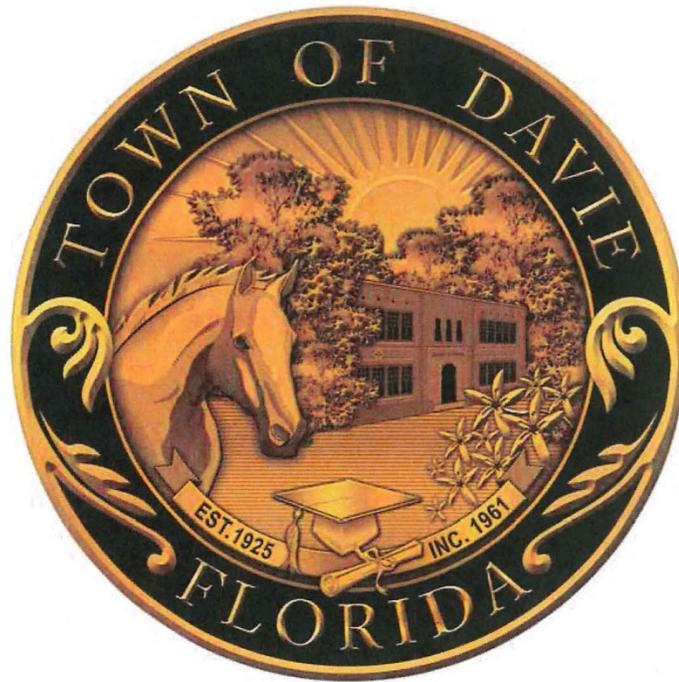


Comprehensive Annual Financial Report



Fiscal Year Ended
September 30, 2013

THE TOWN OF DAVIE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended
September 30, 2013

Prepared by
Budget and Finance Department

TOWN OF DAVIE, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

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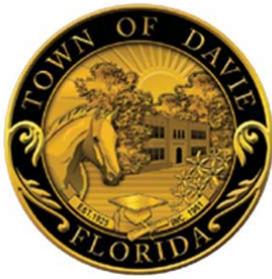
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INTRODUCTORY SECTION



BUDGET AND FINANCE DEPARTMENT

6591 ORANGE DRIVE • DAVIE, FLORIDA 33314-3399
PHONE: 954.797.1050 • FAX: 954.797.1049 • WWW.DAVIE-FL.GOV

March 27, 2014

In accordance with Section 11.45, Florida Statutes and within Section 6(f), Part I of the Code of Ordinances in the Town of Davie's (the "Town") Charter, submitted herewith is the Town's Comprehensive Annual Financial Report (the "CAFR") for the fiscal year ended September 30, 2013.

The financial statements included in this report conform to the generally accepted accounting principles in the United States ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The Town is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The financial statements have been audited by Keefe, McCullough & Co., LLP, C.P.A.'s. The independent auditors have issued an unmodified opinion that this report fairly presents the financial position of the Town and complies with all reporting standards noted above.

The contents of this report are aimed at compliance with GASB pronouncements, including Statement No. 34, requiring the preparation of government-wide financial statements on a full accrual basis of accounting for all funds and including Management's Discussion and Analysis. Also included are additional and enhanced Statistical Tables required by GASB Statement No. 44.

THE REPORTING ENTITY AND ITS SERVICES

The Town was first incorporated in 1925 and was subsequently dissolved as a municipal corporation by the State of Florida when local residents failed to adopt necessary taxing powers. The Town was reincorporated in 1961. The Town exists as a Council-Administrator form of municipal government. Under Florida law, Davie is considered a Municipal Corporation. The Mayor is elected by all registered voters of the Town, while the four Council members are each elected only by the registered voters of the specific District they are elected to represent. The Mayor serves as chairperson of public meetings and executes certain documents authorized by charter, ordinance, or resolution. The Council appoints the Town Administrator (who is the Chief Administrative Officer) and the Town Attorney. The Town Administrator is responsible for implementing policies adopted by the Council and appoints Department Directors. The Department Directors have the primary responsibility to hire and fire employees, however, the final decision ultimately rests with the Town Administrator. The Town is organized into various Departments that are significantly reflected in the attached Illustration 1 (page viii). The Budget and Finance Department, which has the responsibility for preparation of this report, is shown in Illustration 2 (page ix).

The activities included in our report are those over which the Town has ultimate financial accountability. Any activity for which the Town, as a "primary" government, is ultimately financially accountable is presented within this report. No activity has been excluded which would cause our financial statements to be misleading or incomplete.

The Town has a Community Redevelopment Agency (CRA), in which the main function is to assist with redevelopment in designated areas of the Town. It is financed by property tax revenues that are levied by the Town and certain other taxing authorities (i.e. Broward County, South Broward Hospital District, North Broward Hospital District and the Central Broward Water Control District) on the increased taxable values in those targeted areas that exceed a base year amount. This is called the tax increment. The CRA is a blended component unit of the Town and is therefore included within this report. Its resources are tracked from year to year and its surpluses, if any, are available for purposes approved by the CRA Board, which is comprised of the Town Council members.

The Town provides its residents and businesses with a full range of municipal services contemplated by state law or local charter. Services include police and fire, culture, recreation, community services, licensing and permitting, general administration, water and sewer utilities, public works and maintenance, development and redevelopment services, and code enforcement. Through franchise agreements, the Town also provides garbage disposal, electricity, and towing services.

ECONOMIC CONDITIONS AND OUTLOOK

While part of the larger Fort Lauderdale metropolitan area, the Town has maintained much of its pioneering heritage, rustic, and rural lifestyle. Agriculture, though still present and important to the Town, is giving way to higher education facilities and research and development centers. The Town has grown to over 34.5 square miles and a population of 93,599 residents. The Town's Open Space and Recreational programs were the first of their kind in Florida and they are a source of great civic pride. With modern port facilities and a world-class airport only moments away and linked by several interstate and toll highways, the Town has proven to be a great location for individuals and businesses wishing to be part of the growing South Florida community. Only twenty minutes from downtown Miami and less than half that to Fort Lauderdale, Davie has capitalized on this central and important location.

Fiscal Year 2013

The Town's taxable value is approximately \$ 6.6 billion. After four consecutive years of declining property values due to the economic recession, the Town's taxable value increased this year by approximately \$ 83 million or 1.3% and overall property values also showed a modest increase. During the year, we continued to see positive signs that the local economy had improved as the activity within our building and engineering division increased. The Town's population surpassed 93,000 residents.

MAJOR INITIATIVES

In the continued effort of making maintenance of its infrastructure a priority, the Town's major capital improvements included the following expenditures during fiscal year 2013:

General Government

- College Avenue Phase II, \$ 1.1 million
- Pavement Overlay and Striping, \$ 829K
- Devine Park, \$ 271K
- Pedestrian Bridge and Trail, \$ 259K
- Davie Road Phase I, \$ 245K
- Pine Island Park Renovations, \$ 202K
- Sunnyslake Park Expansion, \$ 179K
- Town Hall facilities renovations, \$ 200K

Water and Sewer

- Water and Wastewater New Plant and Related Infrastructure, \$ 45.0 million
- Lift Station #8, \$ 2.4 million
- 10" Water Main Extension at Davie road, \$ 197K

During FY 2013, the Town continued construction of a new water and sewer plant, and the related infrastructure, which will allow for future development to come into the Town's water district. The Town estimates the total project cost of approximately \$ 126 million and the project should be completed in FY 2014.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

An annual budget is adopted for all governmental funds as well as a Capital Improvement Plan. In accordance with Town Ordinance, appropriations are legally controlled at the Department level. With the exception of projects approved within the Capital Improvement Plan, all unencumbered appropriations lapse at the end of the fiscal period. Encumbrances for projects within the Town's Capital Improvement Plan do roll forward, under which purchase orders and other commitments for the expenditure of funds are recorded in the accounting records and are utilized throughout the fiscal year.

Overview of Financial Activity

The accompanying financial statements reflect that the Town has continued to expand its services to meet the demands of its residential and business communities. A summary of the major financial activities is included in the Management Discussion & Analysis Section of this report.

Fund Balances

In fiscal year 2011, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for its governmental activities. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments and those internally imposed. Fund balances classified as restricted are those with externally enforceable limitations on use. Fund balances classified as committed can only be used for specific purposes determined by formal action of the Town Council through an ordinance. Commitments can only be changed or lifted only by the Town Council through formal action. Assigned fund balances are amounts that the Town intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds is delegated to the Budget and Finance Director in agreement with the Town Administrator. Unassigned fund balance can be viewed as the net resources available at the end of the year.

Retirement Programs

The Town contributed to three (3) defined benefit pension plans in accordance with the plan documents within each pension plan and one (1) defined contribution pension plans based on employee classifications created in accordance with Internal Revenue Code Section 401(a). The plans currently cover all full-time employees of the Town. Under the defined benefit pension plans, the Town and the employees make contributions. Under the defined contribution plan, the Town contributes 11.4% while the employees do not make contributions. Employer contributions for the defined benefit plans for fiscal year ended September 30, 2013 were as follows: Firefighters' Pension \$ 4.3 million, Police Employee's Pension \$ 5.8 million and Management and General Employees' Pension \$ 3.5 million.

A defined benefit pension plan provides a pension benefit that pays the employee a specific amount of money, typically per month, once the employee becomes eligible for receiving the retirement benefits. Some of the factors that are used to determine the retirement benefit include number of years of service, years of vesting, salary and the multiplier. Under a defined benefit pension plan, the benefits that are paid to the participant will be the sole responsibility of the employer.

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 on those contributions, and forfeitures of other participant's benefits that may be reallocated to such participant's account.

In order to encourage employees to supplement their retirement income, a deferred compensation program is also available to all employees. Under this program, employees may voluntarily elect to defer a portion of their salary to future years. Both programs are administered by ING under a trust agreement. The plan assets are separate and the Town does not exercise any control or fiduciary responsibility over the assets. Therefore, the assets, liabilities and transactions are not included in the Town's financial statements. Please see Notes 13 and 14 in the Notes to the Financial Statements for a detailed discussion of the retirement program.

Financing Programs and Debt Administration

The Town currently has 16 outstanding long-term debt issues. At September 30, 2013, the principal balance outstanding totaled approximately \$ 211,000,000.

General Obligation Bonds:

The Town has previously issued \$ 9.8 million General Obligation Bonds, Series 1997, 20-year amortization, due February 2017, fixed rate of 4.736% per annum. Ad valorem revenues of the General Fund are pledged to repay this bond issue.

The Town has previously issued \$ 10.0 million General Obligation Bonds, Series 1998, 20-year amortization, due March 2018, fixed rate of 4.119% per annum. Ad valorem revenues of the General Fund are pledged to repay this bond issue.

The Town has previously issued \$ 25.0 million Limited General Obligation Bonds, Series 2006, 20-year amortization, due August 2026, bearing interest ranging from 4.0% to 4.5%. Ad valorem revenues of the General Fund are pledged to repay this bond issue up to a tax limit of 0.38 mills per year.

The Town has previously issued \$ 16.5 million General Obligation Bonds, Series 2006, 25-year amortization, due August 2031, bearing interest ranging from 4.0% to 4.625%. Ad valorem revenues of the General Fund are pledged to repay this bond issue.

The Town previously issued \$ 7,250,000 of General Obligation Refunding Bonds, Series 2008A, due July 2019, with a fixed interest rate of 3.75%. The Bonds refunded the Town's outstanding General Obligation Bonds, Series 1989, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each July 1 and January 1. Principal on the Bonds is to be paid serially commencing July 2008 through July 2019. Ad valorem revenues from the General Fund are pledged to repay this bond issue.

The Town previously issued \$ 1,541,250 of General Obligation Refunding Bonds, Series 2008B, due July 2020, with a fixed interest rate of 4.10%. The Bonds refunded the Town's outstanding General Obligation Bonds, Series 2000, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each July 1 and January 1. Principal on the Bonds is to be paid serially commencing July 2008 through July 2020. Ad valorem revenues of the General Fund are pledged to repay this bond issue.

Public Improvement Bonds:

The Town previously issued \$ 10.0 million Public Improvement Revenue Bonds, Series 2004, 15-year amortization, due December 2019, bearing interest at 3.71%. Legally available non-ad valorem revenues of the General Fund are pledged to repay this bond issue.

The Town previously issued \$ 1,825,000 of Public Improvement Revenue Refunding Bonds, Series 2008A, due September 2014, with a fixed interest rate of 3.28%. The Bonds refunded the Town's outstanding Public Improvement Revenue Bonds, Series 1999, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. Interest is to be paid semiannually on each October 1 and April 1. Principal on the Bonds is to be paid serially commencing October 2008 through September 2014. Legally available non-ad valorem revenues of the General Fund are used to repay this bond issue.

The Town previously issued \$ 6,010,000 of Public Improvement Revenue Refunding Bonds, Series 2008B, due October 2016, with a fixed interest rate of 3.59%. The Bonds refunded the Town's outstanding Public Improvement Revenue Bonds, Series 2001, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. Interest is to be paid quarterly on each January 1, April 1, July 1 and October 1. Principal on the Bonds is to be paid serially commencing October 2008 through October 2016. Legally available non-ad valorem revenues of the General Fund are pledged to repay this bond issue.

Community Redevelopment Agency Bonds:

On August 28, 2013, the Town issued \$ 10,000,000 Davie Community Redevelopment Agency Community Redevelopment Refunding Bonds, Series 2013A. On September 28, 2013, the Town issued \$ 7,394,769 Davie Community Redevelopment Agency Community Redevelopment Refunding Bonds, Series 2013B. The purpose of these Refunding Bonds was to refund and defease the outstanding \$ 20,000,000 Davie Community Redevelopment Agency Community Redevelopment Bonds, Series 2010. The Series 2013 Bonds have a 12-year amortization, due December 2025, with a fixed rate of 2.47% on Series A and 2.41% on Series B. The bonds are secured by a gross pledge and lien of tax increment revenues of Davie CRA.

Water and Sewer Bonds:

On August 11, 2010, the Town issued \$ 46,245,000 Water and Sewer Revenue Bonds, Series 2010, due October 2040, bearing interest between 6.062% and 6.849%. Interest is payable semiannually on each April 1 and October 1. Principal is payable on an annual basis commencing October 2021. Proceeds of the bonds are used to finance a portion of acquisition and construction of the Town's water and sewer system, and pay the costs of issuance. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

On October 19, 2011, the Town issued Water and Sewer Revenue Bonds Series 2011 in the amount of \$ 49,930,000, due October 2041, bearing interest between 2.00% and 5.00%. Interest is payable semi-annually on each April 1 and October 1. Principal is payable on an annual basis commencing October 2012. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

On November 28, 2012, the Town issued Water and Sewer Revenue Bonds Series 2012 in the amount of \$ 28,190,000, due October 2042, bearing interest between 2.00% and 4.00%. Interest is payable semi-annually on each April 1 and October 1. Principal is payable on an annual basis commencing October 2014. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

On September 11, 2013, the Town issued \$ 14,405,000 Water and Sewer Revenue Refunding Bonds, Series 2013, for the purpose of providing funds, together with other legally available funds of the Town, to refund and defease the outstanding amount of the Town's \$ 26,305,000 Water and Sewer Refunding Bonds, Series 2003, with an exception of the amount that is due in October 2013, which was subsequently paid by the Town. The Series 2013 Bonds have an 8-year amortization, due October 2021, with a fixed rate of 1.93% per annum. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system.

State Revolving Loan:

In April 2012, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection Clean Water State Revolving Loan program to provide financing to the Town's Infiltration and Inflow Program and the Master Lift Station No. 8 and Force Main project. Through September 30, 2013, the Town borrowed \$ 1,317,015 under this agreement. Subsequent to September 30, 2013, the Town borrowed an additional \$ 1,816,687 under this loan agreement. Payments are due semiannually on each September 15 and March 15 commencing on March 14, 2014. Semiannual payments are calculated based on the actual amount drawn under the agreement, as well as associated capitalized interest and loan service fees. These amounts will not be determined until project completion; therefore, amortization schedules will not be finalized for these loan agreements until project completion. Based upon a full drawn credit facility, repayment is estimated in forty semiannual installments of \$ 177,915, including interest at a fixed rate of 2.30%.

OTHER INFORMATION

Independent Audit

In accordance with Section 11.45(3)(a) (4), Florida Statutes, and within Section 6(f), Part I of the Code of Ordinances in the Town's Charter, the Town engaged the firm of Keefe, McCullough & Co., LLP, to perform the independent audit of the Town's accounts and records. The independent auditor's reports are included in the Financial section.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awards a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Budget and Finance Department. We express our appreciation to all members of the Department who assisted and contributed to its preparation. We would like to express our thanks for the cooperation received from our independent auditors, Keefe, McCullough & Co., LLP, as they worked diligently with the Town. Of course, we greatly appreciate and thank the Town's Council for their interest and support in planning and conducting the financial operations of the Town.

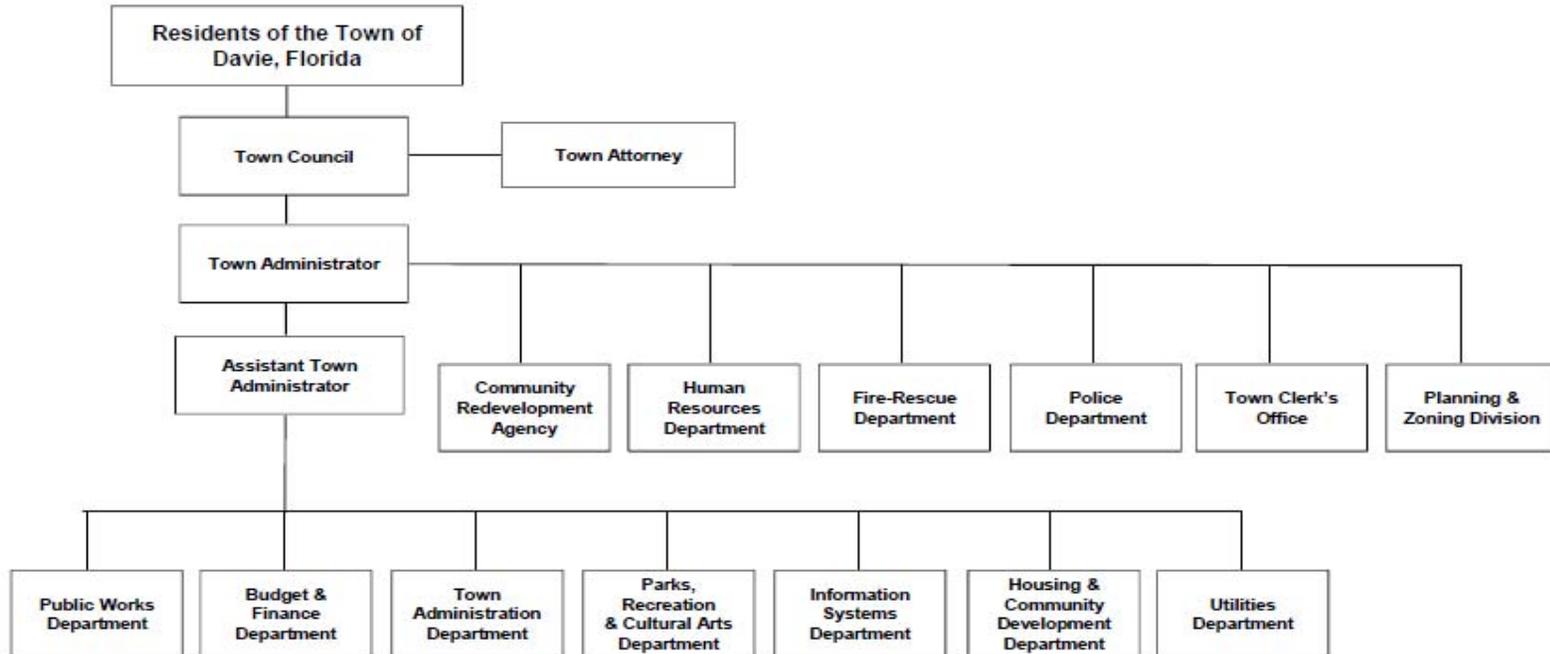
Respectfully submitted,


Richard J. Lemack, Town Administrator


William Ackerman, Budget and Finance
Director



Town of Davie, Florida

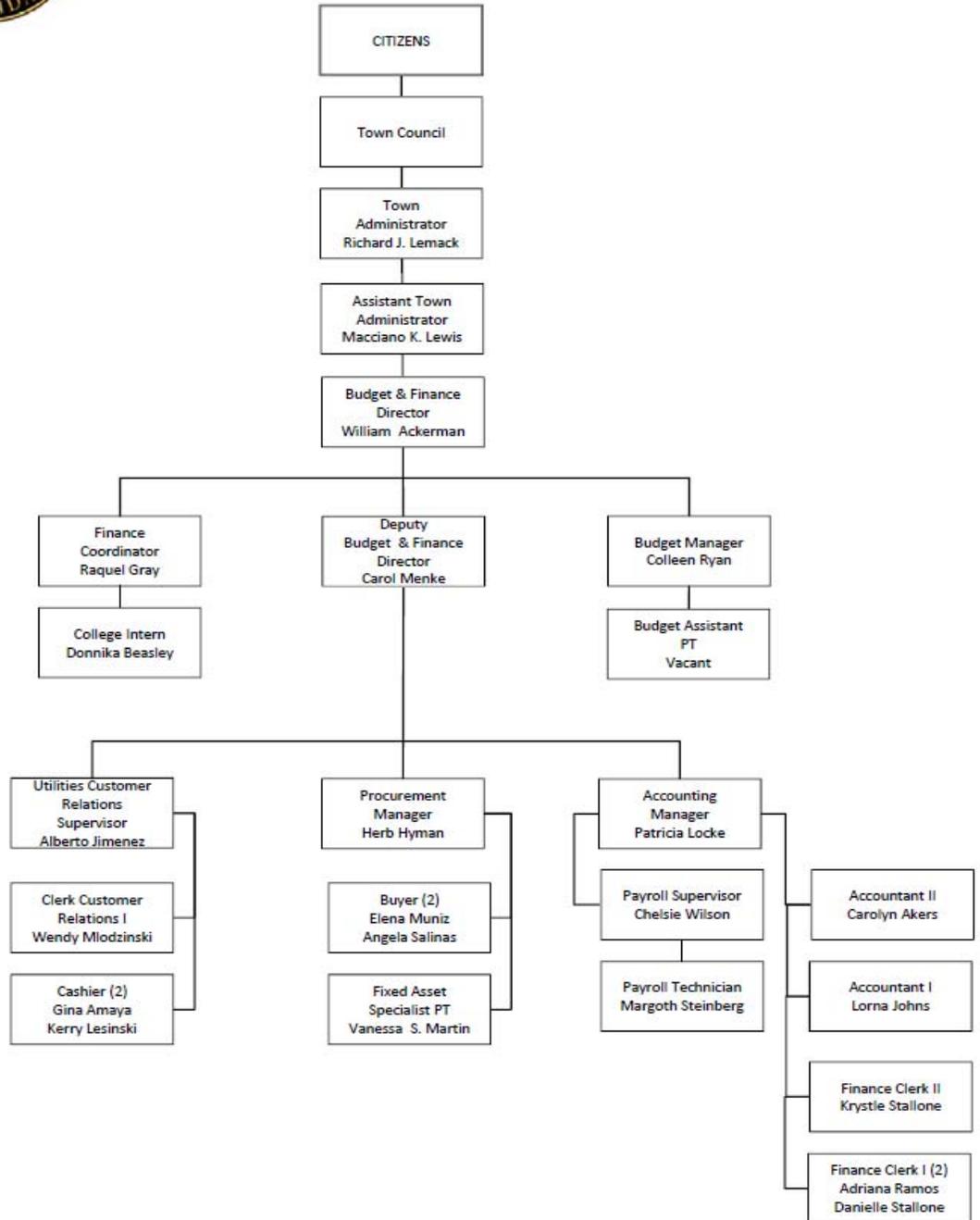




Town of Davie, Florida

Budget & Finance Department

Organizational Chart



TOWN OF DAVIE, FLORIDA
LIST OF PRINCIPAL OFFICIALS

2012-2013 Town Council

Judy Paul	Mayor
Bryan Caletka	Vice Mayor
Caryl Hattan	Councilmember
Marlon Luis	Councilmember
Susan Starkey	Councilmember

Administrative Officials

Richard J. Lemack	Town Administrator
Macciano K. Lewis	Assistant Town Administrator
William Ackerman	Budget and Finance Director
Joe Montopoli	Fire Chief
Giovanni Moss	Housing and Community Development Director
Stacey H.S. Hipsman, J.D.	Human Resources Director
Tina Tysinger	Information Systems Director
David Flaherty	Parks, Recreation and Cultural Arts Director
Patrick Lynn	Police Chief
Mark Collins	Public Works/Capital Projects Director
William Allen	Redevelopment Administrator
Russell Muniz	Town Clerk
Donald Bayler	Utilities Director
John Rayson	Town Attorney
Keefe, McCullough & Co., LLP	Town Auditors

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Members of the
Town Council and Town Administrator
Town of Davie, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davie, Florida, (the "Town") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Town of Davie Police Employees' Pension Plan or the Town of Davie Firefighters' Pension Plan, which together represent 81%, 79%, and 79%, respectively, of the assets, net position and additions of the fiduciary funds. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Davie Police Employees' Pension Plan or the Town of Davie Firefighters' Pension Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Town of Davie Police Employees' Pension Plan or the Town of Davie Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Davie, Florida, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress for pension and other post-employment benefits on pages 4 through 15 and 91 through 93, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Davie, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of Federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Florida Single Audit Act, respectively, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of Federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of Federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Town of Davie, Florida

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014, on our consideration of the Town of Davie, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Davie, Florida's internal control over financial reporting and compliance.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town of Davie's Management Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the Town's financial activities based on currently known facts, decisions, or conditions. It is intended to provide a broad overview on short-term and long-term analyses of the Town's activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement Number 34 — *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (Statement 34). As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (RSI) provided in addition to this MD&A.

Understanding the Basic Financial Statements

GASB Statement 34 represented a monumental change from the way in which government financial statements are recorded and presented. It provided for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, providing the user of the financial statements a combined overview of the Town's financial position and result of operations, eliminating interfund activities and "other people's money" such as pension funds, which can mislead users when incorporated in a combined manner. The Government-Wide Financial Statements also differentiate between Governmental and Business-Type Activities, further assisting the reader in their evaluation.

The reporting model requires the use of accrual accounting (which focuses on economic resources) at the top most level, while maintaining modified accrual accounting (which focuses on current financial resources—budgeted resources) at the individual fund level. This was an important change in governmental accounting. The impact of long-term financial decisions is accurately matched to the period in which the expense or revenue is attributed. In short, an accurate presentation of information is achieved and the impacts of long-term decisions are promptly recorded as the transactions occurred, as opposed to the traditional method of recording them when the bill is paid. A good example of this is the recording of compensated absences such as vacation time. Previously, this time was "expensed" as paid, not when earned. As a result, employees could accrue hundreds or thousands of hours in the past without that expense being attributed to the taxpayers who benefited from those employees' services. Once the employees separate from the Town it is future taxpayers who will bear the financial liability, but would not benefit from those employees' services. This is but one of many examples of "expenses" that have traditionally not been matched to the period of benefit.

Users interested in "budgetary performance" will find that information available in the required supplementary information and other financial information following the notes to the financial statements. An overview discussion of the different sections of this reporting model follows.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the Town as a whole, separating its operations between governmental and business-type activities. All information is presented utilizing the economic resources measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenues are earned and the expenses attributed. The Town's Community Redevelopment Agency is shown as a blended component unit. Fiduciary funds, such as pension trust funds, are precluded from these Government-Wide Financial Statements because they represent money and funds legally set aside for use by the employee groups they benefit. Their assets and income do not flow through these statements, nor are the liabilities for which taxpayers may ultimately be responsible included. Though Florida law requires municipalities to fund pension plans on an actuarially sound basis, it is important for the user to study the Fund Financial Statements (as explained in the following section) as well as the footnotes and statistical sections of this report. Also combined into the Government-Wide Financial Statements are the Internal Service Funds of the Town.

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to a bottom line for the Town and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, business-type and component unit), which are provided by the government's general tax and program revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and the local taxing efforts necessary to sustain each of those activities.

FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The Governmental Funds presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. The Fund Financial Statements also allow the government to address its Fiduciary (or Trust) Funds summarized by type (pension, investment, private purpose trusts and agency funds). While these Funds represent fiduciary responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements. While the Total column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements, after adjusting for internal service funds, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-Wide statements).

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

In evaluating the financial position and short-term financial performance of the Town, two tools are particularly valuable: The Statement of Net Position and the Statement of Activities.

It is useful for the user to compare the current year with the prior year. This aids in spotting trends and other areas of concern or interest. For ease of relative comparisons, we include the percent change from one year to another (Table 1).

STATEMENT OF NET POSITION

Net position of the Town represents the difference between (assets, deferred charge on refunding) and (liabilities, net position) of the Town using the economic resources measurement focus and accrual basis of accounting.

In general terms, the Town's total assets increased 8%, which includes a 21% increase in the business-type activities. The 21% increase in business-type activities is primarily due to the following two items: the Town's Council approving a water and sewer rate study in January 2008 which included annual recommended increases to the Town's water and sewer rates and the construction of the Town's new Water and Sewer Plant Facility.

The governmental activities of the Town's current and other assets remained unchanged while the current liabilities of those activities decreased 6% and capital assets, net decreased 2%. Total liabilities in governmental activities decreased 7% which includes an overall 8% decrease in the long-term liabilities due in more than one-year from the prior year. Invested in capital assets increased by 2% and unrestricted net position now stand at \$ 55.9 million, a \$ 1.0 million increase from the previous year.

The primary reason for the decrease in current liabilities in governmental activities is attributed to the timing of the Town receiving approximately \$ 1.7 million from the County to purchase recycling carts. This was in unearned revenue in FY 2012 and then recognized as revenue in FY 2013 when the Town spent the monies. The decrease in current liabilities in business-type activities is primarily due to a decrease in accounts payable of approximately \$ 900K. In FY 2012, accounts payable included Trojan Technologies, for an Ultraviolet Disinfection System Supply for the new water and sewer facility that was paid in FY 2013 and was not outstanding as of the end of FY 2013. The changes under long term liabilities due in more than one-year are a direct result from liabilities related to current outstanding bonds.

During FY 2013, with the Town starting to slowly come out of the downturn that had been experienced for several years, the Town's overall spending did increase. The outlook appeared to be improving with some new construction and an increase to the Town's taxable base. During FY 2013, the Town budgeted approximately \$ 1.5 million to fund the capital improvement plan (CIP) from the General Fund, for one-time purchases. There was a reduction in the net position, restricted for debt service in governmental activities but an increase in the business-type activities. The reduction is due to the Town using additional reserves from the 1998 Parks Bonds as planned to help reduce the debt service millage rate. The \$ 1.4 million increase in the business-type activities relates to the 2013 Water and Sewer Refunding Bonds that required the Town to set aside \$ 1.4 million in debt reserves. The increases in the net position, restricted for parks and recreation, public safety (police and fire) are due to impact fees received in FY 2013.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-type activities, the Town's Water and Sewer system, had an increase in total assets of approximately 21%, a 22% increase in total liabilities, and a 17% increase in net position. In January 2008, the Town Council approved a water and sewer rate study which included predetermined increases to the Town's water and sewer rates through September 2012 and with increases beyond September 2012, based on Consumer Price Index compared to a set rate. This approved study allowed the Town to adequately fund operations now and in the future, as well as support the capital improvements necessary for system growth. The increased rates charged to customers have positively impacted the system.

In addition, these increases in business-type activities are due to the three bond issuances related to the construction of a new water and sewer plant which will allow for future development that comes into the Town's water district. The total cost of the project is estimated at approximately \$ 126 million. Bond proceeds from the \$ 46,245,000 Water and Sewer Revenue Bonds, Series 2010, from the \$ 49,930,000, Series 2011 and from the \$ 28,190,000 (issued November 2012), Series 2012, continued to be used to finance a significant portion of this construction project. There is no additional future bonds planned to provide for the remaining project funding.

On a total government basis, with current assets increasing by 8% while current liabilities decreasing by 6%, the Town is able to meet its short-term obligations (the Town has more than 6 times the current assets than current liabilities). Total net position increased by 5% for the year and the reason for the increase will be explained below under Statement of Activities.

The table below presents a summary of net position as of September 30, 2013 and 2012, derived from the government-wide Statement of Net Position:

Table 1
Net Position (in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	Change	2013	2012	Change	2013	2012	Change
Assets:									
Current and other	\$ 116,481	\$ 115,957	0%	\$ 66,344	\$ 51,839	28%	\$ 182,825	\$ 167,796	9%
Capital assets, net	165,046	168,142	-2%	147,875	124,582	19%	312,921	292,724	7%
Total assets	281,527	284,099	-1%	214,219	176,421	21%	495,746	460,520	8%
Deferred charge on refunding	-	-	-	1,074	1,883	-43%	1,074	1,883	-43%
Liabilities:									
Current	12,280	13,033	-6%	10,520	11,312	-7%	22,800	24,345	-6%
Long-term:									
Due within 1 year	6,644	6,257	6%	2,157	1,715	26%	8,801	7,972	10%
Due in more than 1 year	70,884	76,824	-8%	140,037	111,700	25%	210,921	188,524	12%
Total liabilities	89,808	96,114	-7%	152,714	124,727	22%	242,522	220,841	10%

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Table 1
Net Position (in thousands)
(continued)

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	Change	2013	2012	Change	2013	2012	Change
Net Position:									
Net investment in capital assets:	120,790	118,168	2%	18,351	15,700	17%	139,141	133,868	4%
Restricted for:									
Renewal and replacement and rate stabilization	-	-	-	24,609	21,109	17%	24,609	21,109	17%
Building services	4,411	4,448	-1%	-	-	-	4,411	4,448	-1%
Debt service	230	535	-57%	1,441	-	100%	1,671	535	212%
Community redevelopment	8,334	8,543	-2%	-	-	-	8,334	8,543	-2%
Parks and recreation - parks and open space	1,434	1,018	41%	-	-	-	1,434	1,018	41%
Public Safety - fire	141	50	182%	-	-	-	141	50	182%
Public Safety - police	364	245	49%	-	-	-	364	245	49%
General government impact fees	68	26	162%	-	-	-	68	26	162%
Unrestricted	55,947	54,952	2%	18,178	16,768	8%	74,125	71,720	3%
Total net position	\$ 191,719	\$ 187,985	2%	\$ 62,579	\$ 53,577	17%	\$ 254,298	\$ 241,562	5%

STATEMENT OF ACTIVITIES

Activities in the Town (Table 2) reflected an 8% increase in overall revenues compared to the prior year and total Town expenses reflected a 4% increase. The Statement of Activities illustrates some particular areas that need to be further discussed.

The governmental activities represent the most significant activity within the Town. Program revenues increased 11% in governmental activities due to two significant events that took place in FY 2013. The Town received \$1.2 million from the Broward County Board of County Commissioners related to the distribution of unrestricted reserves. Additionally, the Town entered into a contract with a neighboring municipality, Southwest Ranches, to provide fire rescue services. The revenue derived from this agreement was approximately \$ 2.3 million. There were other items that also had increased revenue in this category, such as ambulance transport fees, annual fire inspections, tree preservation and development review. The 6% increase in general revenue in governmental activities is primarily due to reclassifying a revenue source. The contribution made from the Water and Sewer Fund to the General Fund was reclassified to miscellaneous revenue from charges for services. This contribution is done to comply with the Town Council approved water and sewer rate study.

The business-type activities represent the water and sewer operations and golf related activities of the Town which included a 7% increase in program revenues. In January 2008, the Town's Council approved a water and sewer rate study which included recommended increases to the Town's water and sewer rates through September 2012 and with increases beyond September 2012, based on Consumer Price Index compared to a set rate. The increase in program revenues is attributed to an increase in water and sewer rates and due to expanding our services to new customers. The 45% increase in general revenue in business-type activities is primarily due to an increase in miscellaneous related to a grant from the South Florida Water Management District. The grant was to provide for alternative water supply related to the Town's new water and sewer plant.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The Transfers in (out) changed by approximately 115%. In FY 2013, the \$ 75,000 transfer is from the Water and Sewer Fund to the Capital Projects Fund to contribute to a purchase of a bucket truck.

Total program expenses in governmental activities increased by 5% from the previous year with significant fluctuations in general government, building and engineering, fire, and interest. The increase in general government expenses was primarily due to a one-time expense, \$ 1.7 million, for recycling carts. Additional expenditures that impacted this category are increased payroll related expenses, including workers compensation and the addition of a federal lobbyist. In FY 2012, the Town implemented a new administrative fee charged for the Building and the Engineering Division, which included three years of charge backs. The decrease in Building and Engineering was primarily due to paying one year of the administrative fee in FY 2013 and not three years as done in FY 2012

The Town began offering fire rescue services to Southwest Ranches, a neighboring municipality, on October 1, 2012. In order to fulfill this contract, the Town hired fire personnel late in FY 2012 that would then be expensed for all of FY 2013, which caused the Fire expenses to increase by 8%. Debt service payments are made based on a schedule for each issuance. Interest expenses decreased by 10% based on the debt service schedules.

The table below presents a summary of changes in net position for the years ended September 30, 2013 and 2012, as derived from the government-wide Statement of Activities:

Table 2
Changes in Net Position (in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	Change	2013	2012	Change	2013	2012	Change
Revenues:									
Program revenues:									
Charges for services	\$ 24,660	\$ 20,145	22%	\$ 21,513	\$ 20,474	5%	\$ 46,173	\$ 40,619	14%
Operating grants and contributions	6,575	4,983	32%	-	-	-	6,575	4,983	32%
Capital grants and contributions	1,685	4,614	-63%	1,055	649	63%	2,740	5,263	-48%
Total program revenues	32,920	29,742	11%	22,568	21,123	7%	55,488	50,865	9%
General revenues:									
Ad Valorem, operating	32,875	32,547	1%	-	-	-	32,875	32,547	1%
Ad Valorem, debt service	5,257	4,943	6%	-	-	-	5,257	4,943	6%
Utility service taxes	7,289	6,917	5%	-	-	-	7,289	6,917	5%
Community service tax	3,911	4,095	-4%	-	-	-	3,911	4,095	-4%
Franchise fees	8,798	8,613	2%	-	-	-	8,798	8,613	2%
Intergovernmental, not restricted for specific purposes	10,246	9,754	5%	-	-	-	10,246	9,754	5%
Investment income	387	1,030	-62%	49	53	-8%	436	1,083	-60%
Miscellaneous	4,449	1,292	244%	1,705	1,160	47%	6,154	2,452	151%
Total general revenue	73,212	69,191	6%	1,754	1,213	45%	74,966	70,404	6%
Total revenues	106,132	98,933	7%	24,322	22,336	9%	130,454	121,269	8%

TOWN OF DAVIE, FLORIDA
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Table 2
Changes in Net Position (in thousands)
(continued)

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	Change	2013	2012	Change	2013	2012	Change
Program expenses:									
General government	15,021	12,602	19%	-	-	-	15,021	12,602	19%
Building and engineering	4,074	4,379	-7%	-	-	-	4,074	4,379	-7%
Public safety - police	38,273	37,628	2%	-	-	-	38,273	37,628	2%
Public Safety - fire	25,553	23,733	8%	-	-	-	25,553	23,733	8%
Public works	10,486	10,044	4%	-	-	-	10,486	10,044	4%
Parts, recreation and cultural arts	5,926	5,976	-1%	-	-	-	5,926	5,976	-1%
Interest	3,140	3,477	-10%	-	-	-	3,140	3,477	-10%
Water and sewer	-	-	-	15,103	14,767	-	15,103	14,767	2%
Golf	-	-	-	142	271	-	142	271	-48%
Total expenses	<u>102,473</u>	<u>97,839</u>	<u>5%</u>	<u>15,245</u>	<u>15,038</u>	<u>1%</u>	<u>117,718</u>	<u>112,877</u>	<u>4%</u>
Transfers in (out)	<u>75</u>	<u>(500)</u>	<u>-115%</u>	<u>(75)</u>	<u>500</u>	<u>-115%</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	3,734	594	529%	9,002	7,798	15%	12,736	8,392	52%
Net position, beginning of year	<u>187,985</u>	<u>187,391</u>	<u>0%</u>	<u>53,577</u>	<u>45,779</u>	<u>17%</u>	<u>241,562</u>	<u>233,170</u>	<u>4%</u>
Net position, ending of year	<u>\$ 191,719</u>	<u>\$ 187,985</u>	<u>2%</u>	<u>\$ 62,579</u>	<u>\$ 53,577</u>	<u>17%</u>	<u>\$ 254,298</u>	<u>\$ 241,562</u>	<u>5%</u>

Program expenses in business-type activities increased slightly by 1% overall. As for the water and sewer operations, during FY 2008, the Town's Council approved a new water and sewer rate fee schedule, which includes increases through September and with increases beyond September 2012, based on Consumer Price Index compared to a set rate. Part of rate increase is to be used to assist in funding a new Water and Wastewater Plant. The recent rate increase has made operations in the water and sewer system financially feasible but the Town continues to be prudent in its management of the daily expenses incurred on behalf of the system.

Overall, Net Position increased 5% for the year, with a 2% increase noted for Governmental Activities and a 17% increase noted for business-type activities (due to the proceeds of the bond issuance being spent on the new water treatment facility).

Individual Fund Performance

Governmental Funds Types

In the General Fund, the Town's revenues exceeded its expenditures by nearly \$ 4.3 million and the overall fund balance increased by about \$ 2.7 million. The Community Endowment Fund decreased by about \$ 0.2 million in fund balance. The amount available in this fund for Community Obligations now stands at approximately \$ 0.5 million.

The Community Redevelopment Agency had a slight decrease in their fund balance of about \$ 0.7 million. The amount available in the Community Redevelopment Agency now stands at \$ 27.5 million, which is primarily due to a \$ 20.0 million issuance of Community Redevelopment Bonds in FY 2011, which were refunded during the year ended September 30, 2013, in which very little of the proceeds have been spent.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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For the other Special Revenue Funds, the amounts available are as follows: Community Development Block Grant, (\$ 663K), Parks and Open Space Impact Fees, \$ 1.4 million; Fire Impact Fees, \$ 141K; Police Impact Fees, \$ 229K; General Government Impact Fees \$ 68K; and Forfeitures, \$ 135K.

The Capital Projects Fund provided projects of approximately \$ 3.9 million to the community this year, compared with \$ 3 million in the previous year. Over \$ 1 million were spent on the College Avenue project, from capital projects reserves, grants and contributions. Over \$ 800K was spent on pavement overlay and striping from General Fund Reserves. Over \$ 1 million were spent from projects associated with the issuance of the \$ 25 million in limited general obligation bond for open space and park enhancements that was issued in FY 2006. The projects were mostly for expansion and renovation for the different districts. Lastly, over \$ 200K was spent on renovations at Town Hall.

Proprietary Fund Types

Enterprise Funds:

The Town's Water and Sewer System experienced an operating income of \$ 9.5 million, compared to an Operating Income of \$ 9.3 million in FY 2012. The operating income resulted in a primary net revenue bond coverage of 2.42x, and a pledged revenue coverage of 2.79x, which are both increases from FY 2012 which were 2.15x and 2.30x, respectively. The increases are due primarily to increased debt but offsetting increases to the net available revenue, which includes increased capital contributions in FY 2013. The minimum required for both above coverage's is 1.15x, the reason for the high coverage has been noted earlier. In January 2008, the Town's Council approved a water and sewer rate study which included recommended increases to the Town's water and sewer rates through September 2012 and with increases beyond September 2012, based on Consumer Price Index compared to a set rate. This Council adopted rate increase has allowed the Town to maintain a strong coverage ratio.

The Town's Golf Fund experienced an operating loss of \$ 88K. The total net position is approximately \$ 6.2 million, of which approximately \$ 1.4 million is unrestricted.

Internal Service Funds:

The Vehicle Maintenance Fund net position increased by approximately \$ 139K resulting in a net position of approximately \$ 9.3 million, of which approximately \$ 4.9 million is unrestricted. The slight increase is due to not spending everything that was budgeted for operations. Vehicle charge rates to departments are reviewed every two years and adjusted accordingly. When the Town built a new garage facility several years ago, it was completed utilizing funding from the unrestricted net position of the fund which was sufficient to cover all anticipated outlays without affecting working capital needs.

The Self-Insurance Fund net position increased slightly by approximately \$ 30K and fund net position is approximately \$ 8.9 million.

The Information Systems Fund net position decreased by approximately \$ 278K resulting in a net position of approximately \$ 1.7 million, of which approximately \$ 0.7 million is unrestricted. This fund is accumulating enough resources to sustain its operations. This Fund has sufficient net position to accommodate for the Town's planned improvements to information systems.

The Building Maintenance Fund, decreased slightly by approximately \$ 25K. The total net position of this fund now stands at about \$ 0.5 million.

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The use of these funds has served to insulate recurring capital replacement needs from the volatile budgetary process. As a result, the Town's needs for vehicles and information systems component replacement and maintenance have been adequately addressed.

Fiduciary Funds Types

The Town's pension funds posted increases of approximately \$ 28.1 million to the net position of the plans. The combined fair market value of the plans' holdings is \$ 220.6 million as of September 30. The net position held for pension benefits of the various trusts, including OPEB, total approximately \$ 206.7 million. The increase in FY 2013 is primarily attributable to the positive results of the stock market and the contributions made to the plan. The Town continues to fund the pension funds based on the actuarial reports.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

Budget variance reporting is only included for the General Fund, the Community Endowment Fund and Community Redevelopment Agency Fund. Summarized below are the significant final variances accompanied by an explanation:

General Fund

- Intergovernmental, Favorable \$ 1.5 million variance. In FY 2012, the Town budgeted and received a grant for approximately \$ 1.7 million to purchase recycling carts which was not recognized until FY 2013 as revenue. Since the Town budgeted this revenue in FY 2012 (in which it was recorded as unearned revenue) and not FY 2013, it resulted in a positive variance for intergovernmental revenue in FY 2013 (and a negative variance in FY 2012).
- General Government, Favorable \$ 1.2 million. Primarily attributed to a savings that was recognized as a result of the Town implementing a spending and hiring freeze during FY 2013. A memo titled "Spending Restrictions" from Town Administration was sent to Department Directors on February 15, 2013.
- Public Safety, Favorable \$ 3.2 million. Similar to general government, this favorable variation is attributed to the spending and hiring freeze that was implemented during FY 2013. In addition, the Town's actual expenses for the red light camera program were less than anticipated, which had a favorable impact to the Town.
- Parks, Recreation and Cultural Arts, Favorable \$ 224K. Similar to general government, this favorable variation is attributed to the spending and hiring freeze that was implemented during FY 2013. Additionally, utility expenses (water and electric) were less than anticipated for this function.
- Other Financing Sources (Uses), Appropriated Fund Balance, Unfavorable, \$ 5.0 million variance. Attributed to appropriation of fund balance based on Town Council approval, primarily for the FY 2013 Capital Improvement Plan, to subsidize the voted debt millage rate, to balance the General Fund and to utilize revenue received from a grant in FY 2012.

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Community Endowment Fund

The Town only budgets for the planned expenses related to the donations made by the Town. The Town does not budget for any revenue, which explains the \$ 110K positive variance for total revenue. The Town budgets to utilize prior year fund balances to pay for the planned donations, which explains the \$ 336K negative variance for other financing sources and uses.

Community Redevelopment Agency Fund

- Miscellaneous Revenue, Favorable \$ 738K. During FY 2013, the CRA sold property which was unanticipated for the FY 2013 budget.
- Operating and Capital Outlay, Favorable \$ 9.4 million and \$ 17.3 million, respectively. The CRA Board has approved several large projects, through the Town's Capital Improvement Plan, in which these projects have been incorporated into the budget. However, during FY 2013 a significant number of these projects did not get started so a significant portion of the balances of these projects were moved to FY 2014.
- Issuance of Debt, Favorable \$ 17.4 million and Payment to Escrow Agent, Unfavorable \$ 17.4 million. These significant variances are due to the refunding of the outstanding CRA Bonds that was not anticipated in the FY 2013 Budget.
- Appropriated Fund Balance, Unfavorable \$ 28.2 million. This variance is anticipated because this \$ 28.2 million had been recognized in previous years as revenue. It was appropriated for FY 2013 in order to allow the CRA to budget offsetting expenses.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Debt has been issued as part of a long-term financing mechanism for some of the capital projects or significant capital outlay items. Additionally, the Town has utilized one-time revenue sources (for example General Fund Unrestricted Reserves) to also fund some capital projects.

The Town currently has 16 outstanding long-term debt issues as follows: six General Obligation Bonds, three Public Improvement Revenue Bonds, two Community Redevelopment Bonds, four Water and Sewer Revenue Bonds and a loan with the State of Florida Department of Environmental Protection, Clean Water State Revolving Loan Program. During FY 2013, the Town Refunded two bonds: Series 2010, Community Redevelopment Agency Bonds and Series 2003, Water and Sewer Revenue Bonds. Additional information related to long-term debt activity can be found under Note 9 to the financial statements.

The Town spent approximately \$ 5.0 million in governmental funds on capital assets. Of this amount, over \$ 1 million was spent on the College Avenue project, from capital projects reserves, grants and contributions. Over \$ 800K was spent on pavement overlay and striping from General Fund reserves. Over \$ 1 million was spent from projects associated with the issuance of the \$ 25 million in limited general obligation bond for open space and park enhancements that was issued in FY 2006. The projects were mostly for expansion and renovation for the different districts. Over \$ 200K was spent on renovations at Town Hall. Also, the Town used Community Development Block Grant funding of approximately \$ 456K towards building the Boys and Girls Club Gym. The Community Redevelopment Agency spent nearly \$ 350K on restroom renovations at the rodeo grounds

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Approximately \$ 19.6 million in new capital assets was provided for in business-type activities, in which a significant portion related to the new Water and Sewer Plant Facility that is being constructed. The completion of this Facility is expected to take place during FY 2014. This amount does not include significant amounts spent on repairs and maintenance, which do not qualify for categorization as a capital asset.

Capital contributions from developers in the water and sewer system amounted to about \$ 1.1 million, representing mostly contributions-in-aid of construction.

Additional information related to Capital Assets can be found under Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the conduct of municipal government, various lawsuits, commitments, and contingencies will arise. Disclosure of these items appear in the accompanying notes to this report.

Florida has many limiting measures on residential property taxes, and all affect the Town. The first \$ 25,000 of assessed value is exempt from taxation on homestead property. Also, the third \$ 25,000 of assessed value is exempt from taxation on homestead property (excluding taxes paid to the School Board). Additionally, homeowners over age 65 and who have income less than \$ 20,000 are able to avoid taxes on the next \$ 25,000 of assessed value. Florida's Constitution further limits taxable values on homestead property through the Save Our Homes amendment. Although an increase in property values is anticipated in the future, Homestead property is limited to a maximum 3% increase in assessed value per year, or less if inflation is less, while commercial property is limited to a maximum 10% increase in assessed value per year. Therefore, the Town will not recover the loss in property tax revenue unless the operating millage rate is increased. However, there is no direct correlation with respect to the Town's tax base and the Town's budget as the former will not grow as quickly as the latter.

Additionally, the Town has a Community Redevelopment Agency that is making improvements on the east-side of the Town. This Agency encompasses an area which has most of the industrial lands within the Town. The growth in this area's tax base will benefit the component unit and not the governmental activities of the Town, restricting the Town's revenue growth potential even further until the Community Redevelopment Agency expires.

The Town's bargaining groups will continue to request for improve pay, benefits, and working conditions. Given the increasing cost of personnel, coupled with stagnant revenues, the Town is facing a structural budget issue whereas the pace of expenses continues to exceed revenues. The Town has recognized this structural issue and will continue to address it and find solutions.

The Town is located within Broward County in South Florida. Davie is a desirable location for both residences and businesses. Fortunately, the "leading indicators" of growth, such as platting of parcels of lands, site plans of lands, requested land use and zoning changes, have started to pick up, indicating the outlook for growth is somewhat positive. The Town is very heavily weighted towards residential properties and the mix of land use could be a problem in the future. The Town currently levies less than half its legally available millage rate.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2013

Impacting fiscal year 2008, the State Legislature required property tax revenues to be rolled back to fiscal year 2007 levels, and then required to be reduced by another 9%. This resulted in a net reduction in property tax revenues of 7% for fiscal year 2008. The Town's fiscal year 2010 and 2011 budget reflected similar operating millage rate from fiscal year 2009 to help offset the reduction in the assessed property tax values and does not recapture the loss in property tax revenue suffered from the implementation of the State Legislatures requirements. The Town slightly lowered the operating millage for fiscal year 2012 and then maintained it for FY 2013.

The Town's adopted FY 2014 budget is \$ 196 million, which is an \$ 18 million (or 8.4%) decrease from the original adopted FY 2013 budget of \$ 214 million. The primary reason for the decrease in the Town's budget relates to the Town's Water and Sewer activities. During FY 2013, the construction of the Town's new water and sewer facility has been nearly completed. The Town is not anticipating the significant capital expenses associated with the new water and sewer facility in FY 2014.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Town of Davie, Budget and Finance Department at 6591 Orange Drive, Davie, Florida, 33314, or call (954) 797-1050.

BASIC FINANCIAL STATEMENTS

TOWN OF DAVIE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash, cash equivalents and investments	\$ 106,188,530	\$ 23,342,329	\$ 129,530,859
Restricted cash, cash equivalents and investments	-	38,453,608	38,453,608
Receivables, net	3,585,305	2,839,007	6,424,312
Due from other governments	3,695,208	319,700	4,014,908
Prepaid items	319,637	17,754	337,391
Inventory	115,004	258,338	373,342
Other assets	-	1,112,453	1,112,453
Capital assets not being depreciated	72,239,063	130,872,136	203,111,199
Capital assets, net of accumulated depreciation	92,807,017	17,003,356	109,810,373
Net other post employment benefits (OPEB) asset	842,000	-	842,000
Net pension asset	1,735,265	-	1,735,265
	281,527,029	214,218,681	495,745,710
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	1,073,473	1,073,473
	-	1,073,473	1,073,473
	-	1,073,473	1,073,473
LIABILITIES:			
Accounts payable and accrued liabilities	7,843,875	6,138,110	13,981,985
Insurance claims payable	1,980,000	-	1,980,000
Other liabilities	845,327	-	845,327
Unearned revenues	1,007,058	-	1,007,058
Customer deposits - payable from restricted assets	-	1,193,776	1,193,776
Accrued interest payable	603,839	3,187,301	3,791,140
Due within one year:			
Compensated absences payable	595,053	147,161	742,214
Bonds and notes payable	6,048,688	2,010,000	8,058,688
Due in more than one year:			
Compensated absences payable	7,914,333	170,356	8,084,689
Bonds and notes payable	62,969,515	139,866,971	202,836,486
	89,807,688	152,713,675	242,521,363
NET POSITION:			
Net investment in capital assets	120,789,981	18,351,139	139,141,120
Restricted for:			
Renewal and replacement and rate stabilization	-	24,609,322	24,609,322
Building services	4,410,866	-	4,410,866
Debt service	230,000	1,440,500	1,670,500
Community redevelopment	8,334,314	-	8,334,314
Parks and recreation - parks and open space	1,433,870	-	1,433,870
Public safety - fire	141,353	-	141,353
Public safety - police	364,042	-	364,042
General government impact fees	67,600	-	67,600
Unrestricted	55,947,315	18,177,518	74,124,833
	191,719,341	62,578,479	254,297,820

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS:				
Governmental activities:				
General government	\$ 15,021,076	\$ 3,618,668	\$ 3,015,721	\$ 1,298,593
Building and engineering	4,073,708	5,906,559	-	-
Public safety - police	38,272,875	2,033,727	1,374,328	126,591
Public safety - fire	25,553,166	11,769,038	12,517	131,741
Public works	10,485,525	69,828	2,089,117	127,663
Parks, recreation and cultural arts	5,926,310	1,262,337	82,956	-
Interest on long-term debt	3,140,306	-	-	-
Total governmental activities	102,472,966	24,660,157	6,574,639	1,684,588
Business-type activities:				
Water and sewer	15,103,264	21,460,796	-	1,055,448
Golf	143,208	51,913	-	-
Total business-type activities	15,246,472	21,512,709	-	1,055,448
Total	\$ <u>117,719,438</u>	\$ <u>46,172,866</u>	\$ <u>6,574,639</u>	\$ <u>2,740,036</u>

General revenue:

Taxes:
Ad valorem taxes, levied for general purposes
Ad valorem taxes, levied for debt service
Utility service taxes
Communications services tax
Franchise fees on gross receipts
Intergovernmental, not restricted for specific purposes
Investment income
Miscellaneous
Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated (Note 18)

Net position, end of year

Net Revenue (Expense) and
Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (7,088,094)	\$ -	\$ (7,088,094)
1,832,851	-	1,832,851
(34,738,229)	-	(34,738,229)
(13,639,870)	-	(13,639,870)
(8,198,917)	-	(8,198,917)
(4,581,017)	-	(4,581,017)
(3,140,306)	-	(3,140,306)
(69,553,582)	-	(69,553,582)
-	7,412,980	7,412,980
-	(91,295)	(91,295)
-	7,321,685	7,321,685
(69,553,582)	7,321,685	(62,231,897)
32,875,458	-	32,875,458
5,257,373	-	5,257,373
7,289,144	-	7,289,144
3,911,368	-	3,911,368
8,797,561	-	8,797,561
10,245,884	-	10,245,884
386,625	49,432	436,057
4,449,017	1,705,341	6,154,358
75,000	(75,000)	-
73,287,430	1,679,773	74,967,203
3,733,848	9,001,458	12,735,306
187,985,493	53,577,021	241,562,514
\$ 191,719,341	\$ 62,578,479	\$ 254,297,820

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

TOWN OF DAVIE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2013

	General	Community Endowment
ASSETS:		
Cash, cash equivalents and investments	\$ 42,631,425	\$ 801,980
Receivables:		
Property taxes, net	446,427	-
Utility and franchise taxes, net	2,068,281	-
Other	945,501	-
Due from other governments	1,704,448	-
Due from other funds	832,428	-
Prepaid items	114,899	-
Total assets	\$ 48,743,409	\$ 801,980
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 6,188,289	\$ 2,520
Other liabilities	844,827	500
Unearned revenues	670,989	-
Due to other funds	-	260,058
Total liabilities	7,704,105	263,078
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - intergovernmental	267,027	-
Total deferred inflows of resources	267,027	-
FUND BALANCES:		
Nonspendable:		
Prepaid expenditures	114,899	-
Restricted for:		
Building services	4,410,866	-
Debt service	230,000	-
Capital projects	-	-
Community redevelopment	-	-
Parks and recreation - parks and open space	-	-
Public safety - fire	-	-
Public safety - police	-	-
General government activities	-	-
Committed to:		
Hurricane/emergency and disaster recovery operating reserves	24,217,729	-
Community obligations	-	538,902
Capital projects	-	-
Wetland mitigation	310,503	-
Tree preservation	213,551	-
Assigned to:		
Subsequent year's expenditures	1,969,203	-
Engineering services	1,971,837	-
Unassigned	7,333,689	-
Total fund balances	40,772,277	538,902
Total liabilities, deferred inflows of resources and fund balances	\$ 48,743,409	\$ 801,980

<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 27,523,090	\$ 17,138,400	\$ 2,199,560	\$ 90,294,455
-	-	-	446,427
-	-	-	2,068,281
26,207	-	-	971,708
-	357,676	1,633,084	3,695,208
-	-	4,400	836,828
-	40,000	-	154,899
\$ 27,549,297	\$ 17,536,076	\$ 3,837,044	\$ 98,467,806
\$ 72,997	\$ 516,611	\$ 412,079	\$ 7,192,496
-	-	-	845,327
-	-	336,069	1,007,058
-	-	572,370	832,428
72,997	516,611	1,320,518	9,877,309
-	357,676	1,172,575	1,797,278
-	357,676	1,172,575	1,797,278
-	40,000	-	154,899
-	-	-	4,410,866
-	-	-	230,000
-	5,620,118	-	5,620,118
27,476,300	-	-	27,476,300
-	-	1,433,870	1,433,870
-	-	141,353	141,353
-	-	364,042	364,042
-	-	67,600	67,600
-	-	-	24,217,729
-	-	-	538,902
-	11,001,671	-	11,001,671
-	-	-	310,503
-	-	-	213,551
-	-	-	1,969,203
-	-	-	1,971,837
-	-	(662,914)	6,670,775
27,476,300	16,661,789	1,343,951	86,793,219
\$ 27,549,297	\$ 17,536,076	\$ 3,837,044	\$ 98,467,806

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

TOWN OF DAVIE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2013

Fund balances - total governmental funds		\$ 86,793,219
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:</p>		
Cost of capital assets is	\$ 327,005,878	
Less accumulated depreciation	<u>(161,959,798)</u>	165,046,080
Accrued interest payable not reported in the governmental funds		(603,839)
Intergovernmental revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues.		1,797,278
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and notes payable	(69,018,203)	
Compensated absences	<u>(8,509,386)</u>	(77,527,589)
Other post employment benefits (OPEB) asset, is not an available resource and, therefore, is not reported in the government funds.		842,000
Net pension asset is not an available resource and, therefore is not reported in the government funds.		1,735,265
Internal services funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities, other than capital assets and long-term liabilities already included above.		<u>13,636,927</u>
Net position of governmental activities		<u>\$ 191,719,341</u>

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

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TOWN OF DAVIE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013

	General	Community Endowment
REVENUES:		
Ad valorem taxes	\$ 35,741,304	\$ -
Utility service taxes	7,289,144	-
Franchise fees	8,797,561	-
Intergovernmental	12,107,661	-
Communication service tax	3,911,368	-
Licenses and permits	6,560,604	-
Charges for services	11,330,944	-
Fire rescue assessments	6,803,622	-
Fines and forfeitures	1,261,605	-
Investment income	240,552	93,017
Miscellaneous	3,879,423	19,661
Total revenues	97,923,788	112,678
EXPENDITURES:		
General government:		
General services department:		
Personnel services	4,413,249	-
Operating	4,615,185	338,522
Capital outlay	135,571	-
	9,164,005	338,522
Building and engineering department:		
Personnel services	2,763,945	-
Operating	943,605	-
Capital outlay	79,105	-
	3,786,655	-
Total general government	12,950,660	338,522
Public safety:		
Police department:		
Personnel services	31,436,741	-
Operating	5,159,457	-
Capital outlay	303,198	-
	36,899,396	-
Fire department:		
Personnel services	21,544,041	-
Operating	2,513,735	-
Capital outlay	108,308	-
	24,166,084	-
Total public safety	61,065,480	-

Community Redevelopment Agency	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,391,527	\$ -	\$ -	\$ 38,132,831
-	-	-	7,289,144
-	-	-	8,797,561
-	159,104	3,032,766	15,299,531
-	-	-	3,911,368
-	-	-	6,560,604
-	-	1,005,239	12,336,183
-	-	-	6,803,622
-	-	126,591	1,388,196
52,470	-	586	386,625
738,474	284,552	-	4,922,110
<u>3,182,471</u>	<u>443,656</u>	<u>4,165,182</u>	<u>105,827,775</u>
261,421	-	220,105	4,894,775
1,210,896	-	1,962,280	8,126,883
485,337	-	871,453	1,492,361
<u>1,957,654</u>	<u>-</u>	<u>3,053,838</u>	<u>14,514,019</u>
-	-	-	2,763,945
-	-	-	943,605
-	-	-	79,105
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,786,655</u>
<u>1,957,654</u>	<u>-</u>	<u>3,053,838</u>	<u>18,300,674</u>
-	-	-	31,436,741
-	-	40,834	5,200,291
-	-	41,960	345,158
<u>-</u>	<u>-</u>	<u>82,794</u>	<u>36,982,190</u>
-	-	-	21,544,041
-	-	-	2,513,735
<u>-</u>	<u>-</u>	<u>-</u>	<u>108,308</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>24,166,084</u>
<u>-</u>	<u>-</u>	<u>82,794</u>	<u>61,148,274</u>

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013
(continued)

	<u>General Fund</u>	<u>Community Endowment</u>
EXPENDITURES (continued):		
Public works:		
Personnel services	4,092,068	-
Operating	2,951,896	-
Capital outlay	27,676	-
	<u>7,071,640</u>	<u>-</u>
Total public works		
Parks, recreation and cultural arts:		
Personnel services	2,517,189	-
Operating	1,429,126	-
Capital outlay	25,207	-
	<u>3,971,522</u>	<u>-</u>
Total parks, recreation and cultural arts		
Non-departmental:		
Operating	1,072,536	-
	<u>1,072,536</u>	<u>-</u>
Total non-departmental		
Debt service:		
Principal	5,185,619	-
Interest and other fiscal charges	2,340,773	-
	<u>7,526,392</u>	<u>-</u>
Total debt service		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>93,658,230</u>	<u>338,522</u>
Excess (deficiency) of revenues over expenditures	<u>4,265,558</u>	<u>(225,844)</u>
OTHER FINANCING SOURCES (USES):		
Issuance of debt	-	-
Payment to escrow agent	-	-
Transfers in	-	-
Transfers out	(1,548,065)	-
	<u>(1,548,065)</u>	<u>-</u>
Total other financing sources (uses)		
Net change in fund balances	2,717,493	(225,844)
 FUND BALANCES, beginning of year	 <u>38,054,784</u>	 <u>764,746</u>
 FUND BALANCES, end of year	 \$ <u><u>40,772,277</u></u>	 \$ <u><u>538,902</u></u>

<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	-	4,092,068
-	-	-	2,951,896
-	-	-	27,676
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,071,640</u>
-	-	-	2,517,189
-	-	-	1,429,126
-	-	43,119	68,326
<u>-</u>	<u>-</u>	<u>43,119</u>	<u>4,014,641</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,072,536</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,072,536</u>
1,071,639	-	-	6,257,258
846,874	-	-	3,187,647
<u>1,918,513</u>	<u>-</u>	<u>-</u>	<u>9,444,905</u>
<u>-</u>	<u>3,892,084</u>	<u>-</u>	<u>3,892,084</u>
<u>3,876,167</u>	<u>3,892,084</u>	<u>3,179,751</u>	<u>104,944,754</u>
<u>(693,696)</u>	<u>(3,448,428)</u>	<u>985,431</u>	<u>883,021</u>
17,394,769	-	-	17,394,769
(17,394,769)	-	-	(17,394,769)
-	1,623,065	-	1,623,065
-	-	-	(1,548,065)
<u>-</u>	<u>1,623,065</u>	<u>-</u>	<u>75,000</u>
<u>(693,696)</u>	<u>(1,825,363)</u>	<u>985,431</u>	<u>958,021</u>
<u>28,169,996</u>	<u>18,487,152</u>	<u>358,520</u>	<u>85,835,198</u>
\$ <u><u>27,476,300</u></u>	\$ <u><u>16,661,789</u></u>	\$ <u><u>1,343,951</u></u>	\$ <u><u>86,793,219</u></u>

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

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TOWN OF DAVIE, 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, 2013

Net change in fund balances - total governmental funds	\$	958,021
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capitalized capital outlays in the current period.</p>		
Expenditures for capital assets	\$ 5,039,584	
Less current year depreciation	<u>(8,144,906)</u>	(3,105,322)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		304,039
<p>The issuance of long-term debt provides current financial resources to governmental funds; however, has no effect on net position.</p>		
		(17,394,769)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		23,652,027
<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 OPEB obligation (asset)	102,000	
Change in net pension obligation (asset)	681	
Change in accrued interest payable	47,341	
Change in compensated absences	<u>(703,558)</u>	(553,536)
<p>Net transfer between the internal service funds and the governmental funds decrease or increase the fund balances of governmental funds, but have no effect on net assets as reported on a government wide basis.</p>		
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.</p>		
		<u>(126,612)</u>
Change in net position of governmental activities	\$	<u><u>3,733,848</u></u>

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
ASSETS:				
Current assets:				
Cash, cash equivalents and investments	\$ 20,741,689	\$ 1,409,537	\$ 22,151,226	\$ 17,085,178
Restricted cash, cash equivalents and investments	38,453,608	-	38,453,608	-
Receivables, net of allowance for uncollectibles, including restricted of \$ 69,135	2,839,007	-	2,839,007	98,889
Due from other governments	319,700	-	319,700	-
Prepaid items	17,754	-	17,754	164,738
Inventories	258,338	-	258,338	115,004
Total current assets	62,630,096	1,409,537	64,039,633	17,463,809
Noncurrent assets:				
Other assets	1,112,453	-	1,112,453	-
Capital assets:				
Land	7,329,454	4,557,852	11,887,306	-
Buildings and improvements	19,475,459	273,903	19,749,362	2,215,285
Infrastructure	17,443,053	-	17,443,053	-
Machinery, equipment and vehicles	12,721,703	81,681	12,803,384	15,740,319
Construction in progress	118,984,830	-	118,984,830	-
Less accumulated depreciation	(32,918,454)	(73,989)	(32,992,443)	(12,517,946)
Net capital assets	143,036,045	4,839,447	147,875,492	5,437,658
Total noncurrent assets	144,148,498	4,839,447	148,987,945	5,437,658
Total assets	206,778,594	6,248,984	213,027,578	22,901,467
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	1,073,473	-	1,073,473	-
Total deferred outflows of resources	1,073,473	-	1,073,473	-

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(continued)
September 30, 2013

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	6,135,410	2,700	6,138,110	651,379
Compensated absences	147,161	-	147,161	-
Insurance claims payable	-	-	-	1,980,000
Due to other funds	-	-	-	4,400
Accrued interest payable	3,187,301	-	3,187,301	-
Bonds and notes payable, current	2,010,000	-	2,010,000	-
	<u>11,479,872</u>	<u>2,700</u>	<u>11,482,572</u>	<u>2,635,779</u>
Total current liabilities				
Noncurrent liabilities:				
Customer deposits - payable from restricted assets	1,193,776	-	1,193,776	-
Compensated absences	170,356	-	170,356	-
Bonds and notes payable	139,866,971	-	139,866,971	-
	<u>141,231,103</u>	<u>-</u>	<u>141,231,103</u>	<u>-</u>
Total noncurrent liabilities				
Total liabilities	<u>152,710,975</u>	<u>2,700</u>	<u>152,713,675</u>	<u>2,635,779</u>
NET POSITION:				
Net investment in capital assets	13,511,692	4,839,447	18,351,139	5,437,658
Restricted for renewal and replacement and rate stabilization	24,609,322	-	24,609,322	-
Restricted for debt service	1,440,500	-	1,440,500	-
Unrestricted	15,579,578	1,406,837	16,986,415	14,828,030
	<u>55,141,092</u>	<u>6,246,284</u>	<u>61,387,376</u>	<u>20,265,688</u>
Total net position	<u>\$ 55,141,092</u>	<u>\$ 6,246,284</u>	<u>\$ 61,387,376</u>	<u>\$ 20,265,688</u>

Explanation of difference between proprietary funds statement of net position and the government-wide statement of net position:

Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The portion attributable to business-type activities is reflected here and the residual assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position.

	<u>1,191,103</u>
Total net position - government-wide statement of net position	<u>\$ 62,578,479</u>

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

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TOWN OF DAVIE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2013

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
Operating revenues:				
Charges for services	\$ 21,460,796	\$ 51,913	\$ 21,512,709	\$ 16,981,855
Operating expenses:				
Personnel services	3,504,885	-	3,504,885	1,239,484
Professional fees	1,191,756	-	1,191,756	-
Utilities	1,045,550	-	1,045,550	-
Supplies and materials	767,311	-	767,311	-
Maintenance	621,598	85,988	707,586	2,523,793
Insurance	14,076	-	14,076	2,740,041
Claims	-	-	-	8,192,749
Administrative	2,137,800	-	2,137,800	959,197
Other	895,268	9,020	904,288	-
Depreciation and amortization	1,758,514	48,200	1,806,714	1,562,191
Total operating expenses	11,936,758	143,208	12,079,966	17,217,455
Operating income (loss)	9,524,038	(91,295)	9,432,743	(235,600)
Nonoperating revenues (expenses):				
Other income	672,298	2,850	675,148	101,386
Federal bond subsidies	1,030,193	-	1,030,193	-
Investment income	49,432	-	49,432	46
Interest expense	(3,158,950)	-	(3,158,950)	-
Total nonoperating revenues (expenses)	(1,407,027)	2,850	(1,404,177)	101,432
Income (loss) before transfers and contributions	8,117,011	(88,445)	8,028,566	(134,168)
Transfers and contributions:				
Capital contributions	1,055,448	-	1,055,448	-
Transfers out	(75,000)	-	(75,000)	-
Total transfers and contributions	980,448	-	980,448	-
Change in net position	9,097,459	(88,445)	9,009,014	(134,168)
Net position, beginning of year as restated (Note 18)	46,043,633	6,334,729	52,378,362	20,399,856
Net position, end of year	\$ 55,141,092	\$ 6,246,284	\$ 61,387,376	\$ 20,265,688

Explanation of difference between proprietary funds statement of revenues, expenses and changes in net position and the government-wide statement of activities:

Change in net position - proprietary funds financial statements	\$ 9,009,014
Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The portion attributable to business-type activities is reflected here.	(7,556)
Change in net position - government-wide statement of activities	\$ 9,001,458

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2013

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 21,780,007	\$ 57,928	\$ 21,837,935	\$ -
Receipts from interfund charges	-	-	-	17,000,224
Payments to suppliers and service providers	(8,488,691)	(93,616)	(8,582,307)	(14,042,492)
Payments to employees	(3,600,099)	-	(3,600,099)	(1,236,796)
Other receipts	352,598	2,850	355,448	101,386
	<u>10,043,815</u>	<u>(32,838)</u>	<u>10,010,977</u>	<u>1,822,322</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances from (to) other funds	-	-	-	4,400
Transfers out	(75,000)	-	(75,000)	-
	<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>4,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt	43,405,715	-	43,405,715	-
Acquisition and construction of capital assets, net	(19,507,480)	(51,984)	(19,559,464)	(1,571,333)
Principal retirements on debt	(14,590,000)	-	(14,590,000)	-
Interest paid on capital debt	(6,759,620)	-	(6,759,620)	-
Federal bond subsidies	1,030,193	-	1,030,193	-
Capital contributed by developers	1,055,448	-	1,055,448	-
	<u>4,634,256</u>	<u>(51,984)</u>	<u>4,582,272</u>	<u>(1,571,333)</u>
Cash flows from investing activities:				
Investment income	49,432	-	49,432	46
	<u>49,432</u>	<u>-</u>	<u>49,432</u>	<u>46</u>
	<u>14,652,503</u>	<u>(84,822)</u>	<u>14,567,681</u>	<u>255,435</u>

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)
For the Year Ended September 30, 2013

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
Cash, cash equivalents and investments, beginning of year	44,542,794	1,494,359	46,037,153	16,829,743
Cash, cash equivalents and investments, end of year	\$ <u>59,195,297</u>	\$ <u>1,409,537</u>	\$ <u>60,604,834</u>	\$ <u>17,085,178</u>
Cash, cash equivalents and investments per statement of net position:				
Unrestricted	\$ 20,741,689	\$ 1,409,537	\$ 22,151,226	\$ 17,085,178
Restricted	38,453,608	-	38,453,608	-
	\$ <u>59,195,297</u>	\$ <u>1,409,537</u>	\$ <u>60,604,834</u>	\$ <u>17,085,178</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ <u>9,524,038</u>	\$ <u>(91,295)</u>	\$ <u>9,432,743</u>	\$ <u>(235,600)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Other operating revenues	352,598	2,850	355,448	101,386
Depreciation and amortization	1,758,514	48,200	1,806,714	1,562,191
Provision for bad debts	518,704	-	518,704	-
(Increase) decrease in assets:				
Accounts receivable, net	(221,645)	6,015	(215,630)	18,369
Inventories	(135,113)	-	(135,113)	(2,015)
Prepaid items and other assets	14,076	-	14,076	98,132
Increase (decrease) in liabilities:				
Accounts payable, accrued liabilities and compensated absences	(1,789,509)	1,392	(1,788,117)	89,859
Insurance claims payable	-	-	-	190,000
Customer deposits	22,152	-	22,152	-
Total adjustments	519,777	58,457	578,234	2,057,922
Net cash provided by (used in) operating activities	\$ <u>10,043,815</u>	\$ <u>(32,838)</u>	\$ <u>10,010,977</u>	\$ <u>1,822,322</u>

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2013

ASSETS:

Cash and cash equivalents	\$ 8,825,045
Investments, at fair value	212,604,818
Receivables:	
Interest and dividends	462,502
Contributions	300,565
Securities sold	96,987
	222,289,917
Total assets	222,289,917

LIABILITIES:

Accounts payable	196,338
Payable for securities purchased	2,057,827
Prepaid contributions	4,228,352
Deferred retirement option plan payable	9,100,129
	15,582,646
Total liabilities	15,582,646
Net position held in trust for pension benefits	205,022,167
Net position held in trust for OPEB benefits	1,685,104
	206,707,271
Total net position held in trust	\$ 206,707,271

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2013

ADDITIONS:	
Contributions:	
Employer	\$ 13,570,266
Plan members	2,050,771
State of Florida	<u>1,593,703</u>
Total contributions	<u>17,214,740</u>
Investment income:	
Net appreciation in fair value of investments	18,162,066
Interest and dividends	<u>4,132,455</u>
Total investment income	22,294,521
Less:	
Investment expenses	790,445
Deferred retirement option plan participants' earnings	<u>678,440</u>
Net investment income	<u>20,825,636</u>
Total additions	<u>38,040,376</u>
DEDUCTIONS:	
Benefits paid	9,314,482
Refunds of contributions	9,457
Administrative expenses	<u>402,599</u>
Total deductions	<u>9,726,538</u>
Change in net position	28,313,838
NET POSITION, beginning of year	<u>178,393,433</u>
NET POSITION, end of year	<u>\$ 206,707,271</u>

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

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NOTES TO BASIC FINANCIAL STATEMENTS

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town was first incorporated in 1925 and was subsequently dissolved as a municipal corporation by the State of Florida when local residents failed to adopt necessary taxing powers. The Town was reincorporated in 1961, as authorized by Special Acts – Chapter 61-2056 under the Laws of Florida, and exists as a Council-Administrator form of municipal government. All registered voters elect the Mayor and four Council members; each of the four Council members represents a specific district. The Mayor serves as chairperson of public meetings and executes certain documents authorized by charter, ordinance, or resolution. Each elected official serves a three-year term of office. Each year, the Council elects a Vice Mayor who serves in the capacity of the Mayor when the Mayor is unable to perform his or her duties.

The Town provides its residents and businesses with the full range of municipal services contemplated by state law or local charter. Included are police and fire services, culture, recreation, community services, licensing and permitting, general administration, water and sewer utilities, public works and maintenance, and development services and code enforcement. Through franchise agreements, the Town also provides garbage disposal, cable television, electricity, towing, and telephone and telegraph services.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the Town and its component units (entities for which the Town is considered financially accountable). Blended component units, while legally separate entities, are, in substance, part of the primary government's operations. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are required to be reported in a separate column from the government. The Town does not have discretely presented component units to report.

Blended Component Unit - The Town of Davie Community Redevelopment Agency ("CRA"), although an entity legally separate from the Town, is governed by the Town's Council. In December 1988, Ordinance No. 88-75 created the Town of Davie Community Redevelopment Agency, pursuant to Sec. 163.330 et. seq., Florida Statutes. The CRA's own seven member board, appointed by the Town Council, serves in the capacity of an advisory board since the CRA's annual budget, contracts, grants and all other actions must be authorized directly by resolutions of the Town Council. In addition, the Town has issued bonds to finance CRA projects and is financially responsible for the CRA. Therefore, for financial reporting purposes, the CRA is reported as if it were part of the Town's operations and included within the Town's reporting entity as a special revenue fund. The CRA is the Town's only component unit.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. 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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund (enterprise and internal service funds) and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 are met.

All governmental fund financial statements are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers revenue to be available if it is collected within sixty days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that debt service on general obligation long-term debt, if any, is recognized when due. Expenditures related to pension and other post-employment benefits are recognized when the Town has made a decision to fund those obligations with current available resources. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes, franchise fees, utility taxes, licenses, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are considered measurable and available when cash is received by the government. Revenue received in advance of fiscal year to which they apply is presented as unearned on the balance sheet.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the Town's governmental activities, financial statements of internal service funds are consolidated mainly into the governmental column when presented at the government-wide level.

The Town's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GOVERNMENTAL FUNDS:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net position. The following is a description of the governmental funds of the Town:

General Fund (a major fund)

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

Community Endowment Special Revenue Fund (a major fund)

The *Community Endowment Fund* was established in a prior fiscal year with a residual equity transfer from a terminated General Employees' Pension Plan. The funds are to be applied to unfunded liabilities; to other liabilities of the Town as may from time to time need funding; to projects or programs that need capital creation that will be repaid over time; or to projects or programs that are in the community chest of charities or goodwill and which have one-time needs.

Community Redevelopment Agency Special Revenue Fund (a major fund)

The *Community Redevelopment Agency Fund* is used to account for the activities of the Town's Community Redevelopment Agency, a blended component unit of the Town.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Projects Fund (a major fund)

The *Capital Projects Fund* is used to account for the cost of acquiring, constructing, and placing into service those capital improvements which are associated with activities in the governmental funds and are financed by long-term debt issues which are repaid from recurring operating revenues and assessments from the General Fund. Improvements made from resources provided by this fund are approved in the Town's ten-year capital program and generally have no regard for fiscal periods.

Community Development Block Grant Special Revenue Fund (a non-major fund)

The *Community Development Block Grant Fund* is used to account for the activities of the Town's grants received from the United States Department of Housing and Urban Development related to Community Development Block Grant (CDBG) funds.

Parks and Open Space Impact Fees Special Revenue Fund (a non-major fund)

The *Parks and Open Space Impact Fees Fund* is used to account for the activities of the Town's impact fees received for its parks and recreational facilities.

Fire Impact Fees Special Revenue Fund (a non-major fund)

The *Fire Impact Fees Fund* is used to account for the activities of the Town's impact fees relating to public safety - fire department.

Police Impact Fees Special Revenue Fund (a non-major fund)

The *Police Impact Fees Fund* is used to account for the activities of the Town's impact fees relating to public safety - police department.

Forfeitures Special Revenue Fund (a non-major fund)

The *Forfeitures Fund* is used to account for the revenue and expenditures from State and Federal forfeitures that the Town receives from various law enforcement agencies.

General Government Impact Fee Special Revenue Fund (a non-major fund)

The *General Government Impact Fee Fund* is used to account for the activities of the Town's impact fees relating to its general government departments.

PROPRIETARY FUNDS:

Proprietary Funds include Enterprise and Internal Service Funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Internal Service Funds are used to account for the financing of goods or services provided by one Town department to another Town department on a cost reimbursement basis and to accumulate working capital for the renewal and replacement of assets in those funds.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Water and Sewer Enterprise Fund (a major fund)

The *Water and Sewer Fund* is used to account for the operations of the water and sewer utility system. The cost of operating the water and sewer system is recovered almost entirely by user charges. Tax dollars are not permanently used in this fund. The acquisition, maintenance, and improvement of the physical plant facilities are financed from existing cash resources, issuance of revenue bonds and state or Federal grants.

Golf Enterprise Fund (a non-major fund)

The *Golf Fund* is comprised of two primary functions: golf maintenance and golf operations. The maintenance and daily operations are being managed by a contracted management company which pays the Town revenue on a quarterly basis, based on gross revenues received. Any capital improvements are financed by the Town from existing cash resources or grants. Tax dollars are not permanently used in this fund.

Internal Service Fund for Vehicle Maintenance (a non-major fund)

The *Internal Service Fund for Vehicle Maintenance* is used to accumulate the cost of operating a central garage facility for vehicle and equipment maintenance. The cost allocation utilized provides for capital accumulation for the purpose of replacement vehicles. Costs of operating vehicles (replacement reserve, insurance reserve, maintenance, etc.) are established as a monthly rental rate per class of vehicle and the user department is charged for each vehicle it uses.

Internal Service Fund for Self-Insurance (a non-major fund)

The *Internal Service Fund for Self-Insurance* was established to account for and finance its insured and uninsured risks of loss.

Internal Service Fund for Information Systems (a non-major fund)

The *Internal Service Fund for Information Systems* is used to accumulate the costs associated with the acquisition and maintenance of information systems equipment. The cost allocation utilized provides for capital accumulation for the purpose of replacing and maintaining the Town's information systems.

Internal Service Fund for Building Maintenance (a non-major fund)

The *Internal Service Fund for Building Maintenance* is used to accumulate the costs of providing and maintaining certain Town facilities. The cost allocation utilized provides for capital accumulation for the purpose of replacing and maintaining Town facilities.

FIDUCIARY FUNDS:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a description of the fiduciary funds of the Town:

Firefighters Pension

The *Firefighters Pension* is maintained solely for the retirement benefit of the firefighters employed by the Town.

Police Pension

The *Police Pension* is maintained solely for the retirement benefit of the sworn police officers employed by the Town.

Management and General Employees Pension

The *Management and General Employees Pension* is maintained for the retirement benefit of employees that are not represented under any other deferred benefit pension plan.

OPEB Trust

The *OPEB Trust* is maintained for the benefit of retired employees of the Town to provide specified post-employment health care benefits for participants.

D. Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds with the exception of the Capital Projects Fund.

The Town Administrator is authorized to make transfers of appropriations within a department up to \$ 5,000. Transfers exceeding \$ 5,000 within a department, transfers of appropriations between departments and any alteration of the budget in total require the approval of the Town Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

E. Cash and Cash Equivalents

The Town's "cash and cash equivalents" are considered to be cash on hand, demand deposits, certificates of deposits and deposits held with the State Board of Administration ("SBA") Investment pool. For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Investments

Investments are carried at fair value. Unrealized gains and losses in fair value are recognized.

G. Receivables and Payables

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

The Town recognizes receivables in its various funds based on the accounting basis required for that fund. Allowances are provided for possible uncollectible accounts. All property tax receivables are shown net of an allowance for uncollectibles.

H. Inventories and Prepaid Items

Inventories are valued at cost (first-in, first-out method). The inventory in the Internal Service Fund for Vehicle Maintenance consisted of fuel accounted for on the consumption method.

Expenditures for insurance and other administrative expenses extending over more than one accounting period are accounted for as prepaid items and allocated between accounting periods.

I. Restricted Assets

Certain proceeds of the Town's proprietary fund revenue bonds, as well as certain resources set aside for their repayment are classified as restricted assets on the statement of net position because the funds are segregated and their use is limited by applicable bond covenants and other similar arrangements. The Town is required to maintain rate stabilization resources towards the funding of operating expenses and renewal and replacement resources for unexpected contingencies or to fund asset renewals or replacements.

J. Capital Assets

Property, plant, and equipment purchased or acquired at a minimum cost of \$ 1,500 is carried at historical cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. Interest expense is capitalized in the enterprise funds during the time a project is under construction and begins upon the issuance of bonds to finance the construction of a capital asset. Capitalization begins when expenditure is made by a payment to a vendor from the bond proceeds. Capitalized interest during the current fiscal year amounted to approximately \$ 4,160,000. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated useful lives for each major class of depreciable fixed assets are as follows:

Infrastructure	15-40 years
Buildings and improvements	15-30 years
Machinery, equipment and vehicles	5-20 years

Upon disposal of property, the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposal reported currently. Expenditures for maintenance, repairs, and minor renewals and betterments are charged as incurred. Renewals and betterments of a major character are capitalized. In the fund financial statements, acquisition of capital assets is recorded as expenditure and no depreciation is recorded.

K. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Compensated Absences

It is the Town's policy to permit full-time employees to accumulate limited amounts of earned vacation leave and earned sick leave. Upon separation from service, employees receive payment for all unused vacation time and, subject to length of service, 50% of all unused sick leave.

Accumulated compensated absences are recorded in the government-wide and proprietary fund financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, (e.g., resulting from employee resignations and retirements).

N. Net Position and Fund Balance

Net position in the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets plus unspent bond proceeds.

Restricted consists of net position with constraints placed on their use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted indicates that portion of net position that is available to fund future operations.

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

For fund balance disclosures, please refer to Note 10.

O. Pension Plans

As of year-end, the Town sponsors four pension plans: three defined benefit plans and a Money Purchase Plan, covering substantially all of its full-time employees. The Town also had an Other Post-Employment Benefits (OPEB) trust plan maintained for the health care benefit of retired employees. The investments of the Fire Pension, Police Pension, Management and General Employee Pension Plan and OPEB trust are all carried at fair value.

P. Unearned Revenues

Inflows that do not meet the criteria for revenue recognition, such as business tax receipts collected in advance, are recorded as unearned revenues in the governmental funds and the government-wide financial statements.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

R. Subsequent events

Subsequent events are evaluated by management through March 27, 2014, the date the financial statements are available for issuance.

NOTE 2 - DEPOSITS AND INVESTMENTS

As required by Florida Statutes, the Town Council has adopted a written investment policy, which may, from time to time, be amended by the Town Council. Under the current policy, Town officials are generally authorized to invest funds in the Florida Local Government Surplus Funds Trusts (SBA Pools), United States Government Securities and Agencies, commercial paper, corporate bonds and notes, Florida Municipal Investment Trust Funds, Florida bank certificates of deposit, repurchase agreements, and money market mutual funds. The Community Endowment Special Revenue Fund is authorized to invest in corporate equity securities in addition to the previously listed investments.

The Town's investment policy does not apply to funds not under the direct control of the Town; such as, the deferred contribution plan, deferred benefit plans (Firefighters, Police, Management and General), and the OPEB trust fund. The defined benefit pension plans' investment policy is determined by their respective Boards of Trustees and invests in authorized securities as summarized in the table below.

As of September 30, 2013, the Town had the following deposits and investments:

Investment Type	Carrying Amount (Fair Value)		
	Primary Government	Fiduciary Funds	Total
MSIF Trust - Core Plus Fixed			
Income Portfolio	\$ 343,561	\$ -	\$ 343,561
Florida Municipal Investment Trust Funds	5,124,993	42,352,281	47,477,274
United States Treasuries	36,965,480	15,525,013	52,490,493
United States Agency Securities	28,305,541	12,297,895	40,603,436
Corporate bonds	15,001,446	22,948,431	37,949,877
Commercial paper	2,697,943	-	2,697,943
Equity securities	458,419	80,470,912	80,929,331
Domestic equity funds	-	8,462,987	8,462,987
International equity funds	-	17,290,713	17,290,713
Real estate funds	-	11,422,742	11,422,742
State Board of Administration -			
Florida PRIME	2,164,071	-	2,164,071
Fund B	6,653	-	6,653
DROP mutual funds	-	1,833,844	1,833,844
Plus: Cash and money market funds	76,916,360	8,825,045	85,741,405
	<u>\$ 167,984,467</u>	<u>\$ 221,429,863</u>	<u>\$ 389,414,330</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Deposits:

The Town's cash balances were entirely covered by Federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. As of September 30, 2013, the carrying amount of the Town's deposits was \$ 60,760,948, with a bank balance of \$ 62,304,983.

Investments:

Interest rate risk: Interest rate risk exists when there is a possibility that changes in interest rate could adversely affect the fair value of the investments. Generally, the longer the time to maturity, the greater the exposure is to interest rate risk. The Town limits their risk by limiting investment maturities to a maximum of five years, for the investments held by the primary government. As a means of limiting its exposure to interest rate risk, fiduciary funds diversify investments by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations or maturities. The table below summarizes the Town's scheduled maturities (in years) of the investments held as of September 30, 2013:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. Treasuries	\$ 52,490,493	\$ 7,778,798	\$ 31,651,635	\$ 7,169,332	\$ 5,890,728
U.S. Agency Securities	40,603,436	2,769,637	25,838,253	4,499,542	7,496,004
Corporate bonds	37,949,877	5,831,414	14,753,069	17,214,206	151,188
Commercial paper	2,697,943	2,697,943	-	-	-
	<u>\$ 133,741,749</u>	<u>\$ 19,077,792</u>	<u>\$ 72,242,957</u>	<u>\$ 28,883,080</u>	<u>\$ 13,537,920</u>

Credit risk: Credit risk exists when there is a possibility the debt issuer may be unable to fulfill its obligations. The Town controls this risk by investing primarily in U.S. Government backed securities, and setting minimum credit ratings for other securities, rated by a Nationally Recognized Statistical Rating Organization ("NRSRO"). The fiduciary funds investment policy utilizes portfolio diversification in order to control this risk. The SBA Florida, PRIME has a credit rating by Standard & Poor's ("S&P") of AAAM, while the money market mutual funds and the SBA Fund B are not rated.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The NRSRO ratings for the Town's investments, including those held in pension trust funds as of September 30, 2013, are summarized below.

Investment Type	NRSRO Rating	Fair Value	Primary Government	Fiduciary Funds	
				Police	Fire
Corporate Bonds	AAA/Aaa	\$ 6,376,854	\$ 6,376,854	\$ -	\$ -
U.S. Agency Securities	AA+	27,705,514	27,705,514	-	-
U.S. Treasuries	AA+	36,965,480	36,965,480	-	-
Corporate Bonds	AA+	3,970,884	2,180,626	953,668	836,590
Corporate Bonds	AA	2,437,231	2,306,495	130,736	-
Corporate Bonds	AA-	2,648,174	1,997,434	650,740	-
Corporate Bonds	A	5,474,417	-	3,671,171	1,803,246
Corporate Bonds	A+	1,771,441	-	1,771,441	-
Corporate Bonds	A-	12,120,337	-	6,879,955	5,240,382
Commercial Paper	A-1+	299,724	299,724	-	-
U.S. Agency Securities	A-1+	600,027	600,027	-	-
Commercial Paper	A-1	2,398,219	2,398,219	-	-
Corporate Bonds	BBB+	1,010,502	-	136,405	874,097
U.S. Treasuries	N/A	15,525,013	-	7,909,530	7,615,483
U.S. Agency Securities	N/A	12,297,895	-	10,453,570	1,844,325
Corporate Bonds	AAA/Aaa	2,140,037	2,140,037	-	-
Total debt investments		\$ <u>133,741,749</u>	\$ <u>82,970,410</u>	\$ <u>32,557,216</u>	\$ <u>18,214,123</u>

Concentration risk: The Town's and fiduciary funds policy is to maintain a diversified portfolio to minimize the risk of loss resulting from concentration of assets in a specific issuer. Specific limits have been established which limit the percentage of portfolio assets that can be invested with a specific issuer. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the percentage is 5% or more in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investments pools, or other pooled investments are excluded from this requirement. There were no individual investments that represent 5% or more at September 30, 2013.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town and fiduciary funds would not recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Town and fiduciary funds minimizes this risk by establishing minimum standards for institutions and dealers used by the Town.

Foreign currency risk: Foreign currency risk is the risk that fluctuations in the currency exchange rate may materially affect transactions conducted in currencies other than U.S Dollars and the carrying value of foreign investments. The exposure to foreign currency risk derives mainly from its investments in international equity funds. It should be noted that the actual percentage invested in international equities was 7.9% and is within the allowable limits under the Police and Fire pension plans.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Florida Municipal Investment Trust Funds:

The Town manages its Defined Benefit Pension Plan investments for its management and general employees and the OPEB trust with the Florida Municipal Pension Trust Fund ("FMPTF"). The FMPTF is managed through the Florida Municipal Investment Trust ("FMIvT"), a Local Government Investment Pool. The Town also has investments of the primary government with the FMIvT. Required disclosures are as follows:

<u>Credit Risk:</u>	<u>Fitch Rating</u>	<u>Amount</u>
<u>Fixed Income Funds:</u>		
Broad Market High Quality Bond Fund	AA/V4	\$ 16,645,568
0-2 Year High Quality Bond Fund	AAA/V1	56,374
1-3 Year High Quality Bond Fund	AAA/V2	5,068,619
<u>Equity Portfolios:</u>		
	<u>Rating</u>	
FMIvT High Quality Growth Portfolio	Not rated	3,389,830
FMIvT Large Cap Diversified Value Portfolio	Not rated	3,348,628
FMIvT Russel 1000 Enhanced Index Portfolio	Not rated	9,785,186
FMIvT Diversified Small Cap Equity Portfolio	Not rated	4,722,726
FMIvT International Equity Portfolio	Not rated	4,460,343
		<u>\$ 47,477,274</u>

Interest Rate Risk (In Years):

<u>Fixed Income Funds:</u>	<u>Duration</u>	<u>WAM</u>
Broad Market High Quality Bond Fund	4.49	5.54
0-2 Year High Quality Bond Fund	0.72	0.68
1-3 Year High Quality Bond Fund	1.59	1.52

NOTE 3 - PROPERTY TAXES

The Town's property tax is levied and becomes a lien on real and personal property on October 1 of each year based on the assessed value listed as of the prior January 1. The Broward County Property Appraiser establishes assessed values. Broward County mails tax bills for the Town as the collection agent on or about October 1 of each year and is payable beginning November 1, with discounts of one to four percent if paid before March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1.

At September 30, uncollected current year amounts are classified as delinquent taxes receivable in the General Fund and offset by an allowance for uncollectible accounts. Delinquent taxes collected in subsequent periods are recognized as revenue in the General Fund during the fiscal year in which they are received.

The Town levied a total rate of 5.6422 per \$ 1,000 of assessed valuation for the fiscal year commencing October 1, 2012.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 4 - RECEIVABLES

Receivables at September 30, 2013 for the Town's major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts were as follows:

	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Governmental funds:					
Accounts receivable	\$ 945,501	\$ 26,207	\$ -	\$ -	\$ 971,708
Property taxes and assessments	446,427	-	-	-	446,427
Utility taxes and franchise fees	2,068,281	-	-	-	2,068,281
Intergovernmental	<u>1,704,448</u>	<u>-</u>	<u>357,676</u>	<u>1,633,084</u>	<u>3,695,208</u>
Gross receivables	5,164,657	26,207	357,676	1,633,084	7,181,624
Less allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 5,164,657</u>	<u>\$ 26,207</u>	<u>\$ 357,676</u>	<u>\$ 1,633,084</u>	<u>\$ 7,181,624</u>

Receivables at September 30, 2013 for the Town's Water and Sewer Fund and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts were as follows:

	<u>Water and Sewer Fund</u>	<u>Internal Service Funds</u>
Accounts receivable	\$ 7,527,413	\$ 98,889
Intergovernmental	<u>319,700</u>	<u>-</u>
Less allowance for uncollectible	<u>(4,688,406)</u>	<u>-</u>
Net receivables	<u>\$ 3,158,707</u>	<u>\$ 98,889</u>

NOTE 5 - INTERFUND TRANSACTIONS

A summary of interfund receivable and payable balances at September 30, 2013 is as follows:

<u>Interfund items (current)</u>	<u>Receivables</u>	<u>Payables</u>
Due to/from other funds:		
General Fund	\$ 832,428	\$ -
Community Development Block Grant Fund	-	530,370
Forfeitures Fund	4,400	42,000
Community Endowment Fund	-	260,058
Vehicle Maintenance Fund	<u>-</u>	<u>4,400</u>
Total	<u>\$ 836,828</u>	<u>\$ 836,828</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 5 - INTERFUND TRANSACTIONS (continued)

Interfund receivables from the Community Development Block Grant Fund relate to reimbursement grants owed to the General Fund as the General Fund paid all related expenses up front. Amount due from the Forfeitures Fund represents reimbursement due to the General Fund for certain personnel expenditures relating to school resource officers. Amounts due from the Community Endowment Fund represent reimbursements due to the General Fund for certain expenditures incurred that will be repaid once certain investments are liquidated. Amounts due to the Forfeitures Fund from the Vehicle Maintenance Fund represent auction proceeds for vehicles originally purchased with forfeitures funds.

A summary of interfund transfers for the year ended September 30, 2013 is as follows:

Transfers	In	Out
General Fund	\$ -	\$ 1,548,065
Capital Projects Fund	1,623,065	-
Water and Sewer Fund	-	75,000
Total	\$ <u>1,623,065</u>	\$ <u>1,623,065</u>

Transfers were used to move funds from the General Fund to the Capital Projects Fund to fund certain capital improvement projects. Monies were also transferred from the Water and Sewer Fund to the Capital Projects Fund to fund a portion of the purchase cost of a specialized piece of equipment.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balance October 1, 2012	Additions	Retirements and Transfers	Balance September 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 72,239,063	\$ -	\$ -	\$ 72,239,063
Total capital assets, not being depreciated	72,239,063	-	-	72,239,063
Capital assets, being depreciated:				
Infrastructure	126,817,185	2,308,758	-	129,125,943
Buildings and improvements	73,655,721	3,452,944	-	77,108,665
Machinery, equipment and vehicles	48,037,409	881,953	(387,155)	48,532,207
Total capital assets, being depreciated	248,510,315	6,643,655	(387,155)	254,766,815

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 6 - CAPITAL ASSETS (continued)

	Balance October 1, 2012	Additions	Retirements and Transfers	Balance September 30, 2013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Less accumulated depreciation for:				
Infrastructure	74,250,915	3,096,527	-	77,347,442
Buildings and improvements	42,073,316	2,723,975	-	44,797,291
Machinery, equipment and vehicles	<u>36,282,887</u>	<u>3,886,595</u>	<u>(354,417)</u>	<u>39,815,065</u>
Total accumulated depreciation	<u>152,607,118</u>	<u>9,707,097</u>	<u>(354,417)</u>	<u>161,959,798</u>
 Total capital assets, being depreciated, net	 <u>95,903,197</u>	 <u>(3,063,442)</u>	 <u>(32,738)</u>	 <u>92,807,017</u>
 Governmental activities capital assets, net	 \$ <u>168,142,260</u>	 \$ <u>(3,063,442)</u>	 \$ <u>(32,738)</u>	 \$ <u>165,046,080</u>
 Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,887,306	\$ -	\$ -	\$ 11,887,306
Construction in progress	<u>97,040,967</u>	<u>21,943,863</u>	<u>-</u>	<u>118,984,830</u>
 Total capital assets, not being depreciated	 <u>108,928,273</u>	 <u>21,943,863</u>	 <u>-</u>	 <u>130,872,136</u>
 Capital assets, being depreciated:				
Infrastructure	17,403,583	39,470	-	17,443,053
Building and improvements	17,386,223	2,363,139	-	19,749,362
Machinery, equipment and vehicles	<u>12,115,035</u>	<u>688,349</u>	<u>-</u>	<u>12,803,384</u>
 Total capital assets, being depreciated	 <u>46,904,841</u>	 <u>3,090,958</u>	 <u>-</u>	 <u>49,995,799</u>
 Less accumulated depreciation for:				
Infrastructure	11,650,117	669,004	-	12,319,121
Buildings and improvements	11,490,818	635,885	-	12,126,703
Machinery, equipment and vehicles	<u>8,109,915</u>	<u>436,704</u>	<u>-</u>	<u>8,546,619</u>
Total accumulated depreciation	<u>31,250,850</u>	<u>1,741,593</u>	<u>-</u>	<u>32,992,443</u>
 Total capital assets, being depreciated, net	 <u>15,653,991</u>	 <u>1,349,365</u>	 <u>-</u>	 <u>17,003,356</u>
 Business-type activities capital assets, net	 \$ <u>124,582,264</u>	 \$ <u>23,293,228</u>	 <u>-</u>	 \$ <u>147,875,492</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 197,470
Building and engineering	287,053
Public safety - police	1,168,722
Public safety - fire	1,221,684
Public works	3,373,573
Parks, recreation and cultural arts	<u>1,896,404</u>
Subtotal	<u>8,144,906</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,562,191</u>
Total depreciation expense - Governmental activities	\$ <u><u>9,707,097</u></u>

Depreciation was charged to functions/programs as follows:

Business type - activities:	
Water and sewer	\$ 1,693,393
Golf	<u>48,200</u>
Total depreciation expense - Business-type activities	\$ <u><u>1,741,593</u></u>

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities reported by the governmental and proprietary funds at September 30, 2013 were as follows:

Governmental Funds:

	General Fund	Community Endowment	Community Redevelopment Agency	Capital Projects	Non-major Governmental Funds	Total
Vendors, including contractors	\$ 2,732,282	\$ 2,520	\$ 67,033	\$ 516,611	\$ 310,980	\$ 3,629,426
Payroll, taxes and benefits	3,209,691	-	5,964	-	4,847	3,220,502
Other	<u>246,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,252</u>	<u>342,568</u>
	<u>\$ 6,188,289</u>	<u>\$ 2,520</u>	<u>\$ 72,997</u>	<u>\$ 516,611</u>	<u>\$ 412,079</u>	<u>\$ 7,192,496</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

Proprietary Funds:

	Water and Sewer	Golf	Internal Service Funds	Total
Vendors, including contractors	\$ 6,004,503	\$ 2,700	\$ 550,899	\$ 6,558,102
Payroll, taxes and benefits	130,907	-	100,480	231,387
	\$ 6,135,410	\$ 2,700	\$ 651,379	\$ 6,789,489

NOTE 8 - RESTRICTED ASSETS

At September 30, 2013, the Town had \$ 38,453,608 in restricted cash, cash equivalents and investments in the Water and Sewer Fund. This balance is composed of the following items:

	Restriction
Capital replacement	\$ 12,674,365
Unspent bond proceeds	11,279,145
Renewal and replacement	6,975,822
Rate stabilization	4,890,000
Debt service reserve	1,440,500
Customer deposits	1,193,776
Total	\$ 38,453,608

Capital replacement - Previously the Town hired consultants to perform a rate study and determined that the Town should commence a capital replacement reserve to be funded with an annual deposit of 7.5% of total operating revenues of the facilities. The Town anticipates that it will continue to make deposits in the same approximate amount in future years in order to maintain the system.

Unspent bond proceeds - Amount represents remaining project funds related to the Water and Sewer Revenue Bonds, Series 2012 at September 30, 2013.

Renewal and replacement - In accordance with the Town's water and sewer indentures, the Town was required to establish a renewal and replacement account for its water and sewer plants. The funds may be used only for sanitary sewerage system capital improvements and may be withdrawn and used anytime for this purpose. Since such withdrawn funds represent previously collected revenues (and income earned thereon), the amount of withdrawn funds need not be replaced or returned to the renewal and replacement account.

Rate stabilization reserve - In accordance with the Town's water and sewer indentures, the Town was required to establish a rate stabilization fund with an initial amount of \$ 750,000, currently at \$ 4,890,000. The Town can utilize \$ 250,000 per year starting in 2004 to fund certain operating expenses but has not yet used any of these funds.

Debt service reserve fund - In September 2013, the Town refunded its Water and Sewer Refunding Bonds, Series 2003, with the issuance of the Series 2013 bonds. As described in Note 9, the Town was required to establish a debt service reserve fund equating to 10% of the gross proceeds of the 2013 issuance.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 8 - RESTRICTED ASSETS (continued)

Customer deposits – Amount represents the total amount of customer deposits held by the Town at September 30, 2013.

NOTE 9- LONG-TERM LIABILITIES

Governmental Activities:

The following is a summary of changes in the long-term liabilities for the year ended September 30, 2013:

	Balance October 1, 2012	Additions	Reductions	Balance September 30, 2013	Due Within One Year
General Obligation Refunding Bonds, Series 2008A	\$ 4,465,000	\$ -	\$ 570,000	\$ 3,895,000	\$ 590,000
General Obligation Bonds, Series 1997	3,175,099	-	647,931	2,527,168	679,555
General Obligation Bonds, Series 1998	5,005,940	-	684,579	4,321,361	740,176
Public Improvement Revenue Refunding Bonds, Series 2008A	645,000	-	320,000	325,000	325,000
General Obligation Refunding Bonds, Series 2008B	1,005,550	-	108,750	896,800	113,200
Public Improvement Revenue Refunding Bonds, Series 2008B	3,020,000	-	665,000	2,355,000	695,000
Public Improvement Revenue Bonds, Series 2004	5,967,464	-	654,359	5,313,105	678,635
Limited General Obligation Bonds, Series 2006	19,545,000	-	1,050,000	18,495,000	1,095,000
General Obligation Bonds, Series 2006	13,980,000	-	485,000	13,495,000	505,000
Community Redevelopment Bonds, Series 2010	18,466,408	-	18,466,408	-	-
Community Redevelopment Bonds, Series 2013 A	-	10,000,000	-	10,000,000	360,155
Community Redevelopment Bonds, Series 2013 B	-	7,394,769	-	7,394,769	266,967
	<u>75,275,461</u>	<u>17,394,769</u>	<u>23,652,027</u>	<u>69,018,203</u>	<u>6,048,688</u>
Insurance claims payable	1,790,000	8,157,719	7,967,719	1,980,000	1,980,000
Compensated absences	8,359,611	5,718,834	5,569,059	8,509,386	595,053
	<u>10,149,611</u>	<u>13,876,553</u>	<u>13,536,778</u>	<u>10,489,386</u>	<u>2,575,053</u>
Total	<u>\$ 85,425,072</u>	<u>\$ 31,271,322</u>	<u>\$ 37,188,805</u>	<u>\$ 79,507,589</u>	<u>\$ 8,623,741</u>

For governmental activities, compensated absences are generally liquidated by the General Fund. The entire claims liability is reported in the Self-Insurance Internal Service Fund and will be liquidated by that fund.

\$ 7,250,000 General Obligation Refunding Bonds, Series 2008A - Previously, the Town issued \$ 7,250,000 of General Obligation Refunding Bonds, Series 2008A, maturing July 1, 2019, with a fixed interest rate of 3.75%. The Bonds refunded the Town's then outstanding General Obligation Bonds, Series 1989, and paid for certain costs associated with the issuance of the Bonds. The original Bonds were issued in connection with the creation of a program for open space for the preservation of passive recreational areas and other similar activities. Interest is paid semiannually on each July 1 and January 1. Principal on the Bonds is paid annually commencing July 2008 through July 2019. Ad valorem tax revenues from the General Fund are pledged to repay this Bond issue.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9- LONG-TERM LIABILITIES (continued)

Annual debt service requirements to maturity for the General Obligation Bonds, Series 2008A above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 590,000	\$ 146,062	\$ 736,062
2015	615,000	123,938	738,938
2016	635,000	100,876	735,876
2017	660,000	77,062	737,062
2018	685,000	52,312	737,312
2019	710,000	26,625	736,625
Total	\$ <u>3,895,000</u>	\$ <u>526,875</u>	\$ <u>4,421,875</u>

\$ 9,800,000 General Obligation Bonds, Series 1997 - Previously the Town issued \$ 9,800,000 of General Obligation Bonds, Series 1997, maturing February 1, 2017, with a fixed interest rate of 4.736%. The Bonds were issued in connection with the acquisition, construction, and furnishing of a police, fire, emergency medical services, and Town Hall Annex Facility and for paying the costs of the issuance of the Bonds. Interest and principal payments are paid quarterly commencing February 1997 through February 2017. Ad valorem tax revenues from the General Fund are pledged to repay this Bond issue.

Annual debt service requirements to maturity for the General Obligation Bonds, Series 1997 above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 679,555	\$ 109,325	\$ 788,880
2015	712,405	76,475	788,880
2016	747,815	48,112	795,927
2017	387,393	7,046	394,439
Total	\$ <u>2,527,168</u>	\$ <u>240,958</u>	\$ <u>2,768,126</u>

\$ 10,000,000 General Obligation Bonds, Series 1998 - Previously, the Town issued \$ 10,000,000 of General Obligation Bonds, Series 1998, maturing March 1, 2018, with a fixed interest rate of 4.119%. The Bonds were issued in connection with various recreational projects and for paying the costs of the issuance of the Bonds. Interest is paid quarterly; principal is paid annually commencing March 2000 through March 2018. Ad valorem tax revenues from the General Fund are pledged to repay this Bond issue.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9- LONG-TERM LIABILITIES (continued)

Annual debt service requirements to maturity for the General Obligation Bonds, Series 1998 above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 740,176	\$ 162,753	\$ 902,929
2015	798,913	131,055	929,968
2016	860,947	96,871	957,818
2017	926,442	60,059	986,501
2018	994,883	20,490	1,015,373
Total	\$ <u>4,321,361</u>	\$ <u>471,228</u>	\$ <u>4,792,589</u>

\$ 1,825,000 Public Improvement Revenue Refunding Bonds, Series 2008A - Previously, the Town issued \$ 1,825,000 of Public Improvement Revenue Refunding Bonds Series 2008A, maturing September 1, 2014, with a fixed interest rate of 3.28%. The Bonds refunded the Town's then outstanding Public Improvement Revenue Bonds, Series 1999, and paid for certain costs associated with the issuance of the Bonds. Interest is paid semiannually on each October 1 and April 1. Principal on the Bonds is paid annually commencing October 2008 through September 2014. Legally available non-ad valorem revenues of the General Fund are used to repay this Bond issue.

Annual debt service requirements to maturity for the Public Improvement Revenue Refunding Bonds, Series 2008A above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ <u>325,000</u>	\$ <u>10,141</u>	\$ <u>335,141</u>

\$ 1,541,250 General Obligation Refunding Bonds, Series 2008B - Previously, the Town issued \$ 1,541,250 of General Obligation Refunding Bonds, Series 2008B maturing July 1, 2020, with a fixed interest rate of 4.10%. The Bonds refunded the Town's then outstanding General Obligation Bonds, Series 2000, and paid certain costs associated with the issuance of the Bonds. The original bonds were issued in connection with various recreational projects. Interest is paid semiannually on each July 1 and January 1. Principal on the Bonds is paid annually commencing July 2008 through July 2020. Ad valorem tax revenues of the General Fund are pledged to repay this Bond issue.

Annual debt service requirements to maturity for the General Obligation Refunding Bonds, Series 2008B above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 113,200	\$ 36,769	\$ 149,969
2015	117,850	32,128	149,978
2016	122,650	27,296	149,946
2017	127,700	22,267	149,967
2018	132,950	17,031	149,981
2019-2020	282,450	17,486	299,936
Total	\$ <u>896,800</u>	\$ <u>152,977</u>	\$ <u>1,049,777</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

\$ 6,010,000 Public Improvement Revenue Refunding Bonds, Series 2008B - Previously, the Town issued \$ 6,010,000 of Public Improvement Revenue Refunding Bonds, Series 2008B, maturing October 1, 2016, with a fixed interest rate of 3.59%. The Bonds refunded the Town's then outstanding Public Improvement Revenue Bonds, Series 2001, and paid certain costs associated with the issuance of the Bonds. Interest and principal payments are paid quarterly commencing October 2008 through October 2016. Legally available non-ad valorem revenues of the General Fund are pledged to repay this Bond issue.

Annual debt service requirements to maturity for the Public Improvement Revenue Refunding Bonds, Series 2008B above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 695,000	\$ 75,031	\$ 770,031
2015	725,000	49,767	774,767
2016	740,000	23,604	763,604
2017	195,000	1,750	196,750
Total	<u>\$ 2,355,000</u>	<u>\$ 150,152</u>	<u>\$ 2,505,152</u>

\$ 10,000,000 Public Improvement Revenue Bonds, Series 2004 - Previously, the Town issued \$ 10,000,000 of Public Improvement Revenue Bonds, Series 2004, maturing December 1, 2019, with a fixed interest rate of 3.71%. The Bonds were issued in connection with financing and reimbursing the cost of acquisition, construction, and equipping of certain capital improvements and for paying the costs of the issuance of the Bonds. Interest is paid semiannually on each December 1 and June 1. Principal on the Bonds is paid annually commencing December 2012 through December 2019. Legally available non-ad valorem revenues of the General Fund are pledged to repay this Bond issue.

Annual debt service requirements to maturity for the Public Improvement Revenue Bonds, Series 2004 above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 678,635	\$ 184,527	\$ 863,162
2015	703,813	158,883	862,696
2016	729,924	132,288	862,212
2017	757,004	104,705	861,709
2018	785,089	76,099	861,188
2019-2020	1,658,640	62,096	1,720,736
Total	<u>\$ 5,313,105</u>	<u>\$ 718,598</u>	<u>\$ 6,031,703</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

\$ 25,000,000 Limited General Obligation Bonds, Series 2006 - Previously, the Town issued \$ 25,000,000 of Limited General Obligation Bonds, Series 2006, maturing August 1, 2026, with an interest rate ranging from 4.00% to 4.50%. The Bonds were issued in connection with acquiring land to protect the quality of water bodies, preserving and improving wildlife habitat and parks, constructing and improving parks and recreational areas, and for paying the costs of the issuance of the Bonds. Interest is paid semiannually on each February 1 and August 1. Principal on the Bonds is paid annually commencing August 2012 through August 2026. Ad valorem tax revenues from the General Fund are pledged to repay this Bond issue up to a tax limit of 0.38 mills per annum.

Annual debt service requirements to maturity for the Limited General Obligation Bonds, Series 2006 above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,095,000	\$ 805,326	\$ 1,900,326
2015	1,140,000	758,788	1,898,788
2016	1,190,000	710,338	1,900,338
2017	1,240,000	661,250	1,901,250
2018	1,290,000	607,000	1,897,000
2019-2023	7,320,000	2,169,066	9,489,066
2024-2026	5,220,000	426,204	5,646,204
Total	<u>\$ 18,495,000</u>	<u>\$ 6,137,972</u>	<u>\$ 24,632,972</u>

\$ 16,500,000 General Obligation Bonds, Series 2006 - Previously, the Town issued \$ 16,500,000 of General Obligation Bonds, Series 2006, maturing August 1, 2031, with an interest rate ranging from 4.00% to 4.625%. The Bonds were issued in connection with constructing and furnishing fire and rescue facilities, and the procurement of certain equipment/technology, including the improvement of emergency management and terrorism preparedness, and for paying the costs of the issuance of the Bonds. Interest is paid semiannually on each February 1 and August 1. Principal on the Bonds is paid annually commencing August 2012 through August 2031. Ad valorem tax revenues from the General Fund are pledged to repay this Bond issue.

Annual debt service requirements to maturity for the General Obligation Bonds, Series 2006 above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 505,000	\$ 606,956	\$ 1,111,956
2015	525,000	584,862	1,109,862
2016	550,000	561,894	1,111,894
2017	575,000	537,832	1,112,832
2018	600,000	514,112	1,114,112
2019-2023	3,425,000	2,140,812	5,565,812
2024-2028	4,265,000	1,297,962	5,562,962
2029-2031	3,050,000	286,519	3,336,519
Total	<u>\$ 13,495,000</u>	<u>\$ 6,530,949</u>	<u>\$ 20,025,949</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

Community Redevelopment Agency (“CRA”) Bonds - The CRA previously issued \$ 20,000,000 Community Redevelopment Bonds, Series 2010, with an annual interest of 3.71%, to make various infrastructure improvements, including drainage, road, and water and sewer improvements, and to acquire land for redevelopment purposes. On August 28, 2013 and September 28, 2013, the CRA issued Community Redevelopment Bonds, Series 2013A and 2013B, amounting to \$ 10,000,000 and \$ 7,394,769, respectively, to currently refund the then outstanding Series 2010 Bonds. The entire proceeds of the 2013 Bonds were applied to refund the principal balance of the 2010 Bonds; therefore, no proceeds were received by the issuer. At September 30, 2013, the Series 2010 Bonds were considered retired/fully defeased. The 2013A and 2013B Bonds bear interest at the fixed rate of 2.47% and 2.43%, respectively. Principal and interest on both series is payable semiannually on each June 10 and December 10 through maturity in December 2025. The Bonds are secured by a pledge and lien on tax increment revenues of the Town’s CRA. In addition, the Town covenants to annually budget and appropriate legally available non ad valorem revenues to cover any shortfall in tax increment revenue of the CRA to pay for scheduled principal and interest.

The Town’s CRA currently refunded the Series 2010 Bonds to reduce its total debt service payments over the next twelve years by approximately \$ 1,616,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$ 1,281,000.

Annual debt service requirements to maturity for the Community Redevelopment Agency Bonds, Series 2013A are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 360,155	\$ 196,228	\$ 556,383
2015	733,189	236,866	970,055
2016	751,080	218,975	970,055
2017	770,593	199,463	970,056
2018	790,012	180,044	970,056
2019-2023	4,258,509	591,768	4,850,277
2024-2026	2,336,462	88,676	2,425,138
Total	<u>\$ 10,000,000</u>	<u>\$ 1,712,020</u>	<u>\$ 11,712,020</u>

Annual debt service requirements to maturity for the Community Redevelopment Agency Bonds, Series 2013B are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 266,967	\$ 129,279	\$ 396,246
2015	543,327	172,297	715,624
2016	556,369	159,254	715,623
2017	570,587	145,037	715,624
2018	584,732	130,892	715,624
2019-2023	3,148,117	430,001	3,578,118
2024-2026	1,724,670	64,388	1,789,058
Total	<u>\$ 7,394,769</u>	<u>\$ 1,231,148</u>	<u>\$ 8,625,917</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

The aggregate annual debt service to maturity for the governmental activities debt is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 6,048,688	\$ 2,462,397	\$ 8,511,085
2015	6,614,497	2,325,059	8,939,556
2016	6,883,785	2,079,508	8,963,293
2017	6,209,719	1,816,471	8,026,190
2018	5,862,666	1,597,980	7,460,646
2019-2023	20,802,716	5,437,854	26,240,570
2024-2028	13,546,132	1,877,230	15,423,362
2029-2032	3,050,000	286,519	3,336,519
Total	\$ 69,018,203	\$ 17,883,018	\$ 86,901,221

Business - Type Activities:

The following is a summary of changes in the long-term liabilities for the year ended September 30, 2013:

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2013</u>	<u>Due Within One Year</u>
Bonds Payable:					
Water and Sewer Refunding Bonds, Series 2003	\$ 15,905,000	\$ -	\$ 14,360,000	\$ 1,545,000	\$ 1,545,000
Water and Sewer Revenue Bonds, Series 2010	46,245,000	-	-	46,245,000	-
Water and Sewer Revenue Bonds, Series 2011	49,930,000	-	230,000	49,700,000	465,000
Water and Sewer Revenue Bonds, Series 2012	-	28,190,000	-	28,190,000	-
Water and Sewer Refunding Bonds, Series 2013	-	14,405,000	-	14,405,000	-
State Revolving Fund Loan Program	-	1,317,015	-	1,317,015	-
Bond Premiums	1,001,654	-	34,540	967,114	-
Bond Discounts	-	(506,300)	(14,142)	(492,158)	-
	<u>113,081,654</u>	<u>43,405,715</u>	<u>14,610,398</u>	<u>141,876,971</u>	<u>2,010,000</u>
Compensated Absences	<u>333,057</u>	<u>154,302</u>	<u>169,842</u>	<u>317,517</u>	<u>147,161</u>
	<u>\$ 113,414,711</u>	<u>\$ 43,560,017</u>	<u>\$ 14,780,240</u>	<u>\$ 142,194,488</u>	<u>\$ 2,157,161</u>

\$ 26,305,000 Water and Sewer Refunding Bonds, Series 2003 and \$ 14,405,000 Water and Sewer Refunding Bonds, Series 2013 - Previously, the Town issued \$ 26,305,000 Water and Sewer Refunding Bonds, Series 2003 for the purpose of providing funds, together with other legally available funds of the Town, to refund and defease the then outstanding amount of the Town's \$ 38,665,000 Water and Sewer Improvement and Refunding Revenue Bonds, Series 1992.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 – LONG-TERM LIABILITIES (continued)

On September 11, 2013, the Town issued \$ 14,405,000 of Water and Sewer Refunding Bonds, Series 2013, with a rate of 1.93%, to advance refund the Series 2003 bonds. The gross proceeds of the 2013 issuance were deposited in an irrevocable trust with an escrow agent to provide for the cost of issuance, the establishment of a debt service reserve fund and the required debt service payment (\$ 12,875,000 of principal and \$ 324,990 of interest) on the call date of October 16, 2013. *The Town was required to make a final debt service payment of \$ 1,545,000 (principal) and \$ 30,900 (interest) on October 1, 2013.* As a result, the Series 2003 Bonds are considered defeased and the liability for those Bonds has been removed from the statement of net position, except for the remaining debt service payment of \$ 1,545,000 made by the Town after the year-end.

The reacquisition price exceeded the net carrying amount of the old debt by \$ 1,073,473. The amount is shown on the statement of net position as deferred outflows of resources and is amortized in a systematic and rational manner over the shorter of the life of the old bond or new bond. The Town advance refunded the Water and Sewer Refunding Bonds, Series 2003 to reduce its total debt service payments over the next eight years by approximately \$ 1,631,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt, net of Town’s contribution) of approximately \$ 1,239,000.

Interest on the Series 2013 Bonds is paid semi-annually on each April 1 and October 1. Principal on the Series 2013 Bonds is paid annually commencing October 2014 through October 2021. The Bonds are payable from the pledged net revenues and contributions charges of the water and sewer system. The Bond Indenture contains certain covenants related to the operation of the Water and Sewer Fund and the establishment of a renewal and replacement fund and a rate stabilization fund.

Annual debt service requirements to maturity for the Water and Sewer Refunding Bonds, Series 2013, above are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 154,454	\$ 154,454
2015	1,735,000	261,274	1,996,274
2016	1,785,000	227,306	2,012,306
2017	1,815,000	192,566	2,007,566
2018	1,855,000	157,150	2,012,150
2019-2022	<u>7,215,000</u>	<u>265,809</u>	<u>7,480,809</u>
Total	<u>\$ 14,405,000</u>	<u>\$ 1,258,559</u>	<u>\$ 15,663,559</u>

\$ 46,245,000 Water and Sewer Revenue Bonds, Series 2010 - Previously, the Town issued \$ 46,245,000 Water and Sewer Revenue Bonds, Series 2010, maturing October 1, 2040, with an interest rate ranging from 6.062% to 6.849%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds is paid annually commencing October 2021 through October 2040. The Bonds are payable from the pledged net revenues derived from the Town’s water and sewer system and proceeds from contributions charges received by the Town in connection with the system.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

The Town is subject to certain rate covenants outlined in the Bond Indenture. The Bond Indenture has certain covenants related to the operation of the water and sewer fund, including the establishment of a rate stabilization fund and a renewal and replacement fund. As of September 30, 2013 the Town was in compliance with those requirements.

The Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. The Town has obtained the required insurance policy and is in compliance with the reserve requirement.

Annual debt service requirements to maturity for the Water and Sewer Revenue Bonds, Series 2010, above are as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ -	\$ 3,077,269	\$ 3,077,269
2015	-	3,077,269	3,077,269
2016	-	3,077,269	3,077,269
2017	-	3,077,269	3,077,269
2018	-	3,077,269	3,077,269
2019-2023	4,755,000	15,105,372	19,860,372
2024-2028	9,275,000	12,835,561	22,110,561
2029-2033	11,425,000	9,517,645	20,942,645
2034-2038	14,190,000	5,260,718	19,450,718
2039-2041	6,600,000	682,845	7,282,845
Total	\$ <u>46,245,000</u>	\$ <u>58,788,486</u>	\$ <u>105,033,486</u>

\$ 49,930,000 Water and Sewer Revenue Bonds, Series 2011 - Previously, the Town issued \$ 49,930,000 Water and Sewer Revenue Bonds, Series 2011, maturing October 1, 2041, with an interest rate ranging from 2.0% to 5.0%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds is paid annually commencing October 2012 through October 2041. The Bonds are payable from the pledged net revenues derived from the Town's water and sewer system and proceeds from contributions charges received by the Town in connection with the system.

The Town is subject to certain rate covenants outlined in the Bond Indenture. The Bond Indenture has certain covenants related to the operation of the water and sewer fund including the establishment of a rate stabilization fund and a renewal and replacement fund. As of September 30, 2013 the Town was in compliance with those requirements.

The Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. The Town has obtained the required insurance policy and is in compliance with the reserve requirement.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

Annual debt service requirements to maturity for the Water and Sewer Revenue Bonds, Series 2011, above are as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ 465,000	\$ 2,281,206	\$ 2,746,206
2015	475,000	2,266,956	2,741,956
2016	490,000	2,252,256	2,742,256
2017	505,000	2,237,106	2,742,106
2018	520,000	2,226,706	2,746,706
2019-2023	4,175,000	10,838,530	15,013,530
2024-2028	7,245,000	9,636,312	16,881,312
2029-2033	9,105,000	7,634,750	16,739,750
2034-2038	11,625,000	4,992,500	16,617,500
2039-2042	15,095,000	1,431,500	16,526,500
Subtotal	49,700,000	\$ <u>45,797,822</u>	\$ <u>95,497,822</u>
Plus: unamortized bond premium	<u>967,114</u>		
Total	\$ <u>50,667,114</u>		

\$ 28,190,000 Water and Sewer Revenue Bonds, Series 2012 – In November 2012, the Town issued \$ 28,190,000 Water and Sewer Revenue Bonds, Series 2012, maturing October 1, 2042, with an interest rate ranging from 2.0% to 4.0%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds is paid annually commencing October 2014 through October 2042. The Bonds are payable from the pledged net revenues derived from the Town's water and sewer system and proceeds from contributions charges received by the Town in connection with the system.

The Town is subject to certain rate covenants outlined in the Bond Indenture. The Bond Indenture has certain covenants related to the operation of the water and sewer fund including the establishment of a rate stabilization fund and a renewal and replacement fund. As of September 30, 2013 the Town was in compliance with those requirements.

The Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. The Town has obtained the required insurance policy and is in compliance with the reserve requirement.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

Annual debt service requirements to maturity for the Water and Sewer Revenue Bonds, Series 2012, above are as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ -	\$ 795,396	\$ 795,396
2015	180,000	945,025	1,125,025
2016	185,000	939,625	1,124,625
2017	195,000	934,075	1,129,075
2018	195,000	928,225	1,123,225
2019-2023	1,100,000	4,551,675	5,651,675
2024-2028	2,215,000	4,367,506	6,582,506
2029-2033	3,825,000	3,965,900	7,790,900
2034-2038	6,070,000	3,290,989	9,360,989
2039-2043	14,225,000	2,142,350	16,367,350
Subtotal	28,190,000	\$ <u>22,860,766</u>	\$ <u>51,050,766</u>
Less unamortized discount	<u>492,158</u>		
Total	\$ <u>27,697,842</u>		

The Series 2010, 2011, 2012 and 2013 Bonds were issued in parity as to the lien of the pledged revenues.

It is the intent of the Town to use the proceeds of the Series 2012 Bonds to complete the funding of its new water and wastewater treatment facilities, which commenced design and construction in 2010. The Town estimates the total project cost at approximately \$ 126,441,000, which is funded through bond issuances of approximately \$ 124,365,000, assessments and grants of approximately \$ 430,000, and contribution charges of approximately \$ 1,646,000.

\$ 5,569,202 State Revolving Fund Loan - In April 2012, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Loan program to provide financing for the Town's Infiltration and Inflow Program and the Master Lift Station No. 8 and Force Main project. The loan is collateralized by a pledge on the revenues from the Town's Water and Sewer System, after payment of operation and maintenance expenditures and satisfaction of all senior revenue obligations. This facility is in junior position to the Water and Sewer Revenue Bonds of the Town. Through September 30, 2013, the Town borrowed \$ 1,317,015 under this agreement. Subsequent to September 30, 2013, the Town borrowed an additional \$ 1,816,687 under this loan agreement. Payments are due semiannually on each September 15 and March 15 commencing on March 14, 2014. Semiannual payments are calculated based on the actual amount drawn under the agreement, as well as associated capitalized interest and loan service fees. These amounts will not be determined until project completion; therefore, amortization schedules will not be finalized for these loan agreements until project completion. Based upon a fully drawn credit facility, repayment is estimated in forty semiannual installments of \$ 177,915, including interest at a fixed rate of 2.30%.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

The aggregate annual debt service to maturity for the business-type activities is as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ 2,010,000	\$ 6,308,325	\$ 8,318,325
2015	2,390,000	6,550,524	8,940,524
2016	2,460,000	6,496,456	8,956,456
2017	2,515,000	6,441,016	8,956,016
2018	2,570,000	6,389,350	8,959,350
2019-2023	17,245,000	30,761,386	48,006,386
2024-2028	18,735,000	26,839,379	45,574,379
2029-2033	24,355,000	21,118,295	45,473,295
2034-2038	31,885,000	13,544,207	45,429,207
2039-2043	35,920,000	4,256,695	40,176,695
Subtotal	140,085,000	\$ <u>128,705,633</u>	\$ <u>268,790,633</u>
State Revolving Loan	<u>1,317,015</u>		
Total	\$ <u>141,402,015</u>		

Pledged Revenues:

The Town's debt is collateralized by multiple sources. The following table provides the revenue, sometimes net of operating expenditures, pledged for each debt issuance, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2013:

Debt Issue	Pledged Revenue	Revenue Received	Principal and Interest Paid	Future Maturities Principal and Interest	Pledged Through:
<u>Governmental Activities:</u>					
Community Redevelopment Bonds, Series 2013A and 2013B	Tax increment revenues of the Town's Community Redevelopment Agency	\$ 2,391,527	\$ 1,918,513	\$ 20,337,937	2026
General Obligation Refunding Bonds, Series 2008A	Ad valorem tax	\$ 743,393	\$ 737,438	\$ 4,421,875	2019
General Obligation Bonds, Series 1997	Ad valorem tax	\$ 720,260	\$ 788,880	\$ 2,768,126	2017

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 9 - LONG-TERM LIABILITIES (continued)

Debt Issue	Pledged Revenue	Revenue Received	Principal and Interest Paid	Future Maturities Principal and Interest	Pledged Through:
General Obligation Bonds, Series 1998 and 2008B	Ad valorem tax	\$ 758,639	\$ 1,026,653	\$ 5,842,366	2020
Public Improvement Revenue Refunding Bonds, Series 2008A, 2008B and 2004	Legally available non-ad valorem revenues	\$ 48,006,546	\$ 1,963,920	\$ 8,871,996	2020
Limited General Obligation Bonds, Series 2006	Ad valorem tax	\$ 1,913,158	\$ 1,897,326	\$ 24,632,972	2026
General Obligation Bonds, Series 2006	Ad valorem tax	\$ 1,121,923	\$ 1,112,568	\$ 20,025,949	2031
<u>Business-Type Activities:</u>					
Water and Sewer Revenue Bonds, Series 2003, 2010, 2011, 2012 and 2013, and State Revolving Loan	Net revenues from the water and sewer system and contribution charges	\$ 24,268,167	\$ 8,096,004	\$ 270,138,548	2043

NOTE 10 - FUND BALANCE

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

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. In fiscal year 2013, this represents \$ 154,899.

Restricted fund balance - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. In fiscal year 2013, this represents \$ 39,744,149.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 10 - FUND BALANCE (continued)

Committed fund balance – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision making. The Town Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category. In fiscal year 2013, this represents \$ 36,282,356.

Assigned fund balance – This classification includes amounts that are constrained by the Town for specific purposes that are neither restricted nor committed. The Town Council through a resolution authorized the Budget and Finance Director in agreement with the Town Administrator, or designee, to assign fund balance. The Town Council may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment. In fiscal year 2013, this represents \$ 3,941,040.

Unassigned fund balance - This classification includes the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. In fiscal year 2013, this represents \$ 6,670,775.

The Town considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal agreements that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Hurricane/Emergency and Disaster Recovery Operating Reserve - This reserve is to be maintained at 25% of the General Fund’s budgeted operating revenues. This reserve is established for the purposes of responding to and providing relief and recovery efforts to ensure the maintenance of services to the public during hurricane/emergency/disaster situations. Such emergencies include, but are not limited to, hurricanes, tropical storms, tornadoes, flooding, terrorist activity and other natural or man-made disasters. In the event these funds are utilized, they should be replenished in order to prepare for possible future events. The Town will make every effort to replenish this reserve over a five-year period beginning with the completion of recovery from the event for which the reserve funds were used.

DEFICIT FUND BALANCE:

At September 30, 2013, the Town has a deficit fund balance in the Community Development Block Grant Fund of (\$ 662,914). The deficit is expected to be eliminated in subsequent periods through reimbursable grant collections for which the related revenues have not yet been recognized.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Town has established a Self-Insurance Fund (an internal service fund) to account for and finance its insured and uninsured risks of loss.

Effective October 1, 2006 the Town joined the Preferred Governmental Insurance Trust (“PGIT”), a Public Entity Insurance Program for the Town's liability and workers compensation exposures. The members of PGIT include over 750 municipalities who have entered into an interlocal agreement with the trust. Should a deficit develop in PGIT, after excess reinsurance recoveries, whereby claims or other expenses cannot be paid, each member assumes liability for the costs of claims brought against that member as if individually self-insured.

Effective July 1, 2002 the Town became self-insured for health benefits. In 2013, the Town conducted a study on its liability for unpaid claims relating to its health benefits and workers compensation. As a result of this study, the Town recorded a liability \$ 1,980,000 based upon an actuarial calculation.

Changes in the estimated liability for the fiscal years ended September 30, 2013 and 2012 are as follows:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Claims Incurred and Changes in Estimates</u>	<u>Claims (Paid) Adjustments</u>	<u>Ending Liability</u>
2012	\$ 1,670,000	\$ 6,413,375	\$ 6,293,375	\$ 1,790,000
2013	\$ 1,790,000	\$ 8,157,719	\$ 7,967,719	\$ 1,980,000

The estimated liability for health care claims and workers compensation claims as of September 30, 2013 was \$ 950,000 and \$ 1,030,000, respectively.

There were no significant reductions in coverage from the prior fiscal year. The Town purchases insurance for exposures not covered by the Fund and for all other risks of loss. During the past three (3) fiscal years, no settlements exceeded the coverage provided by this insurance.

Amounts are paid into the Self-Insurance Fund by all other funds and are available to pay claims, premiums and administrative costs of the program

NOTE 12 - LITIGATION, COMMITMENTS, CONTINGENCIES, CONDUIT DEBT AND SUBSEQUENT EVENTS

Litigation:

The Town is involved in various pending lawsuits incidental to its operations. In the opinion of management, any potential losses resulting from claims against the Town, not covered by insurance would not have a material adverse effect on the financial position of the Town.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

**NOTE 12 - LITIGATION, COMMITMENTS, CONTINGENCIES, CONDUIT DEBT
 AND SUBSEQUENT EVENTS (continued)**

Commitments:

The Town has entered into various agreements for the construction of the new water and wastewater plant facility and other projects. Outstanding construction commitments at September 30, 2013 amounted to approximately \$ 12,338,000 (approximately \$ 10,290,000 relates to the construction of the new water and wastewater plant facility) for projects that are all fully funded.

As a prerequisite for approval of development plats, the Town requires developers to install certain infrastructure elements (roadways, drainage, sidewalks, lighting, landscaping, etc.) that accrue to a development as a whole. Should the developer fail to install the required infrastructure, the Town would be obligated to complete the amenities. To reduce the financial risk that may exist, the Town also requires the developer to guarantee, through third parties, the estimated amount of money that would be necessary to complete the project. At September 30, 2013, the Town held the following guarantees for developers' infrastructure requirements.

Surety bonds	\$	17,839,761
Irrevocable letters of credit		8,962,133
Cash bonds		<u>476,277</u>
Total	\$	<u><u>27,278,171</u></u>

Contingencies:

Federal Emergency Management Agency ("FEMA")

The Town was previously notified by FEMA regarding the de-obligation of funds in the approximate amount of \$ 1 million relating to debris removal and clean up from hurricane Wilma. The Town filed a timely appeal to this determination and is currently awaiting a final resolution to this matter. At this time no outcome can be determined.

Financial Assistance

The Town receives significant financial assistance from numerous Federal, state, and local governmental agencies in the form of grants and revenue sharing. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at September 30, 2013.

Conduit Debt:

In November 2007, the Town issued \$ 2,500,000 Variable Rate Educational Facilities Revenue Bonds, Series 2007 of conduit debt which was transferred to the Parkway Christian Church, Inc. The outstanding balance on these Bonds at September 30, 2013 was \$ 1,955,000. The Town is not obligated to repay these Bonds.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

**NOTE 12 - LITIGATION, COMMITMENTS, CONTINGENCIES, CONDUIT DEBT
AND SUBSEQUENT EVENTS (continued)**

In May 2009, the Town authorized the issuance of \$ 60 million Educational Facilities Revenue Bonds, Series 2009 as conduit debt on behalf of Nova Southeastern University (the "University"). The bond proceeds are to be used to pay for the cost of educational facilities to be acquired, constructed and equipped by the University. The outstanding balance on these Bonds at September 30, 2013 was \$ 51,235,743. The Town is not obligated to repay these Bonds.

Subsequent Events:

In October 2013, the Town authorized the issuance of \$ 135 million Educational Facilities Revenue Bonds, Series 2013 A and B as conduit debt on behalf of the University. The bond proceeds, along with the Series 2009 Bonds previously mentioned, are to be used to refund existing debt, pay for the cost of educational facilities to be acquired, constructed and equipped by the University. The Town is not obligated to repay these Bonds.

NOTE 13 - DEFINED CONTRIBUTION PLAN

The Town of Davie is a single employer that contributes to the Town of Davie Money Purchase Plan (the "Plan"), which is a defined contribution pension plan. The Plan currently covers all eligible full time employees hired prior to October 1, 2007, not covered by the Police or Fire Pension Plans, and who opted not to join the Management and General Employees' Defined Benefit Plan. At September 30, 2013, there were 43 plan members. Contributions for fiscal year ended September 30, 2013 for the Plan were approximately \$ 275,000 (representing approximately \$ 2,411,000 in covered payroll).

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 depends solely on the amount contributed to the participant's account, the returns earned on investments on those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. The Plan provides for two contribution rate levels based on job classifications. For full-time managers, professionals, and certain technical non-unionized personnel, the Town is required to contribute an amount equal to 10% of the employees' gross earnings. The employees must contribute 1.4% of their pretax pay to the plan; however, under IRC 401(a), the Town has elected to "pick-up" the employees' mandatory contribution. The Town has no liability to the employees covered by this Plan other than the employer contribution to the Plan. For all other employees covered by the Plan, the Town is currently required to contribute 11.4% of the employees' gross earnings. There is no mandatory employee contribution to the Plan. Employees hired before January 1, 1996 are 100% vested for all amounts contributed. Employees hired after January 1, 1996 are vested 100% for Town contributions after five years of eligible service. These contribution rates are established in the Plan documents which were adopted by resolution of the Town Council and which may be amended only by the Town Council.

The Town does not exercise any control or fiduciary responsibility over the Plan's assets. Therefore the assets, liabilities, and transactions are not included in the Town's financial statements.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION

1. Summary of Significant Accounting Policies

Basis of Accounting

The Firefighters' Pension Plan, Police Pension Plan and the Management and General Employees' Pension Plan are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Town contributions are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

2. Plan Description and Contribution Information

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Net appreciation and depreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Dividends and interest income are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis. Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net position.

FIREFIGHTERS' PENSION PLAN:

The following description of the Firefighters' Pension Plan is provided for general information purposes only. The Firefighters' Pension Plan was originally established by Town Ordinance 80-42 and has subsequently been amended from time to time by the Town Council. Participants should refer to the Plan documents for more complete information. Additionally, a separate public employee retirement system annual report for the Firefighters' Pension Plan is publicly available from the Town of Davie, Budget and Finance Department, 6591 Orange Drive, Davie, Florida 33314.

Plan Description

The Town is the sponsor of a single-employer, Public Employee Retirement System ("PERS"). This defined benefit pension plan covers substantially all of the Town's firefighters that have met the conditions of eligibility. The PERS is considered part of the Town's financial reporting entity and is therefore included in this financial report as a pension trust fund. The Board of Trustees made plan amendment recommendations to the Town Council for approval. The latest available actuarial report is as of October 1, 2012. All full-time firefighters are eligible to participate in the Plan, regardless of rank.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Funding Policy

Firefighters' Pension Plan members are required to contribute 8.4% of their earnable compensation, starting at their eligibility date and continuing to their date of retirement, disability, termination or death, or entry into the Deferred Retirement Option Plan, whichever comes first. Effective October 1, 2013, the 8.4% employee pension contribution rate was increased to 9% of earnable compensation. The State contributes pursuant to Chapter 175 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on Town of Davie properties. The premium tax is collected by the State and remitted to the Town. The Town received \$ 906,640 from the State and recorded as revenues and expenditures in the General Fund, as appropriate. The Town contributions are based upon actuarially determined amounts, which together with earnings, plan member and State contributions, are sufficient to fund the Firefighters' Pension Plan.

Effective January 1, 2012, the Plan adopted the stop/restart concept approved by the State. The stop/restart does not reduce or change the existing retirement benefits for the members. The only result is that the Town can use a greater amount of premium tax revenues to fund the retirement benefits already in place. As a result of the stop/restart, the Town received a one-time credit of \$ 331,100 based on a transfer from the cumulative excess of actual Chapter 175 premium tax revenues over the base amount. The \$ 331,100 credit was applied to reduce the Town's annual required contribution to the Plan during the fiscal year beginning October 1, 2011. Because of the stop/restart implementation, a "Share Plan" will be established, the effective date of the Share Plan is October 16, 2013.

Normal Retirement

A member may retire on the first day of the month which falls on, or next follows, the date on which the member completes 20 years of credited service regardless of age or the date on which a member attains age 55 and completes 10 years of credited service.

Upon retirement, a member will receive a monthly benefit amount equal to the number of years of credited service multiplied by 3% of final monthly compensation for the first 10 years of service. Normal retirement benefit is 4% multiplier for years 11 to 15 and 5% multiplier for years 16 through 20, resulting in a 75% benefit after 20 years of service for members actively employed, including Deferred Retirement Option Plan ("DROP") participants, on June 21, 2006. During years 21 through 30 years, the multiplier shall be 2% per year, resulting in a total maximum benefit accrual of 95% of final monthly compensation after 30 years of service for members actively employed on June 21, 2007, including DROP participants.

Early Retirement

Any member may retire on the first day of the month which falls on, or next follows, the date on which they complete 10 years of credited service.

The amount of early retirement income is the monthly accrued benefit earned by a member at his or her early retirement date, reduced by 3% per year for commencement prior to normal retirement date.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Deferred Retirement Option Plan (the "DROP")

Effective September 30, 1998, members who continue in employment past normal retirement date and have attained the 20 years of credited service may enter the DROP. The DROP is administered by Town of Davie Firefighters' Pension Board of Trustees. The rate of return earned by the DROP is the same as that earned by the Plan less a \$ 10 per month adjustment for expenses. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their frozen monthly retirement benefit.

The maximum period of DROP participation is five years for all members entering the DROP after June 21, 2007. For members who were beyond normal retirement date, as of adoption of the DROP, a 24 month minimum participation in DROP was available. The earliest entry date to the DROP was July 1, 1998.

Effective December 2, 2009, the earliest date of eligibility for entry into the DROP begins on the first day of a member's twenty-first year of employment. The maximum DROP participation period declines by one month, for every month that a member delays entry into the DROP following the first day of a member's twenty-sixth year of employment. The total years of credited service plus DROP participation cannot exceed 30 years.

For the Plan year beginning October 1, 2011, DROP participants have the option to "self-direct" their DROP account balances using mutual fund options available under the DROP program. The Board approved that the self-directed DROP be administered by Hartford Life Insurance Company ("Hartford"). Any losses, charges or expenses incurred by the DROP participant shall be borne by the participant, not the Town or the Plan.

Death and Disability

The Plan also provides for disability and death benefits. Active employees who become disabled receive 66-2/3% of their earnings, if the disability is service related. If an active employee dies, his or her spouse receives 50% of the employees' average monthly earnings until the spouse dies. Each child that is not a student receives 5% of the employee's earnings until age 18. For each child that is a student the benefits continue until age 22. The maximum family benefit is 60% of the employee's earnings, or 35% for children only of the employee's earnings.

Participants immediately vest in 100% of their contributions and related earnings. Benefits vest at 100% after the participant has attained 10 years of credited service.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Plan Membership

Employee membership data at October 1, 2012 was as follows:

Inactive employees:	
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	60
Deferred retirement option plan participants	9
Active plan participants	<u>136</u>
Total	<u><u>205</u></u>

POLICE EMPLOYEES' PENSION PLAN:

The following description of the Police Employees' Pension Plan is provided for general information purposes only. The Police Pension Plan was originally established by Town Ordinance 76-13 and has subsequently been amended from time to time by the Town Council. Participants should refer to the Plan documents for more complete information. Additionally, a separate public employee retirement system annual report for the Police Pension Plan is publicly available from the Town of Davie, Budget and Finance Department, 6591 Orange Drive, Davie, Florida 33314.

Plan Description

The Town is the sponsor of a single-employer, Public Employee Retirement System ("PERS"). This defined benefit pension plan covers substantially all of the Town's police officers. The PERS is considered part of the Town's financial reporting entity and is therefore included in this financial report as a pension trust fund. The Board of Trustees made Plan amendment recommendations to the Town Council for approval. The latest available actuarial report is as of October 1, 2012. The Plan is open solely to sworn full-time certified law enforcement officers of the police department who are compensated by the Town, regardless of rank. Tier one members are members hired prior to October 1, 2010 and Tier two members were hired on or after such date.

Funding Policy

Police Pension Plan members are required to contribute 7.0 % of their basic compensation to the Plan, starting on their eligibility dates and continuing to their date of retirement, disability, termination or death, whichever comes first. Pursuant to Florida Statutes, Chapter 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the Town upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the Town. The Town received \$ 687,063 from the State and recorded as revenues and expenditures in the General Fund, as appropriate. The Town pays into the Plan such amount as is determined actuarially to provide for benefits under the Plan not met by member contributions. This amount is reduced by any allowable Chapter 185 State contributions.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Normal Retirement

Tier One members –

Any member may retire the earlier of the date on which they attain 20 years of benefit service or the date on which they attain age 55. For members terminating service with more than 15 years but less than 20 years of benefit service, the normal retirement benefit will commence on the first day of the month coincident with or next following the date the member would have completed 20 years of benefit service. A member has vested benefits after 10 years of continuous service.

Upon retirement, a member will receive a monthly benefit amount equal to the number of years of benefit service multiplied by 3% of final average earnings for the first 10 years of service plus 4% for the next 5 years of benefit service, plus 5% for the next 5 years of benefit service, plus 2% for the next 10 years of benefit service, with a 95% maximum. However, after 47 ½ years of benefit service, benefits shall recommence at a rate of 2% of final average earnings per year.

Tier Two members –

Tier Two benefits shall be administered in the same manner as Tier One benefits, except as follows: the normal retirement benefit for Tier Two members shall be calculated using a 3% multiplier for the first 20 years of service and 2% for each additional year, up to a maximum benefit of 80%. Notwithstanding the 80% cap, benefits shall accrue at a rate of 2% per year for any active Tier Two member after 40 years of service.

The member's benefits commence on the first day of the month following their retirement date and are continued until their death; however, benefits may be payable to the members' beneficiaries, depending on the optional form of payment elected. A member with the consent of the Town may continue to work beyond their normal retirement date and retire on any subsequent first day of the month.

Early Retirement

Any member who has completed 10 years of benefit service and attained age 50 may retire early, with the consent of the Town.

Upon retirement, a member will receive a monthly benefit amount equal to the number of years of benefit service multiplied by 3% of final average earnings for the first 10 years of service plus 4% for the next 5 years of benefit service, plus 5% for the next 5 years of benefit service, plus 2% for the next 10 years of benefit service. The benefit will be reduced for early payment so that it is actuarially equivalent to the normal retirement benefit. Effective May 1, 2011, the early retirement reduction shall be no more than 3% per year.

The member also has the option of deferring the commencement of the monthly benefit at normal retirement date, the earlier of the date the member would have attained 20 years of benefit service (provided the member has completed 15 years of actual benefit service) or age 55. In such case, there would be no actuarial reduction to the monthly benefit.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Deferred Retirement Option Plan (the "DROP")

A Deferred Retirement Option Plan (the "DROP") was implemented for the year ended September 30, 1998. The DROP is administered by the Police Officers' Pension Board of Trustees. The rate of return earned by the DROP is the same as that earned by the Plan less a \$ 10 per month adjustment for expenses. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account is payable to them and they also begin to receive their (frozen) monthly retirement benefit. The DROP has a five (5) year maximum participation period. Effective October 1, 2010, DROP participants may remain in the DROP for up to 5 years. In no event can the total of the sum of years of credited service and years of DROP participant exceed 30 years for a member who enters the DROP.

All members electing to participate in the DROP are required upon entering DROP to transfer any accumulated leave balances above four hundred and eighty (480) hours into the member's DROP account, subject to the annual limit set forth in the Internal Revenue Code. The Internal Revenue Code limits transfers to \$ 51,000 for 2013.

Disability Benefits

Any member who receives a medically substantiated service connected disability as determined by the pension board will receive a monthly benefit equal to the greater of 66 2/3% of such members base pay at time of disability, less any applicable benefits payable by Federal Old Age, Survivors and Disability Insurance, Worker's Compensation benefits or other disability benefits payable from Broward County or the Town of Davie, or 42% of final average earnings payable as a ten year certain and life annuity. If the disability is non-service connected, a member will receive a monthly benefit of the greater of \$ 100 or 1.50% of final average earnings multiplied by the number of years of benefit service at their date of disability offset by the amounts described previously. Benefits are payable beginning six months after termination of service for disability. Effective May 1, 2011 the minimum non-service connected disability benefit shall be the greater of the accrued benefit or 25% of final pay payable as a 10 year certain and life annuity.

Death Benefits

Prior to retirement, if death is non-service connected or member had no spouse to whom he had been married for at least one (1) year prior to death, the death benefit shall be the return of accumulated employee contributions plus prior plan benefits, if any. However, if a member had at least 10 years of benefit service at the time of death, then his or her beneficiary will be entitled to the benefits otherwise payable to the member at early or normal retirement date.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

If death is service-connected and member has an eligible spouse to whom he had been married to for at least one (1) year prior to death, such spouse shall be entitled to a monthly annuity equal to the greater of 50% of base pay at his date of death, or accrued benefit payable to the eligible spouse on the date of what would have been the member's normal retirement date. Such pension shall continue to the spouse until the earlier of the spouse's death or remarriage, with a guarantee that such benefits will at least equal the accumulated contributions at his date of death. If a member had no eligible spouse but had at least 10 years of benefit service at the time of death, then his or her beneficiary will be entitled to the benefits otherwise payable to the member at early or normal retirement date.

After retirement, if a member had elected a joint and survivor or a 10 year certain and life optional form of payment, the adjusted monthly benefit will be continued to the beneficiary until the appropriate annuity ending date. Total benefits payable to the member and his beneficiary will not be less than the amount of accumulated contributions at date of retirement.

Plan Membership

Employee membership data at October 1, 2012 was as follows:

Inactive employees:	
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	88
Deferred retirement option plan participants	11
Active plan participants	<u>152</u>
Total	<u><u>251</u></u>

MANAGEMENT AND GENERAL EMPLOYEES' PENSION PLAN:

The following description of the Management and General Employees' Pension Plan is provided for general information purposes only. The Management and General Employees' Pension Plan was originally established by Town Ordinance 2004-2. Participants should refer to the Plan documents for more complete information.

Plan Description

On October 1, 2003 the Town Council created, under the laws of the State of Florida, a single-employer defined benefit pension plan. The plan covers substantially all management and general employees. Management level employees include the Town Administrator, Assistant Town Administrator, Directors, Police and Fire Chief, Deputy Police and Fire Chief, Town Clerk, Deputy Town Clerk, Redevelopment Administrator and Assistant Directors. General employees are full-time employees not classified as management and are not otherwise restricted. The plan is administered by the Florida Municipal Investment Trust Fund ("FMITF"). The Plan is considered part of the Town's financial reporting entity and is therefore included in this financial report as a pension trust fund. The Board of Trustees made Plan amendment recommendations to the Town Council for approval. The plan's most recent actuarial report was prepared as of October 1, 2012.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Funding Policy

The Town provides all funding requirements for the Plan, based on actuarial determined amounts. The Town is required to make contribution to the trustee, at least on a quarterly basis. Effective the first full pay period on or after the ratification date of the Town's 2012-2015 General Employees Collective Bargaining Agreement, active members commence regular contributions to the Plan of 1.0% of salary. Applicable October 1, 2013 and 2014, all active members are required to contribute 1.5% and 2.5%, respectively, of salary. All active members hired on or after October 1, 2013 shall make regular contributions to the Plan of 3.0% of salary. Plan members that were employed prior to October 1, 2003 are entitled to buy-back all of their years of service with the Town, and up to five years of service with a Federal government, state government, county government, or city government. Participants that were hired subsequent to October 1, 2003 can purchase up to five years of credited service, prior to the completion of 12 months of service with the Town.

Plan membership

Employee membership data at October 1, 2012 was as follows:

Inactive employees:	
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	77
Deferred retirement option plan participants	2
Active plan participants	<u>230</u>
Total	<u><u>309</u></u>

Normal Retirement

Management level employees are eligible for benefits after attaining age 52 and three years of vested service or age 48 and twenty years of service. General employees are eligible for benefits after attaining age 60 and six years of vested service or age 56 and thirty years of vested services.

For all members hired on or after October 1, 2013, the normal retirement date is attainment of age sixty-five (65) with ten (10) years of credited service or thirty (30) years of vested service and age sixty (60).

Normal benefits for management level employees are equal to the number of years of credited service times the average final compensation and multiplied by 3%. Average final compensation, for management, means the one-twelfth of the employee's highest average earnings during the best three years of credited service or career average, whichever is higher. Normal benefits for general employees are equal to the number of years of credited service times the average final compensation and multiplied by 2%. Average final compensation, for general employees, means one-twelfth of the highest average earnings during the best five years of credited services or career average, whichever is higher.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

For all members hired on or after October 1, 2013, average final compensation means one-twelfth of the highest average earnings during the six best years of credited service prior to separation as an active member or the career average, whichever is greater.

For all members hired on or after October 1, 2013, the normal benefits shall be a monthly benefit equal to the number of years of credited service multiplied by average final compensation and multiplied by one and eight-tenths percent (1.8%).

Deferred Retirement Option Plan (the "DROP")

A member is eligible to participate in the management and general employees Deferred Retirement Option Plan (the "DROP") at attainment of normal retirement age for a period of up to 60 months. The DROP is administered by the Florida Municipal Pension Trust Fund Board of Trustees. The Plan earns a 6.5% rate of return. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them.

Disability Benefit

Management employees that have completed three years of vested service that are deemed totally and permanently disabled will receive their accrued benefit. If the vested service is less than the three years, the employee will receive their employee contribution plus a 6% percent return thereon.

General employees that have completed six years of vested service that are deemed totally and permanently disabled will receive their accrued benefit. If the employee's vested service is less than six years, the employee will receive their employee contribution plus a 6% return there on.

All members hired on or after October 1, 2013 who have completed ten (10) years of vested service, that are deemed by the Board to be totally and permanently disabled will receive their accrued benefit with a minimum of ten (10) years of credited service. If a member hired on or after October 1, 2013 has less than ten (10) years of vested service, they will receive a return of their employee contributions, if applicable, with six percent (6%) interest.

Death Benefit

Beneficiaries of management employees that die prior to the normal retirement date, and completed three years of vested service, will receive the benefit otherwise payable to the member at the members normal retirement date. If the employee dies prior to completion of three years of vested service, the beneficiary will receive a 100% refund of the members accumulated contributions.

Beneficiaries of general employees that die prior to the normal retirement date, and completed six years of vested service, will receive the benefit otherwise payable to the member at the members normal retirement date. If the employee dies prior to completion of six years of vested service, the beneficiary will receive a 100% refund of the members accumulated contributions.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

If any member hired on or after October 1, 2013 dies prior to normal retirement date, and has less than ten (10) years of vested service, the beneficiary shall receive a refund of one hundred percent (100%) of member's accumulated contributions, if applicable, with five percent (5%) interest.

If any member hired on or after October 1, 2013 dies prior to normal retirement date, and has completed ten (10) or more years of vested service, the beneficiary shall receive the benefit otherwise payable to the member at the member's normal retirement date.

For the year ended September 30, 2013, the retirement plans cost are as follows:

	Firefighters' Pension Plan	Police Employees' Pension Plan	Management and General Employees' Pension Plan
Contribution rates:			
Town	38.5%	43.8%	27.03%
State	6%	5%	0%
Plan members	8.4%	7%	1%

The General Fund is typically used to liquidate the annual net pension obligations of the Town.

3. Annual Pension Cost and Net Pension Obligation (Asset)

The Town's annual pension costs for the Firefighters, Police and Management and General Employee pension plans for the current year were as follows:

	Firefighters Pension	Police Pension	Management and General Employees Pension	Total
Annual required contribution (ARC)	\$ 5,014,034	\$ 6,347,310	\$ 3,560,054	\$ 14,921,398
Interest on net pension obligation (asset)	(13,270)	(1,537)	(116,004)	(130,811)
Adjustments to the ARC	14,127	1,587	121,826	137,540
Annual pension cost	5,014,891	6,347,360	3,565,876	14,928,127
Town and state contributions	5,014,304	6,437,310	3,477,194	14,928,808
(Increase) decrease in net pension obligation (asset)	587	(89,950)	88,682	(681)
Net pension obligation (asset), beginning of year	(168,408)	(19,457)	(1,546,719)	(1,734,584)
Net pension obligation (asset), end of year	\$ (167,821)	\$ (109,407)	\$ (1,458,037)	\$ (1,735,265)

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

Significant methods and assumptions are as follows:

	Firefighters' Pension Plan	Police Employees' Pension Plan	Management and General Employees' Pension Plan
Actuarial valuation date	October 1, 2012	October 1, 2012	October 1, 2012
Actuarial cost method	Entry age normal	Entry age normal	Aggregate
Amortization method	Layered amortization	Layered amortization	Level dollar, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	25% per year phasing	3 year smoothed market value	5 year smoothed market value
Actuarial assumptions:			
Investment rate of return	7.9%	7.9%	7.5%
Projected salary increases	6%	6.25%	4%
Includes inflation at	4%	4%	-
Cost-of-living adjustment	None	2.0% per year with 130% cap and 5-year delay	3%
Changes since last valuation	None	None	*

* The assumed interest rate changed from 7.6% to 7.5% per annum pursuant to instructions of the Board of Trustees.

4. Funded Status and Funding Progress (in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b) - (a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / (c)
Firefighters'	10/1/2012	\$ 47,267	\$ 71,939	\$ 24,672	65.7%	\$ 11,259	219.1%
Police Employees'	10/1/2012	\$ 86,546	\$ 114,813	\$ 28,267	75.4%	\$ 13,014	217.2%
Management and General Employees'	10/1/2012	\$ 29,429	\$ 37,775	\$ 8,346	77.9%	\$ 13,169	63.4%

The schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 14 - PENSION PLAN INFORMATION (continued)

5. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three-year information for the years ended September 30, is presented as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Firefighters':			
Annual pension costs (APC)	\$ 5,014,891	\$ 4,661,741	\$ 4,819,329
Percentage of APC contributed	100%	100%	100%
Net Pension (Asset)	\$ (167,821)	\$ (168,408)	\$ (168,408)
Police Employees':			
Annual pension costs (APC)	\$ 6,347,360	\$ 6,847,396	\$ 6,183,184
Percentage of APC contributed	101%	100%	100%
Net Pension (Asset)	\$ (109,407)	\$ (19,457)	\$ (19,507)
Management and General Employees':			
Annual pension costs (APC)	\$ 3,565,876	\$ 3,690,683	\$ 2,911,335
Percentage of APC contributed	98%	100%	100%
Net Pension (Asset)	\$ <u>(1,458,037)</u>	\$ <u>(1,546,719)</u>	\$ <u>(1,645,375)</u>
Total Net Pension (Asset)	\$ <u>(1,735,265)</u>	\$ <u>(1,734,584)</u>	\$ <u>(1,833,290)</u>

Contributions to all three plans were made in accordance with actuarially determined requirements. The financial statements for the Police and Firefighters' Pension Plans are presented in separately issued stand-alone financial statements and are available from the Town's Budget and Finance Department. The Management and General Employees' Plan does not issue a separate stand-alone report.

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS

Pursuant to Section 112.081, Florida Statutes, the Town is required to permit eligible retirees and their eligible dependents to participate in the Town's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The Town does not provide retirees with any subsidy for this benefit.

The Town elected to establish an irrevocable other post-employment benefit ("OPEB") trust and began funding the obligation during fiscal year 2009, leaving no unfunded obligation.

Plan Description: On September 17, 2008, the Town established the OPEB Trust, a single employer defined benefit health care plan to all of its employees except for part-time employees and full-time employees who either resign or are terminated. The Town Council is authorized to establish and amend benefit levels, subject to minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The plan does not issue a separate financial report.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (continued)

As of October 1, 2012, employee membership data related to the OPEB Plan was as follows:

Current retirees:	
Under age 65	25
Over age 65	2
Total current retirees	27
Active employees:	
Active employees fully eligible for benefits	75
Active employees not yet fully eligible for benefits	520
Total active employees	595
Total number of participants	622

Actuarial Methods and Assumptions: The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the Town and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

Actuarial valuation date	October 1, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level-dollar payment
Remaining amortization period	15-year, open period
Actuarial assumptions:	
Investment rate of return	7.50%*
Healthcare cost trend rate(s):	
	<u>Insurance Premiums</u>
Select rates	8.50% for 2012/13 graded to 5.50% for 2018/19
Ultimate rate	5.00% per annum

* includes inflation at 3.00%

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2013

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Since the previous valuation was completed, four assumptions have changed as follows: 1) the mortality table was updated from the RP-2000 Mortality Table projected to 2007 by Scale AA to the RP-2000 Mortality Table projected to 2013 by Scale AA, both as published by the IRS for purposes of IRC Section 430; 2) assumed health claims were changed based on current actual experience; 3) the percentage of future retirees who are assumed to choose to continue the Town's health plan was reduced from 2/3 to 1/3; and 4) all retirees who continue coverage under the Town's health plan are assumed to elect coverage under the HMO plan.

Funding Policy: The plan allows its employees and their beneficiaries, at their own cost to continue to obtain health, dental and other insurance benefits upon retirement. The Town does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees. However, the Town's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

Annual OPEB Cost and Net OPEB Obligation: The annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The annual OPEB cost for the Town for the current year and the related information is as follows:

Annual Required Contribution (ARC)	\$	(90,000)
Interest on net OPEB Obligation		(56,000)
Adjustments to the ARC		78,000
Annual OPEB cost		(68,000)
Interest on Employer Contributions		(1,000)
Employer Contributions *		(33,000)
Increase in net OPEB obligation (asset)		(102,000)
Net OPEB obligation (asset) - beginning of year		(740,000)
Net OPEB obligation (asset) - end of year	\$	(842,000)

* Reflects a contribution credit for the implied subsidy

Actuarially Determined Contribution Requirements and Contributions Made: Since inception, the Town has contributed \$ 968,000 to the plan through the Florida League of Cities-Florida Municipal Pension Trust Fund (FMPTF) to pre-fund the Town's OPEB costs. There were no employee contributions to the plan.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (continued)

The Town's annual OPEB cost, the percentage of annual OPEB costs contributed to the Plan, the net OPEB obligation and trend information are as follows:

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2011	\$ (18,000)	(50%)	\$ (658,000)
2012	\$ (48,000)	71%	\$ (740,000)
2013	\$ (68,000)	50%	\$ (842,000)

Other post-employment obligations are generally liquidated by the General Fund and or the OPEB trust fund.

Funded Status and Funding Progress: The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. An analysis of funding progress (the last plan year valuation date) is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
October 1, 2012	\$ 1,519,000	\$ 538,000	\$ (981,000)	282.3%	\$ 38,001,000	(2.6%)

NOTE 16 - STEWARDSHIP AND ACCOUNTABILITY

Budget

The Town is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds with the exception of the Capital Projects Fund. All unencumbered appropriations lapse at fiscal year-end. Appropriations at the year-end that are encumbered are brought forward and become part of the subsequent year's original budget.

NOTE 17 - PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The GASB has issued several statements not yet implemented by the Town. The statements which might impact the Town are as follows:

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 17 - PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE (continued)

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*, was issued March 2012. The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements—Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement will be effective for the fiscal year ending September 30, 2014.

GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* was issued June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The provisions of this Statement will be effective for the fiscal year ending September 30, 2014.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was issued June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, was issued January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*, was issued April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. The provisions of this Statement will be effective for the fiscal year ending September 30, 2014.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2013

NOTE 17 - PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE (continued)

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of the GASB Statement No. 68, was issued November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement will be effective for the fiscal year ending September 30, 2015.

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

NOTE 18 – RESTATEMENT OF BEGINNING NET POSITION

For the year ended September 30, 2013 the Town implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This resulted in a decrease to the beginning net position on the statement of activities of \$ 382,926 for governmental activities and \$ 1,009,560 for business-type activities to remove bond issuance and other related costs in accordance with GASB 65.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF DAVIE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 35,503,045	\$ 35,743,045	\$ 35,741,304	\$ (1,741)
Utility service taxes	6,765,000	7,279,050	7,289,144	10,094
Franchise fees	9,093,965	8,592,915	8,797,561	204,646
Intergovernmental	9,979,692	10,582,692	12,107,661	1,524,969
Communication service tax	3,950,640	3,924,140	3,911,368	(12,772)
Licenses and permits	5,286,695	6,684,545	6,560,604	(123,941)
Charges for services	8,467,370	10,824,858	11,330,944	506,086
Fire rescue assessments	6,961,384	6,805,534	6,803,622	(1,912)
Fines and forfeitures	1,565,048	1,269,513	1,261,605	(7,908)
Investment income	696,350	54,100	240,552	186,452
Miscellaneous	3,809,549	3,883,249	3,879,423	(3,826)
	<u>92,078,738</u>	<u>95,643,641</u>	<u>97,923,788</u>	<u>2,280,147</u>
Total revenues				
EXPENDITURES:				
General government:				
General services department:				
Personnel services	4,656,234	4,693,714	4,413,249	280,465
Operating	3,533,057	5,121,139	4,615,185	505,954
Capital outlay	86,882	209,382	135,571	73,811
	<u>8,276,173</u>	<u>10,024,235</u>	<u>9,164,005</u>	<u>860,230</u>
Building and engineering department:				
Personnel services	3,012,968	3,003,400	2,763,945	239,455
Operating	1,073,461	1,069,321	943,605	125,716
Capital outlay	61,225	79,105	79,105	-
	<u>4,147,654</u>	<u>4,151,826</u>	<u>3,786,655</u>	<u>365,171</u>
	<u>12,423,827</u>	<u>14,176,061</u>	<u>12,950,660</u>	<u>1,225,401</u>
Total general government				
Public safety:				
Police department:				
Personnel services	32,672,796	32,708,031	31,436,741	1,271,290
Operating	6,109,516	6,073,886	5,159,457	914,429
Capital outlay	347,528	347,528	303,198	44,330
	<u>39,129,840</u>	<u>39,129,445</u>	<u>36,899,396</u>	<u>2,230,049</u>
Fire department:				
Personnel services	22,059,424	22,330,752	21,544,041	786,711
Operating	2,525,562	2,668,974	2,513,735	155,239
Capital outlay	220,616	220,616	108,308	112,308
	<u>24,805,602</u>	<u>25,220,342</u>	<u>24,166,084</u>	<u>1,054,258</u>
	<u>63,935,442</u>	<u>64,349,787</u>	<u>61,065,480</u>	<u>3,284,307</u>
Total public safety				

See notes to required supplementary information Budgetary Comparison Schedule

TOWN OF DAVIE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013
(continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued):				
Public works:				
Personnel services	4,284,387	4,291,764	4,092,068	199,696
Operating	3,190,857	3,099,675	2,951,896	147,779
Capital outlay	-	32,345	27,676	4,669
Total public works	<u>7,475,244</u>	<u>7,423,784</u>	<u>7,071,640</u>	<u>352,144</u>
Parks, recreation and cultural arts:				
Personnel services	2,814,841	2,636,441	2,517,189	119,252
Operating	1,584,348	1,531,723	1,429,126	102,597
Capital outlay	26,039	27,414	25,207	2,207
Total parks, recreation and cultural arts	<u>4,425,228</u>	<u>4,195,578</u>	<u>3,971,522</u>	<u>224,056</u>
Non-departmental:				
Operating	1,083,852	1,429,442	1,072,536	356,906
Total non-departmental	<u>1,083,852</u>	<u>1,429,442</u>	<u>1,072,536</u>	<u>356,906</u>
Debt service:				
Principal	5,185,619	5,185,619	5,185,619	-
Interest and other fiscal charges	2,341,702	2,341,702	2,340,773	929
Total debt service	<u>7,527,321</u>	<u>7,527,321</u>	<u>7,526,392</u>	<u>929</u>
Total expenditures	<u>96,870,914</u>	<u>99,101,973</u>	<u>93,658,230</u>	<u>5,443,743</u>
Excess (deficiency) of revenues over expenditures	<u>(4,792,176)</u>	<u>(3,458,332)</u>	<u>4,265,558</u>	<u>7,723,890</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,500,000	-	-	-
Transfers out	-	(1,548,065)	(1,548,065)	-
Appropriated fund balance	3,292,176	5,006,397	-	(5,006,397)
Total other financing sources (uses)	<u>4,792,176</u>	<u>3,458,332</u>	<u>(1,548,065)</u>	<u>(5,006,397)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	2,717,493	\$ <u>2,717,493</u>
Fund balance, beginning of year			<u>38,054,784</u>	
Fund balance, end of year			\$ <u>40,772,277</u>	

See notes to required supplementary information Budgetary Comparison Schedule

TOWN OF DAVIE, FLORIDA
COMMUNITY ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 93,017	\$ 93,017
Miscellaneous	-	3,120	19,661	16,541
	-	3,120	112,678	109,558
Total revenues	-	3,120	112,678	109,558
EXPENDITURES:				
General government:				
General services department:				
Operating	291,735	338,813	338,522	291
	291,735	338,813	338,522	291
Total expenditures	291,735	338,813	338,522	291
Excess (deficiency) of revenues over expenditures	(291,735)	(335,693)	(225,844)	109,849
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	291,735	335,693	-	(335,693)
	291,735	335,693	-	(335,693)
Total other financing sources (uses)	291,735	335,693	-	(335,693)
Net change in fund balance	\$ -	\$ -	(225,844)	\$ (225,844)
Fund balance, beginning of year			764,746	
Fund balance, end of year			\$ 538,902	

See notes to required supplementary information Budgetary Comparison Schedule

TOWN OF DAVIE, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 2,456,000	\$ 2,456,000	\$ 2,391,527	\$ (64,473)
Investment income	37,000	37,000	52,470	15,470
Miscellaneous	-	-	738,474	738,474
	<u>2,493,000</u>	<u>2,493,000</u>	<u>3,182,471</u>	<u>689,471</u>
EXPENDITURES:				
General government:				
General services department:				
Personnel services	317,810	317,810	261,421	56,389
Operating	14,241,869	10,623,525	1,210,896	9,412,629
Capital outlay	12,975,000	17,803,141	485,337	17,317,804
Total general government	<u>27,534,679</u>	<u>28,744,476</u>	<u>1,957,654</u>	<u>26,786,822</u>
Debt service:				
Principal	1,071,639	1,071,639	1,071,639	-
Interest and other fiscal charges	684,682	846,882	846,874	8
Total debt service	<u>1,756,321</u>	<u>1,918,521</u>	<u>1,918,513</u>	<u>8</u>
Total expenditures	<u>29,291,000</u>	<u>30,662,997</u>	<u>3,876,167</u>	<u>26,786,830</u>
Excess (deficiency) of revenues over expenditures	<u>(26,798,000)</u>	<u>(28,169,997)</u>	<u>(693,696)</u>	<u>27,476,301</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	17,394,769	(17,394,769)
Payment to escrow agent	-	-	(17,394,769)	17,394,769
Appropriated fund balance	26,798,000	28,169,997	-	(28,169,997)
Total other financing sources (uses)	<u>26,798,000</u>	<u>28,169,997</u>	<u>-</u>	<u>(28,169,997)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(693,696)</u>	<u>\$ (693,696)</u>
Fund balance, beginning of year			<u>28,169,996</u>	
Fund balance, end of year			<u>\$ 27,476,300</u>	

See notes to required supplementary information Budgetary Comparison Schedule

TOWN OF DAVIE, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
September 30, 2013

1. BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted for all governmental funds with the exception of the Capital Projects Fund. In September, formal public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally adopted.

The legal level of control, the level at which expenditures may not exceed the budget, is at the department level. The Town Administrator is authorized to transfer budgeted amounts within line items of departments up to \$ 5,000. Transfers exceeding \$ 5,000 within a department, any budget amendments between departments or amendments that alter the budget in total must be approved by the Town Council. All unencumbered appropriations lapse at the end of the fiscal period.

The Town amended the budget for the General Fund for the year ended September 30, 2013, resulting in an increase in revenues of \$ 3,564,903, an increase in expenditures of \$ 2,231,059 and a decrease in other financing sources of \$ 1,333,844. The Town amended the budget for the Community Endowment Fund for the year ended September 30, 2013, resulting in an increase in revenues of \$ 3,120, increase in expenditures of \$ 47,078 and an increase in other financing sources of \$ 43,958. The Town amended the Budget for the Community Redevelopment Agency Fund for the year ended September 30, 2013, resulting in an increase in expenditures of \$ 1,371,997 and an increase in other financing sources of \$ 1,371,997.

For the year ended September 30, 2013, expenditures did not exceed appropriations in any department within the General Fund, Community Endowment Fund or the Community Redevelopment Agency Fund.

TOWN OF DAVIE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLANS
(In Thousands)
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll (b-a)/(c)
FIREFIGHTERS':						
10/01/07	\$ 27,352	\$ 41,212	\$ 13,860	66.4%	\$ 9,233	150.1%
10/01/08	\$ 30,965	\$ 47,768	\$ 16,803	64.8%	\$ 10,131	165.9%
10/01/09	\$ 34,572	\$ 53,207	\$ 18,635	65.0%	\$ 10,646	175.0%
10/01/10	\$ 38,144	\$ 61,404	\$ 23,260	62.1%	\$ 10,555	220.4%
10/01/11	\$ 41,304	\$ 65,969	\$ 24,665	62.6%	\$ 10,709	230.3%
10/01/12	\$ 47,267	\$ 71,939	\$ 24,672	65.7%	\$ 11,259	219.1%
POLICE EMPLOYEES':						
10/01/07	\$ 61,125	\$ 77,471	\$ 16,346	78.9%	\$ 10,591	154.3%
10/01/08	\$ 59,817	\$ 85,831	\$ 26,014	69.7%	\$ 11,177	232.7%
10/01/09	\$ 64,425	\$ 95,058	\$ 30,633	67.8%	\$ 12,106	253.0%
10/01/10	\$ 73,793	\$ 100,684	\$ 26,891	73.3%	\$ 11,618	231.5%
10/01/11	\$ 74,252	\$ 109,037	\$ 34,785	68.1%	\$ 13,006	267.5%
10/01/12	\$ 86,546	\$ 114,813	\$ 28,267	75.4%	\$ 13,014	217.2%
MANAGEMENT AND GENERAL EMPLOYEES':						
10/01/07	\$ 15,737	\$ 13,893	\$ 1,844	113.3%	\$ 11,136	16.6%
10/01/08	\$ 16,022	\$ 21,962	\$ 5,940	73.0%	\$ 11,495	51.7%
10/01/09	\$ 19,245	\$ 25,852	\$ 6,607	74.4%	\$ 11,358	58.2%
10/01/10	\$ 22,615	\$ 29,893	\$ 7,278	75.7%	\$ 11,472	63.4%
10/01/11	\$ 25,771	\$ 33,748	\$ 7,977	76.4%	\$ 13,685	58.3%
10/01/12	\$ 29,429	\$ 37,775	\$ 8,346	77.9%	\$ 13,169	63.4%

TOWN OF DAVIE, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 DEFINED BENEFITS PENSION PLANS
 (Unaudited)

<u>FIREFIGHTERS':</u>	Annual Required Contribution	Percentage Contributed
10/1/2008	\$ 3,620,621	100.00%
10/1/2009	\$ 4,114,229	100.00%
10/1/2010	\$ 4,187,213	100.00%
10/1/2011	\$ 4,818,899	100.00%
10/1/2012	\$ 4,661,312	100.00%
10/1/2012	\$ 5,014,034	100.00%

<u>POLICE EMPLOYEES':</u>	Annual Required Contribution	Percentage Contributed
10/1/2008	\$ 4,644,822	100.00%
10/1/2009	\$ 5,594,422	100.00%
10/1/2010	\$ 6,109,706	100.00%
10/1/2011	\$ 6,183,134	100.00%
10/1/2012	\$ 6,847,346	100.00%
10/1/2013	\$ 6,347,310	100.00%

<u>MANAGEMENT AND GENERAL EMPLOYEES'</u>	Annual Required Contribution	Percentage Contributed
10/1/2008	\$ 2,126,943	100.00%
10/1/2009	\$ 2,812,247	118.00%
10/1/2010	\$ 2,803,117	120.00%
10/1/2011	\$ 2,908,128	120.00%
10/1/2012	\$ 3,684,994	97.00%
10/1/2013	\$ 3,560,054	98.00%

TOWN OF DAVIE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS AND
EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
(Unaudited)

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll (b-a)/(c)
January 1, 2008	\$ -	\$ 668,000	\$ 668,000	0.0%	\$ 35,515,000	1.9%
October 1, 2009	\$ 1,194,000	\$ 493,000	\$ (701,000)	242.2%	\$ 23,259,000	(3.0%)
October 1, 2012	\$ 1,519,000	\$ 538,000	\$ (981,000)	282.3%	\$ 38,001,000	(2.6%)

Schedule of Employer Contributions:

Fiscal Year Ended September 30,	Annual Required Contribution	Percent Contributed
2009	\$ 172,000	699%
2010	\$ (37,000)	27%
2011	\$ (37,000)	(24%)
2012	\$ (68,000)	50%
2013	\$ (90,000)	38%

OTHER FINANCIAL INFORMATION

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for funds received with specific restrictions on how the funds should be spent.

Community Development Block Grant - This fund accounts for revenue received mainly from the U.S. Department of Housing and Urban Development. The revenue is restricted to accomplish the various objectives of the Community Development Block Grant Program.

Parks and Open Space Impact Fees - This Fund is used to account for the activities of the Town's impact fees received for its parks and recreational facilities.

Fire Impact Fees - This Fund is used to account for the activities of the Town's impact fees relating to its public safety – fire department.

Police Impact Fees - This Fund is used to account for the activities of the Town's impact fees relating to its public safety - police department.

Forfeitures - This Fund is used to account for the revenue and expenses from State and Federal forfeitures that the Town receives from various law enforcement agencies.

General Government Impact Fees - This Fund is used to account for the activities of the Town's impact fees relating to its general government departments.

TOWN OF DAVIE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013

	Special Revenue Funds						
	Community Development Block Grant	Parks and Open Space Impact Fees	Fire Impact Fees	Police Impact Fees	Forfeitures	General Government Impact Fees	Total Nonmajor Governmental Funds
ASSETS:							
Cash, cash equivalents and investments	\$ -	\$ 1,476,989	\$ 141,353	\$ 229,389	\$ 284,229	\$ 67,600	\$ 2,199,560
Due from other governments	1,633,084	-	-	-	-	-	1,633,084
Due from other funds	-	-	-	-	4,400	-	4,400
Total assets	<u>\$ 1,633,084</u>	<u>\$ 1,476,989</u>	<u>\$ 141,353</u>	<u>\$ 229,389</u>	<u>\$ 288,629</u>	<u>\$ 67,600</u>	<u>\$ 3,837,044</u>
LIABILITIES:							
Accounts payable and accrued liabilities	\$ 256,984	\$ 43,119	\$ -	\$ -	\$ 111,976	\$ -	\$ 412,079
Unearned revenues	336,069	-	-	-	-	-	336,069
Due to other funds	530,370	-	-	-	42,000	-	572,370
Total liabilities	<u>1,123,423</u>	<u>43,119</u>	<u>-</u>	<u>-</u>	<u>153,976</u>	<u>-</u>	<u>1,320,518</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - intergovernmental	<u>1,172,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,172,575</u>
Total deferred inflows of resources	<u>1,172,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,172,575</u>
FUND BALANCES:							
Restricted for:							
Parks and recreation - parks and open space	-	1,433,870	-	-	-	-	1,433,870
Public safety - fire	-	-	141,353	-	-	-	141,353
Public safety - police	-	-	-	229,389	134,653	-	364,042
General government activities	-	-	-	-	-	67,600	67,600
Unassigned:	<u>(662,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(662,914)</u>
Total fund balances (deficit)	<u>(662,914)</u>	<u>1,433,870</u>	<u>141,353</u>	<u>229,389</u>	<u>134,653</u>	<u>67,600</u>	<u>1,343,951</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 1,633,084</u>	<u>\$ 1,476,989</u>	<u>\$ 141,353</u>	<u>\$ 229,389</u>	<u>\$ 288,629</u>	<u>\$ 67,600</u>	<u>\$ 3,837,044</u>

TOWN OF DAVIE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Community Development Block Grant	Parks and Open Space Impact Fees	Fire Impact Fees	Police Impact Fees	Forfeitures	General Government Impact Fees	
REVENUES:							
Intergovernmental	\$ 3,032,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,032,766
Charges for services	339,331	459,063	91,309	73,977	-	41,559	1,005,239
Fines and forfeitures	-	-	-	-	126,591	-	126,591
Investment income	-	-	-	-	586	-	586
Total revenues	3,372,097	459,063	91,309	73,977	127,177	41,559	4,165,182
EXPENDITURES:							
General government:							
General services department:							
Personnel services	220,105	-	-	-	-	-	220,105
Operating	1,962,280	-	-	-	-	-	1,962,280
Capital outlay	871,453	-	-	-	-	-	871,453
Total general government	3,053,838	-	-	-	-	-	3,053,838
Public safety:							
Police department:							
Operating	-	-	-	-	40,834	-	40,834
Capital outlay	-	-	-	-	41,960	-	41,960
Total public safety	-	-	-	-	82,794	-	82,794
Parks, recreation and cultural arts:							
Capital outlay	-	43,119	-	-	-	-	43,119
Total parks, recreation and cultural arts	-	43,119	-	-	-	-	43,119
Total expenditures	3,053,838	43,119	-	-	82,794	-	3,179,751
Net change in fund balances	318,259	415,944	91,309	73,977	44,383	41,559	985,431
FUND BALANCES (DEFICIT), beginning of year	(981,173)	1,017,926	50,044	155,412	90,270	26,041	358,520
FUND BALANCES (DEFICIT), end of year	<u>\$ (662,914)</u>	<u>\$ 1,433,870</u>	<u>\$ 141,353</u>	<u>\$ 229,389</u>	<u>\$ 134,653</u>	<u>\$ 67,600</u>	<u>\$ 1,343,951</u>

TOWN OF DAVIE, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 2,275,914	\$ 6,031,523	\$ 3,032,766	\$ (2,998,757)
Charges for services	<u>600,000</u>	<u>734,021</u>	<u>339,331</u>	<u>(394,690)</u>
Total revenues	<u>2,875,914</u>	<u>6,765,544</u>	<u>3,372,097</u>	<u>(3,393,447)</u>
EXPENDITURES:				
General government:				
General services department:				
Personnel services	219,703	266,343	220,105	46,238
Operating	1,591,300	4,368,559	1,962,280	2,406,279
Capital outlay	<u>1,064,911</u>	<u>2,130,642</u>	<u>871,453</u>	<u>1,259,189</u>
Total expenditures	<u>2,875,914</u>	<u>6,765,544</u>	<u>3,053,838</u>	<u>3,711,706</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ 318,259	\$ <u><u>318,259</u></u>
Fund balance (deficit), beginning of year			<u>(981,173)</u>	
Fund balance (deficit), end of year			<u><u>\$ (662,914)</u></u>	

TOWN OF DAVIE, FLORIDA
PARKS AND OPEN SPACE IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 30,000	\$ 459,000	\$ 459,063	\$ 63
Total revenues	30,000	459,000	459,063	63
 EXPENDITURES:				
Parks, recreation and cultural arts:				
Capital outlay	30,000	1,785,271	43,119	1,742,152
Total expenditures	30,000	1,785,271	43,119	1,742,152
Excess (deficiency) of revenues over expenditures	-	(1,326,271)	415,944	1,742,215
 OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	-	1,326,271	-	(1,326,271)
Total other financing sources (uses)	-	1,326,271	-	(1,326,271)
Net change in fund balance	-	-	415,944	\$ 415,944
Fund balance, beginning of year			1,017,926	
Fund balance, end of year			\$ 1,433,870	

TOWN OF DAVIE, FLORIDA
 FIRE IMPACT FEES
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 30,000	\$ 91,000	\$ 91,309	\$ 309
Total revenues	30,000	91,000	91,309	309
 EXPENDITURES:				
Public safety:				
Fire department:				
Operating	30,000	91,000	-	91,000
Total expenditures	30,000	91,000	-	91,000
Net change in fund balance	\$ -	\$ -	91,309	\$ 91,309
Fund balance, beginning of year			50,044	
Fund balance, end of year			\$ 141,353	

TOWN OF DAVIE, FLORIDA
POLICE IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 30,000	\$ 74,000	\$ 73,977	\$ (23)
Total revenues	30,000	74,000	73,977	(23)
EXPENDITURES:				
Public safety:				
Police department:				
Operating	30,000	30,000	-	30,000
Capital outlay	60,000	60,000	-	60,000
Total expenditures	90,000	90,000	-	90,000
Excess (deficiency) of revenues over expenditures	(60,000)	(16,000)	73,977	89,977
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	60,000	16,000	-	(16,000)
Total other financing sources (uses)	60,000	16,000	-	(16,000)
Net change in fund balance	\$ -	\$ -	73,977	\$ 73,977
Fund balance, beginning of year			155,412	
Fund balance, end of year			\$ 229,389	

TOWN OF DAVIE, FLORIDA
FORFEITURES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 126,591	\$ 126,591
Investment income	-	-	586	586
	<u>-</u>	<u>-</u>	<u>127,177</u>	<u>127,177</u>
Total revenues	<u>-</u>	<u>-</u>	<u>127,177</u>	<u>127,177</u>
EXPENDITURES:				
Public safety:				
Police department:				
Operating	86,700	86,700	40,834	45,866
Capital outlay	135,000	135,000	41,960	93,040
	<u>221,700</u>	<u>221,700</u>	<u>82,794</u>	<u>138,906</u>
Total expenditures	<u>221,700</u>	<u>221,700</u>	<u>82,794</u>	<u>138,906</u>
Excess (deficiency) of revenues over expenditures	<u>(221,700)</u>	<u>(221,700)</u>	<u>44,383</u>	<u>266,083</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	<u>221,700</u>	<u>221,700</u>	<u>-</u>	<u>(221,700)</u>
Total other financing sources (uses)	<u>221,700</u>	<u>221,700</u>	<u>-</u>	<u>(221,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	44,383	<u>\$ 44,383</u>
Fund balance, beginning of year			<u>90,270</u>	
Fund balance, end of year			<u>\$ 134,653</u>	

TOWN OF DAVIE, FLORIDA
GENERAL GOVERNMENT IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ <u>6,000</u>	\$ <u>41,500</u>	\$ <u>41,559</u>	\$ <u>59</u>
Total revenues	<u>6,000</u>	<u>41,500</u>	<u>41,559</u>	<u>59</u>
 EXPENDITURES:				
General government:				
General services department:				
Operating	<u>6,000</u>	<u>41,500</u>	<u>-</u>	<u>41,500</u>
Total expenditures	<u>6,000</u>	<u>41,500</u>	<u>-</u>	<u>41,500</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	41,559	\$ <u><u>41,559</u></u>
Fund balance, beginning of year			<u>26,041</u>	
Fund balance, end of year			\$ <u><u>67,600</u></u>	

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INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Vehicle Maintenance - This fund is used to accumulate the cost of operating a central garage facility for vehicle and equipment maintenance.

Self-Insurance - This fund is used to account for and finance the Town's insured and uninsured risks of WSS.

Information Systems - This fund is used to account for the accumulation of capital and distribution of costs associated with the acquisition and maintenance of information systems equipment.

Building Maintenance - This fund is used to account for the accumulation of costs associated with operating and maintaining certain Town facilities.

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Building Maintenance</u>	<u>Total</u>
ASSETS:					
Current assets:					
Cash, cash equivalents and investments	\$ 5,257,979	\$ 10,642,514	\$ 806,019	\$ 378,666	\$ 17,085,178
Receivables, net of allowance for uncollectibles	17,079	81,810	-	-	98,889
Prepaid items	-	128,081	36,657	-	164,738
Inventories	115,004	-	-	-	115,004
Total current assets	<u>5,390,062</u>	<u>10,852,405</u>	<u>842,676</u>	<u>378,666</u>	<u>17,463,809</u>
Noncurrent assets:					
Capital assets:					
Building and improvements	1,914,695	-	-	300,590	2,215,285
Machinery, equipment and vehicles	11,226,204	-	4,335,334	178,781	15,740,319
Less accumulated depreciation	<u>(8,722,462)</u>	<u>-</u>	<u>(3,404,409)</u>	<u>(391,075)</u>	<u>(12,517,946)</u>
Total noncurrent assets	<u>4,418,437</u>	<u>-</u>	<u>930,925</u>	<u>88,296</u>	<u>5,437,658</u>
Total assets	<u>9,808,499</u>	<u>10,852,405</u>	<u>1,773,601</u>	<u>466,962</u>	<u>22,901,467</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	515,595	15,321	120,463	-	651,379
Insurance claims payable	-	1,980,000	-	-	1,980,000
Due to other funds	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,400</u>
Total current liabilities	<u>519,995</u>	<u>1,995,321</u>	<u>120,463</u>	<u>-</u>	<u>2,635,779</u>
Total liabilities	<u>519,995</u>	<u>1,995,321</u>	<u>120,463</u>	<u>-</u>	<u>2,635,779</u>
NET POSITION:					
Net investment in capital assets	4,418,437	-	930,925	88,296	5,437,658
Unrestricted	<u>4,870,067</u>	<u>8,857,084</u>	<u>722,213</u>	<u>378,666</u>	<u>14,828,030</u>
Total net position	<u>\$ 9,288,504</u>	<u>\$ 8,857,084</u>	<u>\$ 1,653,138</u>	<u>\$ 466,962</u>	<u>\$ 20,265,688</u>

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the Year Ended September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Building Maintenance</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 3,637,934	\$ 11,726,253	\$ 1,617,668	\$ -	\$ 16,981,855
Operating expenses:					
Personnel services	56,004	155,888	1,027,592	-	1,239,484
Maintenance	2,121,065	1,053	401,675	-	2,523,793
Insurance	352,811	2,387,230	-	-	2,740,041
Claims and other fees	-	8,192,749	-	-	8,192,749
Administration	-	959,197	-	-	959,197
Depreciation	1,070,428	-	466,536	25,227	1,562,191
Total operating expenses	<u>3,600,308</u>	<u>11,696,117</u>	<u>1,895,803</u>	<u>25,227</u>	<u>17,217,455</u>
Operating income (loss)	<u>37,626</u>	<u>30,136</u>	<u>(278,135)</u>	<u>(25,227)</u>	<u>(235,600)</u>
Nonoperating revenues:					
Other income	101,086	-	300	-	101,386
Investment income	-	46	-	-	46
Total nonoperating revenues	<u>101,086</u>	<u>46</u>	<u>300</u>	<u>-</u>	<u>101,432</u>
Change in net position	138,712	30,182	(277,835)	(25,227)	(134,168)
Net position, beginning of year	<u>9,149,792</u>	<u>8,826,902</u>	<u>1,930,973</u>	<u>492,189</u>	<u>20,399,856</u>
Net position, end of year	<u>\$ 9,288,504</u>	<u>\$ 8,857,084</u>	<u>\$ 1,653,138</u>	<u>\$ 466,962</u>	<u>\$ 20,265,688</u>

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Building Maintenance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from interfund charges	\$ 3,647,517	\$ 11,735,039	\$ 1,617,668	\$ -	\$ 17,000,224
Payments to suppliers and service providers	(2,288,746)	(11,372,881)	(380,865)	-	(14,042,492)
Payments to employees	(55,727)	(155,119)	(1,025,950)	-	(1,236,796)
Other receipts	<u>101,086</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>101,386</u>
Net cash provided by operating activities	<u>1,404,130</u>	<u>207,039</u>	<u>211,153</u>	<u>-</u>	<u>1,822,322</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Advances from (to) other funds	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,400</u>
Net cash provided by noncapital financing activities	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets, net	<u>(1,315,748)</u>	<u>-</u>	<u>(255,585)</u>	<u>-</u>	<u>(1,571,333)</u>
Net cash used in capital and related financing activities	<u>(1,315,748)</u>	<u>-</u>	<u>(255,585)</u>	<u>-</u>	<u>(1,571,333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	<u>-</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>46</u>
Net cash provided by investing activities	<u>-</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>46</u>
Net increase (decrease) in cash, cash equivalents and investments	<u>92,782</u>	<u>207,085</u>	<u>(44,432)</u>	<u>-</u>	<u>255,435</u>
Cash, cash equivalents and investments, beginning of year	<u>5,165,197</u>	<u>10,435,429</u>	<u>850,451</u>	<u>378,666</u>	<u>16,829,743</u>
Cash, cash equivalents and investments, end of year	<u>\$ 5,257,979</u>	<u>\$ 10,642,514</u>	<u>\$ 806,019</u>	<u>\$ 378,666</u>	<u>\$ 17,085,178</u>

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
(continued)
For the Year Ended September 30, 2013

	<u>Vehicle Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Building Maintenance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ <u>37,626</u>	\$ <u>30,136</u>	\$ <u>(278,135)</u>	\$ <u>(25,227)</u>	\$ <u>(235,600)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Other operating revenues	101,086	-	300	-	101,386
Depreciation	1,070,428	-	466,536	25,227	1,562,191
(Increase) decrease in assets:					
Receivables, net	9,583	8,786	-	-	18,369
Inventories	(2,015)	-	-	-	(2,015)
Prepaid items	-	79,369	18,763	-	98,132
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	187,422	(101,252)	3,689	-	89,859
Insurance claims payable	<u>-</u>	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>190,000</u>
Total adjustments	<u>1,366,504</u>	<u>176,903</u>	<u>489,288</u>	<u>25,227</u>	<u>2,057,922</u>
Net cash provided by operating activities	<u>\$ 1,404,130</u>	<u>\$ 207,039</u>	<u>\$ 211,153</u>	<u>\$ -</u>	<u>\$ 1,822,322</u>

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FIDUCIARY FUNDS

Fiduciary trust funds are used to account for assets held by the government in a trustee capacity.

Firefighters' Pension - This fund is used to account for the accumulation of resources for pension benefit payments to qualified firefighter employees of the Town of Davie.

Police Employees' Pension - This fund is used to account for the accumulation of resources for pension benefit payments to qualified police employees of the Town of Davie.

Management and General Employees' Pension - The management and General Employees' Plan is maintained to for the benefit of employees that are not represented under any other pension plan.

OPEB Trust - This fund accounts for the accumulation of resources to be used for other post-employment health care benefits of the Town's retired employees.

TOWN OF DAVIE, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2013

	Firefighters' Pension	Police Employees' Pension	Management and General Employees' Pension	OPEB Trust	Total
ASSETS:					
Cash and cash equivalents	\$ 2,175,138	\$ 6,114,270	\$ 535,637	\$ -	\$ 8,825,045
Investments, at fair value	66,806,340	103,446,197	40,667,177	1,685,104	212,604,818
Receivables:					
Interest and dividends	151,300	311,202	-	-	462,502
Contributions	33,906	266,659	-	-	300,565
Securities sold	-	96,987	-	-	96,987
	<u>69,166,684</u>	<u>110,235,315</u>	<u>41,202,814</u>	<u>1,685,104</u>	<u>222,289,917</u>
Total assets					
LIABILITIES:					
Accounts payable	73,257	123,081	-	-	196,338
Payable for securities purchased	-	2,057,827	-	-	2,057,827
Prepaid contributions	2,459,581	1,663,013	105,758	-	4,228,352
Deferred retirement option plan payable	<u>3,488,687</u>	<u>5,554,331</u>	<u>57,111</u>	<u>-</u>	<u>9,100,129</u>
	<u>6,021,525</u>	<u>9,398,252</u>	<u>162,869</u>	<u>-</u>	<u>15,582,646</u>
Total liabilities					
NET POSITION:					
Net position held in trust for pension benefits	63,145,159	100,837,063	41,039,945	-	205,022,167
Net position held in trust for OPEB benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,685,104</u>	<u>1,685,104</u>
	<u>\$ 63,145,159</u>	<u>\$ 100,837,063</u>	<u>\$ 41,039,945</u>	<u>\$ 1,685,104</u>	<u>\$ 206,707,271</u>
Total net position					

TOWN OF DAVIE, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2013

	<u>Firefighters' Pension</u>	<u>Police Employees' Pension</u>	<u>Management and General Employees' Pension</u>	<u>OPEB Trust</u>	<u>Total</u>
ADDITIONS:					
Contributions:					
Employer	\$ 4,334,336	\$ 5,750,247	\$ 3,485,683	\$ -	\$ 13,570,266
Plan members	986,543	1,008,385	55,843	-	2,050,771
State of Florida	906,640	687,063	-	-	1,593,703
	<u>6,227,519</u>	<u>7,445,695</u>	<u>3,541,526</u>	<u>-</u>	<u>17,214,740</u>
Total contributions					
Investment income:					
Net appreciation in fair value of investments	4,796,162	8,754,219	4,435,541	176,144	18,162,066
Interest and dividends	1,627,819	2,504,636	-	-	4,132,455
	<u>6,423,981</u>	<u>11,258,855</u>	<u>4,435,541</u>	<u>176,144</u>	<u>22,294,521</u>
Total investment income					
Less:					
Investment expenses	264,625	525,820	-	-	790,445
Deferred retirement option plan participants' earnings	149,075	529,365	-	-	678,440
	<u>6,010,281</u>	<u>10,203,670</u>	<u>4,435,541</u>	<u>176,144</u>	<u>20,825,636</u>
Net investment income					
Total additions					
	<u>12,237,800</u>	<u>17,649,365</u>	<u>7,977,067</u>	<u>176,144</u>	<u>38,040,376</u>
DEDUCTIONS:					
Benefits paid	3,397,735	4,850,525	1,066,222	-	9,314,482
Refunds of contributions	-	9,457	-	-	9,457
Administrative expenses	138,737	171,462	82,078	10,322	402,599
	<u>3,536,472</u>	<u>5,031,444</u>	<u>1,148,300</u>	<u>10,322</u>	<u>9,726,538</u>
Total deductions					
Change in net position	8,701,328	12,617,921	6,828,767	165,822	28,313,838
Net position, beginning of year	<u>54,443,831</u>	<u>88,219,142</u>	<u>34,211,178</u>	<u>1,519,282</u>	<u>178,393,433</u>
Net position, end of year	<u>\$ 63,145,159</u>	<u>\$ 100,837,063</u>	<u>\$ 41,039,945</u>	<u>\$ 1,685,104</u>	<u>\$ 206,707,271</u>

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STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Net position by component	108
Changes in net position	109-110
Governmental activities tax revenues by source	111
Fund balances of governmental funds	112
Changes in fund balances of governmental funds	113-114

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Assessed value and estimated actual value of taxable property	115
Property tax rates - direct and overlapping governments	116
Principal property taxpayers	117
Property tax levies and collections	118

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Ratio of outstanding debt by type	119
Ratio of general bonded debt outstanding	120
Direct and overlapping governmental activity debt	121
Legal debt margin information	122
Pledged-revenue coverage	123

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Demographic and economic statistics	124
Principal employers	125

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Full-time equivalent town government employees by function/program	126
Operating indicators by function/program	127
Capital assets by function/program	128

Sources: Unless otherwise indicated, information in these schedules is derived from the comprehensive annual financial reports for the respective years.

**TOWN OF DAVIE, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE 1

	Fiscal Year									
	2004	2005	2006 (Restated)	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ -	\$ -	\$ 92,718,971	\$ 110,175,770	\$ 113,281,372	\$ 114,014,266	\$ 134,863,296	\$ 135,876,039	\$ 118,167,599	\$ 120,789,981
Restricted	-	-	20,693,869	21,042,189	21,720,350	20,712,587	16,754,148	17,071,661	14,865,524	14,982,045
Unrestricted	-	-	32,100,415	42,145,538	46,889,100	44,895,929	40,870,838	34,826,178	54,952,370	55,947,315
Total governmental activities net assets	-	-	145,513,255	173,363,497	181,890,822	179,622,782	192,488,282	187,773,878	187,985,493	191,719,341
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets	2,604,061	2,694,292	2,190,050	1,572,953	2,996,961	5,780,372	(26,324,353)	13,950,745	15,699,857	18,351,139
Restricted	4,018,774	3,916,641	3,572,225	3,812,885	4,150,140	7,699,665	16,358,557	20,137,832	21,108,710	26,049,822
Unrestricted	16,378,049	16,333,569	17,033,484	17,857,088	19,684,726	17,742,330	43,950,401	12,700,785	16,768,454	18,177,518
Total business-type activities net assets	23,000,884	22,944,502	22,795,759	23,242,926	26,831,827	31,222,367	33,984,605	46,789,362	53,577,021	62,578,479
PRIMARY GOVERNMENT:										
Net investment in capital assets	-	-	94,909,021	111,748,723	116,278,333	119,794,638	108,538,943	149,826,784	133,867,456	139,141,120
Restricted	-	-	24,266,094	24,855,074	25,870,490	28,412,252	33,112,705	37,209,493	35,974,234	41,031,867
Unrestricted	-	-	49,133,899	60,002,626	66,573,826	62,638,259	84,821,239	47,526,963	71,720,824	74,124,833
Total primary government net assets	\$ -	\$ -	\$ 168,309,014	\$ 196,606,423	\$ 208,722,649	\$ 210,845,149	\$ 226,472,887	\$ 234,563,240	\$ 241,562,514	\$ 254,297,820

NOTE: Restated information for fiscal years prior to September 30, 2006 for governmental activities is unavailable.

TOWN OF DAVIE , FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE 2

	Fiscal Year									
	2004	2005	2006 (Restated)	2007	2008	2009	2010	2011	2012	2013
EXPENSES:										
Governmental activities:										
General government	\$ -	\$ -	\$ 8,318,869	\$ 10,044,645	\$ 9,891,469	\$ 8,131,823	\$ 7,667,714	\$ 8,383,532	\$ 12,602,383	\$ 15,021,076
Building and engineering	-	-	8,813,537	8,424,696	10,941,456	9,957,956	7,781,663	6,986,600	4,378,568	4,073,708
Public safety - police	-	-	28,488,115	30,425,739	31,250,547	34,041,624	33,858,391	37,123,872	37,627,602	38,272,875
Public safety - fire	-	-	19,953,922	20,744,846	22,397,446	22,831,697	22,882,410	23,595,994	23,733,336	25,553,166
Public works	-	-	22,709,233	9,182,575	10,082,511	9,187,042	11,102,568	8,388,176	10,043,786	10,485,525
Parks, recreation and cultural arts	-	-	6,405,171	6,827,260	6,276,083	6,385,971	6,461,415	5,974,303	5,976,439	5,926,310
Interest on long-term debt	-	-	2,468,524	3,724,273	3,303,623	3,119,382	2,923,734	3,129,898	3,476,918	3,140,306
Total governmental activities expenses	-	-	97,157,371	89,374,034	94,143,135	93,655,495	92,677,895	93,582,375	97,839,032	102,472,966
Business-type activities:										
Water and sewer	9,155,969	9,104,400	9,420,619	8,938,390	9,480,386	11,364,207	12,203,521	15,089,101	14,767,222	15,103,264
Golf	-	-	-	-	-	-	-	432,332	271,483	143,208
Aquaculture	21,265	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	9,177,234	9,104,400	9,420,619	8,938,390	9,480,386	11,364,207	12,203,521	15,521,433	15,038,705	15,246,472
Total primary government expenses	\$ 9,177,234	\$ 9,104,400	\$ 106,577,990	\$ 98,312,424	\$ 103,623,521	\$ 105,019,702	\$ 104,881,416	\$ 109,103,808	\$ 112,877,737	\$ 117,719,438
PROGRAM REVENUES:										
Governmental activities:										
General government	\$ -	\$ -	\$ 3,685,844	\$ 4,059,749	\$ 1,599,056	\$ 1,675,278	\$ 2,263,849	\$ 3,165,335	\$ 8,475,288	\$ 7,932,982
Building and engineering	-	-	8,151,977	7,272,230	8,849,192	5,078,809	6,302,774	7,258,170	5,419,679	5,906,559
Public safety - police	-	-	1,664,015	1,867,842	5,051,897	2,441,428	2,679,020	2,310,047	3,789,601	3,534,646
Public safety - fire	-	-	8,005,370	7,955,955	8,249,431	7,864,070	9,531,257	9,190,709	9,675,931	11,913,296
Public works	-	-	1,641,688	13,568,449	1,918,235	1,760,823	1,822,010	629,427	1,365,811	2,286,608
Parks, recreation and cultural arts	-	-	1,281,260	1,240,680	977,899	1,104,084	926,610	1,223,047	1,016,518	1,345,293
Total governmental activities program revenues	-	-	24,430,154	35,964,905	26,645,710	19,924,492	23,525,520	23,776,735	29,742,828	32,919,384

TOWN OF DAVIE , FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(continued)

TABLE 2

	Fiscal Year									
	2004	2005	2006 (restated)	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Water and sewer	7,757,382	8,516,500	8,566,430	8,788,754	11,882,832	15,277,414	16,460,837	20,353,221	20,447,839	21,460,796
Golf	-	-	-	-	-	-	-	-	26,902	51,913
Aquaculture	19,197	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	693,758	386,723	1,349,580	-	648,849	1,055,448
Total business-type activities program revenues	<u>7,776,579</u>	<u>8,516,500</u>	<u>8,566,430</u>	<u>8,788,754</u>	<u>12,576,590</u>	<u>15,664,137</u>	<u>17,810,417</u>	<u>20,353,221</u>	<u>21,123,590</u>	<u>22,568,157</u>
Total primary government program revenues	<u>\$ 7,776,579</u>	<u>\$ 8,516,500</u>	<u>\$ 32,996,584</u>	<u>\$ 44,753,659</u>	<u>\$ 39,222,300</u>	<u>\$ 35,588,629</u>	<u>\$ 41,335,937</u>	<u>\$ 44,129,956</u>	<u>\$ 50,866,418</u>	<u>\$ 55,487,541</u>
NET (EXPENSE) REVENUE:										
Governmental activities	\$ -	\$ -	\$ (72,727,217)	\$ (53,409,129)	\$ (67,497,425)	\$ (73,731,003)	\$ (69,152,375)	\$ (69,805,640)	\$ (68,096,204)	\$ (69,553,582)
Business-type activities	<u>(1,400,655)</u>	<u>(587,900)</u>	<u>(854,189)</u>	<u>(149,636)</u>	<u>3,096,204</u>	<u>4,299,930</u>	<u>5,606,896</u>	<u>4,831,788</u>	<u>6,084,885</u>	<u>7,321,685</u>
Total primary government, net expense	<u>\$ (1,400,655)</u>	<u>\$ (587,900)</u>	<u>\$ (73,581,406)</u>	<u>\$ (53,558,765)</u>	<u>\$ (64,401,221)</u>	<u>\$ (69,431,073)</u>	<u>\$ (63,545,479)</u>	<u>\$ (64,973,852)</u>	<u>\$ (62,011,319)</u>	<u>\$ (62,231,897)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:										
Governmental activities:										
Ad valorem taxes	\$ -	\$ -	\$ 34,799,929	\$ 45,402,263	\$ 42,899,306	\$ 42,849,925	\$ 43,197,609	\$ 38,936,355	\$ 37,490,024	\$ 38,132,831
Utility service taxes	-	-	6,009,394	6,329,012	6,415,524	6,286,343	6,758,400	6,750,247	6,917,439	7,289,144
Communications service tax	-	-	4,147,917	4,267,007	5,266,565	4,446,706	4,366,292	3,916,806	4,095,094	3,911,368
Franchise fees on gross receipts	-	-	9,349,390	10,037,756	9,983,511	10,151,668	9,379,481	9,184,292	8,612,673	8,797,561
Intergovernmental, not restricted for specific purposes	-	-	22,914,871	7,889,205	7,926,446	6,672,609	11,761,113	9,360,914	9,753,717	10,245,884
Investment income	-	-	3,962,783	6,480,357	2,458,413	726,624	2,197,089	1,183,372	1,029,857	386,625
Miscellaneous	-	-	919,531	853,773	1,074,984	1,147,958	1,357,893	1,567,257	1,291,941	4,449,017
Transfers	-	-	-	-	-	-	3,000,000	(5,808,007)	(500,000)	75,000
Total governmental activities	<u>-</u>	<u>-</u>	<u>82,103,815</u>	<u>81,259,373</u>	<u>76,024,749</u>	<u>72,281,833</u>	<u>82,017,877</u>	<u>65,091,236</u>	<u>68,690,745</u>	<u>73,287,430</u>
Business-type activities:										
Investment income	408,685	560,436	695,446	596,803	492,697	90,610	89,758	67,487	52,630	12,443
Miscellaneous	-	-	10,000	-	-	-	149,589	2,097,475	1,159,704	1,742,330
Transfers	-	(28,918)	-	-	-	-	(3,000,000)	5,808,007	500,000	(75,000)
Total business-type activities	<u>408,685</u>	<u>531,518</u>	<u>705,446</u>	<u>596,803</u>	<u>492,697</u>	<u>90,610</u>	<u>(2,760,653)</u>	<u>7,972,969</u>	<u>1,712,334</u>	<u>1,679,773</u>
Total primary government general revenue and other	<u>\$ 408,685</u>	<u>\$ 531,518</u>	<u>\$ 82,809,261</u>	<u>\$ 81,856,176</u>	<u>\$ 76,517,446</u>	<u>\$ 72,372,443</u>	<u>\$ 79,257,224</u>	<u>\$ 73,064,205</u>	<u>\$ 70,403,079</u>	<u>\$ 74,967,203</u>
CHANGE IN NET POSITION:										
Governmental activities	\$ -	\$ -	\$ 9,376,598	\$ 27,850,244	\$ 8,527,324	\$ (1,449,170)	\$ 12,865,502	\$ (4,714,404)	\$ 594,541	\$ 3,733,848
Business-type activities	<u>(991,970)</u>	<u>(56,382)</u>	<u>(148,743)</u>	<u>447,167</u>	<u>3,588,901</u>	<u>4,390,540</u>	<u>2,846,243</u>	<u>12,804,757</u>	<u>7,797,219</u>	<u>9,001,458</u>
Total primary government	<u>\$ (991,970)</u>	<u>\$ (56,382)</u>	<u>\$ 9,227,855</u>	<u>\$ 28,297,411</u>	<u>\$ 12,116,225</u>	<u>\$ 2,941,370</u>	<u>\$ 15,711,745</u>	<u>\$ 8,090,353</u>	<u>\$ 8,391,760</u>	<u>\$ 12,735,306</u>

TOWN OF DAVIE, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE 3

Fiscal Year Ended September 30,	Tax Roll Year	Ad Valorem Tax	Communications Services Tax	Utility Service Taxes	Franchise Fees on Gross Receipts	Total
2004	2003	\$ 26,655,372	\$ 3,918,933	\$ 5,354,224	\$ 6,694,922	\$ 42,623,451
2005	2004	30,167,119	4,015,111	5,714,900	7,894,195	47,791,325
2006	2005	34,799,929	4,147,917	6,009,394	9,349,390	54,306,630
2007	2006	45,402,263	4,267,007	6,329,012	10,037,756	66,036,038
2008	2007	42,899,306	5,266,565	6,415,524	9,983,511	64,564,906
2009	2008	42,849,925	4,446,706	6,286,343	10,151,668	63,734,642
2010	2009	43,197,609	4,366,292	6,758,400	9,379,481	63,701,782
2011	2010	38,936,355	3,916,806	6,750,247	9,184,292	58,787,700
2012	2011	37,490,024	4,095,094	6,917,439	8,612,673	57,115,230
2013	2012	38,132,831	3,911,368	7,289,144	8,797,561	58,130,904

TOWN OF DAVIE, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 4

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Reserved	\$ 14,033,433	\$ 20,309,877	\$ 20,529,853	\$ 17,453,550	\$ 16,368,026	\$ 8,615,979	\$ 5,031,545	\$ -	\$ -	\$ -
Unreserved	10,715,088	15,728,135	18,806,092	28,880,129	35,101,119	34,954,293	38,332,924	-	-	-
Nonspendable	-	-	-	-	-	-	-	7,656	20,398	114,899
Restricted	-	-	-	-	-	-	-	5,731,562	4,983,157	4,640,866
Committed	-	-	-	-	-	-	-	21,894,692	23,891,957	24,741,783
Assigned	-	-	-	-	-	-	-	3,248,541	4,404,349	3,941,040
Unassigned	-	-	-	-	-	-	-	6,734,332	4,754,923	7,333,689
Total General Fund	\$ 24,748,521	\$ 36,038,012	\$ 39,335,945	\$ 46,333,679	\$ 51,469,145	\$ 43,570,272	\$ 43,364,469	\$ 37,616,783	\$ 38,054,784	\$ 40,772,277
All other government funds:										
Reserved	\$ 769,952	\$ 5,546,761	\$ 39,742,521	\$ 39,218,267	\$ 38,592,298	\$ 42,453,401	\$ 35,004,322	\$ -	\$ -	\$ -
Unreserved, reported in Special revenue funds	2,294,404	2,566,997	2,912,298	3,100,414	2,027,849	784,434	421,376	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	40,000
Restricted	-	-	-	-	-	-	-	37,312,690	35,183,167	35,103,283
Committed	-	-	-	-	-	-	-	14,147,607	13,578,420	11,540,573
Unassigned (deficit)	-	-	-	-	-	-	-	-	(981,173)	(662,914)
Total all other governmental funds	\$ 3,064,356	\$ 8,113,758	\$ 42,654,819	\$ 42,318,681	\$ 40,620,147	\$ 43,237,835	\$ 35,425,698	\$ 51,460,297	\$ 47,780,414	\$ 46,020,942

Note: Information for fiscal years 2004 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

TOWN OF DAVIE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE 5

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES:										
Ad valorem taxes	\$ 26,655,372	\$ 30,167,119	\$ 34,799,929	\$ 45,402,263	\$ 42,899,306	\$ 42,849,925	\$ 43,197,609	\$ 38,936,355	\$ 37,490,024	\$ 38,132,831
Utility service taxes	5,354,224	5,714,900	6,009,394	6,329,012	6,415,524	6,286,343	6,758,400	6,750,247	6,917,439	7,289,144
Franchise fees	6,694,922	7,894,195	9,349,390	10,037,756	9,983,511	10,151,668	9,329,481	9,184,292	8,612,673	8,797,561
Intergovernmental	16,682,847	17,676,022	25,978,023	24,031,364	11,970,270	9,690,616	15,001,294	12,045,032	13,358,215	15,299,531
Communication service tax	3,918,933	4,015,111	4,147,917	4,267,007	4,875,488	4,544,483	4,493,067	4,192,273	4,095,094	3,911,368
Licenses and permits	7,779,426	6,759,244	6,575,678	4,397,901	5,763,972	3,997,940	4,273,788	5,848,003	6,149,751	6,560,604
Charges for services	6,427,497	7,210,274	6,694,537	8,898,702	6,484,208	5,441,509	7,105,715	7,564,892	10,534,036	12,336,183
Fire rescue assessments	2,669,405	4,176,282	5,241,448	5,642,008	5,933,863	5,624,302	7,031,918	7,122,668	7,124,432	6,803,622
Fines and forfeitures	997,596	791,744	512,484	799,228	4,647,039	842,304	809,785	713,734	1,249,899	1,388,196
Investment income	1,383,657	1,796,758	3,962,783	6,480,357	2,458,413	726,624	2,212,239	1,183,372	1,029,857	386,625
Miscellaneous	2,179,648	2,118,626	1,623,283	1,416,051	1,960,470	1,449,267	2,311,777	1,597,631	1,412,712	4,922,110
Total revenues	80,743,527	88,320,275	104,894,866	117,701,649	103,392,064	91,604,981	102,525,073	95,138,499	97,974,132	105,827,775
EXPENDITURES:										
General government	15,866,007	14,034,384	15,840,529	16,670,057	15,497,187	12,863,178	13,293,822	14,250,447	17,359,559	18,300,674
Public safety	38,304,489	41,041,898	46,600,749	49,965,320	50,985,295	53,692,069	54,829,841	57,179,774	59,990,689	61,148,274
Public works	5,421,079	6,052,100	22,119,587	6,055,894	6,316,901	7,274,932	7,604,031	7,170,797	6,812,650	7,071,640
Non-departmental	-	1,113,067	1,035,429	1,627,081	3,916,523	2,765,736	1,610,373	1,241,011	1,111,377	1,072,536
Parks, recreation and cultural arts	4,819,600	4,801,141	4,916,672	4,999,648	4,634,680	4,610,496	4,259,113	4,103,546	4,167,794	4,014,641
Capital outlay	16,014,091	10,293,545	11,768,999	23,877,843	10,260,366	6,349,148	24,389,154	6,942,474	2,991,147	3,892,084
Debt service:										
Principal	3,432,297	3,255,462	3,630,755	4,686,454	4,946,804	5,376,543	4,630,312	5,403,486	6,010,215	6,257,257
Interest and fiscal charges	1,321,092	1,386,783	2,646,153	3,554,956	3,397,376	3,135,195	2,926,367	3,117,864	3,272,583	3,187,648
Total expenditures	85,178,655	81,978,380	108,558,873	111,437,253	99,955,132	96,067,297	113,543,013	99,409,399	101,716,014	104,944,754
Excess (deficiency) of revenues over expenditures	(4,435,128)	6,341,895	(3,664,007)	6,264,396	3,436,932	(4,462,316)	(11,017,940)	(4,270,900)	(3,741,882)	883,021

TOWN OF DAVIE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(continued)

TABLE 5

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OTHER FINANCING SOURCES (USES):										
Transfers in	5,170,074	8,325,125	2,171,374	4,618,923	4,869,814	6,304,653	11,280,454	3,044,595	2,554,313	1,623,065
Transfers out	(5,170,074)	(8,325,125)	(2,171,374)	(4,618,923)	(4,869,814)	(6,304,653)	(8,280,454)	(8,486,780)	(2,054,313)	(1,548,065)
Issuance of debt	-	10,000,000	41,500,000	397,200	16,626,250	-	-	20,000,000	-	17,394,769
Payment to escrow agent	-	-	-	-	(16,626,250)	-	-	-	-	(17,394,769)
Total other financing sources (uses)	<u>-</u>	<u>10,000,000</u>	<u>41,500,000</u>	<u>397,200</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>14,557,815</u>	<u>500,000</u>	<u>75,000</u>
Net change in fund balances	<u>\$ (4,435,128)</u>	<u>\$ 16,341,895</u>	<u>\$ 37,835,993</u>	<u>\$ 6,661,596</u>	<u>\$ 3,436,932</u>	<u>\$ (4,462,316)</u>	<u>\$ (8,017,940)</u>	<u>\$ 10,286,915</u>	<u>\$ (3,241,882)</u>	<u>\$ 958,021</u>
DEBT SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	6.87%	6.48%	6.49%	9.41%	9.30%	9.49%	8.48%	8.71%	9.40%	9.45%

TOWN OF DAVIE, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year Ended September 30,	Tax Roll Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value
2004	2003	\$ 5,161,720,820	\$ 323,272,692	\$ 829,896,150	\$ 4,655,097,362	5.6184	\$ 5,537,912,678	84.06%
2005	2004	5,751,729,360	370,195,666	892,127,990	5,229,797,036	5.6297	6,519,393,772	80.22%
2006	2005	6,663,440,840	356,144,412	965,731,300	6,053,853,952	5.5502	7,602,425,448	79.63%
2007	2006	8,251,265,890	355,568,198	1,053,945,180	7,552,888,908	5.7420	10,053,226,994	75.13%
2008	2007	9,317,219,600	349,869,169	1,201,969,510	8,465,119,259	4.8160	11,985,726,031	70.63%
2009	2008	9,233,602,272	335,756,649	1,435,305,814	8,134,053,107	4.9531	13,869,675,335	58.65%
2010	2009	8,474,388,034	322,340,587	1,411,699,304	7,385,029,317	5.5949	13,203,220,991	55.93%
2011	2010	7,758,406,690	298,755,908	1,345,895,850	6,711,266,748	5.6808	11,186,513,795	59.99%
2012	2011	7,528,749,030	286,149,893	1,242,462,810	6,572,436,113	5.6007	9,979,210,203	65.86%
2013	2012	7,588,509,410	279,671,874	1,253,918,540	6,614,262,744	5.6422	9,939,798,474	66.54%

Source: Broward County Property Appraiser.

Note: Property in the County is reassessed annually. Tax rates are per \$ 1,000 of assessed value.

TOWN OF DAVIE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TABLE 7

Fiscal Year Ended September 30,	Tax Roll Year	Town of Davie, Florida			Overlapping Rates						Total Direct and Overlapping
		Operating Millage	Debt Service Millage	Total Direct Rate	Broward County Millage	Broward County School District Millage	South Florida Water Management District	North Broward Hospital District	Broward Children's Services Council	Florida Inland Navigational District	
2004	2003	5.1086	0.5098	5.6184	7.1880	8.4176	0.6970	2.5000	0.3920	0.0385	24.8515
2005	2004	5.1086	0.5211	5.6297	7.0230	8.2695	0.6970	2.4803	0.4231	0.0385	24.5611
2006	2005	5.1000	0.4502	5.5502	6.7830	8.0623	0.6970	2.1746	0.4231	0.0385	23.7287
2007	2006	4.9879	0.7541	5.7420	6.0661	7.8687	0.6970	1.8317	0.4073	0.0385	22.6513
2008	2007	4.1215	0.6945	4.8160	5.2868	7.6484	0.6240	1.6255	0.3572	0.0345	20.3924
2009	2008	4.2456	0.7075	4.9531	5.3145	7.4170	0.6240	1.7059	0.3754	0.0345	20.4244
2010	2009	4.8124	0.7825	5.5949	5.3889	7.4310	0.6240	1.7059	0.4243	0.0345	21.2035
2011	2010	4.8124	0.8684	5.6808	5.5530	7.6310	0.6240	1.8750	0.4696	0.0345	21.8679
2012	2011	4.8122	0.7885	5.6007	5.5530	7.4180	0.4363	1.8750	0.4789	0.0345	21.3964
2013	2012	4.8122	0.8300	5.6422	5.5530	7.4560	0.4289	1.8564	0.4902	0.0345	21.4612

Source: Broward County Property Appraiser

Note: Overlapping rates are those of local and County governments that apply to property owners within the Town of Davie, Florida.

State law requires all counties to assess at 100% just valuation and limits millage for operating purposes to ten (10) mills.

**TOWN OF DAVIE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE 8

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
City National Bank of FL Trustee	\$ 105,937,102	1	1.60%	\$ 26,183,244	5	0.56%
Florida Power & Light	64,586,058	2	0.98%	39,801,219	2	0.86%
FR Tower Shops	42,610,030	3	0.64%	-	-	-
Equity One, Inc.	38,859,730	4	0.59%	32,588,614	4	0.70%
Davie Plaza	33,271,380	5	0.50%	-	-	-
EQR Marina Bay Apt LLC	27,472,900	6	0.42%	-	-	-
James M. Dale Liv TR	27,405,830	7	0.41%	-	-	-
Palms Owner LLC	27,013,420	8	0.41%	24,638,477	6	0.53%
Actavis (Watson)	24,707,550	9	0.37%	59,623,757	1	1.28%
Florida Auto Auction	21,087,430	10	0.32%	22,814,746	9	0.49%
Tri County Plaza Assoc Ltd	-	-	-	33,561,394	3	0.72%
Alliance Rt Limited	-	-	-	24,508,766	7	0.53%
Hacienda Cove LLC	-	-	-	24,135,291	8	0.52%
Southern Bell Telephone Company	-	-	-	19,587,030	10	0.42%
Total	\$ 412,951,430		6.24%	\$ 307,442,538		6.60%

Source: Broward County Revenue Collection Division.

**TOWN OF DAVIE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

TABLE 9

Fiscal Year Ended September 30,	Tax Roll Year	Total Tax Levy for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of the Levy		Amount Collected	Percentage of the Levy
2004	2003	\$ 25,727,197	\$ 23,366,361	90.82%	\$ 2,282,203	\$ 25,648,564	99.69%
2005	2004	29,046,375	27,966,970	96.28%	962,562	28,929,532	99.60%
2006	2005	33,280,696	32,052,675	96.31%	1,170,561	33,223,236	99.83%
2007	2006	43,020,047	41,494,597	96.45%	1,391,408	42,886,005	99.69%
2008	2007	40,608,256	39,134,212	96.37%	1,343,754	40,477,966	99.68%
2009	2008	40,294,922	38,745,464	96.15%	1,260,586	40,006,050	99.28%
2010	2009	41,086,629	38,934,136	94.76%	1,610,239	40,544,375	98.68%
2011	2010	38,001,899	35,946,716	94.59%	1,845,504	37,792,220	99.45%
2012	2011	36,562,490	35,028,211	95.80%	1,392,601	36,420,812	99.61%
2013	2012	37,291,063	35,735,499	95.83%	-	35,735,499	95.83%

Source: Broward County Revenue Collection Division Accountability Statement.

TOWN OF DAVIE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year Ended September 30,	Governmental Activities		Business-Type Activities		Total Outstanding Debt	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Improvement Revenue Bonds	Water and Sewer Revenue Bonds	Note Payable			
2004	\$ 27,782,028	\$ 14,101,464	\$ 16,889,546	\$ -	\$ 58,773,038	2.74%	\$ 718.10
2005	25,404,833	23,167,198	16,696,092	-	65,268,123	3.05%	790.37
2006	65,493,015	20,892,260	16,402,637	-	102,787,912	4.46%	1,227.76
2007	62,851,081	18,791,741	16,084,182	-	97,727,004	3.77%	1,046.08
2008	59,748,307	16,947,710	15,740,728	-	92,436,745	3.61%	1,002.54
2009	56,831,065	14,488,409	15,367,274	-	86,686,748	2.97%	952.02
2010	53,767,369	12,921,793	61,208,820	-	127,897,982	4.56%	1,406.32
2011	50,550,300	30,735,376	60,760,364	-	142,046,040	5.79%	1,539.13
2012	47,176,589	28,098,872	113,081,654	-	188,357,115	6.93%	2,028.66
2013	43,630,329	25,387,874	140,559,956	1,317,015	210,895,174	7.87%	2,253.18

Note: Debt is presented net of original issuance discounts and premiums.

(1) Personal income and population data is disclosed in Table 15.

TOWN OF DAVIE, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year Ended September 30,	General Obligation Bonds (1)	Less: Accumulated Resources Restricted To Repaying the Principal of General Bonded Debt	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2004	\$ 27,782,028	\$ 974,000	\$ 26,808,028	0.58%	\$ 327.55
2005	25,404,833	1,052,000	24,352,833	0.47%	294.90
2006	65,493,015	1,213,000	64,280,015	1.06%	767.80
2007	62,851,081	1,256,000	61,595,081	0.82%	659.32
2008	59,748,307	1,127,000	58,621,307	0.69%	635.79
2009	56,831,065	1,229,000	55,602,065	0.68%	610.64
2010	53,767,369	1,186,000	52,581,369	0.71%	578.17
2011	50,550,300	1,129,000	49,421,300	0.74%	535.50
2012	47,176,589	535,000	46,641,589	0.71%	502.34
2013	43,630,329	230,000	43,400,329	0.66%	463.68

- (1) General bonded debt is presented net of original issuance discounts and premiums.
- (2) For property value data see Table 6: Assessed Value and Estimated Actual Value of Taxable Property.
- (3) For population data see Table 15: Demographic and Economic Statistics.

TOWN OF DAVIE, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 As of September 30, 2013

TABLE 12

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
GOVERNMENTAL UNIT:			
Broward County School Board	\$ 42,498,000	4.87%	\$ 2,069,653
Broward County	301,730,000	5.23%	<u>15,780,479</u>
Subtotal, overlapping debt			17,850,132
Town of Davie, Florida			<u>43,400,329</u>
Total direct and overlapping debt			\$ <u><u>61,250,461</u></u>

Source: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Davie, Florida. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**TOWN OF DAVIE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

TABLE 13

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 548,499,351	\$ 612,192,503	\$ 701,958,525	\$ 875,485,842	\$ 846,511,926	\$ 813,405,311	\$ 738,502,932	\$ 805,716,260	\$ 781,489,892	\$ 786,818,128
Total net debt applicable to limit	<u>26,808,028</u>	<u>24,352,833</u>	<u>64,280,015</u>	<u>61,595,081</u>	<u>58,621,307</u>	<u>55,602,065</u>	<u>52,581,369</u>	<u>49,421,300</u>	<u>46,641,589</u>	<u>43,400,329</u>
Legal debt margin	\$ <u><u>521,691,323</u></u>	\$ <u><u>587,839,670</u></u>	\$ <u><u>637,678,510</u></u>	\$ <u><u>813,890,761</u></u>	\$ <u><u>787,890,619</u></u>	\$ <u><u>757,803,246</u></u>	\$ <u><u>685,921,563</u></u>	\$ <u><u>756,294,960</u></u>	\$ <u><u>734,848,303</u></u>	\$ <u><u>743,417,799</u></u>
Total net debt applicable to the limit as a percentage of debt limit	4.89%	3.98%	9.16%	7.04%	6.93%	6.84%	7.12%	6.13%	5.97%	5.52%
Taxable assessed value	\$ 4,655,097,362	\$ 5,229,797,036	\$ 6,053,853,952	\$ 7,552,888,908	\$ 8,465,119,259	\$ 8,134,053,107	\$ 7,385,029,317	\$ 6,711,266,748	\$ 6,572,436,113	\$ 6,614,262,744
Tax exempt real property	<u>829,896,150</u>	<u>892,127,990</u>	<u>965,731,300</u>	<u>1,053,945,180</u>	<u>1,201,969,510</u>	<u>1,435,305,814</u>	<u>1,411,699,304</u>	<u>1,345,895,850</u>	<u>1,242,462,810</u>	<u>1,253,918,540</u>
	\$ <u><u>5,484,993,512</u></u>	\$ <u><u>6,121,925,026</u></u>	\$ <u><u>7,019,585,252</u></u>	\$ <u><u>8,606,834,088</u></u>	\$ <u><u>9,667,088,769</u></u>	\$ <u><u>9,569,358,921</u></u>	\$ <u><u>8,796,728,621</u></u>	\$ <u><u>8,057,162,598</u></u>	\$ <u><u>7,814,898,923</u></u>	\$ <u><u>7,868,181,284</u></u>

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2013:

Taxable Assessed Value	\$ 6,614,262,744
Add back: exempt real property	1,253,918,540
	<u>7,868,181,284</u>
Debt limit (10% of total assessed value)	\$ <u>786,818,128</u>
General obligation bonds	\$ 43,630,329
Less: Amounts set aside for repayment of general obligation debt	<u>230,000</u>
Total net debt applicable to limit	<u>43,400,329</u>
Legal debt margin	\$ <u><u>743,417,799</u></u>

TOWN OF DAVIE, FLORIDA
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

TABLE 14

Fiscal Year Ended September 30,	Water and Sewer Revenue Bonds						Coverage
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2004	\$ 7,702,480	\$ 5,926,227	\$ 1,776,253	\$ 1,235,000	\$ 2,010,415	54.73%	
2005	8,394,866	5,978,961	2,415,905	1,135,000	1,910,370	79.33%	
2006	8,566,430	6,358,403	2,208,027	1,235,000	1,885,670	70.75%	
2007	8,492,463	5,819,103	2,673,360	1,260,000	1,860,470	85.67%	
2008	12,375,529	6,265,311	6,110,218	1,285,000	1,831,558	196.06%	
2009	15,368,023	8,092,586	7,275,437	1,315,000	1,797,039	233.78%	
2010	16,466,590	8,772,924	7,693,666	1,345,000	1,906,278	236.64%	
2011*	20,737,704	10,052,376	10,685,328	1,390,000	3,475,123	219.63%	
2012*	21,231,766	9,477,833	11,753,933	1,435,000	3,664,539	230.49%	
2013*	23,237,974	9,659,540	13,578,434	1,715,000	3,158,950	278.59%	

* Water charges and other includes charges for services, other income, investment income, gain (loss) on sale of capital assets and capital contributions.

TOWN OF DAVIE, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

TABLE 15

Year	Population (1,2,3)	Median Age (1,2)	Personal Income (1,3) (Thousands of Dollars)	Per Capita Personal Income (1,3)	School Enrollment (4)	Broward County Unemployment Rate (5,6)
2004	81,845	35.9	\$ 2,148,513	26,251	15,568	4.5%
2005	82,579	36.2	2,141,604	25,934	15,987	3.0%
2006	83,720	35.4	2,304,142	27,522	15,518	2.8%
2007	93,422	37.0	2,592,647	27,752	15,259	5.2%
2008	92,203	37.0	2,558,818	27,752	14,961	5.2%
2009	91,056	37.2	2,913,883	32,001	16,753	9.5%
2010	90,945	36.4	2,804,016	30,832	16,200	10.2%
2011	92,290	37.9	2,451,868	26,567	16,084	9.5%
2012	92,848	35.9	2,716,732	29,260	15,694	7.6%
2013	93,599	39.7	2,680,956	28,643	15,731	5.4%

Sources:

- (1) U.S. Census Bureau.
- (2) American Community Survey.
- (3) University of Florida Bureau of Economic and Research.
- (4) Broward County School 20th day Enrollment.
- (5) State of Florida Unemployment Statistics.
- (6) U.S. Department of Labor.

TOWN OF DAVIE, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 16

Employer	Type of Business	2013			2004*		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Nova Southeastern University	Educational Complex	3,971	1	0.42%	N/A	N/A	N/A
Actavis (Watson)	Pharmaceutical	1,200	2	0.13%	N/A	N/A	N/A
Town of Davie	Municipality	642	3	0.07%	N/A	N/A	N/A
Publix	Retail	608	4	0.06%	N/A	N/A	N/A
Mako Surgical Corp	Medical Device	436	5	0.05%	N/A	N/A	N/A
Manheim Auction	Auction House	354	6	0.04%	N/A	N/A	N/A
Broward County School	Educational Complex	250	7	0.03%	N/A	N/A	N/A
Signature Grand	Banquet Hall	230	8	0.02%	N/A	N/A	N/A
Miami Dolphins LLC	Sports Entertainment	200	9	0.02%	N/A	N/A	N/A
Target	Retail	177	10	0.02%	N/A	N/A	N/A
Total		<u>8,068</u>		<u>0.86%</u>	N/A	N/A	N/A

* Data for the nine years preceding the current period is not available.
Source: Lexi Nexis Greater Fort Lauderdale Alliance Resource Guide.

TOWN OF DAVIE, FLORIDA
FULLTIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 17

FUNCTION/PROGRAM:	Full-Time Equivalent Employees as of September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	81	70	70	73	68	87	79	76	77	76
Public Works/Utilities	94	111	102	105	100	100	100	101	97	106
Parks, Recreation and Cultural Arts	110	101	97	96	64	62	51	51	51	51
Development Services	81	84	84	85	74	N/A	N/A	N/A	N/A	N/A
Building and Engineering	N/A	N/A	N/A	N/A	N/A	33	24	23	24	24
Public Safety:										
Police	249	253	245	258	242	245	232	230	236	241
Fire/Rescue	164	182	172	172	161	151	147	146	145	157
Total	784	806	775	794	714	683	638	632	635	660

Source: Various Town Departments.

TOWN OF DAVIE, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 18

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FUNCTION/PROGRAM:										
Police:										
Physical arrests	4,413	4,062	6,069	4,721	3,014	2,124	1,895	2,004	1,558	3,381
Citations issued	23,066	16,636	19,929	16,254	16,407	17,835	15,591	12,364	11,841	14,330
Fire rescue:										
Numbers of calls answered	14,750	14,526	13,807	13,589	12,847	12,285	11,948	11,921	12,144	13,119
Fire inspections	8,400	2,653	2,813	4,911	4,437	3,398	7,214	5,603	5,966	4,170
Community development:										
New Residential/Commercial Building permits issued	625	521	705	298	206	448	79	110	111	108
Highway and streets:										
Street resurfacing (miles)	6	8	6	1	6	3	5	5	-	8
Parks, recreation and cultural arts:										
Athletic programs (participants)	4,188	4,433	3,460	8,000	3,200	3,200	3,500	5,000	2,296	3,026
Youth camps (participants)	633	621	449	400	400	400	300	86	339	470
Club memberships	563	560	549	500	360	360	360	250	517	331
Facility rentals	(1)	(1)	469	1,050	1,500	1,500	1,525	1,750	1,549	2,662
Pool admissions	(1)	1,081	4,490	8,000	35,000	35,000	35,100	15,000	2,716	56,224
Water:										
Number of water meters operating										
Average daily consumption (thousands of gallons)	8,951 4.2 MGD	9,723 4.53 MGD	9,723 4.53 MGD	9,549 4.88 MGD	9,582 4.42 MGD	9,805 4.23 MGD	9,548 4.71 MGD	9,801 4.71 MGD	9,801 4.43 MGD	9,661 4.22 MGD
Sewer:										
Average daily sewage treatment (thousands of gallons)	2.9 MGD	3.24 MGD	3.24 MGD	3.667 MGD	4.01 MGD	3.43 MGD	3.86 MGD	3.98 MGD	3.76 MGD	4.02 MGD

(1) Information not available.

Source: Various Town Departments

TOWN OF DAVIE, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 19

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FUNCTION/PROGRAM:										
Public safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	5	5	5	5	5	5	5	6
Highway and streets:										
Streets (miles)	292.00	292.50	298.60	298.50	304	304	304	304	304	305
Number of street lights	3,580	3,598	3,684	3,868	3,836	3,838	4,053	4,059	4,059	4,065
Parks, recreation and cultural arts:										
Number of parks	35	36	37	37	45	46	42	42	33	28
Swimming pools	32	2	2	2	2	2	2	2	2	2
Community centers	5	7	10	10	10	10	10	10	8	1
Community bus shuttles	6	6	6	6	3	3	2	3	3	3
Water:										
Water mains (miles)	144	151	154	157	161	161	162	162	162	162
Fire hydrants	6,809	1,086	1,086	1,086	1,194	1,194	1,212	1,232	1,326	1,329
Maximum daily capacity (in thousand of gallons)	7.4 MGD	7.4 MGD	7.4 MGD	7.4 MGD	7.4 MGD	7.4 MGD	7.4 MGD	7.42 MGD	7.42 MGD	7.42 MGD
Sewer/stormwater:										
Sanitary sewers (miles)	63	67	68	70	72	72	72	72	72	72
Maximum daily treatment capacity (in millions of gallons per day - MGD)	4.9 MGD	4.85 MGD	4.85 MGD	4.85 MGD	4.85 MGD	3.52 MGD	3.40 MGD	4.85 MGD	4.85 MGD	8.35 MGD

Source: Various Town Departments

COMPLIANCE SECTION



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

To the Honorable Mayor, Members of the
Town Council and Town Administrator
Town of Davie, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Davie, Florida (the "Town"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 27, 2014. Our report includes a reference to other auditors who audited the financial statements of the Town of Davie Police Employees' Pension Plan and the Town of Davie Firefighters' Pension Plan, as described in our report on the Town's financial statements. The financial statements of the Town of Davie Police Employees' Pension Plan and the Town of Davie Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted a matter that we have reported to the management of the Town of Davie, Florida in our Independent Auditor's Report to Town Management. The Town's response to the matter identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550,
RULES OF THE FLORIDA AUDITOR GENERAL

To the Honorable Mayor, Members of the
Town Council and Town Administrator
Town of Davie, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the Town of Davie, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Town's major Federal programs and state projects for the year ended September 30, 2013. The Town's major Federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A- 133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program and/or state project occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and state project. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and state projects for the year ended September 30, 2013.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program and/or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program and/or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program and/or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2014



INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

To the Honorable Mayor, Members of the
Town Council and Town Administrator
Town of Davie, Florida

We have audited the basic financial statements of the Town of Davie, Florida (the "Town") as of and for the year ended September 30, 2013, and have issued a report thereon dated March 27, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by OMB Circular A-133 and the Chapter 10.550, *Rules of the Florida Auditor General*; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 27, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report, except as noted on this report under the heading Prior Year Findings and Recommendations.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Town complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have the following finding and recommendation:

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

	<u>STILL APPLICABLE</u>	<u>IMPLEMENTED OR NO LONGER RELEVANT</u>
2012-01: Vendor Information	X	
2012-12: Building Permits, Updated Fee Schedule and Value		X

2012-01 Vendor Information:

Previously, audit procedures encountered several instances where there were multiple vendors with the same P.O. Box as an address, as well as a number of duplicated vendor listings. It was recommended that the Town review its vendor listing in the system, eliminate duplicate vendors and correct information on valid vendors. Further, it was recommended that the Town continually monitor the vendor listing to prevent and timely detect any duplicate or invalid vendors as these vulnerabilities may become an opportunity for misappropriation.

During the current year, it was noted that the Town made progress to correct the vendor listing and those items indicated in the prior audit. However, there is still an opportunity for the Town to further review the vendor listing and correct possible duplicate vendors and verify for current/valid address. We recommend that the Town continues the review process and establish procedures that will require continuous monitoring of the active vendor listing.

Management’s Response:

The Town agrees that, although the primary issue identified last year of duplicated vendor contact address information was resolved, additional corrections to the vendor file are still necessary. Town procurement personnel are currently in the process of making the corrections and will review the vendor file again prior to the end of fiscal year 2014. The Town also agrees that monitoring of the vendor list is a continuing process and will work with the procurement staff to develop and implement ongoing review procedures.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS:

No matters to be reported.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the Town and its blended component unit are disclosed in the notes to the financial statements.

Town of Davie, Florida

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Town for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 27, 2014

TOWN OF DAVIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Contract/Grant Number	Expenditures	Transfers to Sub-recipients
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Housing and Urban Development - Community Development Block Grants/ Entitlement Grants	14.218	B-10-MC-12-0044 B-12-MC-12-0044 B-11-MC-12-0044	\$ 640,504 332,086 2,086 <u>974,676</u>	\$ - 40,000 - <u>40,000</u>
Community Development Block Grants	14.228	B-11-MN-12-0038	584,824	-
United States Department of Justice - Public Safety Partnership and Community Policing Grants	16.710	2010UMWX0070	503,331	-
Equitable Sharing Program	16.922	--	177,571	-
Indirect Programs:				
United States Department of Housing and Urban Development - Passed through State of Florida Department of Economic Opportunity - Community Development Block Grants	14.228	10DB-4X-11-16-02-F-08	344,115	-
Passed through Broward County Department of Community Affairs - Community Development Block Grants	14.228	07-DB-3V-11-16-01- Z08-SA-9	9,425	-
Community Development Block Grants	14.228	08-DB-D3-11-16- 01-A06	<u>1,138,393</u>	-
			<u>1,491,933</u>	-

TOWN OF DAVIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Contract/Grant Number	Expenditures	Transfers to Sub-recipients
FEDERAL AGENCY NAME (continued):				
Indirect Programs (continued):				
United States Department of Homeland Security -				
Passed through the Florida Department				
of Emergency Management:				
Homeland Security Grant Program	97.067	13CI-58-11-16-02-384	6,364	-
		11CC-A6-11-16-02-446	5,215	-
		11DS-A1-16-02-487	27,178	-
			<u>38,757</u>	<u>-</u>
United States Department of Justice -				
Passed through Broward County Sheriff Office				
Bulletproof Vest Partnership Program	16.607	---	32,779	-
Edward Byrne Memorial Justice	16.804	---	897	-
Assistance Grant				
United States Department of Transportation -				
Passed through the Florida Department of				
Transportation				
State and Community Highway Safety	20.600	---	<u>65,407</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,870,175</u>	<u>\$ 40,000</u>

TOWN OF DAVIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2013

Federal/State Agency, Pass-through Entity, Federal Program/State Project	CFDA/ CSFA Number	Contract/Grant Number	Expenditures	Transfers to Sub-recipients
STATE AGENCY NAME:				
Direct Projects:				
Florida Department of Environmental Protection - Wastewater Treatment Facility Construction	37.077	WW061300	2,243,902	-
Florida Department of Transportation - County Incentive Grant Program	55.008	425861-2-58-01	389,117	-
Executive Office of the Governor - Residential Construction Mitigation Project	31.066	13RC-52-11-16-02-283	145,328	-
Florida Department of Health - Emergency Medical Services (EMS) Matching Awards	64.003	M2097 M0078	67,491 289 <u>67,780</u>	- - <u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,846,127</u>	<u>\$ -</u>

TOWN OF DAVIE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2013

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and state grant activity of the Town of Davie, Florida and is presented on the 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 Organization* 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.

NOTE 2 - CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Town of Davie, Florida. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable Federal and state laws and other applicable regulations.

NOTE 3 - SUBRECIPIENTS

Of the Federal expenditures presented in the schedule, the Town provided Federal awards to sub-recipients as follows:

HOPE Outreach Center, Inc.	\$	30,000
HOPE, Inc.		5,000
Crisis Housing Solutions, Inc.		<u>5,000</u>
Total	\$	<u><u>40,000</u></u>

TOWN OF DAVIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Town.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Town of Davie, Florida were disclosed during the audit.
4. No material weaknesses relating to the audit of the major Federal program or state projects are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*.
5. The independent auditor's report on compliance for each major Federal program and state project for the Town of Davie, Florida expresses an unmodified opinion.
6. No audit findings relative to the major Federal program and state projects for the Town of Davie, Florida, are reported in Part C of this schedule.

7. The programs/projects tested as major are as follows:

Federal Program:	Federal CFDA No.
United States Department of Housing and Urban Development - Community Development Block Grants	14.228
State Projects:	State CSFA No.
Florida Department of Environmental Protection - Wastewater Treatment Facility Construction	37.077
Florida Department of Transportation - County Incentive Grant Program	55.008

8. The dollar threshold used to distinguish between Type A and Type B programs/projects was \$ 300,000 for both the major Federal programs and state projects.
9. The Town of Davie, Florida was determined to be a low-risk auditee pursuant to OMB Circular A-133.

TOWN OF DAVIE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2013

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Reference should be made to the Independent Auditor's Report to Town Management, included in this report.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS AND STATE PROJECTS

No matters are reported.

D. OTHER ISSUES

1. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to the Federal programs and/or state projects.
2. No Corrective Action Plan is required because there were no findings reported under OMB Circular A-133 or the Florida Single Audit Act.

