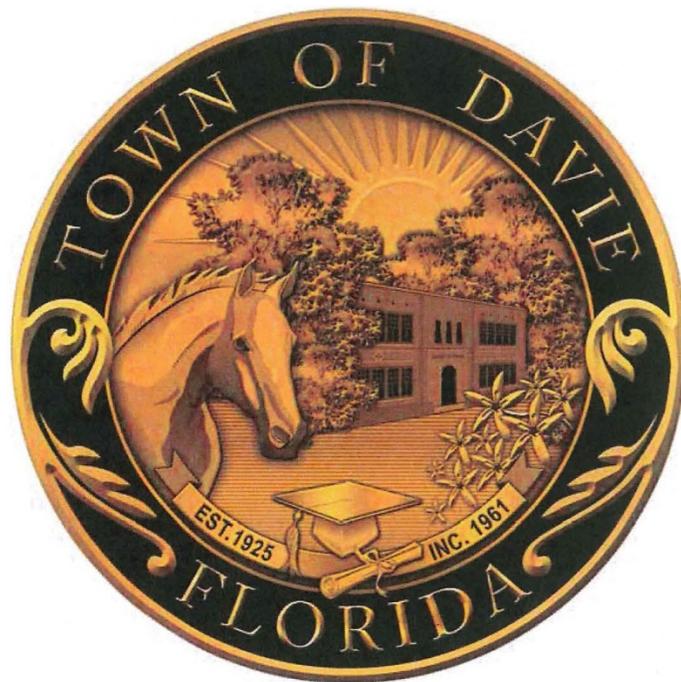


Comprehensive Annual Financial Report



Fiscal Year Ended
September 30, 2014

THE TOWN OF DAVIE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended
September 30, 2014

TOWN OF DAVIE, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

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TOWN OF DAVIE, FLORIDA
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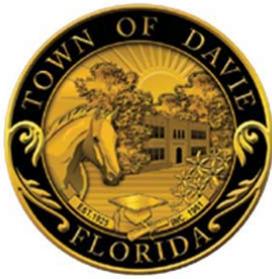
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INTRODUCTORY SECTION



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, 2015

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, 2014.

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. 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 35.5 square miles and a population of 95,499 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 2014

The Town’s taxable value is approximately \$ 6.8 billion. After consecutive years of declining property values due to the economic recession, the Town’s taxable value increased this year, for the second consecutive year, by approximately \$ 214 million or 3.2% 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 95,000 residents.

MAJOR INITIATIVES

In the continued effort of making maintenance of its infrastructure a priority, the Town’s major capital improvements included the following approximate expenditures during fiscal year 2014:

General Government

- College Avenue Phase II, \$ 1.4 million
- Boys and Girls Club, \$ 1.1 million
- CRA Land Acquisition, \$ 878K
- Pavement Overlay and Striping, \$ 692K
- SW 41st Street – CRA Parking Lot, \$ 402K
- Fire Rescue Pumpers, \$ 390K
- Orange Drive Bridge Culvert Replacement, \$ 348K
- CRA Phase II Eastside Infrastructure, \$ 326K
- Town Hall facilities renovations, \$ 306K

Water and Sewer

- Water and Wastewater New Plant and Related Infrastructure, \$ 7.6 million
- Lift Station #8 Rehabilitation, \$ 468K
- Lift Station #20 Rehabilitation, \$ 406K
- Water Main Replacement, \$ 358K
- Water Treatment Plant Refurbishment, \$ 338K

During FY 2014, the Town substantially completed the construction of the new water and sewer plant, and the related infrastructure, which will allow for future development to come into the Town's water district.

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 a resolution. 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 plan 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, 2014 were approximately as follows: Firefighters' Pension \$ 4.0 million, Police Employee's Pension \$ 5.5 million and Management and General Employees' Pension \$ 3.0 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 Voya 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 15 outstanding long-term debt issues. At September 30, 2014, the principal balance outstanding totaled approximately \$ 205 million.

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 then outstanding General Obligation Bonds, Series 1989, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. 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 then outstanding General Obligation Bonds, Series 2000, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. 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 \$ 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 then outstanding Public Improvement Revenue Bonds, Series 2001, (the "Refunded Bonds"); and paid certain costs associated with the issuance of the Bonds. 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 Community Redevelopment Refunding Bonds, Series 2013A. On September 28, 2013, the Town issued \$ 7,394,769 Community Redevelopment Refunding Bonds, Series 2013B. The purpose of these Refunding Bonds was to refund and defease the then outstanding \$ 20,000,000 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's 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%. 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%. 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%. 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 then outstanding amount of the Town's \$ 26,305,000 Water and Sewer Refunding Bonds, Series 2003, with an exception of the amount that was due in October 2013. 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. The loan cannot exceed \$ 5,569,202 and is collateralized by a pledge on revenues from the Town's Water and Sewer System, after payment of operation and maintenance expenditures and satisfaction of all senior revenue obligations. Through September 30, 2014, the Town borrowed \$ 3,812,176 under this agreement. Final repayment amounts/structure will not be determined until project completion; therefore, an amortization schedule will not be finalized for this loan agreement 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, 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, 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") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Davie for its comprehensive annual financial report for the fiscal year ended September 30, 2013. 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 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

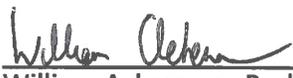
In addition, the Town also received the GFOA Award for Distinguished Budget Presentation for the Town's budget for the fiscal year ended September 30, 2013. It was the second consecutive year the Town received the award for the document, which serves as the Town's primary fiscal policy document.

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, 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.

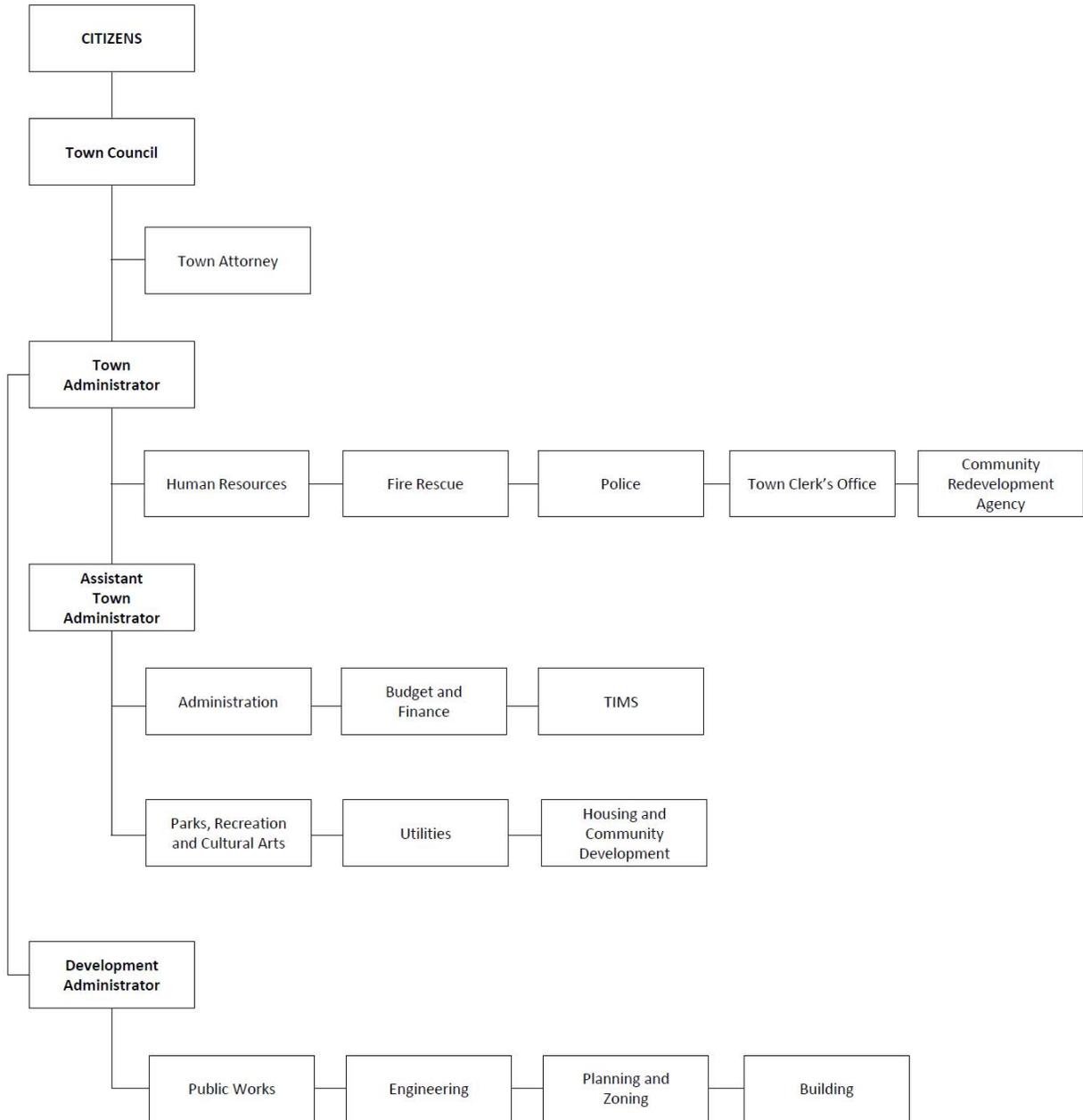
Respectfully submitted,


Richard J. Lemack, Town Administrator


William Ackerman, Budget and Finance
Director

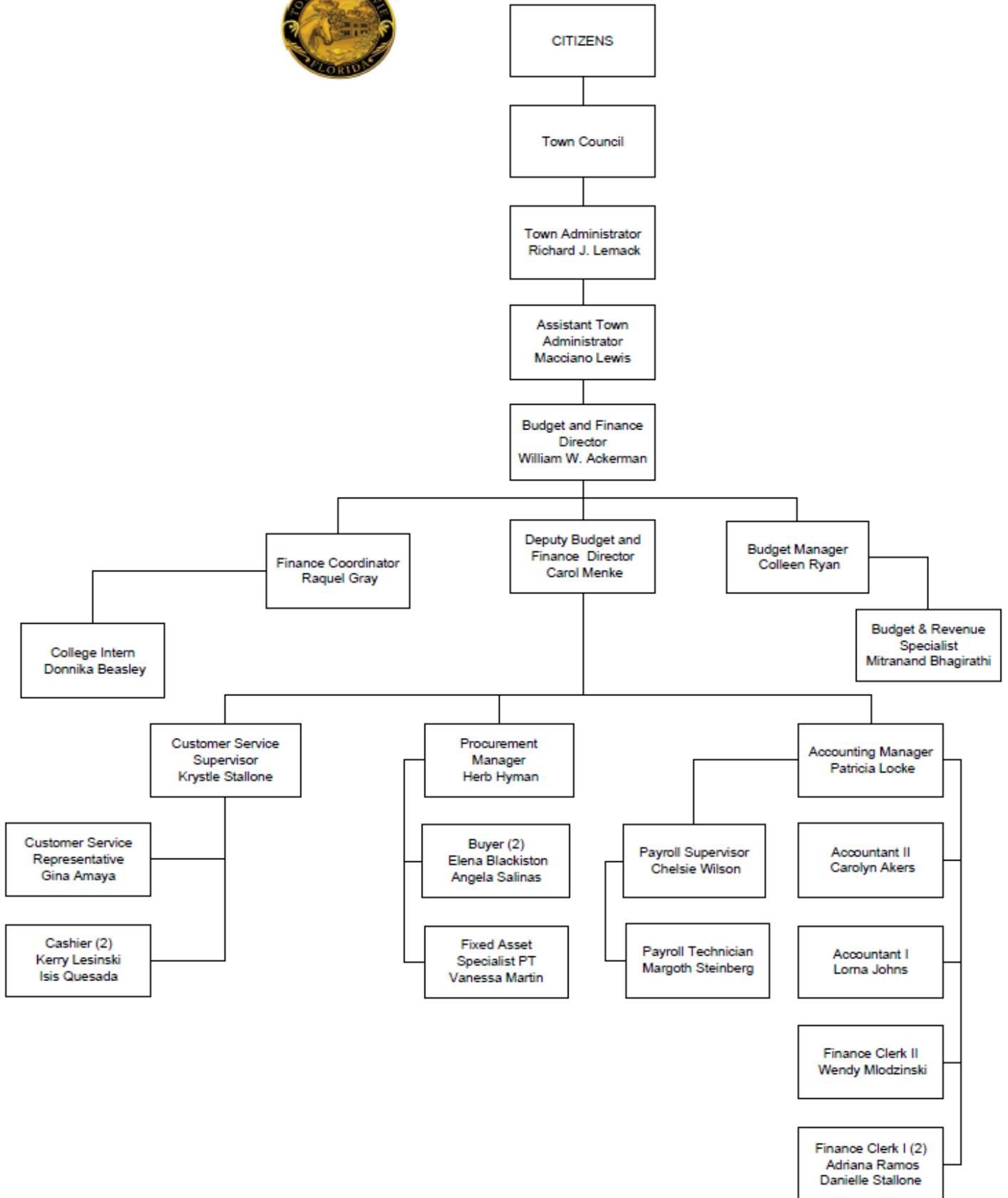


Town of Davie, Florida





Town of Davie, Florida
Budget and Finance Department
Organizational Chart



TOWN OF DAVIE, FLORIDA
LIST OF PRINCIPAL OFFICIALS

2013-2014 Town Council

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

Administrative Officials

Richard J. Lemack	Town Administrator
Macciano K. Lewis	Assistant Town Administrator
Phillip R. Holste	Development 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
Victoria Whatley	Acting, Information Systems, Director
David Flaherty	Parks, Recreation and Cultural Arts Director
Patrick Lynn	Police Chief
Mark Collins	Public Works/Capital Projects Director
Evelyn Roig	Town Clerk
Donald Bayler	Utilities Director
John C. Rayson	Town Attorney
Keefe McCullough	Town Auditors



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Davie
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

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, 2014, 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 Firefighters' Pension Plan or the Town of Davie Police Employees' Pension Plan, which together represent 80%, 80%, and 81%, 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 Firefighters' Pension Plan or the Town of Davie Police Employees' 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 Firefighters' Pension Plan or the Town of Davie Police Employees' 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, 2014, 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 the schedules related to pensions and other post-employment benefits on pages 4 through 15 and 95 through 100, 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. 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, 2015, 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

Fort Lauderdale, Florida
March 27, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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
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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 (Tables 1 and 2).

STATEMENT OF NET POSITION

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

In general terms, the Town's total assets increased 2%, which includes a 6% increase in the governmental current and other assets, as well as a 6% increase in the net capital assets of the business-type activities. The overall increase in business-type activities is primarily due to various capital asset additions in the Town's infrastructure, buildings and improvement, and machinery; as well as the construction of the Town's new Water and Sewer Plant Facility.

The governmental activities of the Town's capital assets remained unchanged while the current liabilities of those activities increased 1%. Total liabilities in governmental activities decreased 7% which includes an overall 9% decrease in the long-term liabilities due in more than one-year from the prior year. Net Investment in capital assets increased by 4% and unrestricted net position now stand at \$ 62.9 million, a \$ 7.0 million increase from the previous year.

The business-type activities of the Town's current and other assets decreased 4%, while the current liabilities of those activities decreased 36%. The decrease in current liabilities in business-type activities is primarily due to a decrease in accounts payable and accrued liabilities of approximately \$ 3.9 million. In FY 2013, accounts payable and accrued liabilities included AECOM Water and Akerblom Contracting services, for the design, build and contract for the new water and sewer facility that was paid in FY 2014 and was not outstanding as of the end of FY 2014. 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 2014, with the Town continued to come out of the downturn that had been experienced for several years, the Town's overall spending did decrease. The outlook appeared to be improving with some new construction and an increase to the Town's taxable base. During FY 2014, the Town budgeted approximately \$ 6.9 million to fund the capital improvement plan (CIP) from the General Fund, for one-time purchases. There was an increase in the net position, restricted for debt service in governmental activities while the business-type activities remained unchanged. The increase is due to the Town collecting more than anticipated for various bonds. The \$ 3.5 million increase in the business-type activities relates to the increase to the Renewal and Replacement Fund and the Capital Replacement Account. The renewal and replacement fund requires the Town to set aside reserves (previously collected revenues and income earned thereon) for their sanitary sewerage system. The capital replacement account requires the Town to make annual deposits of 7.5% of their total operating revenues of their facilities, this reserve are funded in order to help maintained the Towns facilities. The \$ 211K increase in the governmental activities relates to the community development projects and services. The increases in the net position, general government, parks and open space, public safety (police and fire) are due to impact fees received in FY 2014.

TOWN OF DAVIE, FLORIDA
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Business-type activities, the Town's Water and Sewer system, had an increase in total assets of approximately 3%, a 2% decrease in total liabilities, and a 15% 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.

On a total government basis, with current assets increasing by 2% while current liabilities decreasing by 16%, the Town is able to meet its short-term obligations (the Town has more than 8 times the current assets than current liabilities). Total net position increased by 8% 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, 2014 and 2013, derived from the Government-Wide Statement of Net Position:

Table 1
Net Position (in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Assets:									
Current and other	\$ 122,959	\$ 116,481	6%	\$ 63,756	\$ 66,344	-4%	\$ 186,715	\$ 182,825	2%
Capital assets, net	<u>164,537</u>	<u>165,046</u>	<u>0%</u>	<u>156,109</u>	<u>147,875</u>	<u>6%</u>	<u>320,646</u>	<u>312,921</u>	<u>2%</u>
Total assets	<u>287,496</u>	<u>281,527</u>	<u>2%</u>	<u>219,865</u>	<u>214,219</u>	<u>3%</u>	<u>507,361</u>	<u>495,746</u>	<u>2%</u>
Deferred charge on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>894</u>	<u>1,074</u>	<u>-17%</u>	<u>894</u>	<u>1,074</u>	<u>-17%</u>
Liabilities:									
Current	12,455	12,280	1%	6,739	10,520	-36%	19,194	22,800	-16%
Long-term:									
Due within 1 year	7,208	6,644	8%	2,833	2,157	31%	10,041	8,801	14%
Due in more than 1 year	<u>64,204</u>	<u>70,884</u>	<u>-9%</u>	<u>139,525</u>	<u>140,037</u>	<u>0%</u>	<u>203,729</u>	<u>210,921</u>	<u>-3%</u>
Total liabilities	<u>83,867</u>	<u>89,808</u>	<u>-7%</u>	<u>149,097</u>	<u>152,714</u>	<u>-2%</u>	<u>232,964</u>	<u>242,522</u>	<u>-4%</u>

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Table 1
Net Position (in thousands)
(continued)

	Governmental Activities			Business-Type Activities			Total		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Net Position:									
Net investment in capital assets:	125,162	120,790	4%	17,818	18,351	-3%	142,980	139,141	3%
Restricted for:									
Renewal and replacement and rate stabilization	-	-	-	28,109	24,609	14%	28,109	24,609	14%
Building services	5,016	4,411	14%	-	-	-	5,016	4,411	14%
Debt service	278	230	21%	1,441	1,441	0%	1,719	1,671	3%
Community redevelopment	7,757	8,334	-7%	-	-	-	7,757	8,334	-7%
Community development projects and services	211	-	100%	-	-	-	211	-	100%
Parks and recreation - parks and open space	1,503	1,434	5%	-	-	-	1,503	1,434	5%
Public safety - fire	262	141	86%	-	-	-	262	141	86%
Public safety - police	368	364	1%	-	-	-	368	364	1%
General government impact fees	152	68	124%	-	-	-	152	68	124%
Unrestricted	<u>62,920</u>	<u>55,947</u>	<u>12%</u>	<u>24,294</u>	<u>18,178</u>	<u>34%</u>	<u>87,214</u>	<u>74,125</u>	<u>18%</u>
Total net position	<u>\$ 203,629</u>	<u>\$ 191,719</u>	<u>6%</u>	<u>\$ 71,662</u>	<u>\$ 62,579</u>	<u>15%</u>	<u>\$ 275,291</u>	<u>\$ 254,298</u>	<u>8%</u>

STATEMENT OF ACTIVITIES

Activities in the Town (Table 2) reflected a 7% increase in overall revenues compared to the prior year and total Town expenses reflected a slight 1% 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 6% in governmental activities due to two significant events that took place in FY 2014. The Town received approximately \$ 9.8 million from Broward County related to fire assessments, compared to approximately \$ 7.0 million in 2013. Additionally, the Town previously entered into a contract with a neighboring municipality, Southwest Ranches, to provide fire rescue services. The revenue derived from this agreement was approximately \$ 4.7 million, compared to approximately \$ 2.4 million in 2013. There were other items that also had increased revenue in this category, such as police services and fees, annual fire inspections, and building permits. The 7% increase in general revenues in governmental activities is primarily due to the increase in Ad Valorem taxes and investment income. The investment income increase is due to the net appreciation in fair value and other relating activity, of the investments, during the year 2014.

The business-type activities represent the water and sewer operations and golf related activities of the Town which included a 13% increase in program revenues. The increase in program revenues is attributed to the increase in capital grants and contributions; this is a result of the Town' Water and Wastewater plant. The 19% decrease in general revenue in business-type activities is primarily due to grants received as miscellaneous income in FY 2013 that was not received again in FY 2014.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The Transfers in (out) decreased by 100%. The change of this line item, is due to the Town not transferring any money between the governmental and business-type funds.

Total program expenses in governmental activities decreased slightly by 1% from the previous year with significant fluctuations in general government, and interest. The decrease in general government expenses was primarily due to \$ 1.7 million paid to Waste Management for 24,500, sixty-five (65) gallon recycling, carts for the Town's property owners. This did not occur again in FY 2014. Debt service payments are made based on a schedule for each issuance. Interest expenses decreased by 24% based on the debt service schedules.

The table below presents a summary of changes in net position for the years ended September 30, 2014 and 2013, as derived from the Government-Wide Statement of Activities:

Table 2
Changes in Net Position (in thousands)

	Governmental Activities			Business-Type Activities			Total		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Revenues:									
Program revenues:									
Charges for services	\$ 29,221	\$ 24,660	18%	\$ 21,687	\$ 21,513	1%	\$ 50,908	\$ 46,173	10%
Operating grants and contributions	3,068	6,575	-53%	-	-	-	3,068	6,575	-53%
Capital grants and contributions	2,512	1,685	49%	3,828	1,055	263%	6,340	2,740	131%
Total program revenues	34,801	32,920	6%	25,515	22,568	13%	60,316	55,488	9%
General revenues:									
Ad Valorem, operating	35,762	32,875	9%	-	-	-	35,762	32,875	9%
Ad Valorem, debt service	5,638	5,257	7%	-	-	-	5,638	5,257	7%
Utility service taxes	8,078	7,289	11%	-	-	-	8,078	7,289	11%
Community service tax	3,781	3,911	-3%	-	-	-	3,781	3,911	-3%
Franchise fees	9,545	8,798	8%	-	-	-	9,545	8,798	8%
Intergovernmental, not restricted for specific purposes	10,743	10,246	5%	-	-	-	10,743	10,246	5%
Investment income	620	387	60%	40	49	-18%	660	436	51%
Miscellaneous	3,997	4,449	-10%	1,387	1,705	-19%	5,384	6,154	-13%
Total general revenues	78,164	73,212	7%	1,427	1,754	-19%	79,591	74,966	6%
Total revenues	112,965	106,132	6%	26,942	24,322	11%	139,907	130,454	7%

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 2
Changes in Net Position (in thousands)
(continued)

	Governmental Activities			Business-Type Activities			Total		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Program expenses:									
General government	11,195	15,021	-25%	-	-	-	11,195	15,021	-25%
Building and engineering	4,154	4,074	2%	-	-	-	4,154	4,074	2%
Public safety - police	39,713	38,273	4%	-	-	-	39,713	38,273	4%
Public safety - fire	26,864	25,553	5%	-	-	-	26,864	25,553	5%
Public works	10,612	10,486	1%	-	-	-	10,612	10,486	1%
Parts, recreation and cultural arts	6,123	5,926	3%	-	-	-	6,123	5,926	3%
Interest	2,394	3,140	-24%	-	-	-	2,394	3,140	-24%
Water and sewer	-	-	-	17,753	15,103	18%	17,753	15,103	18%
Golf	-	-	-	106	142	-25%	106	142	-25%
Total expenses	<u>101,055</u>	<u>102,473</u>	<u>-1%</u>	<u>17,859</u>	<u>15,245</u>	<u>17%</u>	<u>118,914</u>	<u>117,718</u>	<u>1%</u>
Transfers in (out)	<u>-</u>	<u>75</u>	<u>-100%</u>	<u>-</u>	<u>(75)</u>	<u>-100%</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	11,910	3,734	219%	9,083	9,002	1%	20,993	12,736	65%
Net position, beginning 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>
Net position, end of year	<u>\$ 203,629</u>	<u>\$ 191,719</u>	<u>6%</u>	<u>\$ 71,662</u>	<u>\$ 62,579</u>	<u>15%</u>	<u>\$ 275,291</u>	<u>\$ 254,298</u>	<u>8%</u>

Program expenses in business-type activities increased by 17% overall. This increase in business-type activities was primarily due to the increase of depreciation and amortization expense for the 2014 year. The Town recognized more depreciation due to the capitalization of prior years' construction in progress (Water and Wastewater Plant).

Overall, Net Position increased 8% for the year, with a 6% increase noted for governmental activities and a 15% increase noted for business-type activities (due to the increase of capital grants and contributions).

Individual Fund Performance

Governmental Funds Types

In the General Fund, the Town's revenues exceeded its expenditures by nearly \$ 10.4 million and the overall fund balance increased by about \$ 3.4 million. The Community Endowment Fund decreased by about \$ 0.1 million in fund balance. The amount available in this fund for Community Obligations now stands at approximately \$ 0.4 million.

The Community Redevelopment Agency had a slight decrease in their fund balance of about \$ 1.6 million. The amount available in the Community Redevelopment Agency now stands at approximately \$ 25.9 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
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For the other Special Revenue Funds, the approximate amounts available are as follows: Community Development Block Grant, \$ 211K, Parks and Open Space Impact Fees, \$ 1.5 million; Fire Impact Fees, \$ 262K; Police Impact Fees, \$ 177K; Forfeitures, \$ 191K; and General Government Impact Fees \$ 152K.

The Capital Projects Fund provided projects of approximately \$ 5.2 million to the community this year, compared with approximately \$ 3.9 million in the previous year. Over \$ 1 million was spent on the College Avenue project, from capital projects reserves, grants and contributions. Nearly \$ 700K was spent on pavement overlay and striping from General Fund Reserves. Lastly, the Town leveraged Community Development Block Grant funding and developer contributions of approximately \$ 1.1 million towards building the Boys and Girls Club Gym.

Proprietary Fund Types

Enterprise Funds:

The Town's Water and Sewer System experienced an operating income of \$ 5.7 million, compared to an Operating Income of \$ 9.5 million in FY 2013. The operating income resulted in a primary net revenue bond coverage of 2.43x, and a pledged revenue coverage of 3.36x, which are both increases from FY 2013 which were 2.31x and 2.68x, respectively. The increases are due primarily to increased debt but offsetting increases to the net available revenue, which includes increased capital contributions in FY 2014. The minimum required for both above coverage's is 1.15x, the reason for the high coverage has been noted earlier, including capitalized interest. 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 \$ 38K. 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 \$ 424K resulting in a net position of approximately \$ 9.7 million, of which approximately \$ 5.5 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 decreased slightly by approximately \$ 8K and fund net position is approximately \$ 8.8 million.

The Information Systems Fund net position decreased by approximately \$ 178K resulting in a net position of approximately \$ 1.5 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.

During the 2014 year, the Town closed the Building Maintenance Fund; which in turn produced a decrease in all accounts when comparing the balances to the 2013 year.

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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 \$ 27.0 million to the net position of the plans. The combined fair market value of the plans' holdings is \$ 246.6 million as of September 30, 2014. The net position held for pension benefits of the various trusts, including OPEB, total approximately \$ 242.9 million. The increase in FY 2014 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

- Licenses and Permits, Favorable \$ 948K. Primarily attributed to higher than budgeted building and engineering permit revenue. This is due to the development taking place in Davie.
- General Government, Favorable \$ 1.1 million. The personnel services favorable variance is primarily attributed to savings associated with maintaining vacancies during the year. The operating favorable variance is due to not spending the budgeted amounts on insurance deductibles, office supply expenses, professional services and contractual services.
- Public Safety, Favorable \$ 3.8 million. The personnel services favorable variance is primarily attributed to savings associated with keeping vacancies open during the year. The operating favorable variance is due to not spending the full budgeted amounts on the red light camera program, communication expenses and fuel.
- Public Works, Favorable \$ 633K. The personnel services favorable variance is primarily attributed to savings associated with maintaining vacancies during the year. The operating favorable variance is due to not spending the full budgeted amounts on the Tree Preservation program and electric costs.
- Non-Departmental, Favorable \$ 602K. The favorable variance is primarily due to the excess amount received related to building and engineering revenues. These amounts are set aside for future building and engineering expenses.
- Transfers In, Unfavorable \$ 599K. Due to the other favorable categories in the General Fund, the Town did not need to transfer in monies from another fund in order to support the general operations of the General Fund.
- Appropriated Fund Balance, Unfavorable \$ 4.7 million. Attributed to appropriation of fund balance based on Town Council approval, primarily for the FY 2014 Capital Improvement Plan (including amendments to the Capital Improvement Plan).

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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 budgets very conservatively for investment revenue, which explains the \$ 81k positive variance for total revenue. The Town budgets to utilize prior year fund balances to pay for the planned donations, which explains the \$ 190K negative variance for other financing sources and uses.

Community Redevelopment Agency Fund

- Miscellaneous Revenue, Unfavorable \$ 232K. The Town planned to sell some property in the CRA that did not occur during FY 2014.
- Operating and Capital Outlay, Favorable \$ 3.3 million and \$ 21.9 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 2014 a significant number of these projects did not get started so a significant portion of the balances of these projects were moved to FY 2015.
- Debt Service, Favorable \$ 804K. The CRA Board refinanced their bonds during the very end of FY 2013, when the FY 2014 budget was in the process of being approved. The Town had savings during FY 2014 due to the refinancing of the CRA Bonds.
- Appropriated Fund Balance, Unfavorable \$ 27.5 million. This variance is anticipated because this \$ 27.5 million had been recognized in previous years as revenue. It was appropriated for FY 2014 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 fifteen (15) outstanding long-term debt issues as follows: six (6) General Obligation Bonds, two (2) Public Improvement Revenue Bonds, two (2) Community Redevelopment Bonds, four (4) Water and Sewer Revenue Bonds and a loan (1) with the State of Florida Department of Environmental Protection, Clean Water State Revolving Loan Program. Additional information related to long-term debt activity can be found under Note 9 to the financial statements.

The Town spent approximately \$ 8.0 million in governmental funds on capital assets. Of this amount, approximately \$ 1.4 million were spent on the College Avenue project, from Reserves, Grants and Contributions. Also, the Town leveraged Community Development Block Grant funding and developer contributions of approximately \$ 1.1 million towards building the Boys and Girls Club Gym. Nearly \$ 700K were spent on pavement overlay and striping from Reserves. Over \$ 300K was spent on renovations at Town Hall from Reserves. The Town also invested nearly \$ 400K on a fire rescue pumper. The Community Redevelopment Agency spent nearly \$ 878K on land acquisition, approximately \$ 402K on the SW 41st Street CRA parking lot and approximately \$ 326K on the Phase II Eastside Infrastructure.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Approximately \$ 9.2 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 substantially took 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 approximately \$ 3.4 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 second \$ 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 continues to face 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 picked 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 slightly more than half its legally available millage rate.

TOWN OF DAVIE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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 6% for fiscal year 2008. The Town's fiscal year 2010 and 2011 budget reflected similar operating millage rates, an increase 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. In order to offset increasing operating expenditures and address the structural budget issues, the Town increased the operating millage for FY 2014.

The Town's adopted FY 2015 budget is \$ 203 million, which is approximately \$ 7 million (or 4%) increase from the original adopted FY 2014 of \$ 196 million. The primary reason for the increase in the Town's budget relates primarily to the General Fund. The Town is now providing police services to Southwest Ranches, which was not part of the original FY 2014 budget. Additionally, the FY 2015 General Fund budget included a higher allocation of funding for the Capital Improvement Plan.

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, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash, cash equivalents and investments	\$ 113,328,250	\$ 26,100,256	\$ 139,428,506
Restricted cash, cash equivalents and investments	-	33,434,100	33,434,100
Receivables, net	3,682,360	2,496,395	6,178,755
Due from other governments	2,895,152	-	2,895,152
Prepaid items	132,918	208,119	341,037
Inventory	94,072	445,198	539,270
Other assets	-	1,071,866	1,071,866
Capital assets not being depreciated	75,486,111	11,889,699	87,375,810
Capital assets, net of accumulated depreciation	89,051,474	144,219,288	233,270,762
Net other post employment benefits (OPEB) asset	963,000	-	963,000
Net pension asset	1,863,300	-	1,863,300
	287,496,637	219,864,921	507,361,558
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	894,561	894,561
	-	894,561	894,561
Total deferred outflow of resources	-	894,561	894,561
LIABILITIES:			
Accounts payable and accrued liabilities	7,788,283	2,233,921	10,022,204
Insurance claims payable	2,088,275	-	2,088,275
Other liabilities	1,438,559	-	1,438,559
Unearned revenues	604,510	-	604,510
Customer deposits - payable from restricted assets	-	1,213,511	1,213,511
Accrued interest payable	535,722	3,291,577	3,827,299
Due within one year:			
Compensated absences payable	593,835	167,065	760,900
Bonds and notes payable	6,614,497	2,666,438	9,280,935
Due in more than one year:			
Compensated absences payable	7,848,566	138,295	7,986,861
Bonds and notes payable	56,355,018	139,386,479	195,741,497
	83,867,265	149,097,286	232,964,551
NET POSITION:			
Net investment in capital assets	125,162,180	17,818,422	142,980,602
Restricted for:			
Renewal and replacement and rate stabilization	-	28,108,741	28,108,741
Building services	5,015,799	-	5,015,799
Debt service	277,500	1,440,500	1,718,000
Community redevelopment	7,757,343	-	7,757,343
Community development projects and services	210,593	-	210,593
Parks and recreation - parks and open space	1,502,846	-	1,502,846
Public safety - fire	262,092	-	262,092
Public safety - police	368,055	-	368,055
General government impact fees	152,459	-	152,459
Unrestricted	62,920,505	24,294,533	87,215,038
	203,629,372	71,662,196	275,291,568
Total net position	\$ 203,629,372	\$ 71,662,196	\$ 275,291,568

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, 2014

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS:				
Governmental activities:				
General government	\$ 11,195,092	\$ 2,175,596	\$ 1,582,349	\$ 1,684,310
Building and engineering	4,153,971	6,400,640	-	-
Public safety - police	39,713,301	2,532,173	1,364,429	118,573
Public safety - fire	26,864,502	17,014,341	27,000	98,223
Public works	10,611,584	79,931	-	610,839
Parks, recreation and cultural arts	6,122,782	1,018,145	94,175	-
Interest on long-term debt	2,393,950	-	-	-
	101,055,182	29,220,826	3,067,953	2,511,945
Business-type activities:				
Water and sewer	17,752,622	21,619,002	-	3,828,250
Golf	106,123	68,132	-	-
	17,858,745	21,687,134	-	3,828,250
Total	\$ 118,913,927	\$ 50,907,960	\$ 3,067,953	\$ 6,340,195

General revenues:

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

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

Net Revenue (Expense) and
Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,752,837)	\$ -	\$ (5,752,837)
2,246,669	-	2,246,669
(35,698,126)	-	(35,698,126)
(9,724,938)	-	(9,724,938)
(9,920,814)	-	(9,920,814)
(5,010,462)	-	(5,010,462)
(2,393,950)	-	(2,393,950)
(66,254,458)	-	(66,254,458)
-	7,694,630	7,694,630
-	(37,991)	(37,991)
-	7,656,639	7,656,639
(66,254,458)	7,656,639	(58,597,819)
35,762,138	-	35,762,138
5,637,583	-	5,637,583
8,078,298	-	8,078,298
3,780,827	-	3,780,827
9,545,434	-	9,545,434
10,742,696	-	10,742,696
620,238	40,267	660,505
3,997,275	1,386,811	5,384,086
78,164,489	1,427,078	79,591,567
11,910,031	9,083,717	20,993,748
191,719,341	62,578,479	254,297,820
\$ <u>203,629,372</u>	\$ <u>71,662,196</u>	\$ <u>275,291,568</u>

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

TOWN OF DAVIE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

	General	Community Endowment
ASSETS:		
Cash, cash equivalents and investments	\$ 47,541,279	\$ 435,653
Receivables:		
Property taxes, net	503,178	-
Utility and franchise taxes, net	2,299,132	-
Other	688,149	-
Due from other governments	1,646,806	-
Due from other funds	-	-
Prepaid items	29,573	-
Total assets	\$ 52,708,117	\$ 435,653
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 6,576,278	\$ -
Other liabilities	1,428,059	500
Unearned revenues	467,096	-
Due to other funds	7,200	-
Total liabilities	8,478,633	500
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - intergovernmental	23,993	-
Total deferred inflows of resources	23,993	-
FUND BALANCES:		
Nonspendable:		
Prepaid expenditures	29,573	-
Restricted for:		
Building services	5,015,799	-
Debt service	277,500	-
Capital projects	-	-
Community redevelopment	-	-
Community development projects and services	-	-
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	27,312,889	-
Community obligations	-	435,153
Capital projects	-	-
Wetland mitigation	312,827	-
Tree preservation	264,356	-
Assigned to:		
Subsequent year's expenditures	1,272,798	-
Engineering services	2,426,417	-
Unassigned	7,293,332	-
Total fund balances	44,205,491	435,153
Total liabilities, deferred inflows of resources and fund balances	\$ 52,708,117	\$ 435,653

Community Redevelopment Agency	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 26,032,046	\$ 20,621,750	\$ 2,684,686	\$ 97,315,414
-	-	-	503,178
-	-	-	2,299,132
19,096	-	-	707,245
-	719,714	528,632	2,895,152
-	-	7,200	7,200
-	40,000	-	69,573
\$ 26,051,142	\$ 21,381,464	\$ 3,220,518	\$ 103,796,894
\$ 183,390	\$ 331,360	\$ 293,084	\$ 7,384,112
10,000	-	-	1,438,559
-	-	137,414	604,510
-	-	-	7,200
193,390	331,360	430,498	9,434,381
-	719,714	293,975	1,037,682
-	719,714	293,975	1,037,682
-	40,000	-	69,573
-	-	-	5,015,799
-	-	-	277,500
-	5,493,701	-	5,493,701
25,857,752	-	-	25,857,752
-	-	210,593	210,593
-	-	1,502,846	1,502,846
-	-	262,092	262,092
-	-	368,055	368,055
-	-	152,459	152,459
-	-	-	27,312,889
-	-	-	435,153
-	14,796,689	-	14,796,689
-	-	-	312,827
-	-	-	264,356
-	-	-	1,272,798
-	-	-	2,426,417
-	-	-	7,293,332
25,857,752	20,330,390	2,496,045	93,324,831
\$ 26,051,142	\$ 21,381,464	\$ 3,220,518	\$ 103,796,894

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, 2014

Fund balances - total governmental funds		\$ 93,324,831
<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	\$ 335,154,386	
Less accumulated depreciation	<u>(170,616,801)</u>	164,537,585
Accrued interest payable not reported in the governmental funds		(535,722)
<p>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.</p>		
		1,037,682
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Bonds and notes payable	(62,969,515)	
Compensated absences	<u>(8,442,401)</u>	(71,411,916)
<p>Other post employment benefits (OPEB) asset, is not an available resource and, therefore, is not reported in the government funds.</p>		
		963,000
<p>Net pension asset is not an available resource and, therefore is not reported in the government funds.</p>		
		1,863,300
<p>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.</p>		
		<u>13,850,612</u>
Net position of governmental activities		<u>\$ 203,629,372</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, 2014

	<u>General</u>	<u>Community Endowment</u>
REVENUES:		
Ad valorem taxes	\$ 38,823,917	\$ -
Utility service taxes	8,078,298	-
Franchise fees	9,545,434	-
Intergovernmental	10,772,124	-
Communication service tax	3,780,827	-
Licenses and permits	6,952,973	-
Charges for services	12,599,458	-
Fire rescue assessments	9,889,781	-
Fines and forfeitures	1,208,681	-
Investment income	468,915	106,583
Miscellaneous	<u>3,951,641</u>	<u>1,653</u>
Total revenues	<u>106,072,049</u>	<u>108,236</u>
EXPENDITURES:		
General government:		
General services department:		
Personnel services	5,145,396	-
Operating	2,794,377	211,985
Capital outlay	<u>39,304</u>	<u>-</u>
	<u>7,979,077</u>	<u>211,985</u>
Building and engineering department:		
Personnel services	2,883,658	-
Operating	895,674	-
Capital outlay	<u>37,562</u>	<u>-</u>
	<u>3,816,894</u>	<u>-</u>
Total general government	<u>11,795,971</u>	<u>211,985</u>
Public safety:		
Police department:		
Personnel services	32,538,067	-
Operating	5,504,322	-
Capital outlay	<u>362,767</u>	<u>-</u>
	<u>38,405,156</u>	<u>-</u>
Fire department:		
Personnel services	22,918,434	-
Operating	2,628,236	-
Capital outlay	<u>184,643</u>	<u>-</u>
	<u>25,731,313</u>	<u>-</u>
Total public safety	<u>64,136,469</u>	<u>-</u>

Community Redevelopment Agency	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,575,804	\$ -	\$ -	\$ 41,399,721
-	-	-	8,078,298
-	-	-	9,545,434
-	248,801	2,132,626	13,153,551
-	-	-	3,780,827
-	-	-	6,952,973
-	-	739,729	13,339,187
-	-	-	9,889,781
-	-	118,573	1,327,254
44,134	-	606	620,238
18,259	1,287,326	-	5,258,879
<u>2,638,197</u>	<u>1,536,127</u>	<u>2,991,534</u>	<u>113,346,143</u>
238,146	-	172,456	5,555,998
1,143,255	-	906,571	5,056,188
1,922,714	-	284,654	2,246,672
<u>3,304,115</u>	<u>-</u>	<u>1,363,681</u>	<u>12,858,858</u>
-	-	-	2,883,658
-	-	-	895,674
-	-	-	37,562
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,816,894</u>
<u>3,304,115</u>	<u>-</u>	<u>1,363,681</u>	<u>16,675,752</u>
-	-	-	32,538,067
-	-	63,250	5,567,572
-	-	156,153	518,920
<u>-</u>	<u>-</u>	<u>219,403</u>	<u>38,624,559</u>
-	-	-	22,918,434
-	-	-	2,628,236
-	-	60,017	244,660
<u>-</u>	<u>-</u>	<u>60,017</u>	<u>25,791,330</u>
-	-	279,420	64,415,889

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, 2014
(continued)

	<u>General Fund</u>	<u>Community Endowment</u>
EXPENDITURES (continued):		
Public works:		
Personnel services	3,949,477	-
Operating	3,071,548	-
Capital outlay	26,456	-
	<u>7,047,481</u>	<u>-</u>
Total public works		
Parks, recreation and cultural arts:		
Personnel services	2,404,700	-
Operating	1,514,961	-
Capital outlay	47,405	-
	<u>3,967,066</u>	<u>-</u>
Total parks, recreation and cultural arts		
Non-departmental:		
Operating	1,189,844	-
	<u>1,189,844</u>	<u>-</u>
Total non-departmental		
Debt service:		
Principal	5,421,566	-
Interest and other fiscal charges	2,136,559	-
	<u>7,558,125</u>	<u>-</u>
Total debt service		
Capital outlay	-	-
	<u>-</u>	<u>-</u>
Total expenditures	<u>95,694,956</u>	<u>211,985</u>
Excess (deficiency) of revenues over expenditures	<u>10,377,093</u>	<u>(103,749)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	(6,943,879)	-
	<u>(6,943,879)</u>	<u>-</u>
Total other financing sources (uses)		
	<u>(6,943,879)</u>	<u>-</u>
Net change in fund balances	3,433,214	(103,749)
FUND BALANCES, beginning of year	<u>40,772,277</u>	<u>538,902</u>
FUND BALANCES, end of year	\$ <u><u>44,205,491</u></u>	\$ <u><u>435,153</u></u>

<u>Community Redevelopment Agency</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	-	3,949,477
-	-	-	3,071,548
-	-	-	26,456
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,047,481</u>
-	-	-	2,404,700
-	-	-	1,514,961
-	-	196,339	243,744
<u>-</u>	<u>-</u>	<u>196,339</u>	<u>4,163,405</u>
-	-	-	1,189,844
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,189,844</u>
627,122	-	-	6,048,688
325,508	-	-	2,462,067
<u>952,630</u>	<u>-</u>	<u>-</u>	<u>8,510,755</u>
-	5,190,071	-	5,190,071
<u>4,256,745</u>	<u>5,190,071</u>	<u>1,839,440</u>	<u>107,193,197</u>
<u>(1,618,548)</u>	<u>(3,653,944)</u>	<u>1,152,094</u>	<u>6,152,946</u>
-	7,322,545	-	7,322,545
-	-	-	(6,943,879)
<u>-</u>	<u>7,322,545</u>	<u>-</u>	<u>378,666</u>
(1,618,548)	3,668,601	1,152,094	6,531,612
<u>27,476,300</u>	<u>16,661,789</u>	<u>1,343,951</u>	<u>86,793,219</u>
\$ <u>25,857,752</u>	\$ <u>20,330,390</u>	\$ <u>2,496,045</u>	\$ <u>93,324,831</u>

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

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, 2014

Net change in fund balances - total governmental funds	\$	6,531,612
<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 net capital outlays in the current period.</p>		
Expenditures for capital assets, net	\$ 7,994,438	
Less current year depreciation	<u>(8,074,645)</u>	(80,207)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(759,596)
<p>Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		6,048,688
<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)	121,000	
Change in net pension obligation (asset)	128,035	
Change in accrued interest payable	68,117	
Change in compensated absences	<u>66,985</u>	384,137
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The allocated change in net position of the internal service funds is reported with governmental activities.</p>		
		<u>(214,603)</u>
Change in net position of governmental activities	\$	<u><u>11,910,031</u></u>

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

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TOWN OF DAVIE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
ASSETS:				
Current assets:				
Cash, cash equivalents and investments	\$ 23,513,964	\$ 1,408,962	\$ 24,922,926	\$ 17,190,166
Restricted cash, cash equivalents and investments	33,434,100	-	33,434,100	-
Receivables, net of allowance for uncollectibles, including restricted of \$ 196,442	2,496,395	-	2,496,395	172,805
Prepaid items	208,119	-	208,119	63,345
Inventories	445,198	-	445,198	94,072
Total current assets	<u>60,097,776</u>	<u>1,408,962</u>	<u>61,506,738</u>	<u>17,520,388</u>
Noncurrent assets:				
Other assets	1,071,866	-	1,071,866	-
Capital assets:				
Land	7,331,847	4,557,852	11,889,699	-
Buildings and improvements	122,005,665	299,624	122,305,289	1,914,695
Infrastructure	20,880,239	-	20,880,239	-
Machinery, equipment and vehicles	38,237,062	81,681	38,318,743	16,194,979
Less accumulated depreciation	<u>(37,159,506)</u>	<u>(125,477)</u>	<u>(37,284,983)</u>	<u>(13,100,304)</u>
Net capital assets	<u>151,295,307</u>	<u>4,813,680</u>	<u>156,108,987</u>	<u>5,009,370</u>
Total noncurrent assets	<u>152,367,173</u>	<u>4,813,680</u>	<u>157,180,853</u>	<u>5,009,370</u>
Total assets	<u>212,464,949</u>	<u>6,222,642</u>	<u>218,687,591</u>	<u>22,529,758</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	<u>894,561</u>	<u>-</u>	<u>894,561</u>	<u>-</u>
Total deferred outflows of resources	<u>894,561</u>	<u>-</u>	<u>894,561</u>	<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
(continued)
September 30, 2014

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued liabilities	2,223,572	10,349	2,233,921	404,171
Compensated absences	167,065	-	167,065	-
Insurance claims payable	-	-	-	2,088,275
Accrued interest payable	3,291,577	-	3,291,577	-
Bonds and notes payable, current	2,666,438	-	2,666,438	-
	<u>8,348,652</u>			
Total current liabilities	<u>8,348,652</u>	<u>10,349</u>	<u>8,359,001</u>	<u>2,492,446</u>
Noncurrent liabilities:				
Customer deposits - payable from restricted assets	1,213,511	-	1,213,511	-
Compensated absences	138,295	-	138,295	-
Bonds and notes payable	139,386,479	-	139,386,479	-
Total noncurrent liabilities	<u>140,738,285</u>	<u>-</u>	<u>140,738,285</u>	<u>-</u>
NET POSITION: Total liabilities	<u>149,086,937</u>	<u>10,349</u>	<u>149,097,286</u>	<u>2,492,446</u>
Net investment in capital assets	13,004,742	4,813,680	17,818,422	5,009,370
Restricted for renewal and replacement and rate stabilization	28,108,741	-	28,108,741	-
Restricted for debt service	1,440,500	-	1,440,500	-
Unrestricted	21,718,590	1,398,613	23,117,203	15,027,942
Total net position	<u>\$ 64,272,573</u>	<u>\$ 6,212,293</u>	<u>\$ 70,484,866</u>	<u>\$ 20,037,312</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 in service funds are included governmental activities in the government-wide statement of net position.

	<u>1,177,330</u>
Total net position - government-wide statement of net position	<u>\$ 71,662,196</u>

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

TOWN OF DAVIE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2014

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
Operating revenues:				
Charges for services	\$ 21,619,002	\$ 68,132	\$ 21,687,134	\$ 18,382,559
Operating expenses:				
Personnel services	4,259,869	-	4,259,869	1,245,423
Professional fees	484,533	51	484,584	-
Utilities	1,429,000	-	1,429,000	-
Supplies and materials	779,946	-	779,946	-
Maintenance	1,219,690	46,584	1,266,274	2,888,691
Insurance	141,053	-	141,053	2,884,768
Claims	-	-	-	8,637,595
Administrative	2,140,000	-	2,140,000	1,281,917
Other	1,208,631	8,000	1,216,631	-
Depreciation and amortization	4,281,639	51,488	4,333,127	1,527,681
Total operating expenses	15,944,361	106,123	16,050,484	18,466,075
Operating income (loss)	5,674,641	(37,991)	5,636,650	(83,516)
Nonoperating revenues (expenses):				
Federal bond subsidies	999,497	-	999,497	-
Other income	383,314	4,000	387,314	354,838
Intergovernmental revenue	430,000	-	430,000	-
Investment income	40,267	-	40,267	70
Disposition of capital assets	-	-	-	(121,102)
Interest expense	(1,794,488)	-	(1,794,488)	-
Total nonoperating revenues (expenses)	58,590	4,000	62,590	233,806
Income (loss) before contributions and transfers	5,733,231	(33,991)	5,699,240	150,290
Contributions and transfers:				
Capital contributions	3,398,250	-	3,398,250	-
Transfers out	-	-	-	(378,666)
Total contributions and transfers	3,398,250	-	3,398,250	(378,666)
Change in net position	9,131,481	(33,991)	9,097,490	(228,376)
Net position, beginning of year	55,141,092	6,246,284	61,387,376	20,265,688
Net position, end of year	\$ 64,272,573	\$ 6,212,293	\$ 70,484,866	\$ 20,037,312

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	\$ 9,097,490
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.	(13,773)
Change in net position - government-wide statement of activities	\$ 9,083,717

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

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TOWN OF DAVIE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2014

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 21,981,349	\$ 68,132	\$ 22,049,481	\$ -
Receipts from interfund charges	-	-	-	18,308,643
Payments to suppliers and service providers	(9,963,174)	(46,986)	(10,010,160)	(15,714,668)
Payments to employees	(4,256,262)	-	(4,256,262)	(1,240,334)
Other receipts	1,133,014	4,000	1,137,014	354,838
Net cash provided by (used in) operating activities	<u>8,894,927</u>	<u>25,146</u>	<u>8,920,073</u>	<u>1,708,479</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances from (to) other funds	-	-	-	(4,400)
Transfers (out)	-	-	-	(378,666)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(383,066)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt	2,495,161	-	2,495,161	-
Acquisition and construction of capital assets, net	(9,198,407)	(25,721)	(9,224,128)	(1,220,495)
Principal retirements on debt	(2,301,646)	-	(2,301,646)	-
Interest paid on capital debt	(6,575,282)	-	(6,575,282)	-
Federal bond subsidies	999,497	-	999,497	-
Capital contributed by developers	3,398,250	-	3,398,250	-
Net cash provided by (used in) capital and related financing activities	<u>(11,182,427)</u>	<u>(25,721)</u>	<u>(11,208,148)</u>	<u>(1,220,495)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	40,267	-	40,267	70
Net cash provided by (used in) investing activities	<u>40,267</u>	<u>-</u>	<u>40,267</u>	<u>70</u>
Net increase (decrease) in cash, cash equivalents and investments	<u>(2,247,233)</u>	<u>(575)</u>	<u>(2,247,808)</u>	<u>104,988</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, 2014

	Enterprise Funds			Internal Service Funds
	Water and Sewer (Major Fund)	Golf (Nonmajor Fund)	Total	
Cash, cash equivalents and investments, beginning 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, end of year	\$ <u>56,948,064</u>	\$ <u>1,408,962</u>	\$ <u>58,357,026</u>	\$ <u>17,190,166</u>
Cash, cash equivalents and investments per statement of net position:				
Unrestricted	\$ 23,513,964	\$ 1,408,962	\$ 24,922,926	\$ 17,190,166
Restricted	<u>33,434,100</u>	<u>-</u>	<u>33,434,100</u>	<u>-</u>
	\$ <u>56,948,064</u>	\$ <u>1,408,962</u>	\$ <u>58,357,026</u>	\$ <u>17,190,166</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ <u>5,674,641</u>	\$ <u>(37,991)</u>	\$ <u>5,636,650</u>	\$ <u>(83,516)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Other operating revenues	1,133,014	4,000	1,137,014	354,838
Depreciation and amortization	4,281,639	51,488	4,333,127	1,527,681
Provision for bad debts	636,472	-	636,472	-
(Increase) decrease in assets:				
Receivables, net	(293,860)	-	(293,860)	(73,916)
Inventories	(186,860)	-	(186,860)	20,932
Prepaid items and other assets	(190,365)	-	(190,365)	101,393
Increase (decrease) in liabilities:				
Accounts payable, accrued liabilities and compensated absences	(2,179,489)	7,649	(2,171,840)	(247,208)
Insurance claims payable	-	-	-	108,275
Customer deposits	<u>19,735</u>	<u>-</u>	<u>19,735</u>	<u>-</u>
Total adjustments	<u>3,220,286</u>	<u>63,137</u>	<u>3,283,423</u>	<u>1,791,995</u>
Net cash provided by (used in) operating activities	\$ <u>8,894,927</u>	\$ <u>25,146</u>	\$ <u>8,920,073</u>	\$ <u>1,708,479</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, 2014

ASSETS:

Cash and cash equivalents	\$	3,677,373
Investments, at fair value:		
Equity securities		73,144,252
Domestic equity funds		55,885,267
International equity funds		24,449,159
Fixed income funds		19,342,317
Real estate funds		19,307,148
United State Agency Securities		18,007,678
United State Treasuries		15,658,599
Corporate bonds/debt securities		14,593,594
Drop mutual funds		2,485,345
Receivables:		
Interest and dividends		331,747
Contributions from members		37,630
Contributions from the State of Florida		940,362
Securities sold		102,871
Prepaid benefits paid		<u>405,359</u>
Total assets		<u>248,368,701</u>

LIABILITIES:

Accounts payable		177,428
Payable for securities purchased		38,469
Prepaid contributions		<u>5,217,841</u>
Total liabilities		<u>5,433,738</u>
Net position held in trust for pension benefits		241,105,276
Net position held in trust for OPEB benefits		<u>1,829,687</u>
Total net position held in trust	\$	<u><u>242,934,963</u></u>

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, 2014

ADDITIONS:	
Contributions:	
Employer	\$ 12,545,914
Plan members	2,998,002
State of Florida	<u>1,714,268</u>
Total contributions	<u>17,258,184</u>
Investment income:	
Net appreciation in fair value of investments	16,120,616
Interest and dividends	<u>5,490,325</u>
Total investment income	21,610,941
Less:	
Investment expenses	<u>920,602</u>
Net investment income	<u>20,690,339</u>
Total additions	<u>37,948,523</u>
DEDUCTIONS:	
Benefits paid	10,386,688
Refunds of contributions	35,041
Administrative expenses	<u>399,231</u>
Total deductions	<u>10,820,960</u>
Change in net position	27,127,563
NET POSITION, beginning of year, as restated (Note 18)	<u>215,807,400</u>
NET POSITION, end of year	<u>\$ 242,934,963</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, 2014

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, 2014

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, 2014

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 fund 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, 2014

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, 2014

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* was used to accumulate the costs of providing and maintaining certain Town facilities. The cost allocation utilized provided for capital accumulation for the purpose of replacing and maintaining Town facilities. At September 30, 2014, the Town deemed this fund closed. Costs are now allocated and recorded directly to the fund/department benefitted.

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, 2014

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, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Investments

Investments are carried at estimated 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 remaining 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 estimated 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 \$ 5,000,000. 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, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated useful lives for each major class of depreciable capital 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 water and sewer fund – statement of net position and 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, 2014

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, 2014

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, 2015, the date the financial statements were 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, 2014, 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	\$ 207,196	\$ -	\$ 207,196
Florida Municipal Investment Trust Funds	5,154,889	48,774,462	53,929,351
United States Treasuries	34,839,892	15,658,599	50,498,491
United States Agency Securities	32,658,503	18,007,678	50,666,181
Corporate bonds	13,843,464	14,593,594	28,437,058
Commercial paper	1,674,149	-	1,674,149
Equity securities	224,692	73,144,252	73,368,944
Domestic equity funds	-	31,113,791	31,113,791
International equity funds	-	19,788,490	19,788,490

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investment Type	Carrying Amount (Fair Value)		
	Primary Government	Fiduciary Funds	Total
Real estate funds	-	19,307,148	19,307,148
State Board of Administration - Florida PRIME	2,606,401	-	2,606,401
DROP mutual funds	-	2,485,345	2,485,345
Plus: Cash and money market funds	81,653,420	3,677,373	85,330,793
	<u>\$ 172,862,606</u>	<u>\$ 246,550,732</u>	<u>\$ 419,413,338</u>

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, 2014, the carrying amount of the Town's deposits was \$ 78,402,624, with a bank balance of \$ 80,736,164.

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 of maturities. The table below summarizes the Town's scheduled maturities (in years) of the investments held as of September 30, 2014:

Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasuries	\$ 50,498,491	\$ 2,343,184	\$ 36,381,898	\$ 5,064,818	\$ 6,708,591
U.S. Agency Securities	50,666,181	8,159,411	29,648,829	10,416,374	2,441,567
Corporate bonds	28,437,058	2,455,540	13,437,156	8,281,400	4,262,962
Commercial paper	1,674,149	1,674,149	-	-	-
	<u>\$ 131,275,879</u>	<u>\$ 14,632,284</u>	<u>\$ 79,467,883</u>	<u>\$ 23,762,592</u>	<u>\$ 13,413,120</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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 are not rated.

The NRSRO ratings for the Town's investments, including those held in pension trust funds as of September 30, 2014, are summarized below.

Investment Type	NRSRO Rating	Fair Value	Primary Government	Fiduciary Funds	
				Police	Fire
U.S. Agency Securities	AAA/Aaa	\$ 1,481,102	\$ 1,481,102	\$ -	\$ -
Corporate Bonds	AAA/Aaa	4,790,134	4,790,134	-	-
U.S. Agency Securities	AA+	28,715,677	28,715,677	-	-
U.S. Treasuries	AA+	34,839,892	34,839,892	-	-
Corporate Bonds	AA+	3,243,979	1,957,242	935,593	351,144
Corporate Bonds	AA	1,970,009	1,970,009	-	-
Corporate Bonds	AA-	3,600,607	2,916,891	540,850	142,866
Corporate Bonds	A+	609,246	-	609,246	-
Corporate Bonds	A	2,643,963	-	2,025,537	618,426
Corporate Bonds	A-	3,980,850	-	2,977,162	1,003,688
Commercial Paper	A-1+	249,959	249,959	-	-
U.S. Agency Securities	A-1+	1,574,394	1,574,394	-	-
Commercial Paper	A-1	1,424,190	1,424,190	-	-
Corporate Bonds	BBB+	1,126,120	-	847,592	278,528
U.S. Treasuries	N/A	15,658,599	-	11,248,521	4,410,078
U.S. Agency Securities	N/A	18,895,008	887,330	13,143,449	4,864,229
Corporate Bonds	Not Rated	6,472,150	2,209,188	-	4,262,962
Total debt type investments		\$ 131,275,879	\$ 83,016,008	\$ 32,327,950	\$ 15,931,921

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 in any one issuer at September 30, 2014.

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. Consistent with the Town’s and Plans’ investment policy, the investments are held by custodial banks/institutions in the Town’s and Plans’ name, as applicable.

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 Town’s and Fiduciary Funds’ investments are not subject to foreign currency risk.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

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>		
FMIvT Broad Market High Quality Bond Fund	AA/V4	\$ 7,853,207
FMIvT 0-2 Year High Quality Bond Fund	AAA/V1	56,477
FMIvT 1-3 Year High Quality Bond Fund	AAA/V2	5,098,412
FMIvT Core Plus Fixed Income Fund	Not rated	11,489,112
 <u>Equity Portfolios:</u>		
FMIvT High Quality Growth Portfolio	Not rated	3,924,774
FMIvT Large Cap Diversified Value Portfolio	Not rated	4,026,552
FMIvT Russell 1000 Enhanced Index Portfolio	Not rated	11,472,644
FMIvT Diversified Small Cap Equity Portfolio	Not rated	5,347,504
FMIvT International Equity Portfolio	Not rated	4,660,669
		<u>\$ 53,929,351</u>

Interest Rate Risk (In Years):

<u>Fixed Income Funds:</u>	<u>Duration</u>	<u>WAM</u>
FMIvT Broad Market High Quality Bond Fund	4.77	6.47
FMIvT 0-2 Year High Quality Bond Fund	0.70	0.75
FMIvT 1-3 Year High Quality Bond Fund	1.47	1.49
FMIvT Core Plus Fixed Income Fund	2.91	6.52

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 5.9450 per \$ 1,000 of assessed valuation for the fiscal year commencing October 1, 2013.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 4 - RECEIVABLES

Receivables at September 30, 2014 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	\$ 688,149	\$ 19,096	\$ -	\$ -	\$ 707,245
Property taxes and assessments	503,178	-	-	-	503,178
Utility taxes and franchise fees	2,299,132	-	-	-	2,299,132
Intergovernmental	<u>1,646,806</u>	<u>-</u>	<u>719,714</u>	<u>528,632</u>	<u>2,895,152</u>
Gross receivables	5,137,265	19,096	719,714	528,632	6,404,707
Less allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 5,137,265</u>	<u>\$ 19,096</u>	<u>\$ 719,714</u>	<u>\$ 528,632</u>	<u>\$ 6,404,707</u>

Receivables at September 30, 2014 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	\$ <u>6,314,007</u>	\$ <u>172,805</u>
Less allowance for uncollectible	<u>(3,817,612)</u>	<u>-</u>
Net receivables	<u>\$ 2,496,395</u>	<u>\$ 172,805</u>

NOTE 5 - INTERFUND TRANSACTIONS

A summary of interfund receivable and payable balances at September 30, 2014 is as follows:

<u>Interfund items (current)</u>	<u>Receivables</u>	<u>Payables</u>
Due to/from other funds:		
General Fund	\$ -	\$ 7,200
Forfeitures Fund	<u>7,200</u>	<u>-</u>
Total	<u>\$ 7,200</u>	<u>\$ 7,200</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 5 - INTERFUND TRANSACTIONS (continued)

Interfund receivables from the General Fund to the Forfeitures Fund represent auction proceeds for vehicles originally purchased with forfeitures funds.

A summary of interfund transfers for the year ended September 30, 2014 is as follows:

<u>Transfers</u>	<u>In</u>	<u>Out</u>
General Fund	\$ -	\$ 6,943,879
Capital Projects Fund	7,322,545	-
Building Maintenance Fund	-	378,666
Total	\$ <u>7,322,545</u>	\$ <u>7,322,545</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 Building Maintenance Fund to the Capital Projects Fund, as the fund was closed out during the year ended September 30, 2014. These monies will be used to fund future capital improvement projects.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	<u>Balance October 1, 2013</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance September 30, 2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 72,239,063	\$ 3,247,048	\$ -	\$ 75,486,111
Total capital assets, not being depreciated	<u>72,239,063</u>	<u>3,247,048</u>	<u>-</u>	<u>75,486,111</u>
Capital assets, being depreciated:				
Infrastructure	129,125,943	1,793,429	-	130,919,372
Buildings and improvements	77,108,665	1,702,541	(300,590)	78,510,616
Machinery, equipment and vehicles	<u>48,532,207</u>	<u>2,471,915</u>	<u>(765,835)</u>	<u>50,238,287</u>
Total capital assets, being depreciated	<u>254,766,815</u>	<u>5,967,885</u>	<u>(1,066,425)</u>	<u>259,668,275</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 6 - CAPITAL ASSETS (continued)

	Balance October 1, 2013	Additions	Retirements and Transfers	Balance September 30, 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Less accumulated depreciation for:				
Infrastructure	77,347,442	3,141,363	-	80,488,805
Buildings and improvements	44,797,291	2,787,286	(237,520)	47,347,057
Machinery, equipment and vehicles	<u>39,815,065</u>	<u>3,673,677</u>	<u>(707,803)</u>	<u>42,780,939</u>
Total accumulated depreciation	<u>161,959,798</u>	<u>9,602,326</u>	<u>(945,323)</u>	<u>170,616,801</u>
 Total capital assets, being depreciated, net	 <u>92,807,017</u>	 <u>(3,634,441)</u>	 <u>(121,102)</u>	 <u>89,051,474</u>
 Governmental activities capital assets, net	 \$ <u>165,046,080</u>	 \$ <u>(387,393)</u>	 \$ <u>(121,102)</u>	 \$ <u>164,537,585</u>
 Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,887,306	\$ 2,393	\$ -	\$ 11,889,699
Construction in progress	<u>118,984,830</u>	<u>-</u>	<u>(118,984,830)</u>	<u>-</u>
Total capital assets, not being depreciated	 <u>130,872,136</u>	 <u>2,393</u>	 <u>(118,984,830)</u>	 <u>11,889,699</u>
 Capital assets, being depreciated:				
Infrastructure	17,443,053	3,437,186	-	20,880,239
Building and improvements	19,749,362	4,987,758	97,568,169	122,305,289
Machinery, equipment and vehicles	<u>12,803,384</u>	<u>4,098,698</u>	<u>21,416,661</u>	<u>38,318,743</u>
Total capital assets, being depreciated	 <u>49,995,799</u>	 <u>12,523,642</u>	 <u>118,984,830</u>	 <u>181,504,271</u>
 Less accumulated depreciation for:				
Infrastructure	12,319,121	515,901	-	12,835,022
Buildings and improvements	12,126,703	2,850,084	-	14,976,787
Machinery, equipment and vehicles	<u>8,546,619</u>	<u>926,555</u>	<u>-</u>	<u>9,473,174</u>
Total accumulated depreciation	<u>32,992,443</u>	<u>4,292,540</u>	<u>-</u>	<u>37,284,983</u>
 Total capital assets, being depreciated, net	 <u>17,003,356</u>	 <u>8,231,102</u>	 <u>118,984,830</u>	 <u>144,219,288</u>
 Business-type activities capital assets, net	 \$ <u>147,875,492</u>	 \$ <u>8,233,495</u>	 \$ <u>-</u>	 \$ <u>156,108,987</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 195,527
Building and engineering	268,287
Public safety - police	1,061,511
Public safety - fire	1,129,443
Public works	3,497,235
Parks, recreation and cultural arts	<u>1,922,642</u>
Subtotal	<u>8,074,645</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>1,527,681</u>
Total depreciation expense - Governmental activities	<u>\$ 9,602,326</u>

Depreciation was charged to functions/programs as follows:

Business type - activities:	
Water and sewer	\$ 4,241,052
Golf	<u>51,488</u>
Total depreciation expense -	<u>\$ 4,292,540</u>

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities reported by the governmental and proprietary funds at September 30, 2014 were as follows:

Governmental Funds:

	General Fund	Community Redevelopment Agency	Capital Projects	Non-major Governmental Funds	Total
Vendors, including contractors	\$ 2,549,753	\$ 176,392	\$ 331,360	\$ 132,800	\$ 3,190,305
Payroll, taxes and benefits	3,706,465	6,998	-	4,140	3,717,603
Other	<u>320,060</u>	<u>-</u>	<u>-</u>	<u>156,144</u>	<u>476,204</u>
	<u>\$ 6,576,278</u>	<u>\$ 183,390</u>	<u>\$ 331,360</u>	<u>\$ 293,084</u>	<u>\$ 7,384,112</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

Proprietary Funds:

	<u>Water and Sewer</u>	<u>Golf</u>	<u>Internal Service Funds</u>	<u>Total</u>
Vendors, including contractors	\$ 2,076,901	\$ 10,349	\$ 298,387	\$ 2,385,637
Payroll, taxes and benefits	<u>146,671</u>	<u>-</u>	<u>105,784</u>	<u>252,455</u>
	<u>\$ 2,223,572</u>	<u>\$ 10,349</u>	<u>\$ 404,171</u>	<u>\$ 2,638,092</u>

NOTE 8 - RESTRICTED ASSETS

At September 30, 2014, the Town had \$ 33,434,100 in restricted cash, cash equivalents and investments in the Water and Sewer Fund. This balance is composed of the following items:

<u>Restriction</u>	
Capital replacement	\$ 13,557,087
Renewal and replacement	9,465,212
Rate stabilization	4,890,000
Unspent bond proceeds	2,867,790
Debt service reserve	1,440,500
Customer deposits	<u>1,213,511</u>
Total	<u>\$ 33,434,100</u>

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.

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 – 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.

Unspent bond proceeds – Amount represents remaining project funds related to the Water and Sewer Revenue Bonds, Series 2012 at September 30, 2014.

Debt service reserve – 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, 2014

NOTE 8 - RESTRICTED ASSETS (continued)

Customer deposits – Amount represents the total amount of customer deposits held by the Town at September 30, 2014.

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, 2014:

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014	Due Within One Year
General Obligation Refunding Bonds, Series 2008A	\$ 3,895,000	\$ -	\$ 590,000	\$ 3,305,000	\$ 615,000
General Obligation Bonds, Series 1997	2,527,168	-	679,555	1,847,613	712,405
General Obligation Bonds, Series 1998	4,321,361	-	740,176	3,581,185	798,913
Public Improvement Revenue Refunding Bonds, Series 2008A	325,000	-	325,000	-	-
General Obligation Refunding Bonds, Series 2008B	896,800	-	113,200	783,600	117,850
Public Improvement Revenue Refunding Bonds, Series 2008B	2,355,000	-	695,000	1,660,000	725,000
Public Improvement Revenue Bonds, Series 2004	5,313,105	-	678,635	4,634,470	703,813
Limited General Obligation Bonds, Series 2006	18,495,000	-	1,095,000	17,400,000	1,140,000
General Obligation Bonds, Series 2006	13,495,000	-	505,000	12,990,000	525,000
Community Redevelopment Bonds, Series 2013 A	10,000,000	-	360,155	9,639,845	733,189
Community Redevelopment Bonds, Series 2013 B	7,394,769	-	266,967	7,127,802	543,327
	<u>69,018,203</u>	<u>-</u>	<u>6,048,688</u>	<u>62,969,515</u>	<u>6,614,497</u>
Insurance claims payable	1,980,000	8,594,725	8,486,450	2,088,275	2,088,275
Compensated absences	8,509,386	5,690,368	5,757,353	8,442,401	593,835
	<u>10,489,386</u>	<u>14,285,093</u>	<u>14,243,803</u>	<u>10,530,676</u>	<u>2,682,110</u>
Total	<u>\$ 79,507,589</u>	<u>\$ 14,285,093</u>	<u>\$ 20,292,491</u>	<u>\$ 73,500,191</u>	<u>\$ 9,296,607</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, 2014

NOTE 9- LONG-TERM LIABILITIES (continued)

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>3,305,000</u>	\$ <u>380,813</u>	\$ <u>3,685,813</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 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 712,405	\$ 76,475	\$ 788,880
2016	747,815	48,112	795,927
2017	387,393	7,046	394,439
Total	\$ <u>1,847,613</u>	\$ <u>131,633</u>	\$ <u>1,979,246</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, 2014

NOTE 9- LONG-TERM LIABILITIES (continued)

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

Year Ending September 30,	Principal	Interest	Total
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	\$ 3,581,185	\$ 308,475	\$ 3,889,660

\$ 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, which matured on 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 was paid semiannually on each October 1 and April 1. Principal on the Bonds was paid annually commencing October 2008 through September 2014. Legally available non-ad valorem revenues of the General Fund were used to repay this Bond issue.

These bonds matured and were paid in full during the 2014 fiscal year.

\$ 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 are as follows:

Year Ending September 30,	Principal	Interest	Total
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	138,400	11,580	149,980
2020	144,050	5,906	149,956
Total	\$ 783,600	\$ 116,208	\$ 899,808

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 725,000	\$ 49,767	\$ 774,767
2016	740,000	23,604	763,604
2017	<u>195,000</u>	<u>1,750</u>	<u>196,750</u>
Total	<u>\$ 1,660,000</u>	<u>\$ 75,121</u>	<u>\$ 1,735,121</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 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	814,216	46,432	860,648
2020	<u>844,424</u>	<u>15,664</u>	<u>860,088</u>
Total	<u>\$ 4,634,470</u>	<u>\$ 534,071</u>	<u>\$ 5,168,541</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,345,000	553,788	1,898,788
2020-2024	7,640,000	1,850,178	9,490,178
2025-2026	3,555,000	191,304	3,746,304
Total	\$ <u>17,400,000</u>	\$ <u>5,332,646</u>	\$ <u>22,732,646</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 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	625,000	487,112	1,112,112
2020-2024	3,580,000	1,986,688	5,566,688
2025-2029	4,455,000	1,106,036	5,561,036
2030-2031	2,080,000	145,456	2,225,456
Total	\$ <u>12,990,000</u>	\$ <u>5,923,992</u>	\$ <u>18,913,992</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 9 - LONG-TERM LIABILITIES (continued)

Community Redevelopment Agency ("CRA") Bonds - The CRA previously issued \$ 20,000,000 Community Redevelopment Bonds, Series 2010, 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. 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.

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>
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	809,920	160,136	970,056
2020-2024	4,365,693	484,583	4,850,276
2025-2026	1,419,358	35,725	1,455,083
Total	\$ <u>9,639,845</u>	\$ <u>1,515,792</u>	\$ <u>11,155,637</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>
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	599,227	116,397	715,624
2020-2024	3,226,063	352,056	3,578,119
2025-2026	1,047,497	25,937	1,073,434
Total	\$ <u>7,127,802</u>	\$ <u>1,101,870</u>	\$ <u>8,229,672</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 9 - LONG-TERM LIABILITIES (continued)

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

Year Ending September 30,	Principal	Interest	Total
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	5,041,763	1,402,070	6,443,833
2020-2024	19,800,230	4,695,075	24,495,305
2025-2029	10,476,855	1,359,002	11,835,857
2030-2031	2,080,000	145,456	2,225,456
Total	\$ <u>62,969,515</u>	\$ <u>15,420,621</u>	\$ <u>78,390,136</u>

Business-Type Activities:

The following is a summary of changes in the long-term liabilities for the year ended September 30, 2014:

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014	Due Within One Year
Bonds Payable:					
Water and Sewer Refunding Bonds, Series 2003	\$ 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	49,700,000	-	465,000	49,235,000	475,000
Water and Sewer Revenue Bonds, Series 2012	28,190,000	-	-	28,190,000	180,000
Water and Sewer Refunding Bonds, Series 2013	14,405,000	-	-	14,405,000	1,735,000
State Revolving Fund Loan Program	1,317,015	2,495,161	291,646	3,520,530	276,438
Bond Premiums	967,114	-	34,540	932,574	-
Bond Discounts	(492,158)	-	(16,971)	(475,187)	-
	<u>141,876,971</u>	<u>2,495,161</u>	<u>2,319,215</u>	<u>142,052,917</u>	<u>2,666,438</u>
Compensated Absences	<u>317,517</u>	<u>173,066</u>	<u>185,223</u>	<u>305,360</u>	<u>167,065</u>
	<u>\$ 142,194,488</u>	<u>\$ 2,668,227</u>	<u>\$ 2,504,438</u>	<u>\$ 142,358,277</u>	<u>\$ 2,833,503</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, 2014

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 fixed 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 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.* The Series 2003 Bonds are considered retired/fully defeased.

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, including the establishment of a rate stabilization fund and a renewal and replacement fund. As of September 30, 2014 the Town was in compliance with those requirements.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,735,000	\$ 244,531	\$ 1,979,531
2016	1,785,000	210,081	1,995,081
2017	1,815,000	175,051	1,990,051
2018	1,855,000	139,250	1,994,250
2019	1,890,000	102,773	1,992,773
2020-2022	<u>5,325,000</u>	<u>93,412</u>	<u>5,418,412</u>
Total	<u>\$ 14,405,000</u>	<u>\$ 965,098</u>	<u>\$ 15,370,098</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.

The Town is subject to certain rate covenants outlined in the Bond Indenture. The Bond Indenture contains 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, 2014 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, 2014

NOTE 9 – LONG-TERM LIABILITIES (continued)

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

Year Ending September 30,	Principal	Interest	Total
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	-	3,077,269	3,077,269
2020-2024	4,755,000	14,817,124	19,572,124
2025-2029	9,275,000	12,242,245	21,517,245
2030-2034	11,425,000	8,745,847	20,170,847
2035-2039	14,190,000	4,288,845	18,478,845
2040-2041	6,600,000	230,811	6,830,811
Total	\$ <u>46,245,000</u>	\$ <u>55,711,217</u>	\$ <u>101,956,217</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, 2014 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 2011, are as follows:

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 9 - LONG-TERM LIABILITIES (continued)

Year Ending September 30,	Principal	Interest	Total
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	530,000	2,214,781	2,744,781
2020-2024	4,985,000	10,672,455	15,657,455
2025-2029	7,555,000	9,296,356	16,851,356
2030-2034	9,560,000	7,156,750	16,716,750
2035-2039	12,205,000	4,382,250	16,587,250
2040-2042	12,410,000	811,000	13,221,000
Subtotal	49,235,000	\$ <u>43,516,616</u>	\$ <u>92,751,616</u>
Plus: unamortized bond premium	<u>932,574</u>		
Total	\$ <u>50,167,574</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, 2014 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 2012, are as follows:

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 9 - LONG-TERM LIABILITIES (continued)

Year Ending September 30,	Principal	Interest	Total
2015	\$ 180,000	\$ 939,625	\$ 1,119,625
2016	185,000	934,075	1,119,075
2017	195,000	928,225	1,123,225
2018	195,000	922,375	1,117,375
2019	200,000	916,375	1,116,375
2020-2024	1,195,000	4,493,531	5,688,531
2025-2029	2,215,000	4,231,250	6,446,250
2030-2034	3,825,000	3,740,876	7,565,876
2035-2039	6,070,000	2,896,988	8,966,988
2040-2043	13,930,000	1,117,025	15,047,025
Subtotal	28,190,000	\$ 21,120,345	\$ 49,310,345
Less unamortized discount	475,187		
Total	\$ 27,714,813		

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

\$ 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, 2014, the Town borrowed \$ 3,812,176 under this agreement. Semiannual payments are due on each September 15th and March 15th. Final repayment amounts/structure will not be determined until project completion; therefore an amortization schedule will not be finalized for this loan agreement 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%.

Based on current drawn amounts, annual expected debt service requirements to maturity for the State Revolving Fund Loan, is as follows:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 276,438	\$ 79,392	\$ 355,830
2016	282,833	72,997	355,830
2017	289,375	66,455	355,830
2018	296,069	59,761	355,830
2019	302,918	52,912	355,830
2020-2024	1,622,998	156,153	1,779,151
2025-2026	449,899	8,361	458,260
Total	\$ 3,520,530	\$ 496,031	\$ 4,016,561

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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
2015	\$ 2,666,438	\$ 6,607,773	\$ 9,274,211
2016	2,742,833	6,546,678	9,289,511
2017	2,804,375	6,484,106	9,288,481
2018	2,866,069	6,425,361	9,291,430
2019	2,922,918	6,364,110	9,287,028
2020-2024	17,882,998	30,232,675	48,115,673
2025-2029	19,494,899	25,778,212	45,273,111
2030-2034	24,810,000	19,643,473	44,453,473
2035-2039	32,465,000	11,568,083	44,033,083
2040-2043	32,940,000	2,158,836	35,098,836
Total	\$ <u>141,595,530</u>	\$ <u>121,809,307</u>	\$ <u>263,404,837</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, 2014:

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	\$ 2,575,804	\$ 952,630	\$ 19,385,309	2026
General Obligation Refunding Bonds, Series 2008A	Ad valorem tax	\$ 741,943	\$ 736,062	\$ 3,685,813	2019
General Obligation Bonds, Series 1997	Ad valorem tax	\$ 796,011	\$ 788,880	\$ 1,979,246	2017
General Obligation Bonds, Series 1998 and 2008B	Ad valorem tax	\$ 1,061,956	\$ 1,048,257	\$ 4,789,468	2020

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 9 - LONG-TERM LIABILITIES (continued)

<u>Debt Issue</u>	<u>Pledged Revenue</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Future Maturities Principal and Interest</u>	<u>Pledged Through:</u>
Public Improvement Revenue Refunding Bonds, Series 2008A, 2008B and 2004	Legally available non-ad valorem revenues	\$ 51,598,630	\$ 1,968,334	\$ 6,903,662	2020
Limited General Obligation Bonds, Series 2006	Ad valorem tax	\$ 1,916,304	\$ 1,900,325	\$ 22,732,646	2026
General Obligation Bonds, Series 2006	Ad valorem tax	\$ 1,121,369	\$ 1,111,956	\$ 18,913,992	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	\$ 26,870,330	\$ 8,660,885	\$ 263,404,837	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 2014, this represents \$ 69,573.

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 2014, this represents \$ 39,140,797.

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 2014, this represents \$ 43,121,914.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 10 - FUND BALANCE (continued)

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 2014, this represents \$ 3,699,215.

Unassigned fund balance - This classification includes the remaining 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 2014, this represents \$ 7,293,332.

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.

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.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 11 - RISK MANAGEMENT (continued)

Effective July 1, 2002 the Town became self-insured for health benefits. In 2014, 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 of \$ 2,088,275 based upon an actuarial calculation.

Changes in the estimated liability for the fiscal years ended September 30, 2014 and 2013 are as follows:

Fiscal Year	Beginning Liability	Claims Incurred and Changes in Estimates	Claims (Paid) Adjustments	Ending Liability
2013	\$ 1,790,000	\$ 8,157,719	\$ 7,967,719	\$ 1,980,000
2014	\$ 1,980,000	\$ 8,594,725	\$ 8,486,450	\$ 2,088,275

The estimated liability for health care claims and workers compensation claims as of September 30, 2014 was approximately \$ 728,000 and \$ 1,360,000, 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 AND CONDUIT DEBT

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.

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, 2014 amounted to approximately \$ 6,989,000 (approximately \$ 4,356,000 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, 2014, the Town held the following guarantees for developers' infrastructure requirements.

Surety bonds	\$ 18,771,095
Irrevocable letters of credit	2,724,563
Cash bonds	<u>47,807</u>
Total	<u>\$ 21,543,465</u>

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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

Contingencies:

Federal Emergency Management Agency ("FEMA")

The Town was previously notified by FEMA regarding the de-obligation of funds in the approximate amount of \$ 1.2 million relating to debris removal and clean up from hurricane Wilma. The Town filed an 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, 2014.

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, 2014 was \$ 1,835,000. The Town is not obligated to repay these Bonds.

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 were earmarked 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, 2014 was \$ 48,715,336. The Town is not obligated to repay these Bonds.

In October 2013, the Town authorized the issuance of \$ 114 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, were earmarked to refund existing debt, and 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, 2014 was \$ 94,155,000 and \$ 19,490,000 for the Series A and B, respectively. 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, 2014, there were 37 plan members. Contributions for fiscal year ended September 30, 2014 for the Plan were approximately \$ 270,000 (representing approximately \$ 2,369,000 in covered payroll).

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 13 - DEFINED CONTRIBUTION PLAN (continued)

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.

NOTE 14 –DEFINED BENEFIT PENSION PLANS

1. Summary of Significant Accounting Policies

Basis of Accounting

The Firefighters' Pension Plan, Police Employees' Pension Plan and the Management and General Employees' Pension Plan are accounted for on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. Town contributions are recognized when due pursuant to actuarial valuations. State contributions are recognized as revenue in the period in which they are approved by the State of Florida. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 –DEFINED BENEFIT PENSION PLANS (continued)

2. Plan Description and Contribution Information

Method Used to Value Investments

Plan investments are reported at fair value. The overall valuation processes and information sources by major investment classification are as follows: 1) equity securities and similar funds traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings; 2) debt securities and similar fixed income funds can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type; 3) alternative investments and similar real estate funds typically include investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through year end - the estimated fair value of these investments may differ from values that would have been used had a ready market existed; and 4) mutual funds are generally valued by a third party pricing source who strikes the Net Asset Value (NAV) of the holdings at year end.

Unrealized gains and losses are presented as net appreciation in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification methods.

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 statement of fiduciary 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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 –DEFINED BENEFIT PENSION PLANS (continued)

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 make plan amendment recommendations to the Town Council for approval. The latest available actuarial report is as of October 1, 2013. All full-time firefighters are eligible to participate in the Plan, regardless of rank.

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 \$ 966,799 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" is 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.

The amount of normal retirement income is 3% times final monthly compensation multiplied by credited service for the first 10 years. 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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 –DEFINED BENEFIT PENSION PLANS (continued)

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.

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.

The value of the total DROP balance, including amounts pertaining to “self-directed” balances, at September 30, 2014 was \$ 4,573,957.

Death and Disability

The Plan also provides for disability and death benefits. In general, 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.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 14 –DEFINED BENEFIT PENSION PLANS (continued)

Plan Membership

Employee membership data at October 1, 2013 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	10
Active plan participants	137
Total	207

The Town has issued audited stand-alone financial statements for the Firefighters’ Pension Plan. The provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – An amendment of GASB Statement No. 25*, have been implemented by the Firefighter’s Pension Plan in its fiscal year ended September 30, 2014 stand-alone report.

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 make Plan amendment recommendations to the Town Council for approval. The latest available actuarial report is as of October 1, 2013. The Plan is open solely to sworn full-time certified law enforcement officer employee members 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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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 \$ 747,469 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.

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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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.

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 \$ 52,000 for 2014.

The value of the total DROP balance at September 30, 2014 was \$ 5,924,842.

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.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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.

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, 2013 was as follows:

Inactive employees:	
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	91
Deferred retirement option plan participants	10
Active plan participants	<u>160</u>
Total	<u><u>261</u></u>

The Town has issued audited stand-alone financial statements for the Police Employees' Pension Plan. The provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, have been implemented by the Police Employees' Pension Plan in its fiscal year ended September 30, 2014 stand-alone report.

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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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 make Plan amendment recommendations to the Town Council for approval. The plan's most recent actuarial report was prepared as of October 1, 2013.

Funding Policy

The Town provides all funding requirements for the Plan, based on actuarial determined amounts. 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.

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 greater. 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 greater.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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%). 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.

Early Retirement

Management employees with less than three (3) years of vested service are entitled to a refund of their accumulated employee contributions with six percent (6%) interest, or the member may leave it deposited with the fund pending future employment with the Town. General employees with less than six (6) years of vested service are entitled to a refund of their accumulated employee contributions with six percent (6%) interest, or the member may leave it deposited with the fund pending future employment with the Town.

If any member, regardless of classification, hired on or after October 1, 2013 has less than ten (10) years of vested service, the member is entitled to a refund of their accumulated employee contributions with six percent (6%) interest, or the member may leave it deposited with the fund pending future employment with the Town.

If the management or general employees have met the vesting period, then they will be entitled to their accrued monthly retirement benefit.

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%, per annum, 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.

The value of the total DROP balance at September 30, 2014 was \$ 23,497.

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 thereon.

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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.

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.

Plan membership

Employee membership data at October 1, 2013 was as follows:

Inactive employees:	
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	87
Deferred retirement option plan participants	2
Active plan participants	<u>222</u>
Total	<u><u>311</u></u>

The Town does not issue audited stand-alone financial statements for the Management and General Employees' Pension Plan. Therefore, the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* have been incorporated to this Comprehensive Annual Financial Report in the paragraphs below and Required Supplementary Information section.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Investments:

Investment policy - The Management and General Employees' Pension Plan policy regarding the allocation of invested assets is established by its Board of Trustees which currently has all of its funds invested with the Florida Municipal Pension Trust Fund, 60% equities and 40% fixed income – Fund A Option. The investment policy may be amended by the Board by a majority vote of its trustees. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Overall asset allocation targets are reviewed on an annual basis. The following is the adopted asset allocation policy as of September 30, 2014:

Asset Class/ Investment Category	Target Allocation
Equity Securities and Similar Funds:	
U.S. Large Cap Equity	39.00%
U.S. Small Cap Equity	11.00%
Non - U.S. Equity	10.00%
Fixed Income and Similar Funds:	
Core Bonds	16.00%
Multi-Sector	24.00%
Total	100.00%

Concentrations - Governmental entities need to disclose the concentration of credit risk with a single issuer. If 5.00% or more of the total assets of the portfolio are invested with one issuer, an additional disclosure is required. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements. There were no individual investments that represent 5.00% or more, at September 30, 2014, that met the criteria for disclosure.

Rate of return- For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset) of the Town's Management and General Employees' Pension Plan:

The components of the net pension liability (asset) at September 30, 2014, were as follows:

Total pension liability	\$ 43,048,902
Plan fiduciary net position	<u>(46,742,223)</u>
Net position liability (asset)	<u>\$ (3,693,321)</u>
Plan fiduciary net position as a percentage of the total pension liability	108.58%

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial assumptions - The total pension liability was determined by an actuarial valuation dated October 1, 2013, using the following actuarial assumptions:

Measurement date:	September 30, 2014
Discount rate:	8.07% per annum (3.59% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases:	4.00% per annum.
Cost-of-living increases:	3.00% with respect to payments made at least five years after retirement.
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants and non-annuitants, projected to 2007 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
Retirement:	For participants with a normal retirement age prior to age 60, 70% are assumed to retire at normal retirement age, 10% are assumed to retire each of the next five years, and 100% are assumed to retire six years after normal retirement age. For all other participants, 70% are assumed to retire at normal retirement age, 10% are assumed to retire each of the next two years, and 100% are assumed to retire three years after normal retirement age.
Other decrements:	Assumed employment termination is based on gender, age, and service; for participants with less than six years of service, termination rates range from 18.00% to 9.00%; for participants with at least six years of service, termination rates range from 14.50% for males and 17.10% for females at age 25 to 0.00% at age 55. Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55.
Non-investment expenses:	Liabilities have been loaded by 1.25% to account for non-investment expenses.
Future contributions:	Contributions from the employer and employees are assumed to be made as legally required.
Changes:	The actuarial assumptions did not change from the prior measurement date since GASB 67 is first effective for this measurement period.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Management and General Employees' Pension Plan target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class/ Investment Category	Long-Term Expected Real Rate of Return
Equity Securities and Similar Funds:	
U.S. Large Cap Equity	5.68% per annum
U.S. Small Cap Equity	6.24% per annum
Non - U.S. Equity	5.44% per annum
Fixed Income and Similar Funds:	
Core Bonds	2.29% per annum
Multi-Sector	2.78% per annum

Discount rate - The discount rate used to measure the total pension liability was 8.07% per annum. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Management and General Employees' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 8.07%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower (7.07%) or 1.00% higher (9.07%) than the current rate:

	1.00% Decrease (7.07%)	Current Discount Rate (8.07%)	1.00 Increase (9.07%)
Management and General Employees' Net Pension Liability (Asset)	\$ 2,069,844	\$ (3,693,321)	\$ (8,449,876)

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

For the year ended September 30, 2014, the retirement plans cost are as follows:

	Firefighters' Pension Plan	Police Employees' Pension Plan	Management and General Employees' Pension Plan
Contribution rates:			
Town	36.60%	41.30%	22.26%
State	5.90%	4.90%	---
Plan members	9.00%	7.00%	1.00% - 3.00%

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

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 Employees' Pension	Management and General Employees' Pension	Total
Annual required contribution (ARC)	\$ 4,716,038	\$ 6,250,514	\$ 2,872,570	\$ 13,839,122
Interest on net pension obligation (asset)	(13,258)	(8,643)	(109,353)	(131,254)
Adjustments to the ARC	13,685	8,922	114,841	137,448
Annual pension cost	4,716,465	6,250,793	2,878,058	13,845,316
Town and state contributions	4,716,038	6,250,514	3,006,799	13,973,351
(Increase) decrease in net pension obligation (asset)	427	279	(128,741)	(128,035)
Net pension obligation (asset), beginning of year	(167,821)	(109,407)	(1,458,037)	(1,735,265)
Net pension obligation (asset), end of year	\$ (167,394)	\$ (109,128)	\$ (1,586,778)	\$ (1,863,300)

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Significant methods and assumptions are as follows:

	<u>Firefighters' Pension Plan</u>	<u>Police Employees' Pension Plan</u>	<u>Management and General Employees' Pension Plan</u>
Actuarial valuation date	October 1, 2013	October 1, 2013	October 1, 2013
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
Investment rate of return	7.90%	7.90%	7.5%
Projected salary increases	6.00%	6.25%	4.00%
Includes inflation at	4.00%	4.00%	-
Cost-of-living adjustment	None	2.00% per year with 130% cap and 5-year delay	3.00%
Changes since last valuation	None	None	*

* The Town adopted Ordinance 2013-18, which changes primarily affect employees who are hired after September 30, 2013. No actuarial assumptions were changed as a result of this ordinance.

4. Funded Status and Funding Progress (in thousands)

Plan	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 Covered Payroll (b-a) / (c)
Firefighters'	10/1/2013	\$ 53,643	\$ 76,682	\$ 23,039	70.0%	\$ 11,510	200.2%
Police Employees'	10/1/2013	\$ 97,981	\$ 123,723	\$ 25,742	79.2%	\$ 13,917	185.0%
Management and General Employees'	10/1/2013	\$ 34,186	\$ 41,000	\$ 6,814	83.4%	\$ 12,904	52.8%

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, 2014

NOTE 14 - DEFINED BENEFIT PENSION PLANS (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>2014</u>	<u>2013</u>	<u>2012</u>
Firefighters':			
Annual pension costs (APC)	\$ 4,716,465	\$ 5,014,891	\$ 4,661,741
Percentage of APC contributed	100%	100%	100%
Net Pension (Asset)	\$ (167,394)	\$ (167,821)	\$ (168,408)
Police Employees':			
Annual pension costs (APC)	\$ 6,250,793	\$ 6,347,360	\$ 6,847,396
Percentage of APC contributed	100%	101%	100%
Net Pension (Asset)	\$ (109,128)	\$ (109,407)	\$ (19,457)
Management and General Employees':			
Annual pension costs (APC)	\$ 2,878,058	\$ 3,565,876	\$ 3,690,683
Percentage of APC contributed	105%	98%	100%
Net Pension (Asset)	\$ <u>(1,586,778)</u>	\$ <u>(1,458,037)</u>	\$ <u>(1,546,719)</u>
Total Net Pension (Asset)	\$ <u><u>(1,863,300)</u></u>	\$ <u><u>(1,735,265)</u></u>	\$ <u><u>(1,734,584)</u></u>

Contributions to all three plans were made in accordance with actuarially determined requirements. As previously described, 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, 2014

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (continued)

As of October 1, 2014 (most recent valuation), employee membership data related to the OPEB Plan was as follows:

Current retirees:	
Under age 65	32
Over age 65	3
	3
Total current retirees	35
Active employees:	
Active employees fully eligible for benefits	95
Active employees not yet fully eligible for benefits	505
	505
Total active employees	600
Total number of participants	635

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, 2014
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	7.50% for 2014/15 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, 2014

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Since the previous valuation was completed, three assumptions have changed as follows: 1) the mortality table was updated from a 2013 projection of the RP-2000 Mortality Table to a 2015 projection; 2) general employees hired after September 30, 2013 are assumed to retire at the earlier of age 65 with 10 years of service or age 60 with 30 years of service; and 3) the assumed health claims were changed to reflect updated information.

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)	\$	(112,000)
Interest on net OPEB Obligation		(63,000)
Adjustments to the ARC		89,000
Annual OPEB cost		(86,000)
Interest on Employer Contributions		(1,000)
Employer Contributions *		(34,000)
Increase in net OPEB obligation (asset)		(121,000)
Net OPEB obligation (asset) - beginning of year		(842,000)
Net OPEB obligation (asset) - end of year	\$	(963,000)

* 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, 2014

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 (asset) and trend information are as follows:

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2012	\$ (48,000)	71%	\$ (740,000)
2013	\$ (68,000)	50%	\$ (842,000)
2014	\$ (86,000)	41%	\$ (963,000)

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:

Plan	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)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
Firefighters' Policy Employees' Management and General Employees'	October 1, 2014	\$ 1,830,000	\$ 570,000	\$ (1,260,000)	321.1%	\$ 40,653,000	(3.1%)

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.

TOWN OF DAVIE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

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:

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 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. 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.

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued February 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement will be effective for the fiscal year ending September 30, 2016.

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

TOWN OF DAVIE, FLORIDA
 NOTES TO BASIC FINANCIAL STATEMENTS
 September 30, 2014

NOTE 18 – RESTATEMENT OF BEGINNING FIDUCIARY NET POSITION

The Town administers multiple DROP programs (See Note 14). During the DROP participation period, each member’s monthly retirement benefit accrues and the balance accumulates within the DROP account. Upon termination of employment at the end of the DROP period, each retired member’s funds are immediately due and payable. Monthly accruals were previously expensed and accordingly recorded as a deduction on the Statement of Changes in Fiduciary Net Position. Similarly, the total amount of deferred retirement benefits that had accumulated but not yet been distributed at fiscal year-end were previously classified as a liability on the Statement of Fiduciary Net Position. According to paragraph 98 of GASB No. 67, “DROP balances, similar to other benefit payments, should be recognized as a pension plan liability only when ultimately due to the plan member.” Further clarification is provided by question 37 in the GASB No. 67 implementation guide which states that “benefits generally would be considered due and payable only when they are required to be distributed to the plan member from the DROP account.” As a result of the preceding, Fiduciary Fund – Financial Statements have been restated to report a liability only for benefits due but not yet distributed to members who had ended their participation in the DROP program at September 30. The cumulative effect of the restatement is as follows:

	Statement of Fiduciary Net Position			
		Police	Management and General	
	Firefighter's Pension	Employees' Pension	Employees' Pension	Total
Net position held in trust for pension benefits, as previously reported	\$ 63,145,159	\$ 100,837,063	\$ 41,039,945	\$ 205,022,167
Impact of restatement	<u>3,488,687</u>	<u>5,554,331</u>	<u>57,111</u>	<u>9,100,129</u>
Net position held in trust for pension benefits, as restated	<u>\$ 66,633,846</u>	<u>\$ 106,391,394</u>	<u>\$ 41,097,056</u>	<u>\$ 214,122,296</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad valorem taxes	\$ 38,573,411	\$ 38,573,411	\$ 38,823,917	\$ 250,506
Utility service taxes	6,878,500	8,055,800	8,078,298	22,498
Franchise fees	8,714,664	9,165,164	9,545,434	380,270
Intergovernmental	10,138,934	10,778,934	10,772,124	(6,810)
Communication service tax	3,571,625	3,756,625	3,780,827	24,202
Licenses and permits	5,782,098	6,005,098	6,952,973	947,875
Charges for services	9,911,501	12,282,708	12,599,458	316,750
Fire rescue assessments	9,686,940	9,753,640	9,889,781	136,141
Fines and forfeitures	1,715,948	1,063,098	1,208,681	145,583
Investment income	466,000	462,600	468,915	6,315
Miscellaneous	3,914,272	4,044,854	3,951,641	(93,213)
Total revenues	99,353,893	103,941,932	106,072,049	2,130,117
EXPENDITURES:				
General government:				
General services department:				
Personnel services	5,322,069	5,387,283	5,145,396	241,887
Operating	3,112,968	3,175,844	2,794,377	381,467
Capital outlay	80,698	80,698	39,304	41,394
	<u>8,515,735</u>	<u>8,643,825</u>	<u>7,979,077</u>	<u>664,748</u>
Building and engineering department:				
Personnel services	3,096,951	3,101,486	2,883,658	217,828
Operating	1,067,347	1,059,933	895,674	164,259
Capital outlay	85,664	88,543	37,562	50,981
	<u>4,249,962</u>	<u>4,249,962</u>	<u>3,816,894</u>	<u>433,068</u>
Total general government	12,765,697	12,893,787	11,795,971	1,097,816
Public safety:				
Police department:				
Personnel services	32,577,220	33,378,892	32,538,067	840,825
Operating	6,081,341	6,577,036	5,504,322	1,072,714
Capital outlay	564,570	624,570	362,767	261,803
	<u>39,223,131</u>	<u>40,580,498</u>	<u>38,405,156</u>	<u>2,175,342</u>
Fire department:				
Personnel services	24,360,771	24,263,561	22,918,434	1,345,127
Operating	2,716,216	2,853,721	2,628,236	225,485
Capital outlay	210,401	226,401	184,643	41,758
	<u>27,287,388</u>	<u>27,343,683</u>	<u>25,731,313</u>	<u>1,612,370</u>
Total public safety	66,510,519	67,924,181	64,136,469	3,787,712

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, 2014
(continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued):				
Public works:				
Personnel services	4,293,275	4,274,456	3,949,477	324,979
Operating	3,378,107	3,347,470	3,071,548	275,922
Capital outlay	-	59,361	26,456	32,905
	<u>7,671,382</u>	<u>7,681,287</u>	<u>7,047,481</u>	<u>633,806</u>
Total public works				
Parks, recreation and cultural arts:				
Personnel services	2,690,700	2,615,719	2,404,700	211,019
Operating	1,733,993	1,795,276	1,514,961	280,315
Capital outlay	33,539	47,237	47,405	(168)
	<u>4,458,232</u>	<u>4,458,232</u>	<u>3,967,066</u>	<u>491,166</u>
Total parks, recreation and cultural arts				
Non-departmental:				
Operating	1,324,674	1,791,855	1,189,844	602,011
	<u>1,324,674</u>	<u>1,791,855</u>	<u>1,189,844</u>	<u>602,011</u>
Total non-departmental				
Debt service:				
Principal	5,421,566	5,421,566	5,421,566	-
Interest and other fiscal charges	2,136,770	2,136,770	2,136,559	211
	<u>7,558,336</u>	<u>7,558,336</u>	<u>7,558,125</u>	<u>211</u>
Total debt service				
Total expenditures	<u>100,288,840</u>	<u>102,307,678</u>	<u>95,694,956</u>	<u>6,612,722</u>
Excess (deficiency) of revenues over expenditures	<u>(934,947)</u>	<u>1,634,254</u>	<u>10,377,093</u>	<u>8,742,839</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	827,947	598,747	-	(598,747)
Transfers out	(1,290,886)	(6,943,879)	(6,943,879)	-
Appropriated fund balance	1,397,886	4,710,878	-	(4,710,878)
	<u>934,947</u>	<u>(1,634,254)</u>	<u>(6,943,879)</u>	<u>(5,309,625)</u>
Total other financing sources (uses)				
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	3,433,214	\$ <u>3,433,214</u>
Fund balance, beginning of year			<u>40,772,277</u>	
Fund balance, end of year			\$ <u>44,205,491</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 106,583	\$ 96,583
Miscellaneous	17,000	17,000	1,653	(15,347)
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>108,236</u>	<u>81,236</u>
EXPENDITURES:				
General government:				
General services department:				
Operating	<u>216,711</u>	<u>216,711</u>	<u>211,985</u>	<u>4,726</u>
Total expenditures	<u>216,711</u>	<u>216,711</u>	<u>211,985</u>	<u>4,726</u>
Excess (deficiency) of revenues over expenditures	<u>(189,711)</u>	<u>(189,711)</u>	<u>(103,749)</u>	<u>85,962</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	<u>189,711</u>	<u>189,711</u>	<u>-</u>	<u>(189,711)</u>
Total other financing sources (uses)	<u>189,711</u>	<u>189,711</u>	<u>-</u>	<u>(189,711)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(103,749)	\$ <u>(103,749)</u>
Fund balance, beginning of year			<u>538,902</u>	
Fund balance, end of year			\$ <u><u>435,153</u></u>	

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad valorem taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,575,804	\$ 75,804
Investment income	21,000	21,000	44,134	23,134
Miscellaneous	<u>250,000</u>	<u>250,000</u>	<u>18,259</u>	<u>(231,741)</u>
Total revenues	<u>2,771,000</u>	<u>2,771,000</u>	<u>2,638,197</u>	<u>(132,803)</u>
EXPENDITURES:				
General government:				
General services department:				
Personnel services	277,029	277,414	238,146	39,268
Operating	6,148,006	4,396,142	1,143,255	3,252,887
Capital outlay	<u>22,287,339</u>	<u>23,817,425</u>	<u>1,922,714</u>	<u>21,894,711</u>
Total general government	<u>28,712,374</u>	<u>28,490,981</u>	<u>3,304,115</u>	<u>25,186,866</u>
Debt service:				
Principal	1,112,328	1,112,328	627,122	485,206
Interest and other fiscal charges	<u>643,993</u>	<u>643,993</u>	<u>325,508</u>	<u>318,485</u>
Total debt service	<u>1,756,321</u>	<u>1,756,321</u>	<u>952,630</u>	<u>803,691</u>
Total expenditures	<u>30,468,695</u>	<u>30,247,302</u>	<u>4,256,745</u>	<u>25,990,557</u>
Excess (deficiency) of revenues over expenditures	<u>(27,697,695)</u>	<u>(27,476,302)</u>	<u>(1,618,548)</u>	<u>25,857,754</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	<u>27,697,695</u>	<u>27,476,302</u>	<u>-</u>	<u>(27,476,302)</u>
Total other financing sources (uses)	<u>27,697,695</u>	<u>27,476,302</u>	<u>-</u>	<u>(27,476,302)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,618,548)	<u>\$ (1,618,548)</u>
Fund balance, beginning of year			<u>27,476,300</u>	
Fund balance, end of year			<u>\$ 25,857,752</u>	

See notes to required supplementary information Budgetary Comparison Schedule

TOWN OF DAVIE, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
September 30, 2014

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.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

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, 2014, resulting in an increase in revenues of \$ 4,588,039, an increase in expenditures of \$ 2,018,838, and a decrease in other financing sources (uses), net of \$ 2,569,201. The Town amended the budget for the Community Redevelopment Agency Fund for the year ended September 30, 2014, resulting in a decrease in expenditures of \$ 221,393 and a decrease in other financing sources (uses), net of \$ 221,393.

For the year ended September 30, 2014, 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':						
10/01/08	\$ 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%
10/01/13	\$ 53,643	\$ 76,682	\$ 23,039	70.0%	\$ 11,510	200.2%
POLICE EMPLOYEES':						
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%
10/01/13	\$ 97,981	\$ 123,723	\$ 25,742	79.2%	\$ 13,917	185.0%
MANAGEMENT AND GENERAL EMPLOYEES':						
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%
10/01/13	\$ 34,186	\$ 41,000	\$ 6,814	83.4%	\$ 12,904	52.8%

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

<u>FIREFIGHTERS' - FOR THE YEAR ENDED:</u>	Annual Required Contribution	Percentage Contributed
September 30, 2009	\$ 4,114,229	100.00%
September 30, 2010	\$ 4,187,213	100.00%
September 30, 2011	\$ 4,818,899	100.00%
September 30, 2012	\$ 4,661,312	100.00%
September 30, 2013	\$ 5,014,034	100.00%
September 30, 2014	\$ 4,716,038	100.00%

<u>POLICE EMPLOYEES' - FOR THE YEAR ENDED:</u>	Annual Required Contribution	Percentage Contributed
September 30, 2009	\$ 5,594,422	100.00%
September 30, 2010	\$ 6,109,706	100.00%
September 30, 2011	\$ 6,183,134	100.00%
September 30, 2012	\$ 6,847,346	100.00%
September 30, 2013	\$ 6,347,310	100.00%
September 30, 2014	\$ 6,250,514	100.00%

<u>MANAGEMENT AND GENERAL EMPLOYEES' - FOR THE YEAR ENDED</u>	Annual Required Contribution	Percentage Contributed
September 30, 2009	\$ 2,812,247	118.00%
September 30, 2010	\$ 2,803,117	120.00%
September 30, 2011	\$ 2,908,128	120.00%
September 30, 2012	\$ 3,684,994	97.00%
September 30, 2013	\$ 3,560,054	98.00%
September 30, 2014	\$ 2,872,570	105.00%

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%)
October 1, 2014	\$ 1,830,000	\$ 570,000	\$ (1,260,000)	321.1%	\$ 40,653,000	(3.1%)

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%
2014	\$ (112,000)	31%

TOWN OF DAVIE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
MANAGEMENT AND GENERAL EMPLOYEES' PENSION PLAN
(Unaudited)

	2014
Total pension liability	
Service cost	\$ 2,250,901
Expected interest growth	3,255,473
Benefit payments, including refunds of member contributions	(1,154,833)
Net change in total pension liability	4,351,541
Total pension liability - beginning	38,697,361
Total pension liability - ending (A)	\$ 43,048,902
Plan fiduciary net position	
Contributions - employer	\$ 3,006,799
Contributions - member	204,808
Net investment income	3,720,443
Benefit payments, including refunds of member contributions	(1,187,922)
Administrative expenses	(98,961)
Net change in plan fiduciary net position	5,645,167
Plan fiduciary net position - beginning	41,097,056
Plan fiduciary net position - ending (B)	\$ 46,742,223
Town's net pension liability (asset)- ending (A) - (B)	\$ (3,693,321)
Plan fiduciary net position as a percentage of the total pension liability	108.58%
Covered-employee payroll	\$ 12,904,184
Town's net pension liability (asset) as percentage of covered-employee payroll	-28.62%

Notes: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

For the year ended September 30, 2014, the Town issued stand-alone financial statements for the Firefighters' Pension Plan and the Police Employees' Pension Plan. Therefore, reporting requirements (Notes and RSI) in accordance with GASB 67 have been implemented in those stand-alone reports.

TOWN OF DAVIE FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN CONTRIBUTIONS
MANAGEMENT AND GENERAL EMPLOYEES' PENSION PLAN
(Unaudited)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$ 3,006,799	\$ 3,582,952	\$ 3,592,027	\$ 3,488,302	\$ 3,329,001	\$ 2,500,573	\$ 2,697,181	\$ 2,136,982	\$ 1,252,013	\$ 1,124,252
Contributions in relation to the actuarially determined contribution	<u>3,006,799</u>	<u>3,582,952</u>	<u>3,592,027</u>	<u>3,488,302</u>	<u>3,329,001</u>	<u>2,500,573</u>	<u>2,697,181</u>	<u>2,136,982</u>	<u>1,252,013</u>	<u>1,124,252</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered-employee payroll	\$ 12,904,184	\$ 13,169,485	\$ 13,684,829	\$ 11,472,365	\$ 11,358,124	\$ 11,495,455	\$ 11,135,688	\$ 10,039,484	\$ 7,224,007	\$ 7,881,347
Contributions as a percentage of covered-employee payroll	23.30%	27.21%	26.25%	30.41%	29.31%	21.75%	24.22%	21.29%	17.33%	14.26%

Notes to Schedule:

Valuation date: October 1, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	5 year smoothed market value
Investment rate of return	7.50%
Projected salary increases	4.00%
Inflation	0.00%
Cost of living adjustment	3.00%
Changes since last valuation	The Town adopted Ordinance 2013-18 which changes primarily affect employees who are hired after September 30, 2013. No actuarial assumptions were changed as a result of this ordinance.

For the year ended September 30, 2014, the Town issued stand-alone financial statements for the Firefighters' Pension Plan and the Police Employees' Pension Plan. Therefore, reporting requirements (Notes and RSI) in accordance with GASB 67 have been implemented in those stand-alone reports.

TOWN OF DAVIE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
MANAGEMENT AND GENERAL EMPLOYEES' PENSION PLAN
(Unaudited)

2014

Annual money-weighted rate of return,
net of investment expense

8.55%

Notes: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.

For the year ended September 30, 2014, the Town issued stand-alone financial statements for the Firefighters' Pension Plan and the Police Employees' Pension Plan. Therefore, reporting requirements (Notes and RSI) in accordance with GASB 67 have been implemented in those stand-alone reports.

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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.

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TOWN OF DAVIE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2014

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	\$ 128,851	\$ 1,502,846	\$ 262,092	\$ 298,619	\$ 339,819	\$ 152,459	\$ 2,684,686
Due from other governments	528,632	-	-	-	-	-	528,632
Due from other funds	-	-	-	-	7,200	-	7,200
Total assets	\$ 657,483	\$ 1,502,846	\$ 262,092	\$ 298,619	\$ 347,019	\$ 152,459	\$ 3,220,518
LIABILITIES:							
Accounts payable and accrued liabilities	\$ 15,501	\$ -	\$ -	\$ 121,146	\$ 156,437	\$ -	\$ 293,084
Unearned revenues	137,414	-	-	-	-	-	137,414
Total liabilities	152,915	-	-	121,146	156,437	-	430,498
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - intergovernmental	293,975	-	-	-	-	-	293,975
Total deferred inflows of resources	293,975	-	-	-	-	-	293,975
FUND BALANCES:							
Restricted for:							
Community development projects and services	210,593	-	-	-	-	-	210,593
Parks and recreation - parks and open space	-	1,502,846	-	-	-	-	1,502,846
Public safety - fire	-	-	262,092	-	-	-	262,092
Public safety - police	-	-	-	177,473	190,582	-	368,055
General government activities	-	-	-	-	-	152,459	152,459
Total fund balances	210,593	1,502,846	262,092	177,473	190,582	152,459	2,496,045
Total liabilities, deferred inflows of resources, and fund balances	\$ 657,483	\$ 1,502,846	\$ 262,092	\$ 298,619	\$ 347,019	\$ 152,459	\$ 3,220,518

TOWN OF DAVIE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2014

	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	\$ 2,132,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,132,626
Charges for services	104,562	265,315	180,756	104,237	-	84,859	739,729
Fines and forfeitures	-	-	-	-	118,573	-	118,573
Investment income	-	-	-	-	606	-	606
Total revenues	2,237,188	265,315	180,756	104,237	119,179	84,859	2,991,534
EXPENDITURES:							
General government:							
General services department:							
Personnel services	172,456	-	-	-	-	-	172,456
Operating	906,571	-	-	-	-	-	906,571
Capital outlay	284,654	-	-	-	-	-	284,654
Total general government	1,363,681	-	-	-	-	-	1,363,681
Public safety:							
Police department:							
Operating	-	-	-	-	63,250	-	63,250
Capital outlay	-	-	-	156,153	-	-	156,153
Total police department	-	-	-	156,153	63,250	-	219,403
Fire department:							
Capital outlay	-	-	60,017	-	-	-	60,017
Total fire department	-	-	60,017	-	-	-	60,017
Total public safety	-	-	60,017	156,153	63,250	-	279,420
Parks, recreation and cultural arts:							
Capital outlay	-	196,339	-	-	-	-	196,339
Total parks, recreation and cultural arts	-	196,339	-	-	-	-	196,339
Total expenditures	1,363,681	196,339	60,017	156,153	63,250	-	1,839,440
Net change in fund balances	873,507	68,976	120,739	(51,916)	55,929	84,859	1,152,094
FUND BALANCES (DEFICIT), beginning of year	(662,914)	1,433,870	141,353	229,389	134,653	67,600	1,343,951
FUND BALANCES, end of year	\$ 210,593	\$ 1,502,846	\$ 262,092	\$ 177,473	\$ 190,582	\$ 152,459	\$ 2,496,045

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,577,075	\$ 2,129,096	\$ 2,132,626	\$ 3,530
Charges for services	<u>146,912</u>	<u>251,605</u>	<u>104,562</u>	<u>(147,043)</u>
Total revenues	<u>1,723,987</u>	<u>2,380,701</u>	<u>2,237,188</u>	<u>(143,513)</u>
EXPENDITURES:				
General government:				
General services department:				
Personnel services	195,234	219,693	172,456	47,237
Operating	628,753	1,261,008	906,571	354,437
Capital outlay	<u>900,000</u>	<u>900,000</u>	<u>284,654</u>	<u>615,346</u>
Total expenditures	<u>1,723,987</u>	<u>2,380,701</u>	<u>1,363,681</u>	<u>1,017,020</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	873,507	\$ <u><u>873,507</u></u>
Fund balance (deficit), beginning of year			<u>(662,914)</u>	
Fund balance, end of year			\$ <u><u>210,593</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 50,000	\$ 50,000	\$ 265,315	\$ 215,315
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>265,315</u>	<u>215,315</u>
EXPENDITURES:				
Parks, recreation and cultural arts:				
Capital outlay	<u>1,273,000</u>	<u>1,354,151</u>	<u>196,339</u>	<u>1,157,812</u>
Total expenditures	<u>1,273,000</u>	<u>1,354,151</u>	<u>196,339</u>	<u>1,157,812</u>
Excess (deficiency) of revenues over expenditures	<u>(1,223,000)</u>	<u>(1,304,151)</u>	<u>68,976</u>	<u>1,373,127</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	<u>1,223,000</u>	<u>1,304,151</u>	<u>-</u>	<u>(1,304,151)</u>
Total other financing sources (uses)	<u>1,223,000</u>	<u>1,304,151</u>	<u>-</u>	<u>(1,304,151)</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	68,976	\$ <u><u>68,976</u></u>
Fund balance, beginning of year			<u>1,433,870</u>	
Fund balance, end of year			\$ <u><u>1,502,846</u></u>	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 50,000	\$ 65,000	\$ 180,756	\$ 115,756
Total revenues	<u>50,000</u>	<u>65,000</u>	<u>180,756</u>	<u>115,756</u>
EXPENDITURES:				
Public safety:				
Fire department:				
Operating	50,000	-	-	-
Capital outlay	<u>-</u>	<u>65,000</u>	<u>60,017</u>	<u>4,983</u>
Total expenditures	<u>50,000</u>	<u>65,000</u>	<u>60,017</u>	<u>4,983</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	120,739	\$ <u>120,739</u>
Fund balance, beginning of year			<u>141,353</u>	
Fund balance, end of year			\$ <u><u>262,092</u></u>	

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ <u>50,000</u>	\$ <u>50,000</u>	\$ <u>104,237</u>	\$ <u>54,237</u>
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>104,237</u>	<u>54,237</u>
EXPENDITURES:				
Public safety:				
Police department:				
Operating	50,000	50,000	-	50,000
Capital outlay	<u>192,373</u>	<u>192,373</u>	<u>156,153</u>	<u>36,220</u>
Total expenditures	<u>242,373</u>	<u>242,373</u>	<u>156,153</u>	<u>86,220</u>
Excess (deficiency) of revenues over expenditures	<u>(192,373)</u>	<u>(192,373)</u>	<u>(51,916)</u>	<u>140,457</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	<u>192,373</u>	<u>192,373</u>	<u>-</u>	<u>(192,373)</u>
Total other financing sources (uses)	<u>192,373</u>	<u>192,373</u>	<u>-</u>	<u>(192,373)</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	(51,916)	\$ <u><u>(51,916)</u></u>
Fund balance, beginning of year			<u>229,389</u>	
Fund balance, end of year			\$ <u><u>177,473</u></u>	

TOWN OF DAVIE, FLORIDA
 FORFEITURES
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 118,573	\$ 118,573
Investment income	-	-	606	606
Total revenues	-	-	119,179	119,179
 EXPENDITURES:				
Public safety:				
Police department:				
Operating	124,000	124,000	63,250	60,750
Total expenditures	124,000	124,000	63,250	60,750
Excess (deficiency) of revenues over expenditures	(124,000)	(124,000)	55,929	179,929
 OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	124,000	124,000	-	(124,000)
Total other financing sources (uses)	124,000	124,000	-	(124,000)
Net change in fund balance	\$ -	\$ -	55,929	\$ 55,929
Fund balance, beginning of year			134,653	
Fund balance, end of year			\$ 190,582	

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>84,859</u>	\$ <u>64,859</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>84,859</u>	<u>64,859</u>
EXPENDITURES:				
General government:				
General services department:				
Operating	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	84,859	\$ <u><u>84,859</u></u>
Fund balance, beginning of year			<u>67,600</u>	
Fund balance, end of year			\$ <u><u>152,459</u></u>	

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 costs 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 loss.

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 was used to account for the accumulation of costs associated with operating and maintaining certain Town facilities. At September 30, 2014, the Town deemed this fund closed.

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TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2014

	<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	\$ 5,572,812	\$ 10,788,655	\$ 828,699	\$ -	\$ 17,190,166
Receivables, net of allowance for uncollectibles	23,507	149,298	-	-	172,805
Prepaid items	-	8,812	54,533	-	63,345
Inventories	94,072	-	-	-	94,072
Total current assets	<u>5,690,391</u>	<u>10,946,765</u>	<u>883,232</u>	<u>-</u>	<u>17,520,388</u>
Noncurrent assets:					
Capital assets:					
Building and improvements	1,914,695	-	-	-	1,914,695
Machinery, equipment and vehicles	11,747,311	-	4,447,668	-	16,194,979
Less accumulated depreciation	<u>(9,417,395)</u>	<u>-</u>	<u>(3,682,909)</u>	<u>-</u>	<u>(13,100,304)</u>
Total noncurrent assets	<u>4,244,611</u>	<u>-</u>	<u>764,759</u>	<u>-</u>	<u>5,009,370</u>
Total assets	<u>9,935,002</u>	<u>10,946,765</u>	<u>1,647,991</u>	<u>-</u>	<u>22,529,758</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	222,404	9,062	172,705	-	404,171
Insurance claims payable	<u>-</u>	<u>2,088,275</u>	<u>-</u>	<u>-</u>	<u>2,088,275</u>
Total current liabilities	<u>222,404</u>	<u>2,097,337</u>	<u>172,705</u>	<u>-</u>	<u>2,492,446</u>
Total liabilities	<u>222,404</u>	<u>2,097,337</u>	<u>172,705</u>	<u>-</u>	<u>2,492,446</u>
NET POSITION:					
Net investment in capital assets	4,244,611	-	764,759	-	5,009,370
Unrestricted	<u>5,467,987</u>	<u>8,849,428</u>	<u>710,527</u>	<u>-</u>	<u>15,027,942</u>
Total net position	<u>\$ 9,712,598</u>	<u>\$ 8,849,428</u>	<u>\$ 1,475,286</u>	<u>\$ -</u>	<u>\$ 20,037,312</u>

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the Year Ended September 30, 2014

	<u>Vehicle Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Building Maintenance</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 4,036,871	\$ 12,548,929	\$ 1,796,759	\$ -	\$ 18,382,559
Operating expenses:					
Personnel services	59,035	133,709	1,052,679	-	1,245,423
Maintenance	2,384,873	5,311	498,507	-	2,888,691
Insurance	386,645	2,498,123	-	-	2,884,768
Claims and other fees	-	8,637,595	-	-	8,637,595
Administration	-	1,281,917	-	-	1,281,917
Depreciation	1,078,675	-	423,780	25,226	1,527,681
Total operating expenses	3,909,228	12,556,655	1,974,966	25,226	18,466,075
Operating income (loss)	127,643	(7,726)	(178,207)	(25,226)	(83,516)
Nonoperating revenues (expenses):					
Other income	354,483	-	355	-	354,838
Investment income	-	70	-	-	70
Disposition of capital assets	(58,032)	-	-	(63,070)	(121,102)
Total nonoperating revenues (expenses)	296,451	70	355	(63,070)	233,806
Income (loss) before transfers	424,094	(7,656)	(177,852)	(88,296)	150,290
Transfers:					
Transfers out	-	-	-	(378,666)	(378,666)
Total transfers	-	-	-	(378,666)	(378,666)
Change in net position	424,094	(7,656)	(177,852)	(466,962)	(228,376)
Net position, beginning of year	9,288,504	8,857,084	1,653,138	466,962	20,265,688
Net position, end of year	\$ 9,712,598	\$ 8,849,428	\$ 1,475,286	\$ -	\$ 20,037,312

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2014

	<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	\$ 4,030,443	\$ 12,481,441	\$ 1,796,759	\$ -	\$ 18,308,643
Payments to suppliers and service providers	(3,043,980)	(12,201,843)	(468,845)	-	(15,714,668)
Payments to employees	(58,832)	(133,527)	(1,047,975)	-	(1,240,334)
Other receipts	<u>354,483</u>	<u>-</u>	<u>355</u>	<u>-</u>	<u>354,838</u>
Net cash provided by (used in) operating activities	<u>1,282,114</u>	<u>146,071</u>	<u>280,294</u>	<u>-</u>	<u>1,708,479</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Advances from (to) other funds	(4,400)	-	-	-	(4,400)
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(378,666)</u>	<u>(378,666)</u>
Net cash provided by (used in) noncapital financing activities	<u>(4,400)</u>	<u>-</u>	<u>-</u>	<u>(378,666)</u>	<u>(383,066)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets, net	<u>(962,881)</u>	<u>-</u>	<u>(257,614)</u>	<u>-</u>	<u>(1,220,495)</u>
Net cash provided by (used in) capital and related financing activities	<u>(962,881)</u>	<u>-</u>	<u>(257,614)</u>	<u>-</u>	<u>(1,220,495)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	<u>-</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>70</u>
Net cash provided by (used in) investing activities	<u>-</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>70</u>
Net increase (decrease) in cash, cash equivalents and investments	<u>314,833</u>	<u>146,141</u>	<u>22,680</u>	<u>(378,666)</u>	<u>104,988</u>
Cash, cash equivalents and investments, beginning 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>
Cash, cash equivalents and investments, end of year	<u>\$ 5,572,812</u>	<u>\$ 10,788,655</u>	<u>\$ 828,699</u>	<u>\$ -</u>	<u>\$ 17,190,166</u>

TOWN OF DAVIE, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
(continued)
For the Year Ended September 30, 2014

	<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 (used in) operating activities:					
Operating income (loss)	\$ <u>127,643</u>	\$ <u>(7,726)</u>	\$ <u>(178,207)</u>	\$ <u>(25,226)</u>	\$ <u>(83,516)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Other operating revenues	354,483	-	355	-	354,838
Depreciation	1,078,675	-	423,780	25,226	1,527,681
(Increase) decrease in assets:					
Receivables, net	(6,428)	(67,488)	-	-	(73,916)
Inventories	20,932	-	-	-	20,932
Prepaid items	-	119,269	(17,876)	-	101,393
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(293,191)	(6,259)	52,242	-	(247,208)
Insurance claims payable	<u>-</u>	<u>108,275</u>	<u>-</u>	<u>-</u>	<u>108,275</u>
Total adjustments	<u>1,154,471</u>	<u>153,797</u>	<u>458,501</u>	<u>25,226</u>	<u>1,791,995</u>
Net cash provided by (used in) operating activities	\$ <u><u>1,282,114</u></u>	\$ <u><u>146,071</u></u>	\$ <u><u>280,294</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,708,479</u></u>

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.

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TOWN OF DAVIE, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2014

	<u>Firefighters' Pension</u>	<u>Police Employees' Pension</u>	<u>Management and General Employees' Pension</u>	<u>OPEB Trust</u>	<u>Total</u>
ASSETS:					
Cash and cash equivalents	\$ 855,380	\$ 2,536,783	\$ 283,380	\$ 1,830	\$ 3,677,373
Investments, at fair value:					
Equity securities	40,789,540	32,354,712	-	-	73,144,252
Domestic equity funds	-	31,113,791	23,851,143	920,333	55,885,267
International equity funds	8,554,555	11,233,935	4,486,849	173,820	24,449,159
Fixed income funds	-	-	18,608,613	733,704	19,342,317
Real estate funds	9,804,412	9,502,736	-	-	19,307,148
United State Agency Securities	4,864,229	13,143,449	-	-	18,007,678
United State Treasuries	4,410,078	11,248,521	-	-	15,658,599
Corporate bonds/debt securities	6,657,614	7,935,980	-	-	14,593,594
Drop mutual funds	2,485,345	-	-	-	2,485,345
Receivables:					
Interest and dividends	82,097	249,650	-	-	331,747
Contributions from members	37,630	-	-	-	37,630
Contributions from the State of Florida	940,362	-	-	-	940,362
Securities sold	-	102,871	-	-	102,871
Prepaid benefits paid	-	405,359	-	-	405,359
Total assets	<u>79,481,242</u>	<u>119,827,787</u>	<u>47,229,985</u>	<u>1,829,687</u>	<u>248,368,701</u>
LIABILITIES:					
Accounts payable	67,703	109,725	-	-	177,428
Payable for securities purchased	15,401	23,068	-	-	38,469
Prepaid contributions	2,803,711	1,926,368	487,762	-	5,217,841
Total liabilities	<u>2,886,815</u>	<u>2,059,161</u>	<u>487,762</u>	<u>-</u>	<u>5,433,738</u>
NET POSITION:					
Net position held in trust for pension benefits	76,594,427	117,768,626	46,742,223	-	241,105,276
Net position held in trust for OPEB benefits	-	-	-	1,829,687	1,829,687
Total net position	<u>\$ 76,594,427</u>	<u>\$ 117,768,626</u>	<u>\$ 46,742,223</u>	<u>\$ 1,829,687</u>	<u>\$ 242,934,963</u>

TOWN OF DAVIE, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2014

	Firefighters' Pension	Police Employees' Pension	Management and General Employees' Pension	OPEB Trust	Total
ADDITIONS:					
Contributions:					
Employer	\$ 4,036,070	\$ 5,503,045	\$ 3,006,799	\$ -	\$ 12,545,914
Plan members	1,122,208	1,670,986	204,808	-	2,998,002
State of Florida	966,799	747,469	-	-	1,714,268
	<u>6,125,077</u>	<u>7,921,500</u>	<u>3,211,607</u>	<u>-</u>	<u>17,258,184</u>
Total contributions					
Investment income:					
Net appreciation in fair value of investments	5,316,599	6,936,717	3,720,443	146,857	16,120,616
Interest and dividends	2,453,467	3,036,858	-	-	5,490,325
	<u>7,770,066</u>	<u>9,973,575</u>	<u>3,720,443</u>	<u>146,857</u>	<u>21,610,941</u>
Total investment income					
Less:					
Investment expenses	345,675	574,927	-	-	920,602
	<u>7,424,391</u>	<u>9,398,648</u>	<u>3,720,443</u>	<u>146,857</u>	<u>20,690,339</u>
Net investment income					
Total additions	<u>13,549,468</u>	<u>17,320,148</u>	<u>6,932,050</u>	<u>146,857</u>	<u>37,948,523</u>
DEDUCTIONS:					
Benefits paid	3,458,824	5,739,942	1,187,922	-	10,386,688
Refunds of contributions	3,425	31,616	-	-	35,041
Administrative expenses	126,638	171,358	98,961	2,274	399,231
	<u>3,588,887</u>	<u>5,942,916</u>	<u>1,286,883</u>	<u>2,274</u>	<u>10,820,960</u>
Total deductions					
Change in net position	9,960,581	11,377,232	5,645,167	144,583	27,127,563
Net position, beginning of year, as restated	<u>66,633,846</u>	<u>106,391,394</u>	<u>41,097,056</u>	<u>1,685,104</u>	<u>215,807,400</u>
Net position, end of year	<u>\$ 76,594,427</u>	<u>\$ 117,768,626</u>	<u>\$ 46,742,223</u>	<u>\$ 1,829,687</u>	<u>\$ 242,934,963</u>

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	115
Changes in net position	116-117
Governmental activities tax revenues by source	118
Fund balances of governmental funds	119
Changes in fund balances of governmental funds	120-121

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	122
Property tax rates - direct and overlapping governments	123
Principal property taxpayers	124
Property tax levies and collections	125

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	126
Ratio of general bonded debt outstanding	127
Direct and overlapping governmental activity debt	128
Legal debt margin information	129
Pledged-revenue coverage	130

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	131
Principal employers	132

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	133
Operating indicators by function/program	134
Capital asset statistics by function/program	135

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

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

TABLE 1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 88,880,946	\$ 92,718,971	\$ 110,175,770	\$ 113,281,372	\$ 114,014,266	\$ 134,863,296	\$ 135,876,039	\$ 118,167,599	\$ 120,789,981	\$ 125,162,180
Restricted	23,222,767	20,693,869	21,042,189	21,720,350	20,712,587	16,754,148	17,071,661	14,865,524	14,982,045	15,546,687
Unrestricted	<u>24,032,944</u>	<u>32,100,415</u>	<u>42,145,538</u>	<u>46,889,100</u>	<u>44,895,929</u>	<u>40,870,838</u>	<u>34,826,178</u>	<u>54,952,370</u>	<u>55,947,315</u>	<u>62,920,505</u>
Total governmental activities net position	<u>136,136,657</u>	<u>145,513,255</u>	<u>173,363,497</u>	<u>181,890,822</u>	<u>179,622,782</u>	<u>192,488,282</u>	<u>187,773,878</u>	<u>187,985,493</u>	<u>191,719,341</u>	<u>203,629,372</u>
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets	2,694,292	2,190,050	1,572,955	2,996,962	5,780,372	(26,324,353)	13,950,745	15,699,857	18,351,139	17,818,422
Restricted	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	29,549,241
Unrestricted	<u>16,333,569</u>	<u>17,033,484</u>	<u>17,857,088</u>	<u>19,684,726</u>	<u>17,742,330</u>	<u>43,950,401</u>	<u>12,700,785</u>	<u>16,768,454</u>	<u>18,177,518</u>	<u>24,294,533</u>
Total business-type activities net position	<u>22,944,502</u>	<u>22,795,759</u>	<u>23,242,928</u>	<u>26,831,828</u>	<u>31,222,367</u>	<u>33,984,605</u>	<u>46,789,362</u>	<u>53,577,021</u>	<u>62,578,479</u>	<u>71,662,196</u>
PRIMARY GOVERNMENT:										
Net investment in capital assets	91,575,238	94,909,021	111,748,725	116,278,334	119,794,638	108,538,943	149,826,784	133,867,456	139,141,120	142,980,602
Restricted	27,139,408	24,266,094	24,855,074	25,870,490	28,412,252	33,112,705	37,209,493	35,974,234	41,031,867	45,095,928
Unrestricted	<u>40,366,513</u>	<u>49,133,899</u>	<u>60,002,626</u>	<u>66,573,826</u>	<u>62,638,259</u>	<u>84,821,239</u>	<u>47,526,963</u>	<u>71,720,824</u>	<u>74,124,833</u>	<u>87,215,038</u>
Total primary government net position	<u>\$ 159,081,159</u>	<u>\$ 168,309,014</u>	<u>\$ 196,606,425</u>	<u>\$ 208,722,650</u>	<u>\$ 210,845,149</u>	<u>\$ 226,472,887</u>	<u>\$ 234,563,240</u>	<u>\$ 241,562,514</u>	<u>\$ 254,297,820</u>	<u>\$ 275,291,568</u>

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

TABLE 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES:										
Governmental activities:										
General government	\$ 8,079,153	\$ 8,318,869	\$ 10,044,645	\$ 9,891,469	\$ 8,131,823	\$ 7,667,716	\$ 8,383,532	\$ 12,602,383	\$ 15,021,076	\$ 11,195,092
Building and engineering	7,596,232	8,813,537	8,424,696	10,941,456	9,957,956	7,781,663	6,986,600	4,378,568	4,073,708	4,153,971
Public safety - police	25,788,235	28,488,115	30,425,739	31,250,547	34,041,624	33,858,391	37,123,872	37,627,602	38,272,875	39,713,301
Public safety - fire	17,001,145	19,953,922	20,744,846	22,397,446	22,831,697	22,882,410	23,595,994	23,733,336	25,553,166	26,864,502
Public works	6,538,264	22,709,233	9,182,575	10,082,511	9,187,042	11,102,568	8,388,176	10,043,786	10,485,525	10,611,584
Parks, recreation and cultural arts	6,440,404	6,405,171	6,827,260	6,276,083	6,385,971	6,461,415	5,974,303	5,976,439	5,926,310	6,122,782
Interest on long-term debt	1,421,797	2,468,524	3,724,273	3,303,623	3,119,382	2,923,734	3,129,898	3,476,918	3,140,306	2,393,950
Total governmental activities expenses	72,865,230	97,157,371	89,374,034	94,143,135	93,655,495	92,677,897	93,582,375	97,839,032	102,472,966	101,055,182
Business-type activities:										
Water and sewer	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	17,752,622
Golf	-	-	-	-	-	-	432,332	271,483	143,208	106,123
Total business-type activities expenses	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	17,858,745
Total primary government expenses	\$ 81,969,630	\$ 106,577,990	\$ 98,312,424	\$ 103,623,521	\$ 105,019,702	\$ 104,881,418	\$ 109,103,808	\$ 112,877,737	\$ 117,719,438	\$ 118,913,927
PROGRAM REVENUES:										
Governmental activities:										
General government	\$ 2,425,616	\$ 3,685,844	\$ 4,059,749	\$ 1,599,056	\$ 1,675,278	\$ 2,263,849	\$ 3,165,335	\$ 8,475,288	\$ 7,932,982	\$ 5,442,255
Building and engineering	8,535,373	8,151,977	7,272,230	8,849,192	5,078,809	6,302,774	7,258,170	5,419,679	5,906,559	6,400,640
Public safety - police	2,266,486	1,664,015	1,867,842	5,051,897	2,441,428	2,679,020	2,310,047	3,789,601	3,534,646	4,015,175
Public safety - fire	7,115,923	8,005,370	7,955,955	8,249,431	7,864,070	9,531,257	9,190,709	9,675,931	11,913,296	17,139,564
Public works	1,657,431	1,641,688	13,568,449	1,918,235	1,760,823	1,822,010	629,427	1,365,811	2,286,608	690,770
Parks, recreation and cultural arts	7,473,027	1,281,260	1,240,680	977,899	1,104,084	926,610	1,223,047	1,016,518	1,345,293	1,112,320
Total governmental activities program revenues	29,473,856	24,430,154	35,964,905	26,645,710	19,924,492	23,525,520	23,776,735	29,742,828	32,919,384	34,800,724

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

TABLE 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Water and sewer	7,834,430	8,566,430	8,788,754	11,882,832	15,277,414	16,376,832	20,353,221	20,447,839	21,460,796	21,619,002
Golf	-	-	-	-	-	-	-	26,902	51,913	68,132
Capital grants and contributions	682,070	-	-	693,758	386,723	1,349,580	-	648,849	1,055,448	3,828,250
Total business-type activities program revenues	<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>17,726,412</u>	<u>20,353,221</u>	<u>21,123,590</u>	<u>22,568,157</u>	<u>25,515,384</u>
Total primary government program revenues	<u>\$ 37,990,356</u>	<u>\$ 32,996,584</u>	<u>\$ 44,753,659</u>	<u>\$ 39,222,300</u>	<u>\$ 35,588,629</u>	<u>\$ 41,251,932</u>	<u>\$ 44,129,956</u>	<u>\$ 50,866,418</u>	<u>\$ 55,487,541</u>	<u>\$ 60,316,108</u>
NET (EXPENSE) REVENUE:										
Governmental activities	\$ (43,391,374)	\$ (72,727,217)	\$ (53,409,129)	\$ (67,497,425)	\$ (73,731,003)	\$ (69,152,377)	\$ (69,805,640)	\$ (68,096,204)	\$ (69,553,582)	\$ (66,254,458)
Business-type activities	<u>(587,900)</u>	<u>(854,189)</u>	<u>(149,636)</u>	<u>3,096,204</u>	<u>4,299,930</u>	<u>5,522,891</u>	<u>4,831,788</u>	<u>6,084,885</u>	<u>7,321,685</u>	<u>7,656,639</u>
Total primary government, net expense	<u>\$ (43,979,274)</u>	<u>\$ (73,581,406)</u>	<u>\$ (53,558,765)</u>	<u>\$ (64,401,221)</u>	<u>\$ (69,431,073)</u>	<u>\$ (63,629,486)</u>	<u>\$ (64,973,852)</u>	<u>\$ (62,011,319)</u>	<u>\$ (62,231,897)</u>	<u>\$ (58,597,819)</u>
GENERAL REVENUES AND OTHER CHANGE IN NET POSITION:										
Governmental activities:										
Ad valorem taxes	\$ 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	\$ 41,399,721
Utility service taxes	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	8,078,298
Communications service tax	4,015,111	4,147,917	4,267,007	5,266,565	4,446,706	4,366,292	3,916,806	4,095,094	3,911,368	3,780,827
Franchise fees on gross receipts	7,894,195	9,349,390	10,037,756	9,983,511	10,151,668	9,379,481	9,184,292	8,612,673	8,797,561	9,545,434
Intergovernmental, not restricted for specific purposes	8,394,331	22,914,871	7,889,205	7,926,446	6,672,609	11,761,113	9,360,914	9,753,717	10,245,884	10,742,696
Investment income	1,796,758	3,962,783	6,480,357	2,458,413	726,624	2,197,089	1,183,372	1,029,857	386,625	620,238
Miscellaneous	821,057	919,531	853,773	1,074,984	1,147,958	1,357,893	1,567,257	1,291,941	4,449,017	3,997,275
Transfers	28,918	-	-	-	-	3,000,000	(5,808,007)	(500,000)	75,000	-
Total governmental activities	<u>58,832,389</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>	<u>78,164,489</u>
Business-type activities:										
Investment income	560,436	695,446	596,803	492,697	90,610	89,758	67,487	52,630	12,443	40,267
Miscellaneous	-	10,000	-	-	-	149,589	2,097,475	1,159,704	1,742,330	1,386,811
Transfers	(28,918)	-	-	-	-	(3,000,000)	5,808,007	500,000	(75,000)	-
Total business-type activities	<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>	<u>1,427,078</u>
Total primary government general revenue and other	<u>\$ 59,363,907</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>	<u>\$ 79,591,567</u>
CHANGE IN NET POSITION:										
Governmental activities	\$ 15,441,015	\$ 9,376,598	\$ 27,850,244	\$ 8,527,324	\$ (1,449,170)	\$ 12,865,500	\$ (4,714,404)	\$ 594,541	\$ 3,733,848	\$ 11,910,031
Business-type activities	<u>(56,382)</u>	<u>(148,743)</u>	<u>447,167</u>	<u>3,588,901</u>	<u>4,390,540</u>	<u>2,762,238</u>	<u>12,804,757</u>	<u>7,797,219</u>	<u>9,001,458</u>	<u>9,083,717</u>
Total primary government	<u>\$ 15,384,633</u>	<u>\$ 9,227,855</u>	<u>\$ 28,297,411</u>	<u>\$ 12,116,225</u>	<u>\$ 2,941,370</u>	<u>\$ 15,627,738</u>	<u>\$ 8,090,353</u>	<u>\$ 8,391,760</u>	<u>\$ 12,735,306</u>	<u>\$ 20,993,748</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
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
2014	2013	41,399,721	3,780,827	8,078,298	9,545,434	62,804,280

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

TABLE 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved	\$ 20,309,877	\$ 20,529,853	\$ 17,453,550	\$ 16,368,026	\$ 8,615,979	\$ 5,031,545	\$ -	\$ -	\$ -	\$ -
Unreserved	15,728,136	18,806,092	28,880,129	35,101,119	34,954,293	38,332,924	-	-	-	-
Nonspendable	-	-	-	-	-	-	7,656	20,398	114,899	29,573
Restricted	-	-	-	-	-	-	5,731,562	4,983,157	4,640,866	5,293,299
Committed	-	-	-	-	-	-	21,894,692	23,891,957	24,741,783	27,890,072
Assigned	-	-	-	-	-	-	3,248,541	4,404,349	3,941,040	3,699,215
Unassigned	-	-	-	-	-	-	6,734,332	4,754,923	7,333,689	7,293,332
Total General Fund	<u>\$ 36,038,013</u>	<u>\$ 39,335,945</u>	<u>\$ 46,333,679</u>	<u>\$ 51,469,145</u>	<u>\$ 43,570,272</u>	<u>\$ 43,364,469</u>	<u>\$ 37,616,783</u>	<u>\$ 38,054,784</u>	<u>\$ 40,772,277</u>	<u>\$ 44,205,491</u>
All other government funds:										
Reserved	\$ 5,549,761	\$ 39,742,521	\$ 39,218,267	\$ 38,592,298	\$ 42,453,401	\$ 35,004,322	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	2,566,997	2,912,298	3,100,414	2,027,849	784,434	421,376	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	40,000	40,000
Restricted	-	-	-	-	-	-	37,312,690	35,183,167	35,103,283	33,847,498
Committed	-	-	-	-	-	-	14,147,607	13,578,420	11,540,573	15,231,842
Unassigned (deficit)	-	-	-	-	-	-	-	(981,173)	(662,914)	-
Total all other governmental funds	<u>\$ 8,116,758</u>	<u>\$ 42,654,819</u>	<u>\$ 42,318,681</u>	<u>\$ 40,620,147</u>	<u>\$ 43,237,835</u>	<u>\$ 35,425,698</u>	<u>\$ 51,460,297</u>	<u>\$ 47,780,414</u>	<u>\$ 46,020,942</u>	<u>\$ 49,119,340</u>

Note: Information for fiscal years 2005 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES:										
Ad valorem taxes	\$ 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	\$ 41,399,721
Utility service taxes	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	8,078,298
Franchise fees	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	9,545,434
Intergovernmental	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	13,153,551
Communication service tax	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	3,780,827
Licenses and permits	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	6,952,973
Charges for services	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	13,339,187
Fire rescue assessments	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	9,889,781
Fines and forfeitures	791,744	512,484	799,228	4,647,039	842,304	809,785	713,734	1,249,899	1,388,196	1,327,254
Investment income	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	620,238
Miscellaneous	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	5,258,879
Total revenues	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	113,346,143
EXPENDITURES:										
General government	14,034,384	15,840,529	16,670,057	15,497,187	12,863,178	13,293,822	14,250,449	17,359,559	18,300,674	16,675,752
Public safety	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	64,415,889
Public works	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	7,047,481
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	1,189,844
Parks, recreation and cultural arts	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	4,163,405
Capital outlay	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	5,190,071
Debt service:										
Principal	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	6,048,688
Interest and fiscal charges	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	2,462,067
Total expenditures	81,978,380	108,558,873	111,437,253	99,955,132	96,067,297	113,543,013	99,409,401	101,716,014	104,944,754	107,193,197
Excess (deficiency) of revenues over expenditures	6,341,895	(3,664,007)	6,264,396	3,436,932	(4,462,316)	(11,017,940)	(4,270,902)	(3,741,882)	883,021	6,152,946

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
OTHER FINANCING SOURCES (USES):										
Transfers in	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	7,322,545
Transfers out	(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)	(6,943,879)
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>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>	<u>378,666</u>
Net change in fund balances	\$ <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>10,286,913</u>	\$ <u>(3,241,882)</u>	\$ <u>958,021</u>	\$ <u>6,531,612</u>
DEBT SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	6.48%	6.49%	9.41%	9.30%	9.49%	8.48%	8.71%	9.40%	9.45%	8.58%

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
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%
2014	2013	7,741,261,030	315,289,419	1,228,449,080	6,828,101,369	5.9450	10,223,709,690	66.79%

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	
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
2014	2013	5.0829	0.8621	5.9450	5.7230	7.4800	0.4110	1.7554	0.4882	0.0345	21.8371

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	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FR Tower Shops LLC	\$ 81,350,980	1	1.19%	\$ -	-	-
City National Bank of FL	71,135,170	2	1.04%	26,183,244	6	0.50%
Equity One Inc.	67,538,220	3	0.99%	34,017,950	3	0.65%
Florida Power & Light	64,851,060	4	0.95%	42,553,842	2	0.81%
GSG Residential SunForest LLC	43,644,340	5	0.64%	-	-	-
Davie Plaza LLC	31,069,710	6	0.46%	-	-	-
Palms Owner LLC	29,417,480	7	0.43%	-	-	-
EQR Marina Bay Apt. LLC	29,314,590	8	0.43%	-	-	-
Home Depot USA	28,353,158	9	0.42%	-	-	-
James M. Dale Liv Tr	24,162,130	10	0.35%	-	-	-
Andrx Corp & Subsidiaries	-	-	-	61,819,779	1	1.18%
Palm Trace Landings	-	-	-	28,509,970	4	0.55%
Hacienda Cove LLC	-	-	-	28,470,570	5	0.54%
Alliance Rt Limited	-	-	-	24,508,766	7	0.47%
Florida Auto Auction	-	-	-	23,844,280	8	0.46%
Konover & Associates South, Inc.	-	-	-	18,123,690	9	0.35%
Ramco/Shenandoah LLC	-	-	-	16,412,260	10	0.31%
Total	\$ 470,836,838		6.90%	\$ 304,444,351		5.82%

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
2005	2004	\$ 29,046,375	\$ 27,966,970	96.28%	\$ 1,027,312	\$ 28,994,282	99.82%
2006	2005	33,280,696	32,052,675	96.31%	1,112,983	33,165,658	99.65%
2007	2006	43,020,047	41,494,597	96.45%	1,411,564	42,906,161	99.74%
2008	2007	40,608,256	39,134,212	96.37%	1,360,158	40,494,370	99.72%
2009	2008	40,294,922	38,745,464	96.15%	1,306,368	40,051,832	99.40%
2010	2009	41,086,629	38,934,136	94.76%	1,689,537	40,623,673	98.87%
2011	2010	38,001,899	35,946,716	94.59%	1,952,149	37,898,865	99.73%
2012	2011	36,562,490	35,028,211	95.80%	1,447,557	36,475,768	99.76%
2013	2012	37,291,063	35,735,499	95.83%	1,473,427	37,208,926	99.78%
2014	2013	40,528,241	38,774,698	95.67%	-	38,774,698	95.67%

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			
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
2014	39,907,398	23,062,117	138,532,387	3,520,530	205,022,432	6.97%	2,146.85

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)
2005	\$ 25,404,833	\$ 1,052,000	\$ 24,352,833	0.37%	\$ 294.90
2006	65,493,015	1,213,000	64,280,015	0.85%	767.80
2007	62,851,081	1,256,000	61,595,081	0.61%	659.32
2008	59,748,307	1,127,000	58,621,307	0.49%	635.79
2009	56,831,065	1,229,000	55,602,065	0.40%	610.64
2010	53,767,369	1,186,000	52,581,369	0.40%	578.17
2011	50,550,300	1,129,000	49,421,300	0.44%	535.50
2012	47,176,589	535,000	46,641,589	0.47%	502.34
2013	43,630,329	230,000	43,400,329	0.44%	463.68
2014	39,907,398	277,500	39,629,898	0.39%	414.98

- (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 ACTIVITY DEBT
 As of September 30, 2014

TABLE 12

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
GOVERNMENTAL UNIT:			
Broward County School Board	\$ 35,285,000	4.81%	\$ 1,695,907
Broward County	279,630,000	5.17%	<u>14,456,871</u>
Subtotal, overlapping debt			16,152,778
Town of Davie, Florida			<u>62,969,515</u>
Total direct and overlapping debt			\$ <u><u>79,122,293</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 612,192,503	\$ 701,958,525	\$ 860,683,409	\$ 966,708,877	\$ 956,935,892	\$ 879,672,862	\$ 805,716,260	\$ 781,489,892	\$ 786,818,128	\$ 805,655,045
Total net debt applicable to limit	<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>	<u>39,629,898</u>
Legal debt margin	<u>\$ 587,839,670</u>	<u>\$ 637,678,510</u>	<u>\$ 799,088,328</u>	<u>\$ 908,087,570</u>	<u>\$ 901,333,827</u>	<u>\$ 827,091,493</u>	<u>\$ 756,294,960</u>	<u>\$ 734,848,303</u>	<u>\$ 743,417,799</u>	<u>\$ 766,025,147</u>
Total net debt applicable to the limit as a percentage of debt limit	3.98%	9.16%	7.16%	6.06%	5.81%	5.98%	6.13%	5.97%	5.52%	4.92%
Taxable assessed value	\$ 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	\$ 6,828,101,369
Tax exempt real property	<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>1,228,449,080</u>
	<u>\$ 6,121,925,026</u>	<u>\$ 7,019,585,252</u>	<u>\$ 8,606,834,088</u>	<u>\$ 9,667,088,769</u>	<u>\$ 9,569,358,921</u>	<u>\$ 8,796,728,621</u>	<u>\$ 8,057,162,598</u>	<u>\$ 7,814,898,923</u>	<u>\$ 7,868,181,284</u>	<u>\$ 8,056,550,449</u>

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2014:

Taxable Assessed Value	\$ 6,828,101,369
Add back: exempt real property	<u>1,228,449,080</u>
	<u>8,056,550,449</u>
Debt limit (10% of total assessed value)	<u>\$ 805,655,045</u>
General obligation bonds	\$ 39,907,398
Less: Amounts set aside for repayment of general obligation debt	<u>277,500</u>
Total net debt applicable to limit	<u>39,629,898</u>
Legal debt margin	<u>\$ 766,025,147</u>

TOWN OF DAVIE, FLORIDA
PLEDGED-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		
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	10,178,244	13,059,730	1,715,000	3,158,950	267.95%	
2014	25,440,833	11,662,722	13,778,111	2,301,646	1,794,488	336.37%	

* 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)
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	16,265	10.2%
2011	92,290	37.9	2,451,868	26,567	16,118	9.5%
2012	92,848	35.9	2,716,732	29,260	16,358	7.6%
2013	93,599	39.7	2,680,956	28,643	16,273	5.4%
2014	95,499	37.9	2,940,414	30,790	16,228	5.2%

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	2014			2005*		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Nova Southeastern University	Educational Complex	4,743	1	0.46%	N/A	N/A	N/A
Broward College	Educational Complex	1,775	2	0.17%	N/A	N/A	N/A
Broward County School	Educational Complex	1,548	3	0.15%	N/A	N/A	N/A
Actavis (Watson)	Pharmaceutical	1,000	4	0.10%	N/A	N/A	N/A
Publix	Retail	648	5	0.06%	N/A	N/A	N/A
Town of Davie	Municipality	646	6	0.06%	N/A	N/A	N/A
Stryker	Medical Device	436	7	0.04%	N/A	N/A	N/A
Walmart	Retail	421	8	0.04%	N/A	N/A	N/A
Target	Retail	230	9	0.02%	N/A	N/A	N/A
Manheim Auction	Auction House	200	10	0.02%	N/A	N/A	N/A
Total		11,647		1.12%	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

	Full-Time Equivalent Employees as of September 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
FUNCTION/PROGRAM:										
General Government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	70	70	73	68	87	79	76	77	76	75
Public Works/Utilities	111	102	105	100	100	100	101	97	106	98
Parks, Recreation and Cultural Arts	101	97	96	64	62	51	51	51	51	24
Development Services	84	84	85	74	N/A	N/A	N/A	N/A	N/A	N/A
Building and Engineering	N/A	N/A	N/A	N/A	33	24	23	24	24	24
Public Safety:										
Police	253	245	258	242	245	232	230	236	241	239
Fire/Rescue	182	172	172	161	151	147	146	145	157	148
Total	<u>806</u>	<u>775</u>	<u>794</u>	<u>714</u>	<u>683</u>	<u>638</u>	<u>632</u>	<u>635</u>	<u>660</u>	<u>613</u>

Source: Various Town Departments.

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

TABLE 18

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
FUNCTION/PROGRAM:										
Police:										
Physical arrests	4,062	6,069	4,721	3,014	2,124	1,895	2,004	1,558	3,381	1,408
Citations issued	16,636	19,929	16,254	16,407	17,835	15,591	12,364	11,841	14,330	15,188
Fire rescue:										
Numbers of calls answered	14,526	13,807	13,589	12,847	12,285	11,948	11,921	12,144	13,119	13,345
Fire inspections	2,653	2,813	4,911	4,437	3,398	7,214	5,603	5,966	4,170	4,560
Community development:										
New Residential/Commercial Building permits issued	521	705	298	206	448	79	110	111	108	152
Highway and streets:										
Street resurfacing (miles)	8	6	1	6	3	5	5	-	8	7
Parks, recreation and cultural arts:										
Athletic programs (participants)	4,433	3,460	8,000	3,200	3,200	3,500	5,000	2,296	3,026	3,227
Youth camps (participants)	621	449	400	400	400	300	86	339	470	510
Club memberships	560	549	500	360	360	360	250	517	331	353
Facility rentals	(1)	469	1,050	1,500	1,500	1,525	1,750	1,549	2,662	3,384
Pool admissions	1,081	4,490	8,000	35,000	35,000	35,100	15,000	2,716	56,224	91,898
Water:										
Number of water meters operating										
Average daily consumption (thousands of gallons)	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	9,603 3.83 MGD
Sewer:										
Average daily sewage treatment (thousands of gallons)	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	3.83 MGD

(1) Information not available.

Source: Various Town Departments

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

TABLE 19

FUNCTION/PROGRAM:	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	5	5	5	5	5	5	5	6	6
Highway and streets:										
Streets (miles)	292.50	298.60	298.50	304	304	304	304	304	305	367
Number of street lights	3,598	3,684	3,868	3,836	3,838	4,053	4,059	4,059	4,065	4,065
Parks, recreation and cultural arts:										
Number of parks	36	37	37	45	46	42	42	33	28	38
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community centers	7	10	10	10	10	10	10	8	1	2
Community bus shuttles	6	6	6	3	3	2	3	3	3	3
Water:										
Water mains (miles)	151	154	157	161	161	162	162	162	162	162
Fire hydrants	1,086	1,086	1,086	1,194	1,194	1,212	1,232	1,326	1,329	1,587
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	7.42 MGD	7.42 MGD	7.42 MGD	7.42 MGD
Sewer/stormwater:										
Sanitary sewers (miles)	67	68	70	72	72	72	72	72	72	73
Maximum daily treatment capacity (in millions of gallons per day - 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	8.35 MGD

Source: Various Town Departments

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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, 2014, 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, 2015. Our report includes a reference to other auditors who audited the financial statements of the Town of Davie Firefighters' Pension Plan and the Town of Davie Police Employees' Pension Plan, as described in our report on the Town's financial statements. The financial statements of the Town of Davie Firefighters' Pension Plan and the Town of Davie Police Employees' 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.

Town of Davie, Florida

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*.

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

Fort Lauderdale, Florida
March 27, 2015

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 the Town's major federal program and state project for the year ended September 30, 2014. The Town's major federal program and state project is 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 program and state project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal program and state project 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 the 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 on the previous page that could have a direct and material effect on its major federal program and state project for the year ended September 30, 2014.

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 its major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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

Fort Lauderdale, Florida
March 27, 2015

INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

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 financial statements of the Town of Davie, Florida (the "Town"), as of and for the fiscal year ended September 30, 2014, and have issued a report thereon dated March 27, 2015.

Auditor's Responsibility

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*.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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*; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Florida Auditor General*. Disclosures in those reports and schedule, which are dated March 27, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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.

Official Title and Legal Authority

Section 10.554(1)(i)4., 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.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town, for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., 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 did not have any such recommendations.

Section 10.554(1)(i)3., 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 statements 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.

Purpose of this Letter

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, the Members of the Town Council, Town Administrator, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 27, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SECTION 218.415 FLORIDA STATUTES

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

We have examined the Town of Davie, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 27, 2015

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TOWN OF DAVIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2014

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-13-MC-12-0044 B-10-MC-12-0044 B-12-MC-12-0044	\$ 240,381 100,583 54,175 <u>395,139</u>	\$ 89,000 - - <u>89,000</u>
Community Development Block Grants	14.228	B-11-MN-12-0038	139,223	-
United States Department of Justice - Public Safety Partnership and Community Policing Grants	16.710	2010UMWX0070	203,850	-
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	2,169	-
Passed through Broward County Department of Community Affairs - Community Development Block Grants	14.228	08-DB-D3-11-16- 01-A06	<u>731,514</u> <u>733,683</u>	<u>-</u> <u>-</u>

TOWN OF DAVIE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2014
(continued)

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	13-CI-58-11-16-02-384	428	-
		14-CI-K1-11-16-02-297	6,873	-
		14-CC-KI-11-16-02-300	6,998	-
		12-DS-22-11-23-02-236	27,000	-
			<u>41,299</u>	<u>-</u>
United States Department of Justice - Passed through Broward County Sheriff Office				
Bulletproof Vest Partnership Program	16.607	---	5,530	-
Edward Byrne Memorial Justice Assistance Grant	16.804	---	55,892	-
United States Department of Transportation - Passed through the Florida Department of Transportation				
State and Community Highway Safety	20.600	---	1,304	-
			<u>1,304</u>	<u>-</u>
			\$ <u>1,575,920</u>	\$ <u>89,000</u>
Total Expenditures of Federal Awards				

TOWN OF DAVIE, FLORIDA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 For the Year Ended September 30, 2014
 (continued)

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 Transportation - County Incentive Grant Program	55.008	425861-2-58-01	\$ 565,991	\$ -
Florida Department of Environmental Protection - Wastewater Treatment Facility Construction	37.077	WW061300	313,884	-
Florida Department of Health - Emergency Medical Services (EMS) Matching Awards	64.003	M3026	<u>89,995</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 969,870</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, 2014

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. 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 received is 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:

Cruisin Community Transit Connection LLC	\$	50,000
HOPE Outreach Center, Inc.		30,000
HOPE, Inc.		5,000
Crisis Housing Solutions, Inc.		4,000
Total	\$	89,000

TOWN OF DAVIE, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2014

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 project 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 project for the Town of Davie, Florida, are reported in Part C of this schedule.
7. The program/project tested as major is as follows:

Federal Program:	<u>Federal CFDA No.</u>
United States Department of Housing and Urban Development - Community Development Block Grants/ Entitlement Grants	14.218
State Project:	<u>State CSFA No.</u>
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 and \$ 290,961 for the major Federal programs and state projects, respectively.
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
For the Year Ended September 30, 2014
(continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No matters are reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT

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 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.

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