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ISSUER COMMENT
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RATING

General Obligation (or GO Related)[1]	
Aaa	No Outlook

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City of Weston, FL

Annual Comment on Weston

Issuer Profile

The City of Weston is located in Broward County in southern Florida, approximately 25 miles northwest of Miami. Broward County has a population of 1,869,235 and a population density of 1,545 people per square mile. The county's per capita personal income is $43,283 (2nd quartile) and the June 2016 unemployment rate was 4.6% (2nd quartile).[2] The largest industry sectors that drive the local economy are retail trade, professional/scientific/technical services, and health services.

Credit Overview

The credit position for Weston is of the highest quality, and its Aaa rating significantly surpasses the median rating of Aa3 for US cities. Key credit factors include a notably strong socioeconomic profile with a substantial tax base, a robust financial position, and exceptionally light debt and pension burdens.

Economy and Tax Base: The economy and tax base of the city are very healthy, yet they fall slightly below its Aaa rating position. The total full value ($9.6 billion) is well above the US median. In addition, Weston's full value per capita ($146,753) is much stronger than other Moody's-rated cities nationwide and grew significantly from 2012 to 2015. Lastly, the median family income equates to a robust 157.1% of the US level.

Finances: The city has a very healthy financial position, which is consistent with its Aaa rating. The available fund balance as a percent of operating revenues (118.9%) is far above the US median and saw an impressive increase between 2012 and 2015. In addition, the net cash balance as a percent of revenues (134.9%) is significantly superior to other Moody's-rated cities nationwide.

Debt and Pensions: The debt and pension liabilities of the city are negligible, which are aligned with its Aaa rating. Weston's net direct debt to full value (0.14%) is much lower than the US median. Additionally, the Moody's-adjusted net pension liability to operating revenues (0.01x) is favorably significantly below the US median, and this indicator increased modestly between 2012 and 2015.

Management and Governance: The ability to generate surplus operating margins is a sign of strong financial management. Advantageously, on average, Weston ran surpluses over the past several years.

Florida cities have an institutional framework score [3] of "Aa," or strong. Cities rely primarily on property tax revenues and sales taxes, and to a lesser extent on a variety of other user fees, which in total are moderately predictable. Revenue-raising flexibility is moderate as

cities can increase property tax rates up to the 10 mill operating limit. Expenditures, which largely consist of public safety, are highly predictable. Expenditure-reduction ability is moderate as cities retain a strong legal ability to cut expenses, but they also face rising fixed costs, notably for pensions.

Sector Trends - Florida Cities

Florida cities are benefiting from a much improved housing and state-wide economic recovery, which is having a positive effect on property and sales taxes, the two largest sources of income for local governments. While residual effects of the housing crisis still are evident in the higher than average foreclosure rates in the state, home prices have steadily marched upwards since hitting bottom in 2010 because of a strengthening state economy and positive in-migration. This has boosted assessed valuations, and therefore property taxes, for most Florida local governments. A record number of tourists is also having a healthy impact on sales taxes.

Exhibit 1

Key Indicators[4] [5]

Weston, FL

	2012	2013	2014	2015	US Median	Credit Trend
Economy / Tax Base						
Total Full Value	$8,298M	$8,444M	$8,706M	$9,638M	$1,722M	Improved
Full Value Per Capita	$127,202	$127,101	$128,846	$146,753	$85,195	Improved
Median Family Income (% of US Median)	160.9%	157.6%	157.1%	157.1%	115.2%	Stable
Finances						
Available Fund Balance as % of Operating Revenues	86.2%	90.4%	79.1%	118.9%	32.1%	Improved
Net Cash Balance as % of Operating Revenues	124.3%	129.1%	119.7%	134.9%	34.4%	Improved
Debt / Pensions						
Net Direct Debt / Full Value	0.17%	0.14%	0.11%	0.14%	1.2%	Stable
Net Direct Debt / Operating Revenues	0.18x	0.16x	0.12x	0.21x	0.94x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.00%	0.00%	0.01%	0.01%	1.7%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	0.00x	0.00x	0.01x	0.01x	1.35x	Stable

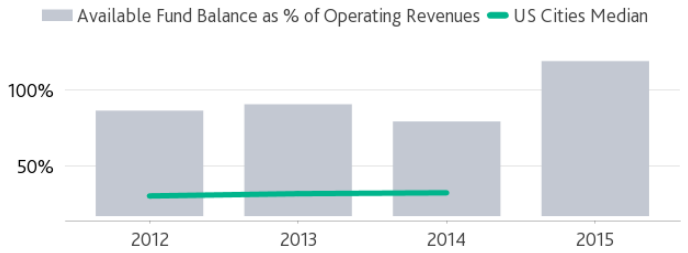
Source: Moody's

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Exhibit 2

Available fund balance as a percent of operating revenues increased from 2012 to 2015

Available Fund Balance as a Percent of Operating Revenues

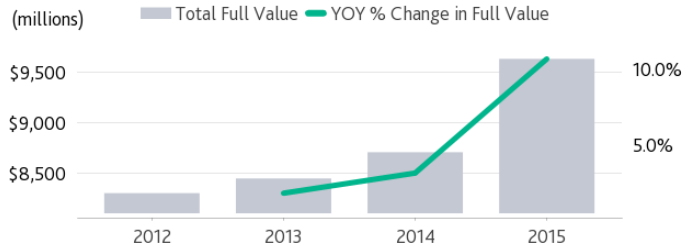


Source: Issuer financial statements; Moody's

Exhibit 3

Full value of the property tax base grew between 2012 and 2015

Total Full Value

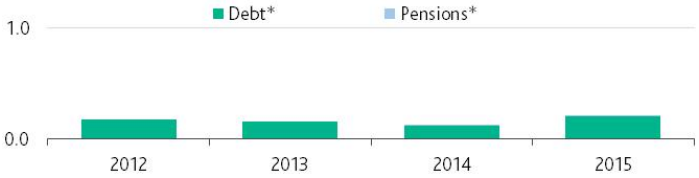


Source: Issuer financial statements; Government data sources; Offering statements; Moody's

Exhibit 4

The debt burden was stable from 2012 to 2015

Net Direct Debt and Adjusted Net Pension Liability / Operating Revenues



*Debt is represented as Net Direct Debt / Operating Revenues. Net Direct Debt is defined as gross debt minus self supporting debt. Pensions are represented as ANPL / Operating Revenues. ANPL is defined as the average of Moody's-adjusted Net Pension Liability in each of the past three years.
Source: Issuer financial statements; Government data sources; Offering statements; Moody's

Endnotes

1 The rating referenced in this report is the government's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally a security backed by the full faith and credit pledge and total taxing power of the local government. See Local Government GO Pledges Vary Across States. for more details. GO-related ratings include issuer ratings, which are GO-equivalent ratings for governments that do not issue GO debt. GO-related ratings also include ratings on other securities that are notched or otherwise related to what the government's GO rating would be, such as annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantee or enhancement programs or bond insurance.

2 The per capita personal income data and unemployment data for all counties in the US census are allocated to quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile. The first quartile consists of the top 25% of observations in the dataset, the second quartile consists of the next 25%, and so on. The median per capita personal income for US counties is $46,049 for 2014. The median unemployment rate for US counties is 5.1 % for June 2016.

3 The institutional framework score measures a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See US Local Government General Obligation Debt (January 2014) for more details.

4 For definitions of the metrics in the Key Indicators Table, US Local Government General Obligation Methodology and Scorecard User Guide (July 2014). The population figure used in the Full Value Per Capita ratio is the most recently available, most often sourced from either the US Census or the American Community Survey. Similarly, the Median Family Income data reported as of 2012 and later is always the most recently available data and is sourced from the American Community Survey. The Median Family Income data prior to 2012 is sourced from the 2010 US Census. The Full Value figure used in the Net Direct Debt and Moody's-adjusted Net Pension Liability (3-year average ANPL) ratios is matched to the same year as audited financial data, or if not available, lags by one or two years. Certain state-specific rules also apply to Full Value. For example, in California and Washington, assessed value is the best available proxy for Full Value. Certain state specific rules also apply to individual data points and ratios. Moody's makes adjustments to New Jersey local governments' reported financial statements to make it more comparable to GAAP. Additionally, Moody's ANPLs reflect analyst adjustments, if any, for pension contribution support from non-operating funds and self-supporting enterprises. Many local government pension liabilities are associated with its participation in the statewide multiple-employer cost-sharing plans. Metrics represented as N/A indicate the data were not available at the time of publication.

5 The medians come from our most recently published local government medians report, Medians – Growing Tax Bases and Stable Fund Balances Support Sector's Stability (March 2016). The medians conform to our US Local Government General Obligation Debt rating methodology published in January 2014. As such, the medians presented here are based on the key metrics outlined in the methodology and the associated scorecard. The appendix of this report provides additional metrics broken out by sector, rating category, and population. We use data from a variety of sources to calculate the medians, many of which have differing reporting schedules. Whenever possible, we calculated these medians using available data for fiscal year 2014. However, there are some exceptions. Population data is based on the 2010 Census and Median Family Income is derived from the 2012 American Community Survey. Medians for some rating levels are based on relatively small sample sizes. These medians, therefore, may be subject to potentially substantial year-over-year variation. Our ratings reflect our forward looking opinion derived from forecasts of financial performance and qualitative factors, as opposed to strictly historical quantitative data used for the medians. Our expectation of future performance combined with the relative importance of certain metrics on individual local government ratings account for the range of values that can be found within each rating category. Median data for prior years published in this report may not match last year's publication due to data refinement and changes in the sample sets used, as well as rating changes, initial ratings, and rating withdrawals.

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