below.

For the year ended September 30, 2006, costs related to this agreement amounted to approximately \$ 3,539,900. 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 \$ 3,459,300.

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 maximum 3.00% annual increase. For the year ended September 30, 2006, the monthly standard fees ranged from approximately \$ 6,800 to approximately \$ 22,500 while the hourly fee ranged from approximately \$ 51 per hour to approximately \$ 169 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, 2006, costs related to the services provided by the consultant amounted to approximately \$ 3,828,100.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Plan review and inspection services:

During the year, the City entered into an agreement with a consulting firm to provide for plan review and inspection services. This service provider is acting as the City of Weston's building department and commenced operations on October 1, 2005. The agreement, effective through September 2011, includes two additional five-year period renewal options and may be terminated by either party within sixty (60) days after written notice. The consideration for all services is based on a standard schedule of fees and is subject to an annual increase by an amount equal to the Consumer Price Index increase, with a maximum annual increase not to exceed 5.00% unless both parties mutually agree in writing to an alternative arrangement. Payments to the contract are made for projects with estimated permit fees of less than \$ 100,000 as follows: 60% of the fee is payable upon submission of the application and 40% is payable at the time of the issuance of the certificate of occupancy or a certificate of completion or final inspection or abandonment, whichever is latest and applicable. Payments to the contractor are made for projects with estimated permit fees of \$ 100,000 or greater as follows: 60% of the fee is payable in equal monthly installments commencing with submission of the application through completion of plan review, pursuant to an approved time schedule, and 40% is payable in equal monthly installments commencing with the first inspection through the estimated time of completion, pursuant to an approved time schedule. The City processes payments to the contractor on a monthly basis, paying all amounts that become due for the prior month in arrears.

For the year ended September 30, 2006, costs related to the services provided by the consultant amounted to approximately \$ 1,367,500.

Technology services:

Effective April 2006, the City entered into an agreement with a consulting firm to provide for technology services as follows: desktop, server, application, telecom, infrastructure and administrative support, and website redesign and maintenance. This agreement is in effect through March 2008 and includes two additional two-year renewal terms. The City may terminate this contract with or without cause immediately upon written notice while the contractor may terminate this contract within ninety (90) days upon written notice prior to termination. The contractor is compensated under this contract based on a monthly standard fee of approximately \$ 36,600 and an hourly fee schedule on additional work ranging from \$ 30 per hour to \$ 120 per hour. The contract's fixed and hourly fees will be increased annually by the Consumer Price Index not to exceed 5% on each anniversary date.

For the year ended September 30, 2006, costs related to the services provided by the consultant amounted to approximately \$ 226,000.

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.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2006

NOTE 13 - RETIREMENT PLANS (continued)

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.

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 16.53% for the Elected Officers' Class. No employee contributions are required. Additionally, the City is required to contribute 9.80% for all DROP participants. At September 30, 2006, the City had four elected officials participating in the FRS, and no participants in the DROP.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2006 and the two preceding years were as follows:

	FY 2006	FY 2005	FY 2004
Contributions requirements	\$ 6,694	\$ 5,793	\$ 6,905
Contributions made (100%)	\$ 6,694	\$ 5,793	\$ 6,905
Total covered payroll	\$ 43,000	\$ 48,000	\$ 53,380
Percent of contributions to total covered payroll	15.57%	12.07%	12.94%

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, P.O. Box 9000, Tallahassee, Florida 32315-9000 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, 2006

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, 2006, was \$ 62,381. 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.

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CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes:				
Ad-valorem - current	\$ 9,557,500	\$ 9,674,158	\$ 9,687,605	\$ 13,447
Franchise fees:				
Simplified communications tax	3,437,347	3,315,690	3,315,690	--
Electric	--	1,365,861	1,522,791	156,930
Solid waste	1,137,600	1,124,781	1,124,781	--
Utility taxes:				
Electric	2,339,900	4,121,406	4,121,406	--
Gas	71,200	79,217	79,217	--
	<u>16,543,547</u>	<u>19,681,113</u>	<u>19,851,490</u>	<u>170,377</u>
Licenses and permits:				
City occupational licenses	495,000	625,849	648,819	22,970
Engineering permits	156,300	156,300	24,031	(132,269)
	<u>651,300</u>	<u>782,149</u>	<u>672,850</u>	<u>(109,299)</u>
Intergovernmental:				
Grant revenue	1,100,000	11,531,003	7,751,023	(3,779,980)
Half cent sales tax	3,691,200	3,871,795	3,871,795	--
State revenue sharing	1,145,400	994,495	999,353	4,858
Alcohol beverage licenses	13,600	16,564	16,564	--
	<u>5,950,200</u>	<u>16,413,857</u>	<u>12,638,735</u>	<u>(3,775,122)</u>
Charges for services:				
Solid waste fees	3,118,000	3,055,763	3,053,965	(1,798)
Recycle fees	347,400	649,422	460,928	(188,494)
Recreation fees	426,600	397,545	397,545	--
Fire inspection fees	732,000	390,594	393,596	3,002
Development review fees	448,800	345,844	345,844	--
Tennis center fees	16,000	37,028	37,028	--
	<u>5,088,800</u>	<u>4,876,196</u>	<u>4,688,906</u>	<u>(187,290)</u>
Investment income	1,022,300	1,670,349	1,762,744	92,395
Miscellaneous	100,000	141,449	523,227	381,778
Fines and forfeitures:				
Court fines, forfeitures and code violations	286,800	308,289	320,073	11,784
	<u>29,642,947</u>	<u>43,873,402</u>	<u>40,458,025</u>	<u>(3,415,377)</u>
EXPENDITURES:				
Current:				
General government:				
Administrative services	2,311,200	2,175,587	2,116,058	59,529
City Manager/City Clerk	1,542,500	1,798,478	1,728,492	69,986
Legal	758,700	795,818	770,084	25,734
City Commission	109,900	98,538	98,696	(158)
	<u>4,722,300</u>	<u>4,868,421</u>	<u>4,713,330</u>	<u>155,091</u>

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Public safety:				
Police services	7,032,100	6,684,851	6,289,625	395,226
EMS services	3,513,900	3,905,788	3,687,378	218,410
Fire inspections	732,000	736,130	584,958	151,172
Total public safety	11,278,000	11,326,769	10,561,961	764,808
Community development:				
Planning and zoning	1,172,400	1,941,575	1,480,468	461,107
Engineering	625,600	625,600	65,003	560,597
Total community development	1,798,000	2,567,175	1,545,471	1,021,704
Public works:				
Solid waste	3,118,000	3,157,886	3,053,500	104,386
Total public works	3,118,000	3,157,886	3,053,500	104,386
Parks and recreation:				
Parks	5,659,800	5,923,914	5,710,177	213,737
Total parks and recreation	5,659,800	5,923,914	5,710,177	213,737
Hurricane expenses	--	17,021,030	16,420,915	600,115
Capital outlay	1,295,500	869,928	683,998	185,930
Total expenditures	27,871,600	45,735,123	42,689,352	3,045,771
Excess (deficiency) of revenues over (under) expenditures	1,771,347	(1,861,721)	(2,231,327)	(369,606)
OTHER FINANCING SOURCES (USES):				
Insurance proceeds	--	2,457,152	2,457,152	--
Transfers out	--	--	(2,716,360)	(2,716,360)
Total other financing sources	--	2,457,152	(259,208)	(2,716,360)
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	\$ 1,771,347	\$ 595,431	\$ (2,490,535)	\$ (3,085,966)

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - INDIAN TRACE DEVELOPMENT DISTRICT Special Revenue Fund

For the Year Ended September 30, 2006

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Taxes:			
Non ad-valorem assessments	\$ 9,340,600	\$ 9,530,466	\$ 189,866
Investment income	<u>290,800</u>	<u>802,204</u>	<u>511,404</u>
Total revenues	<u>9,631,400</u>	<u>10,332,670</u>	<u>701,270</u>
EXPENDITURES:			
Current:			
Public works	6,507,200	5,715,071	792,129
Public safety	1,376,200	1,290,840	85,360
Capital outlay	715,000	885,206	(170,206)
General government	<u>635,400</u>	<u>338,677</u>	<u>296,723</u>
Total expenditures	<u>9,233,800</u>	<u>8,229,794</u>	<u>1,004,006</u>
Excess of revenues over expenditures	397,600	2,102,876	1,705,276
OTHER FINANCING SOURCES:			
Insurance proceeds	<u>--</u>	<u>123,307</u>	<u>123,307</u>
Total other financing sources	<u>--</u>	<u>123,307</u>	<u>123,307</u>
Excess of revenues and other financing sources over expenditures	\$ <u><u>397,600</u></u>	\$ <u><u>2,226,183</u></u>	\$ <u><u>1,828,583</u></u>

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - TOWN FOUNDATION Special Revenue Fund

For the Year Ended December 31, 2005

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Cable revenues	\$ 7,517,349	\$ 7,124,584	\$ (392,765)
Administrative income	--	371,476	371,476
Other income	--	130,148	130,148
Investment income	<u>752</u>	<u>37,714</u>	<u>36,962</u>
Total revenues	<u>7,518,101</u>	<u>7,663,922</u>	<u>145,821</u>
EXPENDITURES:			
Current:			
Cable services	6,110,989	6,097,429	13,560
Taxes and licenses	892,195	859,248	32,947
Legal fees	327,389	495,779	(168,390)
Administrative expenses	172,528	172,427	101
Audit fees	15,000	10,000	5,000
Other charges	<u>--</u>	<u>4,830</u>	<u>(4,830)</u>
Total expenditures	<u>7,518,101</u>	<u>7,639,713</u>	<u>(121,612)</u>
Excess of revenues over expenditures	\$ <u><u>--</u></u>	\$ <u><u>24,209</u></u>	\$ <u><u>24,209</u></u>

CITY OF WESTON, FLORIDA

**BUDGETARY COMPARISONS SCHEDULE -
STREET MAINTENANCE
Special Revenue Fund**

For the Year Ended September 30, 2006

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental:			
Local option gas tax	\$ 1,184,500	\$ 686,560	\$ (497,940)
State revenue sharing	450,300	386,121	(64,179)
Grant revenue	<u>--</u>	<u>388,704</u>	<u>388,704</u>
Total intergovernmental revenue	1,634,800	1,461,385	(173,415)
Investment income	<u>11,600</u>	<u>64,520</u>	<u>52,920</u>
Total revenues	<u>1,646,400</u>	<u>1,525,905</u>	<u>(120,495)</u>
EXPENDITURES:			
Current:			
Public works	618,600	719,611	(101,011)
Capital outlay	<u>433,000</u>	<u>3,214,178</u>	<u>(2,781,178)</u>
Total expenditures	<u>1,051,600</u>	<u>3,933,789</u>	<u>(2,882,189)</u>
Excess (deficiency) of revenues over (under) expenditures	594,800	(2,407,884)	(3,002,684)
OTHER FINANCING SOURCES:			
Transfers in	<u>--</u>	<u>1,250,000</u>	<u>1,250,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ <u>594,800</u>	\$ <u>(1,157,884)</u>	\$ <u>(1,752,684)</u>

CITY OF WESTON, FLORIDA

NOTES TO BUDGETARY COMPARISONS SCHEDULES

For the Year Ended September 30, 2006

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 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, 2006, encumbrances outstanding are as follows:

General Fund	\$	472,558
Special Revenue Funds:		
Indian Trace Development District Fund		222,242
Street Maintenance Fund		1,466,690
Bonaventure Development District		2,256
Capital Project Funds:		
Community Facilities Construction Fund		5,782,488
1997 Bond Construction Fund		2,795,997
2002 Bond Construction Fund		<u>360,356</u>
	\$	<u>11,102,587</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, 2006:

	Excess (Deficiency) of Revenues over (under) Expenditures						
	Special Revenue Funds				Capital Project Funds		
	General Fund	Indian Trace Development District	Street Maintenance	Bonaventure Development District	Community Facilities Construction	1997 Bond Construction	2002 Bond Construction
Statement of revenues, expenditures and changes in fund balances	(1) \$ (2,997,813)	(1) \$ 2,295,990	(2) \$ (753,444)	(3) \$ (9,465)	(2) \$ 253,652	(4) \$ (1,247,700)	(4) \$ (5,169)
Net changes in encumbrances	507,278	(69,807)	(404,440)	1,297	(5,397,925)	(1,115,900)	(360,356)
Budgetary comparison schedule	(5) \$ <u>(2,490,535)</u>	(6) \$ <u>2,226,183</u>	(7) \$ <u>(1,157,884)</u>	(8) \$ <u>(8,168)</u>	(9) \$ <u>(5,144,273)</u>	(10) \$ <u>(2,363,600)</u>	(10) \$ <u>(365,525)</u>

(1) see page 23
 (2) see page 24
 (3) see page 62

(4) see page 63
 (5) see page 54
 (6) see page 55

(7) see page 57
 (8) see page 65
 (9) see page 67

(10) see page 68

CITY OF WESTON, FLORIDA

NOTES TO BUDGETARY COMPARISONS SCHEDULES

For the Year Ended September 30, 2006

Excess of Expenditures Over Appropriation in Individual Funds

During the year, the City incurred expenditures that were in excess of the amounts budgeted as follows:

	Final Budget	Actual Amounts	Variance
Major funds:			
Special Revenue Funds:			
Town Foundation	\$ 7,518,101	\$ 7,639,713	\$ (121,612)
Street Maintenance	\$ 1,051,600	\$ 3,933,789	\$ (2,882,189)

The unfavorable variance in the Town Foundation Fund was caused by legal expenditures incurred during the final stages of a law suit with a service provider. This case is now closed. The unfavorable variance in the Street Maintenance Fund was attributable to expenditures incurred in repair and improvement projects due to natural disasters affecting the City's roadways.

	Final Budget	Actual Amounts	Variance
Non-major funds:			
Special Revenue Funds:			
Bonaventure Development District	148,500	252,741	(104,241)
Fire District	5,757,600	5,783,488	(25,888)
Transportation	44,100	47,860	(3,760)
Capital Project Fund:			
1997 Bond Construction	672,362	2,447,412	(1,775,050)

The unfavorable variance in the Bonaventure Development District Fund was caused by the maintenance and operations costs incurred in the District's stormwater management infrastructure. The City has commenced the design of two new stormwater pump facilities to replace its existing aged infrastructure. In addition, actual expenditures for the Fire District and Transportation Fund did exceed final amended budget amounts for capital outlay and contractual services by immaterial amounts.

The unfavorable variance in the 1997 Bond Construction Fund was caused by unexpected change orders to the new public works facility's construction contract.

As previously discussed, the City's budgetary legal level of control is the overall government level. As of September 30, 2006, over all City expenditures against budgetary amounts reported a favorable variance; therefore, the required level of compliance was achieved.

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.

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 the non-roadway portions of the public rights-of-way within the Bonaventure Development District.

Fire District Fund - This fund accounts for revenues generated by non-ad valorem assessment to fund fire protection services in the City.

Transportation Fund - This fund is used to account for resources (fuel taxes) and expenditures activities for public transportation for the City's residents.

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

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.

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.

2002 Bond Construction - This fund is used to account for financing the capital improvements within the Bonaventure Master Plan and the acquisition of Keep Bonaventure Beautiful Corporation.

2003 Bond Construction - This fund is used to account for the construction/improvements of the stormwater management infrastructure in the Isles of Weston community funded with special assessments to the surrounding property owners.

CITY OF WESTON, FLORIDA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2006

	Special Revenue					
	Bonaventure Development District	Bonaventure Rights of Way	Fire District	Transportation	Building Fee	Total
ASSETS:						
Cash and investments	\$ 551,651	\$ 1,302,824	\$ 2,751,767	\$ 358,375	\$ 839,734	5,804,351
Receivables:						
Accounts	--	--	4,786	6,104	74,163	85,053
Interest	852	10,175	12,088	1,492	3,900	28,507
Due from other funds	--	--	6,055	--	343,321	349,376
Due from other governments	--	13,014	--	--	--	13,014
Restricted assets:						
Cash and investments	--	--	--	--	--	--
Interest receivable	--	--	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>552,503</u>	\$ <u>1,326,013</u>	\$ <u>2,774,696</u>	\$ <u>365,971</u>	\$ <u>1,261,118</u>	\$ <u>6,280,301</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 9,837	\$ 67,842	\$ 2,604	\$ --	\$ 231,514	311,797
Unearned revenue	--	--	--	--	634,601	634,601
Due to other funds	6,055	--	224,627	7,875	395,003	633,560
Due to fiduciary funds	2,392	--	--	--	--	2,392
Payable from restricted assets	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>18,284</u>	<u>67,842</u>	<u>227,231</u>	<u>7,875</u>	<u>1,261,118</u>	<u>1,582,350</u>
Fund balances:						
Reserved:						
Encumbrances	2,256	--	--	--	--	2,256
Unreserved:						
Undesignated	<u>531,963</u>	<u>1,258,171</u>	<u>2,547,465</u>	<u>358,096</u>	<u> </u>	<u>4,695,695</u>
Total fund balances	<u>534,219</u>	<u>1,258,171</u>	<u>2,547,465</u>	<u>358,096</u>	<u> </u>	<u>4,697,951</u>
Total liabilities and fund balances	\$ <u>552,503</u>	\$ <u>1,326,013</u>	\$ <u>2,774,696</u>	\$ <u>365,971</u>	\$ <u>1,261,118</u>	\$ <u>6,280,301</u>

Capital Projects

1997 Bond Construction	2002 Bond Construction	2003 Bond Construction	Total	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 5,804,351
-	-	-	-	85,053
-	-	-	-	28,507
-	-	-	-	349,376
-	-	-	-	13,014
1,689,920	534,646	633,546	2,858,112	2,858,112
<u>6,902</u>	<u>2,167</u>	<u>2,527</u>	<u>11,596</u>	<u>11,596</u>
<u>\$ 1,696,822</u>	<u>\$ 536,813</u>	<u>\$ 636,073</u>	<u>\$ 2,869,708</u>	<u>\$ 9,150,009</u>
\$ -	\$ -	\$ -	\$ -	\$ 311,797
-	-	-	-	634,601
120,978	-	-	120,978	754,538
-	-	-	-	2,392
<u>567,606</u>	<u>13,475</u>	<u>-</u>	<u>581,081</u>	<u>581,081</u>
<u>688,584</u>	<u>13,475</u>	<u>-</u>	<u>702,059</u>	<u>2,284,409</u>
2,795,997	360,356	-	3,156,353	3,158,609
<u>(1,787,759)</u>	<u>162,982</u>	<u>636,073</u>	<u>(988,704)</u>	<u>3,706,991</u>
<u>1,008,238</u>	<u>523,338</u>	<u>636,073</u>	<u>2,167,649</u>	<u>6,865,600</u>
<u>\$ 1,696,822</u>	<u>\$ 536,813</u>	<u>\$ 636,073</u>	<u>\$ 2,869,708</u>	<u>\$ 9,150,009</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, 2006

	Special Revenue Funds					
	Bonaventure Development District	Bonaventure Rights of Way	Fire District	Trans- portation	Building Fee	Total
REVENUES:						
Taxes:						
Non ad-valorem assessments	\$ 180,062	\$ 1,381,299	\$ 6,081,754	\$ --	\$ --	\$ 7,643,115
Licenses and permits	--	--	--	--	2,273,833	2,273,833
Investment income	64,047	66,198	149,914	14,769	10,846	305,774
Intergovernmental:						
Local option gas tax	--	--	--	74,039	--	74,039
Miscellaneous	<u>464</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>464</u>
Total revenues	<u>244,573</u>	<u>1,447,497</u>	<u>6,231,668</u>	<u>88,808</u>	<u>2,284,679</u>	<u>10,297,225</u>
EXPENDITURES:						
Current:						
Public safety	--	--	5,678,647	--	146,240	5,824,887
Community development:						
Administrative services	152,430	408,251	--	--	1,782,738	2,343,419
Public works	100,311	707,200	44,880	47,860	--	900,251
General government	--	--	3,272	--	77,028	80,300
Capital outlay	<u>1,297</u>	<u>--</u>	<u>56,689</u>	<u>--</u>	<u>278,673</u>	<u>336,659</u>
Total expenditures	<u>254,038</u>	<u>1,115,451</u>	<u>5,783,488</u>	<u>47,860</u>	<u>2,284,679</u>	<u>9,485,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,465)</u>	<u>332,046</u>	<u>448,180</u>	<u>40,948</u>	<u>--</u>	<u>811,709</u>
Net change in fund balances	<u>(9,465)</u>	<u>332,046</u>	<u>448,180</u>	<u>40,948</u>	<u>--</u>	<u>811,709</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>543,684</u>	<u>926,125</u>	<u>2,099,285</u>	<u>317,148</u>	<u>--</u>	<u>3,886,242</u>
FUND BALANCES AT END OF YEAR	<u>\$ 534,219</u>	<u>\$ 1,258,171</u>	<u>\$ 2,547,465</u>	<u>\$ 358,096</u>	<u>\$ --</u>	<u>\$ 4,697,951</u>

<u>Capital Projects Funds</u>					Total Non-major Governmental Funds
<u>1997 Bond Construction</u>	<u>2002 Bond Construction</u>	<u>2003 Bond Construction</u>	<u>Total</u>		
\$ --	\$ --	\$ --	\$ --	\$	7,643,115
--	--	--	--	--	2,273,833
83,812	22,691	21,203	127,706		433,480
--	--	--	--	--	74,039
--	--	--	--	--	464
<u>83,812</u>	<u>22,691</u>	<u>21,203</u>	<u>127,706</u>		<u>10,424,931</u>
--	--	--	--	--	5,824,887
--	--	--	--	--	2,343,419
--	--	--	--	--	900,251
--	--	--	--	--	80,300
<u>1,331,512</u>	<u>27,860</u>	<u>--</u>	<u>1,359,372</u>		<u>1,696,031</u>
<u>1,331,512</u>	<u>27,860</u>	<u>--</u>	<u>1,359,372</u>		<u>10,844,888</u>
<u>(1,247,700)</u>	<u>(5,169)</u>	<u>21,203</u>	<u>(1,231,666)</u>		<u>(419,957)</u>
<u>(1,247,700)</u>	<u>(5,169)</u>	<u>21,203</u>	<u>(1,231,666)</u>		<u>(419,957)</u>
<u>2,255,938</u>	<u>528,507</u>	<u>614,870</u>	<u>3,399,315</u>		<u>7,285,557</u>
\$ <u>1,008,238</u>	\$ <u>523,338</u>	\$ <u>636,073</u>	\$ <u>2,167,649</u>	\$	<u>6,865,600</u>

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CITY OF WESTON, FLORIDA

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

For the Year Ended September 30, 2006

	<u>Balance October 1 , 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2006</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1995B				
ASSETS:				
Investments	\$ <u>725,524</u>	\$ <u>3,375,457</u>	\$ <u>3,460,753</u>	\$ <u>640,228</u>
LIABILITIES:				
Payable to bond holders	\$ <u>725,524</u>	\$ <u>3,375,457</u>	\$ <u>3,460,753</u>	\$ <u>640,228</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1997				
ASSETS:				
Investments	\$ <u>326,331</u>	\$ <u>329,835</u>	\$ <u>322,962</u>	\$ <u>333,204</u>
LIABILITIES:				
Payable to bond holders	\$ <u>326,331</u>	\$ <u>329,835</u>	\$ <u>322,962</u>	\$ <u>333,204</u>
INDIAN TRACE DEVELOPMENT DISTRICT, TAX BENEFIT FUND				
ASSETS:				
Investments	\$ <u>1,742,989</u>	\$ <u>5,827,966</u>	\$ <u>5,606,207</u>	\$ <u>1,964,748</u>
LIABILITIES:				
Payable to bond holders	\$ <u>1,742,989</u>	\$ <u>5,827,966</u>	\$ <u>5,606,207</u>	\$ <u>1,964,748</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 2003				
ASSETS:				
Investments	\$ <u>300,301</u>	\$ <u>659,947</u>	\$ <u>639,591</u>	\$ <u>320,657</u>
LIABILITIES:				
Payable to bond holders	\$ <u>300,301</u>	\$ <u>659,947</u>	\$ <u>639,591</u>	\$ <u>320,657</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 2005				
ASSETS:				
Investments	\$ <u>894,348</u>	\$ <u>1,763,809</u>	\$ <u>1,763,300</u>	\$ <u>894,857</u>
LIABILITIES:				
Payable to bond holders	\$ <u>894,348</u>	\$ <u>1,763,809</u>	\$ <u>1,763,300</u>	\$ <u>894,857</u>
BONAVENTURE DEVELOPMENT DISTRICT, SERIES 2002				
ASSETS:				
Investments	\$ <u>781,871</u>	\$ <u>963,814</u>	\$ <u>986,363</u>	\$ <u>759,322</u>
LIABILITIES:				
Payable to bond holders	\$ <u>781,871</u>	\$ <u>963,814</u>	\$ <u>986,363</u>	\$ <u>759,322</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Investments	\$ <u>4,771,364</u>	\$ <u>12,920,828</u>	\$ <u>12,779,176</u>	\$ <u>4,913,016</u>
Total assets	\$ <u>4,771,364</u>	\$ <u>12,920,828</u>	\$ <u>12,779,176</u>	\$ <u>4,913,016</u>
LIABILITIES:				
Payable to bond holders	\$ <u>4,771,364</u>	\$ <u>12,920,828</u>	\$ <u>12,779,176</u>	\$ <u>4,913,016</u>
Total liabilities	\$ <u>4,771,364</u>	\$ <u>12,920,828</u>	\$ <u>12,779,176</u>	\$ <u>4,913,016</u>

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISON SCHEDULES - NON-MAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2006

	Fire District			Bonaventure Development District		
	Original and Final Budget	Actual Amounts	Variance	Original and Final Budget	Actual Amounts	Variance
REVENUES:						
Taxes:						
Non ad-valorem assessments	\$ 5,771,500	\$ 6,081,754	\$ 310,254	\$ 188,500	\$ 180,062	\$ (8,438)
Intergovernmental:						
Local option gas tax	--	--	--	--	--	--
Investment income	8,600	149,914	141,314	10,000	64,047	54,047
Charges for services	--	--	--	--	--	--
Miscellaneous income	--	--	--	--	464	464
Total revenues	<u>5,780,100</u>	<u>6,231,668</u>	<u>451,568</u>	<u>198,500</u>	<u>244,573</u>	<u>46,073</u>
 EXPENDITURES:						
Current:						
General government	28,900	3,272	25,628	--	--	--
Community development:						
Administrative services	--	--	--	34,500	152,430	(117,930)
Public safety	5,678,700	5,678,647	53	--	--	--
Public works	30,000	41,813	(11,813)	114,000	100,311	13,689
Capital outlay	<u>20,000</u>	<u>59,756</u>	<u>(39,756)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>5,757,600</u>	<u>5,783,488</u>	<u>(25,888)</u>	<u>148,500</u>	<u>252,741</u>	<u>(104,241)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 22,500</u>	<u>\$ 448,180</u>	<u>\$ 425,680</u>	<u>\$ 50,000</u>	<u>\$ (8,168)</u>	<u>\$ (58,168)</u>

<u>Bonaventure Rights of Way</u>			<u>Transportation</u>			<u>Building Fee</u>		
<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ 1,446,000	\$ 1,381,299	\$ (64,701)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	71,400	74,039	2,639	--	--	--
12,700	66,198	53,498	6,900	14,769	7,869	3,700	10,846	7,146
--	--	--	--	--	--	2,950,000	2,273,833	(676,167)
--	--	--	--	--	--	--	--	--
<u>1,458,700</u>	<u>1,447,497</u>	<u>(11,203)</u>	<u>78,300</u>	<u>88,808</u>	<u>10,508</u>	<u>2,953,700</u>	<u>2,284,679</u>	<u>(669,021)</u>
14,500	--	14,500	--	--	--	525,000	77,028	447,972
331,100	408,251	(77,151)	--	--	--	2,000,000	1,729,258	270,742
--	--	--	--	--	--	150,000	146,240	3,760
933,100	679,557	253,543	44,100	47,860	(3,760)	--	--	--
<u>100,000</u>	<u>27,643</u>	<u>72,357</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>332,153</u>	<u>(332,153)</u>
<u>1,378,700</u>	<u>1,115,451</u>	<u>263,249</u>	<u>44,100</u>	<u>47,860</u>	<u>(3,760)</u>	<u>2,675,000</u>	<u>2,284,679</u>	<u>390,321</u>
<u>\$ 80,000</u>	<u>\$ 332,046</u>	<u>\$ 252,046</u>	<u>\$ 34,200</u>	<u>\$ 40,948</u>	<u>\$ 6,748</u>	<u>\$ 278,700</u>	<u>\$ --</u>	<u>\$ (278,700)</u>

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISON SCHEDULES - CAPITAL PROJECT FUNDS

For the Year Ended September 30, 2006

	Community Facilities Construction			
	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
REVENUES:				
Taxes:				
Franchise fees	\$ 3,018,400	\$ 2,897,818	\$ 2,740,888	\$ (156,930)
Utility taxes - electric	1,378,000	--	--	--
Investment income	<u>27,500</u>	<u>163,078</u>	<u>163,078</u>	<u>--</u>
Total revenues	<u>4,423,900</u>	<u>3,060,896</u>	<u>2,903,966</u>	<u>(156,930)</u>
EXPENDITURES:				
Current:				
Public works	--	--	--	--
Capital outlay	19,650,000	7,752,278	6,773,712	978,566
Debt service:				
Principal	2,545,400	2,515,796	2,515,796	--
Interest and fiscal charges	<u>528,500</u>	<u>225,091</u>	<u>225,091</u>	<u>--</u>
Total expenditures	<u>22,723,900</u>	<u>10,493,165</u>	<u>9,514,599</u>	<u>978,566</u>
Excess (deficiency) of revenues over (under) expenditures	(18,300,000)	(7,432,269)	(6,610,633)	821,636
OTHER FINANCING SOURCES:				
Notes proceeds	16,650,000	--	--	--
Transfers in	<u>--</u>	<u>--</u>	<u>1,466,360</u>	<u>1,466,360</u>
Total other financing sources	<u>16,650,000</u>	<u>--</u>	<u>1,466,360</u>	<u>1,466,360</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ <u><u>(1,650,000)</u></u>	\$ <u><u>(7,432,269)</u></u>	\$ <u><u>(5,144,273)</u></u>	\$ <u><u>2,287,996</u></u>

1997 Bond Construction			2002 Bond Construction		
Original and Final Budget	Actual Amounts	Variance	Original and Final Budget	Actual Amounts	Variance
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
<u>19,300</u>	<u>83,812</u>	<u>64,512</u>	<u>1,300</u>	<u>22,691</u>	<u>21,391</u>
<u>19,300</u>	<u>83,812</u>	<u>64,512</u>	<u>1,300</u>	<u>22,691</u>	<u>21,391</u>
--	--	--	150,000	--	150,000
672,362	2,447,412	(1,775,050)	319,059	388,216	(69,157)
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>672,362</u>	<u>2,447,412</u>	<u>(1,775,050)</u>	<u>469,059</u>	<u>388,216</u>	<u>80,843</u>
(653,062)	(2,363,600)	(1,710,538)	(467,759)	(365,525)	102,234
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u><u>(653,062)</u></u>	\$ <u><u>(2,363,600)</u></u>	\$ <u><u>(1,710,538)</u></u>	\$ <u><u>(467,759)</u></u>	\$ <u><u>(365,525)</u></u>	\$ <u><u>102,234</u></u>

CITY OF WESTON, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE

September 30, 2006

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	10,739,199
Construction-in-progress		7,640,447
Infrastructure and improvements		172,555,938
Buildings		6,368,587
Machinery and equipment		<u>2,911,634</u>
Total governmental funds capital assets	\$	<u><u>200,215,805</u></u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS:

Capital Projects Funds	\$	164,240,387
Special Revenue Funds		12,787,011
General Fund		12,774,689
Contributions		<u>10,413,718</u>
Total investment in governmental funds capital assets	\$	<u><u>200,215,805</u></u>

CITY OF WESTON, FLORIDA

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

September 30, 2006

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Infrastructure and Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
GENERAL GOVERNMENT:						
City Manager/City Clerk	\$ --	\$ 753,214	\$ --	\$ --	\$ 136,341	\$ 889,555
City Commission	<u>--</u>	<u>4,774</u>	<u>--</u>	<u>--</u>	<u>33,005</u>	<u>37,779</u>
Total general government	<u>--</u>	<u>753,214</u>	<u>4,774</u>	<u>--</u>	<u>169,346</u>	<u>927,334</u>
PUBLIC SAFETY:						
Fire services	--	--	284,543	2,303,918	238,241	2,826,702
Police services	<u>--</u>	<u>218,021</u>	<u>55,875</u>	<u>1,653,028</u>	<u>118,104</u>	<u>2,045,028</u>
Total public safety	<u>--</u>	<u>218,021</u>	<u>340,418</u>	<u>3,956,946</u>	<u>356,345</u>	<u>4,871,730</u>
COMMUNITY DEVELOPMENT:						
Field maintenance	--	--	916,119	--	54,757	970,876
Administrative services	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>184,800</u>	<u>184,800</u>
Total community development	<u>--</u>	<u>--</u>	<u>916,119</u>	<u>--</u>	<u>239,557</u>	<u>1,155,676</u>
PARKS AND RECREATION:						
Parks	5,320,084	445,358	25,246,260	2,090,860	835,567	33,938,129
PUBLIC WORKS:						
Water management	5,419,115	1,751,326	121,339,575	320,781	1,228,477	130,059,274
Roadways/rights of way	--	2,562,411	20,499,692	--	82,342	23,144,445
Signs/signals	--	1,910,117	2,878,641	--	--	4,788,758
Streetlights	<u>--</u>	<u>--</u>	<u>1,330,459</u>	<u>--</u>	<u>--</u>	<u>1,330,459</u>
Total public works	<u>5,419,115</u>	<u>6,223,854</u>	<u>146,048,367</u>	<u>320,781</u>	<u>1,310,819</u>	<u>159,322,936</u>
Total governmental funds capital assets	<u>\$ 10,739,199</u>	<u>\$ 7,640,447</u>	<u>\$ 172,555,938</u>	<u>\$ 6,368,587</u>	<u>\$ 2,911,634</u>	<u>\$ 200,215,805</u>

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, 2006

Function and Activity	Governmental Funds Capital Assets October 1, 2005	Additions	Deletions	Governmental Funds Capital Assets September 30, 2006
GENERAL GOVERNMENT:				
City Manager/City Clerk	\$ 164,758	\$ 782,749	\$ 57,952	\$ 889,555
City Commission	<u>37,779</u>	<u>--</u>	<u>--</u>	<u>37,779</u>
Total general government	<u>202,537</u>	<u>782,749</u>	<u>57,952</u>	<u>927,334</u>
PUBLIC SAFETY:				
Fire services	2,705,675	121,027	--	2,826,702
Police services	<u>1,847,556</u>	<u>218,021</u>	<u>20,549</u>	<u>2,045,028</u>
Total public safety	<u>4,553,231</u>	<u>339,048</u>	<u>20,549</u>	<u>4,871,730</u>
COMMUNITY DEVELOPMENT:				
Field maintenance	970,876	--	--	970,876
Administrative services	<u>--</u>	<u>184,800</u>	<u>--</u>	<u>184,800</u>
Total community development	<u>970,876</u>	<u>184,800</u>	<u>--</u>	<u>1,155,676</u>
PARKS AND RECREATION:				
Parks	34,377,314	758,919	1,198,104	33,938,129
PUBLIC WORKS:				
Water management	128,538,132	2,405,695	884,553	130,059,274
Roadways/rights of way	20,222,263	3,030,430	108,248	23,144,445
Signs/signals	3,836,735	2,300,504	1,348,481	4,788,758
Streetlights	<u>1,313,640</u>	<u>16,819</u>	<u>--</u>	<u>1,330,459</u>
Total public works	<u>153,910,770</u>	<u>7,753,448</u>	<u>2,341,282</u>	<u>159,322,936</u>
Total governmental funds capital assets	\$ <u><u>194,014,728</u></u>	\$ <u><u>9,818,964</u></u>	\$ <u><u>3,617,887</u></u>	\$ <u><u>200,215,805</u></u>

CITY OF WESTON, FLORIDA

STATISTICAL SECTION

For the Year Ended September 30, 2006

	CONTENTS	<u>PAGES</u>
FINANCIAL TRENDS		
	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	72-76
REVENUE CAPACITY		
	These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.	77-80
DEBT CAPACITY		
	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	81-85
DEMOGRAPHIC AND ECONOMIC INFORMATION		
	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	86-87
OPERATING INFORMATION		
	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	88-90

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information include information beginning in that year.*

CITY OF WESTON, FLORIDA

Table 1

NET ASSETS BY COMPONENT

LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2003	2004	2005	2006
GOVERNMENTAL ACTIVITIES:				
Invested in capital assets, net of related debt	\$ 147,624,298	\$ 166,307,694	\$ 176,641,330	\$ 183,105,340
Restricted	11,852,025	7,002,328	20,170,231	21,617,160
Unrestricted	<u>65,998,667</u>	<u>57,546,962</u>	<u>43,485,381</u>	<u>40,426,341</u>
Total governmental activities net assets	\$ <u>225,474,990</u>	\$ <u>230,856,984</u>	\$ <u>240,296,942</u>	\$ <u>245,148,841</u>
BUSINESS-TYPE ACTIVITIES:				
Invested in capital assets, net of related debt	\$ 24,630,772	\$ 24,393,476	\$ 28,440,906	\$ 27,970,953
Restricted	--	--	--	1,882,627
Unrestricted	<u>20,002,513</u>	<u>21,405,104</u>	<u>20,811,091</u>	<u>19,727,526</u>
Total business-type activities net assets	\$ <u>44,633,285</u>	\$ <u>45,798,580</u>	\$ <u>49,251,997</u>	\$ <u>49,581,106</u>
PRIMARY GOVERNMENT:				
Invested in capital assets, net of related debt	\$ 172,255,070	\$ 190,701,170	\$ 205,082,236	\$ 211,076,293
Restricted	11,852,025	7,002,328	20,170,231	23,499,787
Unrestricted	<u>86,001,180</u>	<u>78,952,066</u>	<u>64,296,472</u>	<u>60,153,867</u>
Total primary government net assets	\$ <u>270,108,275</u>	\$ <u>276,655,564</u>	\$ <u>289,548,939</u>	\$ <u>294,729,947</u>

Note: The City began to report accrual information when it implemented GASB 34 in fiscal year 2003.

CITY OF WESTON, FLORIDA

Table 2

CHANGES IN NET ASSETS

LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2003	2004	2005	2006
EXPENSES:				
Governmental activities:				
General government	\$ 8,821,581	\$ 8,839,265	\$ 12,172,276	\$ 12,876,372
Public safety	16,300,578	14,356,677	15,670,056	17,881,279
Community development	3,616,475	2,264,049	1,913,021	4,018,553
Public works	6,006,271	11,025,247	11,081,826	12,037,924
Parks and recreation	3,840,327	4,941,431	5,745,633	7,608,388
Interest on long-term debt	403,891	361,879	262,269	194,548
Hurricane expenses	--	--	--	13,840,456
Total governmental activities expenses	<u>38,989,123</u>	<u>41,788,548</u>	<u>46,845,081</u>	<u>68,457,520</u>
Business-type activities:				
Water and sewer	<u>16,016,476</u>	<u>16,438,571</u>	<u>16,892,919</u>	<u>17,072,029</u>
Total business-type activities expenses	<u>16,016,476</u>	<u>16,438,571</u>	<u>16,892,919</u>	<u>17,072,029</u>
Total primary government expenses	\$ <u><u>55,005,599</u></u>	\$ <u><u>58,227,119</u></u>	\$ <u><u>63,738,000</u></u>	\$ <u><u>85,529,549</u></u>
PROGRAM REVENUES:				
Governmental activities:				
General government	\$ 5,159,755	\$ 6,649,687	\$ 8,789,545	\$ 8,947,381
Public safety	10,606,059	6,303,833	6,801,676	8,015,129
Community development	8,918,578	3,023,032	750,331	3,091,095
Public works	8,281,598	10,633,994	10,674,712	14,003,502
Parks and recreation	690,785	557,151	811,223	1,534,573
Interest on long-term debt	--	--	--	--
Hurricane expenses	--	--	--	6,320,071
Total governmental activities program revenues	<u>33,656,775</u>	<u>27,167,697</u>	<u>27,827,487</u>	<u>41,911,751</u>
Business-type activities:				
Water and sewer	<u>15,463,118</u>	<u>16,715,067</u>	<u>19,751,693</u>	<u>15,684,342</u>
Total business-type activities program revenues	<u>15,463,118</u>	<u>16,715,067</u>	<u>19,751,693</u>	<u>15,684,342</u>
Total primary government program revenues	49,119,893	43,882,764	47,579,180	57,596,093
NET (EXPENSE)/REVENUE:				
Governmental activities	(5,332,348)	(14,620,851)	(19,017,594)	(26,545,769)
Business-type activities	<u>(553,358)</u>	<u>276,496</u>	<u>2,858,774</u>	<u>(1,387,687)</u>
Total primary government net expense	\$ <u><u>(5,885,706)</u></u>	\$ <u><u>(14,344,355)</u></u>	\$ <u><u>(16,158,820)</u></u>	\$ <u><u>(27,933,456)</u></u>

CITY OF WESTON, FLORIDA

Table 2

CHANGES IN NET ASSETS (continued)

LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2003	2004	2005	2006
GENERAL REVENUE AND OTHER				
CHANGES IN NET ASSETS:				
Governmental activities:				
Property taxes	\$ 10,342,675	\$ 7,814,286	\$ 8,692,416	\$ 9,687,605
Utilities taxes	6,977,459	3,824,977	4,078,750	4,200,623
Franchise taxes	401,753	7,592,385	8,201,060	8,997,082
Intergovernmental	5,316,029	4,879,282	5,903,766	4,887,711
Investment income	2,007,798	1,047,103	1,275,412	3,263,740
Miscellaneous	346,610	131,419	306,148	360,907
Special item	--	(5,156,372)	--	--
Total governmental activities	25,392,324	20,133,080	28,457,552	31,397,668
Business-type activities:				
Investment income	789,439	416,429	380,199	889,661
Miscellaneous	180,785	269,290	214,444	827,135
Total business-type activities	970,224	685,719	594,643	1,716,796
Total primary government	26,362,548	20,818,799	29,052,195	33,114,464
CHANGES IN NET ASSETS:				
Governmental activities	20,059,976	5,512,229	9,439,958	4,851,899
Business-type activities	416,866	962,215	3,453,417	329,109
Total primary government	\$ 20,476,842	\$ 6,474,444	\$ 12,893,375	\$ 5,181,008

Note 1: The City began to report accrual information when it implemented GASB 34 in fiscal year 2003

Note 2: Data in this table was restated with respect to prior CAFRs to more accurately depict tax revenues' relationship to functional services: Program revenues; governmental activities for all prior years; and property taxes for fiscal year 2003.

CITY OF WESTON, FLORIDA

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund:				
Reserved	\$ --	\$ 709,522	\$ 991,453	\$ 910,641
Unreserved	<u>29,858,075</u>	<u>33,653,887</u>	<u>37,732,682</u>	<u>34,815,681</u>
Total General Fund	\$ <u>29,858,075</u>	\$ <u>34,363,409</u>	\$ <u>38,724,135</u>	\$ <u>35,726,322</u>
All other governmental funds:				
Reserved	11,852,026	9,541,504	4,478,724	10,631,319
Unreserved, reported in:				
Special Revenue Funds	16,122,942	14,745,067	15,847,694	17,757,033
Capital Projects Funds	14,648,800	5,822,857	4,880,038	(1,781,446)
Debt Service Funds	<u>350,708</u>	<u>367,668</u>	<u>--</u>	<u>--</u>
Total all other governmental funds	\$ <u>42,974,476</u>	\$ <u>30,477,096</u>	\$ <u>25,206,456</u>	\$ <u>26,606,906</u>

CITY OF WESTON, FLORIDA

Table 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2003	2004	2005	2006
REVENUES:				
Taxes	\$ 31,461,672	\$ 32,220,554	\$ 35,237,559	\$ 39,765,959
Licenses and permits	732,037	840,778	787,695	2,946,683
Intergovernmental	5,316,029	5,909,695	6,359,719	14,174,159
Charges for services	10,035,663	9,757,728	11,686,201	12,184,966
Fines and forfeitures	404,579	410,047	354,799	320,073
Community fees	334,510	--	--	--
Investment income	2,007,797	1,047,103	1,275,412	3,263,740
Contributions from property owners	8,339,101	1,799,587	--	--
Miscellaneous	346,609	528,766	583,654	653,839
Total revenues	58,977,997	52,514,258	56,285,039	73,309,419
EXPENDITURES:				
Current:				
General government	8,738,757	8,785,406	12,142,158	12,780,145
Public safety	16,192,125	14,213,721	15,543,537	17,702,588
Community development	3,592,089	2,251,951	1,896,721	3,974,971
Public works	5,055,961	10,173,657	10,163,422	10,940,335
Parks and recreation	3,503,973	4,399,639	5,290,405	6,669,242
Hurricane expenses	--	--	--	16,420,915
Capital outlay	12,783,855	12,342,760	8,944,319	6,258,158
Debt service:				
Principal	8,758,202	2,656,849	2,908,225	2,515,796
Interest	414,007	395,714	306,166	225,091
Total expenditures	59,038,969	55,219,697	57,194,953	77,487,241
Excess of revenues over (under) expenditures	(60,972)	(2,705,439)	(909,914)	(4,177,822)
OTHER FINANCING SOURCES (USES):				
Bonds/notes issued	15,102,807	--	--	--
Transfers in	2,142,914	688,826	313,658	2,716,360
Transfers out	(2,142,914)	(688,826)	(313,658)	(2,716,360)
Special item	--	(5,156,372)	--	--
Insurance proceeds	--	--	--	2,580,459
Total other financing sources (uses)	15,102,807	(5,156,372)	--	2,580,459
Net change in fund balances	\$ 15,041,835	\$ (7,861,811)	\$ (909,914)	\$ (1,597,363)
Debt services as a percentage of noncapital expenditures	19.83%	7.12%	6.66%	3.85%

CITY OF WESTON, FLORIDA

Table 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST FOUR FISCAL YEARS

Fiscal Year	Residential	Commercial	Industrial	Other*	Less: Tax Exemptions	Total Taxable Assessed Value	City Direct Tax Rate	Estimated Actual Taxable Value	Total Assessed Value as a Percentage of Taxable Value
2003	\$ 4,881,991,290	\$ 392,811,230	\$ 185,989,730	\$ 232,266,810	\$ 513,024,110	\$ 5,180,034,950	1.5235	\$ 6,422,859,800	80.65%
2004	5,391,327,010	482,181,330	199,809,270	225,923,120	554,158,020	5,745,082,710	1.5235	7,281,530,860	78.90%
2005	6,044,216,480	497,258,120	220,516,620	259,935,000	604,627,480	6,417,298,740	1.5235	8,389,658,410	76.49%
2006	7,106,462,440	612,896,850	268,209,720	358,087,050	712,343,790	7,633,312,270	1.5235	10,757,629,530	70.96%

* Other includes: agricultural, institutional, government, miscellaneous and non-agricultural acreage.

CITY OF WESTON, FLORIDA

Table 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST FOUR FISCAL YEARS

Fiscal Year	City Direct Rate	Overlapping Rates							
		Broward County	Broward School District	South Florida Water Management District	Florida Inland Navigation District	Children's Services Council	North Broward Hospital District*	South Broward Hospital District*	
2003	1.5235 \$	7.3650 \$	8.8250 \$	0.6970 \$	0.0385 \$	0.3316 \$	2.4803 \$	1.7336 \$	
2004	1.5235	7.1880	8.4176	0.6970	0.0385	0.3920	2.5000	1.7336	
2005	1.5235	7.0230	8.2695	0.6970	0.0385	0.4231	2.4803	1.5761	
2006	1.5235	6.0661	7.8687	0.6970	0.0385	0.4073	1.8317	1.3300	

Source: Broward County Property Appraiser

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

* A resident will pay either the North Broward Hospital District tax or the South Broward Hospital District tax but not both.

CITY OF WESTON, FLORIDA

Table 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND THREE YEARS AGO

Taxpayer	2006			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cocowalk Developers, Inc.	\$ 131,410,390	1	1.72%	\$ 132,670,570	1	2.56%
TCC Partners - Cleveland Clinic Hospital	100,138,600	2	1.31%	71,985,250	2	1.39%
Berkley Vacation Resorts, Inc.	78,949,500	3	1.03%	54,660,400	3	1.06%
Westview Resorts Corp.	78,665,070	4	1.03%	--	--	--
Bonaventure Hotel Association, Ltd.	73,164,500	5	0.96%	--	--	--
San Michelle, LLC	41,642,850	6	0.55%	34,264,600	5	0.66%
Weston Apartments Corp.	39,068,030	7	0.51%	33,519,310	6	0.65%
Estates of Swan Lake Corp.	35,966,260	8	0.47%	--	--	--
San Michelle, LLC	29,072,050	9	0.38%	23,907,910	8	0.46%
Fairlake at Weston, LP	28,078,390	10	0.37%	25,961,860	7	0.50%
Meridian Business Campus	--	--	--	39,618,160	4	0.76%
Patriot American Hospitality	--	--	--	20,594,760	9	0.40%
Clover Weston, LLC	--	--	--	19,267,760	10	0.37%
Total	\$ 636,155,640		8.33%	\$ 456,450,580		8.81%

CITY OF WESTON, FLORIDA

Table 8

PROPERTY TAX LEVIES AND COLLECTIONS

LAST FOUR FISCAL YEARS

Fiscal Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 6,991,500	\$ 6,866,836	98.22%	\$ *	\$ 6,866,836	98.22%
2004	8,040,968	7,814,286	97.18%	*	7,814,286	97.18%
2005	8,773,596	8,692,416	99.07%	*	8,692,416	99.07%
2006	9,955,729	9,687,605	97.31%	*	9,687,605	97.31%

* Not available

CITY OF WESTON, FLORIDA

Table 9

RATIO OF OUTSTANDING DEBT BY TYPE

LAST FOUR FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Community Facilities Construction Notes	Capital Projects Special Assessment Notes	Water and Sewer Revenue Bonds	Capital Leases					
2003	\$ --	\$ 13,920,853	\$ 744,063	\$ 1,120,000	--	\$ --	\$ 15,784,916	0.820%	266	
2004	--	11,543,464	464,603	780,000	--	--	12,788,067	0.628%	211	
2005	--	9,099,842	--	410,000	--	--	9,509,842	*	156	
2006	--	6,584,046	--	--	--	--	6,584,046	*	107	

*: Personal income data from the U.S. Department of Commerce, Bureau of Economic Analysis beyond 2004 is currently unavailable.

CITY OF WESTON, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
September 30, 2006

Table 10

The City currently has no general obligation debt.

CITY OF WESTON, FLORIDA

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2006

<u>Government Unit</u>	<u>Net Debt Outstanding</u>		<u>Percentage Applicable to Weston</u>	<u>Amount Applicable to Weston</u>
Broward County	\$ 575,384,000	(1)	5.11%	\$ 29,402,122
Broward School District	54,056,000	(1)	5.11%	2,762,262
City of Weston	--		--	<u>--</u>
Total direct and overlapping debt				\$ <u><u>32,164,384</u></u>

Sources:

(1) Broward County 2006 Comprehensive Annual Financial Report

CITY OF WESTON, FLORIDA
LEGAL DEBT MARGIN INFORMATION
September 30, 2006

Table 12

The City Charter does not set a debt margin.

CITY OF WESTON, FLORIDA

Table 13

PLEDGED-REVENUE COVERAGE

LAST FOUR FISCAL YEARS

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2003	\$ 15,060,786	\$ 14,985,280	\$ 75,506	\$ 310,000	\$ 124,316	0.17
2004	15,550,904	15,443,578	107,326	340,000	74,425	0.26
2005	15,513,580	15,870,499	(356,919)	370,000	58,012	--
2006	15,651,294	17,072,029	(1,420,735)	410,000	19,898	--

Fiscal Year	Community Facilities Construction Notes			Capital Projects Special Assessments Notes		
	Franchise Fees	Debt Service Principal Interest	Coverage	Special Assessment Collections	Debt Service Principal Interest	Coverage
2003	\$ --	\$ --	--	\$ 461,087	\$ 288,572	1.44
2004	3,416,243	2,377,388	1.25	256,175	279,461	0.82
2005	3,519,731	2,443,623	1.28	27,663	464,602	0.06
2006	2,740,888	2,511,620	1.00	--	--	--

Note: The water and sewer revenue bonds and community facilities construction notes were retired in fiscal year 2006. The capital projects special assessment notes were retired in fiscal year 2005.

CITY OF WESTON, FLORIDA

Table 14

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST FOUR FISCAL YEARS

Calendar Year	Estimated Population	Estimated Personal Income (Thousands of Dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent of Population 25 Years or Over With		Median Home Value	Unemployment Rate
						High School or Higher	Bachelor's Degree or Higher		
2003	59,314	\$ 1,914,656	\$ 32,280	--	--	--	--	--	3.9%
2004	60,636	2,062,109	34,008	--	--	--	--	--	3.3%
2005	61,042	--	--	83,313	34.2	96.7%	58.9%	431,200	2.6%
2006	61,629	--	--	--	--	--	--	--	2.1%

Note: Population data reported as of April 1st. All other data reported as of December 31st.

City Population data from University of Florida Bureau of Economic and Business Research Per Capita Income data from the U.S. Department of Commerce, Bureau of Economic Analysis for Broward County Unemployment data from U.S. Department of Labor, Bureau of Labor Statistics for the City of Weston. All other data from U.S. Census American Community Survey which did not start reporting Weston until 2005.

CITY OF WESTON, FLORIDA

Table 15

PRINCIPAL EMPLOYERS

September 30, 2006

The information was not available from the City's Chamber of Commerce and the City does not have a Department of Economic Development.

CITY OF WESTON, FLORIDA

Table 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST FOUR FISCAL YEARS

	Full-Time Equivalent Employees as of September 30			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
City Commission	5	5	5	5
City Management	3	3	3	3
Contracted employees:				
General government:				
Management services	7	7	7	8
Finance	3	3	3	3
Community services*	23	23	23	23
Fire rescue	59	59	65	65
Emergency medical services	41	41	41	41
Police protection	<u>85</u>	<u>91</u>	<u>93</u>	<u>98</u>
Total	<u><u>226</u></u>	<u><u>232</u></u>	<u><u>240</u></u>	<u><u>246</u></u>

* Community services includes public works and parks and recreation.

CITY OF WESTON, FLORIDA

Table 17

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST FOUR FISCAL YEARS

Function/Program	2003	2004	2005	2006
General government:				
Building permits issued	*	*	*	6,431
Building inspections conducted	34,707	28,096	*	11,809
Occupational licenses	1,455	2,785	2,557	2,156
Fire:				
Emergency responses	4,452	4,912	5,126	5,510
Inspections	1,364	1,959	1,815	2,391
Police:				
Physical arrests	2,158	1,520	1,109	2,368
Parking violations	966	458	300	248
Traffic violations	14,429	7,353	4,977	7,795
Refuse collection:				
Refuse collected (tons per day)	**	**	**	**
Recyclables collected (tons per day)	**	**	3,982	3,709
Other public works:				
Street resurfacing (in miles)	***	***	***	2.7
Potholes repaired	250	250	250	250
Parks and recreation:				
Athletic programs	10	10	10	10
Sports alliance registrants	8,995	9,120	10,034	10,400
Community center admissions (program participants)	2,400	3,400	4,800	4,500
Library:				
Volumes in collection	14,413	17,766	56,766	81,394
Total volumes borrowed	88,007	99,306	113,983	333,131
Water:				
New connections	1,664	557	109	22
Water main breaks	2	--	1	3
Average daily consumption (thousands of gallons)	8,778	9,290	10,326	9,875
Peak monthly consumption (thousands of gallons)	306,747	332,453	329,118	348,589
Wastewater:				
Average daily sewage treatment (thousands of gallons)	6,885	8,463	8,542	8,378

* Data not available from Broward County
 ** Data not available from All Service Refuse, Inc.
 *** Data not available from Calvin, Girodano & Associates

CITY OF WESTON, FLORIDA

Table 18

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST FOUR FISCAL YEARS

Function/Program	2003	2004	2005	2006
Fire stations	3	3	3	3
Police:				
Stations	1	1	1	1
Patrol units	75	81	83	82
Refuse collection:				
Collection trucks	*	*	*	*
Other public works:				
Streets (miles)	41	41	41	41
Bike lanes (miles)	46	46	46	46
Highways (miles)	42	42	42	42
Streetlights	1,323	1,323	1,323	1,323
Traffic signals	**	**	**	**
Parks and recreation:				
Acreage	202	202	232	232
Playgrounds	9	9	10	11
Baseball/softball diamonds	17	21	21	21
Soccer/football fields	14	18	18	18
Basketball courts	9	9	9	9
Roller hockey rinks	11	9	9	9
Tennis courts***	18	18	18	18
Skate parks	--	1	1	1
Amphitheater	1	1	1	1
Outdoor concert stage	--	1	1	1
Pools****	--	--	--	--
Community centers	1	1	1	1
Water:				
Water mains (miles)	205	205	205	205
Fire hydrants	1,518	1,518	1,518	1,518
Storage capacity	19.6	19.6	19.6	***** 18.8
Lakes and canals (acres)	1,877	1,877	1,877	1,877
Wastewater:				
Sanitary sewers (miles)	127	127	127	127
Storm sewers (miles)	95	95	95	95
Treatment capacity (thousands of gallons)	30.99	30.99	30.99	30.99

* Data not available from All Service Refuse, Inc.

** Data not available from Calvin, Giordano & Associates.

*** 16 Court Cliff Drysdale tennis center available.

**** YMCA located at Regional Park will have olympic pool complete in 2007. 6,000 square feet facility located at Regional Park.

***** 0.8 MG at Park City was taken out of service after Hurricane Wilma. A 5 MG storage tank will be completed at Sawgrass in May 2007.

CITY OF WESTON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2006

Federal/State Agency Pass-through Entity Federal Program/State Project FEDERAL AGENCY NAME:	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
Indirect Programs: United States Department of Homeland Security - Passed through the State of Florida Department of Community Affairs Public Assistance Grants	*	97.036 06-WL-&K-11-16-02-711	\$ 5,427,447	\$ --
United States Department of Transportation, Federal Highway Administration - Passed through the State of Florida Department of Transportation Highway Planning and Construction	*	20.205 AOD-27	3,396,283	--
United States Department of Interior, National Park Service - Passed through the State of Florida Department of Environmental Protection Outdoor Recreation - Acquisition, Development and Planning		15.916 LW441	<u>200,000</u> 9,023,730	<u>--</u> <u>--</u>
Total Federal Agency			\$ <u>9,023,730</u>	\$ <u>--</u>
Total Expenditures of Federal Awards				
STATE AGENCY NAME: Direct project: State of Florida Department of Environmental Protection - Florida Recreation Development Assistance Program	** **	37.017 37.017 F4021 F5043	\$ 200,000 200,000	\$ -- --
Indirect project: State of Florida Department of Transportation - Passed through Broward County County Incentive Grant Program	**	55.008 413170-1-54-01	<u>330,953</u> 730,953	<u>--</u> <u>--</u>
Total State Agency			\$ <u>730,953</u>	\$ <u>--</u>
Total Expenditures of State Financial Assistance			\$ <u>730,953</u>	\$ <u>--</u>

* Denotes a major program
** Denotes a major project

See Notes to Schedule of Federal Awards and State Financial Assistance, Other State Funding and Local Financial Assistance

CITY OF WESTON, FLORIDA

SCHEDULE OF EXPENDITURES OF OTHER STATE FUNDING

For the Year Ended September 30, 2006

<u>Grantor</u>	<u>Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
OTHER STATE FUNDING:			
United States Department of Homeland Security - Passed through the State of Florida Department of Community Affairs Public Assistance Grants	06-WL-&K-11-16-02-711	\$ <u>892,624</u>	\$ <u> --</u>
Total Expenditures of Local Financial Assistance		\$ <u><u>892,624</u></u>	\$ <u><u> --</u></u>

See Notes to Schedule of Federal Awards and State Financial Assistance,
Other State Funding and Local Financial Assistance

CITY OF WESTON, FLORIDA

SCHEDULE OF LOCAL FINANCIAL ASSISTANCE

For the Year Ended September 30, 2006

<u>Grantor</u>	<u>Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Broward County Challenge Grant Program - Tequesta Trace Park	WES-C-002	\$ <u>500,000</u>	\$ <u>--</u>
Total Expenditures of Local Financial Assistance		\$ <u><u>500,000</u></u>	\$ <u><u>--</u></u>

See Notes to Schedule of Federal Awards and State Financial Assistance,
Other State Funding and Local Financial Assistance

CITY OF WESTON, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE, OTHER STATE FUNDING AND LOCAL FINANCIAL ASSISTANCE

For the Year Ended September 30, 2006

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards and state financial assistance includes the Federal and state grant activity of the City of Weston and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The schedules of other state funding and local financial assistance are presented for purposes of additional analysis and are not a requirement of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; nor Chapter 10.550, Rules of the Auditor General.

NOTE B - ESTIMATES

Grant and contract revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. The preparation of these schedules require management to make estimates and assumptions that affect the reported amounts of assets at the date of the basic financial statements and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

Grant related expenditures made by the City of Weston are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned and/or pending reimbursements deemed unallowable.

CITY OF WESTON, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FEDERAL PROGRAMS AND STATE PROJECTS

For the Year Ended September 30, 2006

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements.
2. No reportable conditions relating to the audit of the basic financial statements are reported in the 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.
3. No instances of noncompliance material to the basic financial statements of City of Weston, Florida, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major Federal programs or state projects are reported in the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project.
5. The auditors' report on compliance for the major Federal programs and state projects for City of Weston, Florida expresses an unqualified opinion.
6. No audit findings relative to the major Federal programs or state projects for City of Weston, Florida are reported in Part C of this schedule.
7. The programs/projects tested as a major program/project are as follows:

Federal Programs	Federal CFDA No.
United States Department of Homeland Security - Public Assistance Grants	97.036
United States Department of Transportation - Highway Planning and Construction	20.205
State Projects	State CSFA No.
Florida Department of Transportation - County Incentive Grant Program	55.008
Florida Department of Environmental Protection - Florida Recreation Development Assistance Program	37.017

8. The threshold for distinguishing Types A and B programs was \$ 300,000 for the major Federal programs and state projects.
9. City of Weston, Florida was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

CITY OF WESTON, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FEDERAL PROGRAMS AND STATE PROJECTS (continued)

For the Year Ended September 30, 2006

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAM AND STATE PROJECT AUDITS

There were no findings and questioned costs.

D. OTHER ISSUES

A separate management letter is presented; however, there are no items related to Federal awards or state financial assistance in the management letter

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs or State projects.

No corrective action plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.



THE CITY OF WESTON

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www.westonfl.org

The Nation's Premier Municipal CorporationSM