



Town of Miami Lakes, Florida

2010

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

Town of Miami Lakes, Florida

2010

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

FINANCE DEPARTMENT

Diane A. Camacho, CPA
Finance Director

www.miamilakes-fl.gov

Town of Miami Lakes, Florida

2010

**Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010**

Table of Contents

INTRODUCTORY SECTION:	PAGES
Letter of Transmittal	i-vi
List of Town Officials	vii
Organizational Chart	viii
 FINANCIAL SECTION:	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-11
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
 Notes to Financial Statements	21-36
 Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	37
Budgetary Comparison Schedule – Special Revenue Fund	38
Notes to Budgetary Comparison Schedules	39
 Other Schedules	
Budgetary Comparison Schedule – Capital Project Fund	40

Town of Miami Lakes, Florida

2010

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

Table of Contents

STATISTICAL SECTION:	PAGES
Financial Trends:	
Net Assets by Component	41
Changes in Net Assets	42-43
Fund Balances of Governmental Funds	44
Changes in Fund Balances, Governmental Funds	45
Governmental Activities Tax Revenue by Source	46
Revenues Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	47
Direct and Overlapping Property Tax Rates	48
Principal Property Tax Payers	49
Property Tax Levies and Collections	50
Debt Capacity	
Outstanding Debt by Type	51
Direct and Overlapping Governmental Debt	52
Demographic and Economic Information	
Demographic and Economic Statistics	53
Principal Employers	54
Operating Information	
Full-Time Equivalent Town Government Employees by Functioning/Program	55
Operating Indicators by Function/Program	56
Capital Asset Statistics by Function/Program	57
Miscellaneous Information	
Insurance in Force	58

Town of Miami Lakes, Florida

2010

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

Table of Contents

COMPLIANCE SECTION:	PAGES
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59-60
Management Letter Pursuant to the Rules of the Auditor General for the State of Florida	61-68



INTRODUCTORY SECTION



Town of Miami Lakes

15150 NW 79th Court, Suite 100 • Miami Lakes, Florida 33016

(305) 364-6100/Fax (305) 558-8511

www.miamilakes-fl.gov

April 15, 2011

The Honorable Michael Pizzi, Mayor
Members of the Town Council
Citizens of the Town of Miami Lakes

Ladies and Gentlemen:

We are pleased to present the Town of Miami Lakes, Florida (the “Town”) Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended September 30, 2010, pursuant to Florida State law. The financial statements were prepared in accordance with accounting principles as promulgated by the Government Accounting Standards Board (“GASB”) and audited by a firm of independent certified public accountants retained by the Town and paid from its public funds. For the fiscal year ended September 30, 2010, the Town received an unqualified opinion from its independent auditor.

This report may be accessed via the internet at <http://www.miamilakes-fl.gov/finance/>.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Town of Miami Lakes

The Town of Miami Lakes (the “Town”) is located in the northwest corner of Miami-Dade County, Florida. The Town was incorporated on December 5, 2000 and is one of the youngest municipalities in the County. Occupying a land area of approximately 6.6 square miles, the Town is home to an estimated 29,000 residents and over 1,190 businesses. The Town has two office-commercial-industrial parks employing nearly 12,000 workers and containing approximately 4.5 million square feet of developed space.

The Town Charter includes more than a quarter-million square feet of retail, office and entertainment space.

Government Structure and Services Provided

The Town operates under a Mayor-Council-Manager form of government pursuant to which the Town Council appoint the Town Manager. Policymaking and legislative authority are vested in the Town Council. The Council is responsible for passing ordinances and resolutions, adopting the budget, appointing committees and hiring the Town Manager, Town Attorney and Town Clerk. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the daily operations of the Town, and for appointing the Town's department heads. The Town Council consists of the Mayor and six members, four residential seats and two at-large. The Mayor's seat is elected at-large and is a voting member of the Council. The Mayor and Council terms are limited to two consecutive four year terms.

The Town operates through seven departments: Finance, Budget and Administration, Parks and Recreation, Building, Planning, Zoning and Code Compliance, Police and Public Works. With only 35 full-time staff members, the Town also relies on contractors for the provision of various public services. Town employees serve at the will of the Town Manager. The Town provides police protection through a contract with Miami-Dade County wherein police are assigned to the Town, and act under the direction of a Police Major reporting directly to the Town Manager. Fire-rescue services are provided by Miami-Dade County directly and assessed separately on property tax bills. Water and sewer service are provided and billed directly to Town customers by the Miami-Dade County Water and Sewer Department.

Budgetary Process and Control

The annual budget serves as the foundation for the Town's financial planning and control. All Town departments are required to submit requests for appropriation to the Town's Budget and Administration Department prior to the month of July every year. The Budget and Administration Department uses these requests as a starting point to assist the Town Manager in developing a proposed budget. A preliminary millage rate must be adopted no later than July 30 of each year. The Council is required to hold public hearings on the proposed budget and to enact a final budget no later than September 30th. The appropriated budget is prepared by fund, department and line item within departments. The Town Manager may approve transfers of appropriations within a department up to a limit of \$300 per transaction, transfers of appropriations between departments requires approval of the Town Council. Budget-to-actual comparisons are provided in this report for the General Fund and the Special Revenue Fund as part of the Required Supplementary Information.

Enterprise Operations

The Town provides one enterprise activity, a stormwater utility. The utility is responsible for maintaining the Town's stormwater drains, stormwater conveyance system and planning and constructing system expansions to meet future needs.

Local Economy

Despite the continued effects of the global economic recession, the Town's per capita income has remained strong and is significantly higher than the Miami-Dade Metropolitan Statistical Area ("Miami-Dade MSA") and the State of Florida (the "State"). The Town's unemployment rate at end of fiscal year 2009 based on available data is at 4.4% whereas the Miami-Miami Beach-Kendall Florida's September 2010 unemployment rate was 12.6% per the U.S. Bureau of Labor Statistics, United State Department of Labor, which also reflects mid-year 2010 changes in unemployment for Miami-Dade County of a negative .2% from the preceding mid-year 2009. Overall, unemployment for Miami-Dade County increased from 9.8% in fiscal year 2009 to 12.1% in fiscal year 2010.

Since fiscal year 2007 building permits have fallen by 52% to 519 permits issued in fiscal year 2010. However, the Town has been financially successful and able to reduce its millage annually since fiscal year 2005 when the millage rate was 2.912 per \$1,000 of assessed value down to 2.447 per \$1,000 of assessed value for fiscal year 2010. Collections of property taxes have increased annually from 91.30% of levied taxes for fiscal year 2005 to 94.48% of levied taxes for fiscal year 2010.

Additionally, as a result of elimination of the County's municipal mitigation payment during fiscal year 2009 (\$1.7 million) combined with excess revenues from utility taxes (\$637,000), communications service and local business taxes (\$99,577), building permits (\$290,836) and collections of hurricane reimbursements (\$204,521), for fiscal year 2010, the Town ended the year with a General Fund surplus of approximately \$1.5 million. The Town Council voted to return a certain portion of the surplus funds to homestead residents at the end of fiscal year 2010.

Long-Term Financial Planning

The Town has an adopted Strategic Plan which is scheduled to be updated during fiscal year 2011. A long range Financial Plan is also currently being prepared. In fiscal year 2003 the Town adopted a minimum reserve requirement of 10% of the annual General Fund expenditures budget, which, should long-term debt be issued, would increase to 15%.

As mentioned previously, the Town has been successful in operating cost effectively through maintaining a limited municipal staff administering to private services contracts such that overall the annual millage rate has decreased annually since fiscal year 2005. With relatively low unemployment rates and increasing collections of property taxes, the Town is in an enviable position of financial strength and poised to proceed with planned infrastructure and parks improvements.

Relevant Financial Policies

Given current global economic conditions as well as recent changes in Florida regarding homestead exemptions and other limitations on taxable values, the Town continues to address a cost effective governance model to ensure that the Town's quality of life programs proceed.

Major Initiatives

Major new capital projects to commence or continue in fiscal year 2011 include the acquisition, design and construction of a new government Center. This large project will be funded from the proceeds of the \$7.33 million in Town of Miami Lakes, Florida, Special Obligation Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) which were sold on December 16, 2010. Final site determination and design will begin in early 2011.

Other significant projects underway for completion in fiscal year 2011 include:

- Completion in early 2011 of the Miami Lakeway North paving and drainage project funded by American Recovery and Reinvestment Act stimulus funds through a Florida Department of Transportation Local Area Program Agreement. This project included the installation of 1,536 feet of drainage systems, 15 drainage inlets, 11 manhole covers, 1 control structure, 177 lineal feet of curb and gutter, 510 square yards of sidewalks and in excess of 30,000 square feet of swale restoration.
- Florida Estates Park – a \$100,000 project for installation of a playground, swing set, shade shelter and connecting sidewalks and landscaping.
- North West 170 Street Greenway Development – a \$195,000 project currently under preliminary design which will include a multi-use trail, observation and picnic areas using the public right of way on the south side of North West 170 Street between 89 Avenue and Northwest 77 Court. This project is being developed in phases as funding is made available.
- Pocket Parks Renovation Program – a \$250,000 program including a five phase pocket park renovation program for the replacement/refurbishment of antiquated playground equipment. The Town has completed three of the five phases to date.
- Miami Lakes Optimist Park Recreation Complex and Aquatic Center – this large program, over \$8 million, includes a 25,000 square foot multi-purpose facility to serve as the Town's centerpiece of its recreational programming. Program facilities include a multi-sport gymnasium, clubhouse/concession stand, administrative offices and multi-purpose rooms. The Center will be designed to be a certified "green" building featuring water conservation fixtures and energy efficient technologies.

Funding sources for programmed capital improvement expenditures in the Adopted Capital Budget are allocated as follows:

(\$ in 000's) <u>Sources of Funds</u>	Adopted FY 2011	
	<u>Amount</u>	<u>Percent</u>
Proprietary Operations	\$ 800,000	14.9%
Federal	611,900	11.4%
State	367,127	6.8%
County	746,100	13.9%
Fuel Taxes	821,538	15.3%
Other	455,828	8.5%
Other Carryover (All Sources)	<u>1,561,766</u>	<u>29.2%</u>
Total	\$ 5,364,259	100.0%

(\$ in 000's) <u>Uses of Funds</u>	Adopted FY 2011	
	<u>Amount</u>	<u>Percent</u>
Stormwater	\$ 1,834,939	34.2%
Transportation	679,000	12.6%
Parks and Recreation	287,500	5.4%
Other	1,130,000	21.1%
Carryover (All Sources)	<u>1,432,820</u>	<u>26.7%</u>
Total	\$ 5,364,259	100.0%

Awards and Acknowledgements

The Town closed out grants this year totaling over \$117,000 from the United States Department of Justice, Byrne Grant, and from the Florida Department of Environmental Protection, Florida Recreation Development Assistance Program. These two grants provided a School Resource Officer and funded the Miami Lakes Park, Phase III.

A new grant for \$5,000 to develop a tree inventory has been awarded to the Town from the Florida Department of Agriculture and Consumer Services. The Town also received a Florida State Department of Elder Affairs Communities for a lifetime \$5,000 matching grant for its innovative SeniorNet Program. SeniorNet is an intergenerational learning program, which provides seniors with an opportunity to learn much needed computer skills. The Town has been a Florida Department of Elder Affairs designated Community of a Lifetime since 2007.

The Town was named a Tree City USA for the third consecutive year and was a recipient of a Growth Award recognizing the Town's unique urban tree canopy and exceptional tree management practices.

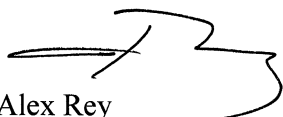
The Town was also named a Playful City USA for the second consecutive year recognizing the Town's efforts in promoting play as a necessary component of ensuring high quality of life standards for its youth population. The Town is one of 118 communities across 35 states to be recognized for expressed commitment and willingness to take action for "play."

As a 2010 All-America City finalist, the Town was recognized for its efforts in innovation, inclusiveness, civic engagement, and cross sector collaboration through its efforts to address pressing local challenges. Miami Lakes was one of only 25 cities selected nationwide as a finalist.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Sincere appreciation is also extended to the Town's independent auditors for their guidance.

Appreciation is also extended to the Mayor and Town Council for their unfailing support for maintaining the highest standards of professionalism in the management for the Town of Miami Lakes finances.

Respectfully submitted,



Alex Rey
Town Manager



Diane A. Camacho, CPA
Director of Finance

Town of Miami Lakes, Florida List of Town Officials

**Michael Pizzi
Mayor**

**Nick Perdomo
Vice Mayor**

**Mary Collins
Councilmember**

**Tim Daubert
Councilmember**

**Nelson Hernandez
Councilmember**

**Cesar Mestre
Councilmember**

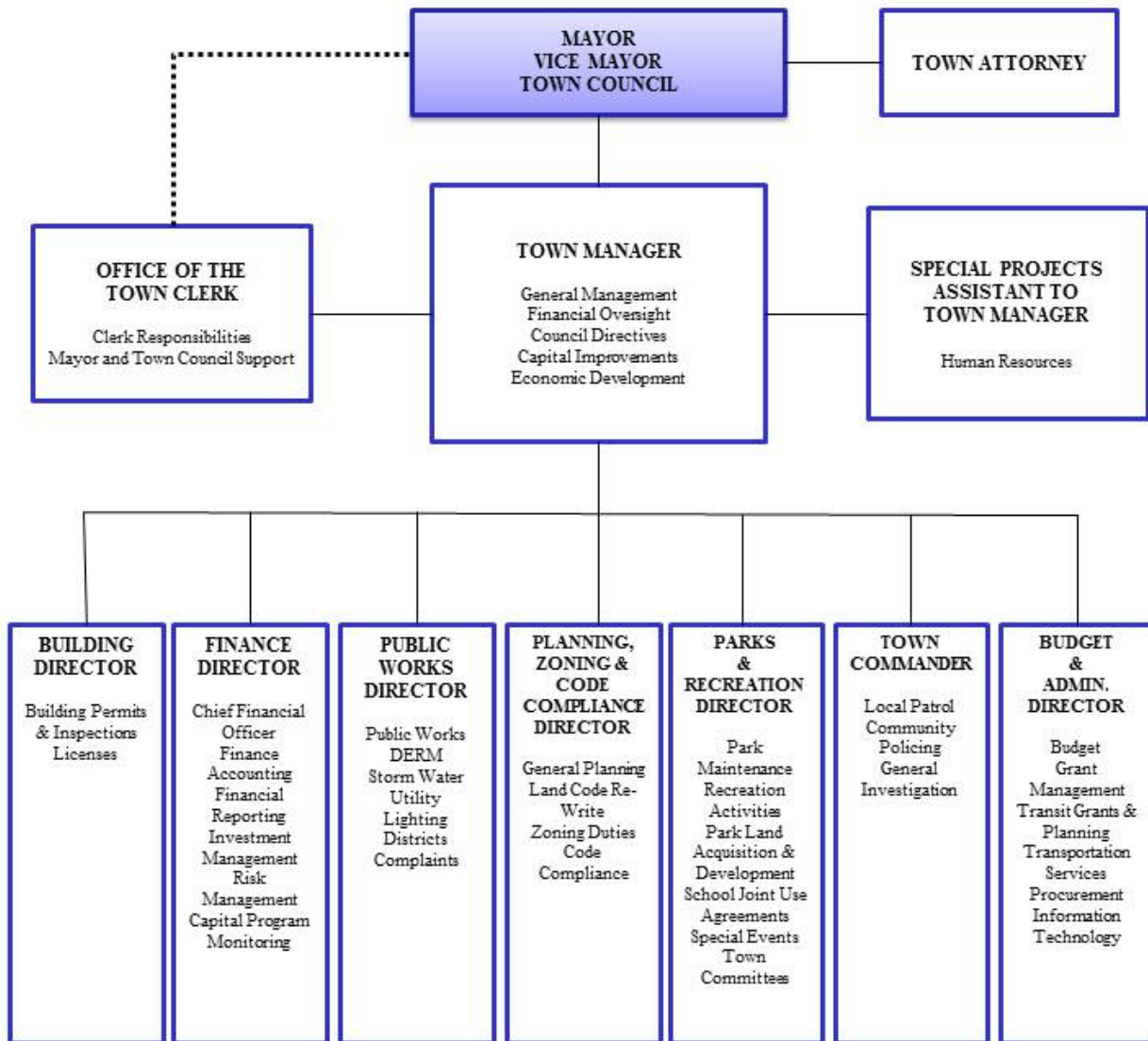
**Richard Pulido
Councilmember**

**Alex Rey
Town Manager**

**Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
Town Attorney**

**TOWN OF MIAMI LAKES
ORGANIZATION CHART**

FY 2009-10





FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council
Town of Miami Lakes, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activity, and each major fund of the Town of Miami Lakes, Florida (the Town), as of and for the fiscal year ended September 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, and each major fund of the Town of Miami Lakes, Florida, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 14, 2011, on our consideration of the Town's internal control over financial reporting and our tests of compliance with certain provision 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 result of that testing, and not to provide an opinion on the internal control over financial reporting or in compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and Town Council
Town of Miami Lakes, Florida
Page 2

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and budgetary comparison information on pages 3 through 11 and 37 through 39 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 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. 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 of them.

GLSC & Company, PLLC

April 14, 2011





MANAGEMENT DISCUSSION AND ANALYSIS

Town of Miami Lakes, Florida

Management's Discussion and Analysis

The following narrative provides an overview of the Town of Miami Lakes, Florida, ("the "Town") financial activities for the fiscal year ended September 30, 2010. This narrative should be read in conjunction with the letter of transmittal at the front of this report and the financial statements and accompanying notes which follow this section. Additional information is provided in this narrative and the accompanying notes to the financial statements.

Financial Highlights for Fiscal Year 2010

- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$34.7 million (net assets). Of this amount, \$11.7 million (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$3.3 million during the current fiscal year. This increase is attributable to excess revenues over expenses for 2010.
- As of the close of the current fiscal year, the Town governmental funds reported combined ending fund balances of \$12.6 million an increase of \$3.1 million in comparison with the prior year. Approximately \$9.3 million, or 74%, of the ending fund balances amount is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$9.3 million or 62% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the Town include general government, public safety, public works, parks and recreation, and comprehensive planning. The Town's business type activities consist of a Stormwater Utility.

The government-wide financial statements include only the Town itself (known as the *primary government*).

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town categorizes funds as governmental funds and proprietary funds.

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

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

The Town maintains three governmental funds. Information is presented in separate columns in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Projects Fund and the Special Revenue Fund. All these funds are considered to be major funds.

The Town adopts an annual appropriated budget for its General Fund as well as its other governmental funds. A budgetary comparison statement has been provided for the General Fund and other governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Proprietary Funds. Proprietary funds are those funds where the Town charges a user fee in order to recover costs. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Town maintains one proprietary fund, an enterprise fund:

Enterprise funds are used to finance and account for the acquisition, operation and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

The Town uses an enterprise fund to account for its Stormwater Utility. The proprietary fund financial statements provide separate information for the Stormwater Utility.

The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 36 of this report.

Other Information. This report also includes as required supplementary information a schedule of revenues, expenditures and changes in fund balances – budget and actual, for the General Fund, and the Special Revenue Fund. The report also include budgetary comparison schedule for Capital Project Fund as other schedules.

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the Town's case, assets exceeded liabilities by \$34.7 million, at the close of the most recent fiscal year.

A portion of the Town's net assets, \$20.2 million or 58%, reflects its investment in capital assets, net of related debt (e.g., land, equipment, and improvements to infrastructure). The Town of Miami Lakes uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other resources as capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets, \$2.8 million or 8% represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets \$11.7 or 34% may be used to meet the government's on-going obligations to citizen's and creditors.

At the end of the current year, the Town had positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

Town of Miami Lakes' Net Assets

	Governmental activities		Business-type activities		Total	
	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>	Fiscal Year <u>2010</u>	Fiscal Year <u>2009</u>
Current assets	\$ 15,936,849	\$ 12,710,406	\$ 2,109,776	\$ 1,590,418	\$ 18,046,625	\$ 14,300,824
Capital assets, net	<u>16,355,536</u>	<u>16,717,106</u>	<u>4,167,647</u>	<u>4,195,548</u>	<u>20,523,183</u>	<u>20,912,654</u>
Total assets	<u>32,292,385</u>	<u>29,427,512</u>	<u>6,277,423</u>	<u>5,785,966</u>	<u>38,569,808</u>	<u>35,213,478</u>
Current liabilities	3,375,153	3,266,256	111,697	16,323	3,486,850	3,472,474
Noncurrent liabilities	<u>420,595</u>	<u>519,937</u>	-	-	<u>420,595</u>	<u>330,042</u>
Total liabilities	<u>3,795,748</u>	<u>3,786,193</u>	<u>111,697</u>	<u>16,323</u>	<u>3,907,445</u>	<u>3,802,516</u>
Investment in capital assets, net of related debt	16,025,495	16,263,340	4,167,647	4,195,548	20,193,142	20,458,888
Restricted	2,776,914	1,218,698	-	-	2,776,914	1,218,698
Unrestricted	<u>9,694,228</u>	<u>8,159,280</u>	<u>1,998,079</u>	<u>1,574,095</u>	<u>11,692,307</u>	<u>9,764,733</u>
Total net assets	<u>\$ 28,496,637</u>	<u>\$ 25,641,318</u>	<u>\$ 6,165,726</u>	<u>\$ 5,769,643</u>	<u>\$ 34,662,363</u>	<u>\$ 31,410,961</u>

The decrease in the Town's net investment in capital assets of \$265 thousand is attributed to the effect of a delay in the capital program combined with the impact of annual depreciation.

Town of Miami Lakes' changes in net assets

The following schedule is a summary of the Town's operations for Fiscal Year 2010 with comparative information for Fiscal Year 2009

	Governmental activities		Business-type activities		Total	
	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2009
Program revenues:						
Charges for services	\$ 1,376,220	\$ 1,275,990	\$ 983,278	\$ 992,577	\$2,359,498	\$2,268,567
Operating grants/contributions	205,391	1,274,011	-	-	205,391	1,274,011
Capital grants/contributions	312,500	1,298,299	-	-	312,500	1,298,299
General Revenues:						
Property taxes	6,572,134	7,433,753	-	-	6,572,134	7,433,753
Utility taxes	4,291,291	4,337,234	-	-	4,291,291	4,337,234
Franchise taxes	2,008,171	1,967,915	-	-	2,008,171	1,967,915
Intergovernmental, not restricted to specific program	3,330,153	3,402,916	-	-	3,330,153	3,402,916
Investment income & misc.	106,006	82,981	13,666	25,174	119,672	108,155
Total revenues	18,201,866	21,073,099	996,944	1,017,751	19,198,810	22,090,850
Expenses:						
General government	2,648,569	3,020,796	-	-	2,648,569	3,020,796
Public safety	6,668,991	6,639,275	-	-	6,668,991	6,639,275
Parks and recreation	3,019,126	2,571,167	-	-	3,019,126	2,571,167
Public works	1,288,942	2,178,162	686,953	893,472	1,975,895	3,071,634
Comprehensive planning	1,634,827	1,808,535	-	-	1,634,827	1,808,535
Total expenses	15,260,455	16,217,935	686,953	893,472	5,947,408	17,111,407
Excess before transfers	2,941,411	4,855,164	309,991	124,279	3,251,402	4,979,443
Transfers	(86,092)	(656,733)	86,092	656,733	-	-
Change in net assets	2,855,319	4,198,431	396,083	781,012	3,251,402	4,979,443
Net assets, beginning	25,641,318	21,442,887	5,769,643	4,988,631	31,410,961	26,431,518
Net Assets, ending	\$ 28,496,637	\$ 25,641,318	\$ 6,165,726	\$ 5,769,643	\$ 34,662,363	\$ 31,410,961

Governmental activities: Governmental activities increased the Town's net assets by \$2.9 million in the current fiscal year, thereby accounting for 88% of the total growth in the Town's net assets. The largest revenue source was property taxes (36%) followed by utility taxes (24%), intergovernmental revenues (18%) and franchise taxes (11%).

Revenues:

Revenues from governmental activities decreased by \$2.87 million (-13.6%) over last year. The main contributing factors to this decrease are a \$862 thousand decreased in property taxes and \$2 million decreased in operating and capital grants. The decrease in property taxes revenues was due to combined effect of the reduction in millage rate from 2.4795 to 2.4470 levied in fiscal year 2010 and approximately \$135 million reduction in taxable assessed values. The \$2 million decrease in operating and capital grants and contributions was mainly due to the receipt of approximately \$1.2 million hurricane related reimbursement received from FEMA and the receipt of approximately \$1.3 million reimbursement from Miami-Dade County on the Royal Oaks Park Project in fiscal year 2009. In fiscal year 2010, the City received only \$200 thousand from the remaining receivables from FEMA and approximately \$312 thousand of park improvement grants.

Expenses:

Governmental activities expenses decreased by approximately \$957 thousand (-6%) over last year. This decrease was mainly attributable to the decrease in the following functions/program, \$372 thousand in general government, \$889 thousand in public works and \$174 thousand in comprehensive planning. These decreases were offset by the increase in public safety and parks and recreation amounting to \$29 thousand and \$448 thousand, respectively.

The decreases in the governmental activities expenses were mainly due to the vacancies in some key positions during the fiscal year 2010, change of contractor for the right of way maintenance and cancellation of the contract for tree trimming.

Business-type activities: The Town has one business-type activity, a stormwater utility. Business-type activities increased the Town's net assets by \$396 thousand in the current fiscal year, accounting for 12% growth in the Town's net assets. For the most part, expenses reflect cleaning and maintenance costs. The decrease in stormwater expenses was mainly due to the change in contractor for canal maintenance resulting approximately \$200 thousands savings.

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the main operating fund of the Town and is used to account or most of its governmental activities. The General Fund's fund balance at September 30, 2010, was \$9.8 million. Of this amount \$9.3 million, or 94%, was unreserved. The remainder of the fund balance \$24 thousand has been reserved to pay for police officer training and approximately \$525 thousand is reserved for resident dividend. The unreserved fund balance represents 62% of total general fund expenditures, while total fund balance represents 65% of that same amount. The General Fund's balance increased \$1.6 million from the previous year which was primarily due to a delay in the capital program expenditures.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$12.6 million, an increase of \$3.1 million in comparison with the prior year. Approximately 74% of the total fund balance \$9.3 million constitutes unreserved fund balance, which is available for spending at the Town's discretion. Of the remaining fund balance, \$1.7 million is reserved for committed capital projects, \$1 million is reserved for special revenue fund projects, \$24 thousand is reserved for police officer training, and approximately \$525 thousand is reserved for resident dividend.

Revenues – General Fund:

Compared to prior fiscal year, total General Fund revenues decreased by \$1.9 million or 10% in fiscal year 2010. This was mainly attributable to \$862 thousand decrease in property taxes and approximately \$1.3 million in intergovernmental revenues. The decrease in property taxes revenues was due to combined effect of the reduction in millage rate and reduction in taxable assessed values in fiscal year 2010. Intergovernmental revenues in fiscal year 2010 was significantly lower than previous year since bulk of the receivable from FEMA on hurricane related reimbursement were collected in previous fiscal year.

Expenditures – General Fund

In fiscal year 2010, total General Fund expenditures decreased by \$1.4 million or 9% compared to prior year, as the Town continued its deliberate efforts to curtail spending. This decrease was observable in all governmental functions except for the Police department with a slight increase in expenditures of \$31 thousand. The decreases in the governmental activities expenses were mainly attributed to the vacancies in some key positions during the fiscal year 2010, change of contractor for the right of way maintenance and cancellation of the contract for tree trimming.

The Capital Project Fund revenues decreased by approximately \$917 thousand as compared to prior fiscal year, this was mainly attributable to the grants received from the Miami-Dade County in 2009 for the improvements in Royal Oaks Park. Total expenditures for Capital Project Fund also decreased by \$2.5 million due to a delay in the capital project programs of the Town.

As of September 30, 2010, the capital projects fund had a total fund balance of \$1.7 million, all of which has been designated for use in capital projects. The special revenue fund had a total fund balance of \$1 million, all of which has been designated for use in special revenue fund projects for police capital projects, transit improvements, operation of a bus circulator, sidewalk replacement and road system maintenance.

Proprietary funds. The Town of Miami Lakes' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Stormwater Utility as of September 30, 2010, amounted to \$6.2 million. Of this amount, \$4.2 million is invested in capital assets and \$2 million is unrestricted. Net assets increased \$396 thousand from the prior year, an increase of 6.9%, as a result of a reduced focus on operations and maintenance activities offset somewhat by a smaller reduction in revenues. Investment in capital assets also declined less than 1% as a result of delayed programs and ongoing depreciation.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor and consisted of transfers between the departments as approved by the Council. There were no other supplemental appropriations for the fiscal year ended September 30, 2010.

Capital Assets

As of September 30, 2010 the Town's investment in capital assets for its governmental and business-type activities amounted to \$20.5 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. The total decrease in the Town's investment in capital assets for the current fiscal year was \$389 thousand due to the effect of depreciation.

TOWN OF MIAMI LAKES

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 3,207,035	\$ 3,207,035	\$ -	\$ -	\$ 3,207,035	\$ 3,207,035
Construction in progress	416,823	646,007	-	-	416,823	646,007
Infrastructure	12,467,186	12,477,738	4,167,647	4,195,548	16,634,833	16,673,286
Furniture & equipment	220,683	332,866	-	-	220,683	332,866
Leasehold improvements	<u>43,809</u>	<u>53,460</u>	<u>-</u>	<u>-</u>	<u>43,809</u>	<u>53,460</u>
Total capital assets, net	<u>\$ 16,355,536</u>	<u>\$ 16,717,106</u>	<u>\$ 4,167,647</u>	<u>\$ 4,195,548</u>	<u>\$ 20,523,183</u>	<u>\$ 20,912,654</u>

Additional information on the Town's capital assets can be found on Note 5 starting page 30 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town had total notes payable outstanding of \$330 thousand which pertains to two notes entered into in 2007 and 2008 to finance the purchase of police vehicles. Additional information on these notes can be found in Note on page 31 of this report.

Economic Factors and Next Years Budgets and Rates

- The unemployment rate for Miami-Dade County in September 2010 was 12.1%, which represented an increase from a rate of 9.8% for fiscal year 2009. This is higher than the state's unemployment rate of 11.9 percent. The national average rate was 9.6 percent for September 2010. (Source: Bureau of Labor Statistics).
- The occupancy rate of the government's central business district has remained stable for the past three years.
- Inflationary trends in the region have run ahead of national indices due to the housing/mortgage crisis.

All of these factors were considered in preparing the Town of Miami Lakes' budget for the 2011 fiscal year.

The property tax millage rate for the 2011 fiscal year has been reduced from the 2.6521 roll-back rate to 2.3702 mills (\$2.3702 per \$1,000 of taxable assessed valuation).

Requests for Information

This financial report is designed to provide a general overview of the Town of Miami Lakes' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Miami Lakes
Finance Department
15150 NW 79th Court
Miami Lakes, Florida 33016



BASIC FINANCIAL STATEMENTS

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 14,610,553	\$ 1,995,246	\$ 16,605,799
Receivables	1,246,998	114,530	1,361,528
Prepayments	79,298	-	79,298
Property and equipment			
Non-depreciable capital assets			
Land	3,207,035	-	3,207,035
Construction in progress	416,823	-	416,823
Total non-depreciable capital assets	3,623,858	-	3,623,858
Depreciable assets			
Leasehold improvements	86,055	-	86,055
Furniture and equipment	769,787	-	769,787
Infrastructure	14,863,688	4,582,986	19,446,674
Less: accumulated depreciation	(2,987,852)	(415,339)	(3,403,191)
Net depreciable capital assets	12,731,678	4,167,647	16,899,325
Total property and equipment	16,355,536	4,167,647	20,523,183
Total assets	32,292,385	6,277,423	38,569,808

LIABILITIES AND NET ASSETS

Liabilities:			
Accounts payable and other current liabilities	3,323,741	111,697	3,435,438
Accrued payroll and benefits	34,463	-	34,463
Unearned revenue	16,949	-	16,949
Noncurrent liabilities:			
Due within one year	128,378	-	128,378
Due in more than one year	292,217	-	292,217
Total liabilities	3,795,748	111,697	3,907,445
Net Assets:			
Invested in capital assets, net of related debt	16,025,495	4,167,647	20,193,142
Restricted for:			
Transportation and Transit	2,752,700	-	2,752,700
Police Officer Training	24,214	-	24,214
Unrestricted	9,694,228	1,998,079	11,692,307
Total net assets	\$ 28,496,637	\$ 6,165,726	\$ 34,662,363

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

**TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Contributions</u>	<u>Capital Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activity</u>	<u>Total</u>
Governmental activities:							
General government	\$ 2,648,569	\$ 20,252	\$ -	\$ -	\$ (2,628,317)	\$ -	\$ (2,628,317)
Public safety	6,654,020	257,927	869	-	(6,395,224)	-	(6,395,224)
Parks and recreation	3,019,126	-	-	312,500	(2,706,626)	-	(2,706,626)
Public works	1,288,942	-	204,522	-	(1,084,420)	-	(1,084,420)
Comprehensive planning	1,634,827	1,098,041	-	-	(536,786)	-	(536,786)
Interest expenses	<u>14,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,971)</u>	<u>-</u>	<u>(14,971)</u>
Total governmental activities	<u>15,260,455</u>	<u>1,376,220</u>	<u>205,391</u>	<u>312,500</u>	<u>(13,366,344)</u>	<u>-</u>	<u>(13,366,344)</u>
Business-type activity:							
Stormwater	<u>686,953</u>	<u>983,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,325</u>	<u>296,325</u>
Total primary government	<u>\$ 15,947,408</u>	<u>\$ 2,359,498</u>	<u>\$ 205,391</u>	<u>\$ 312,500</u>	<u>(13,366,344)</u>	<u>296,325</u>	<u>(13,070,019)</u>

General revenues:			
Property taxes		6,572,134	-
Utility taxes		2,730,389	-
Communication services tax		1,560,902	-
Franchise taxes		2,008,171	-
Intergovernmental not restricted to specific programs		3,330,153	-
Investment and miscellaneous income		106,006	13,666
Transfers		<u>(86,092)</u>	<u>86,092</u>
Total general revenues and transfers		<u>16,221,663</u>	<u>99,758</u>
Change in net assets		2,855,319	396,083
Net assets, beginning		<u>25,641,318</u>	<u>5,769,643</u>
Net assets, ending		<u>\$ 28,496,637</u>	<u>\$ 6,165,726</u>

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

**TOWN OF MIAMI LAKES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Major Funds			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 12,727,801	\$ 962,207	\$ 920,545	\$ 14,610,553
Receivables	821,745	32,810	392,443	1,246,998
Due from other funds	100,150	155,527	853,158	1,108,835
Prepayments and other assets	79,298	-	-	79,298
Total assets	<u>\$ 13,728,994</u>	<u>\$ 1,150,544</u>	<u>\$ 2,166,146</u>	<u>\$ 17,045,684</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 3,015,428	\$ 26,414	\$ 281,899	\$ 3,323,741
Accrued payroll and benefits	34,463	-	-	34,463
Deferred revenue	16,949	-	-	16,949
Due to other funds	853,158	100,000	155,677	1,108,835
Total liabilities	<u>3,919,998</u>	<u>126,414</u>	<u>437,576</u>	<u>4,483,988</u>
Fund balance:				
Reserved for:				
Police Officer Training	24,214	-	-	24,214
Resident Dividend	525,000	-	-	525,000
Unreserved, reported in:				
Special Revenue Fund, designated for transportation and transit	-	1,024,130	-	1,024,130
Capital Projects, designated for transportation, parks and stormwater	-	-	1,728,570	1,728,570
Unreserved	9,259,782	-	-	9,259,782
Total fund balance	<u>9,808,996</u>	<u>1,024,130</u>	<u>1,728,570</u>	<u>12,561,696</u>
Total liabilities and fund balances	<u>\$ 13,728,994</u>	<u>\$ 1,150,544</u>	<u>\$ 2,166,146</u>	<u>\$ 17,045,684</u>

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

**TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET ASSETS – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

Fund balance - total government funds (page 14) \$ 12,561,696

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the
governmental funds.

Governmental capital assets	19,343,388
Less accumulated depreciation	(2,987,852)

Long-term liabilities, including notes payable, are not due and payable
in the current period and therefore are not reported in the funds.

Notes Payable	(330,042)
---------------	-----------

Compensated Absences	<u>(90,553)</u>
----------------------	-----------------

Net assets of governmental activities (Page 12) \$ 28,496,637

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

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	Major Funds			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES:				
Ad valorem taxes	\$ 6,572,134	\$ -	\$ -	\$ 6,572,134
Utility taxes	2,730,389	-	-	2,730,389
Franchise fees	2,008,171	-	-	2,008,171
Communication services tax	1,560,902	-	-	1,560,902
Licenses and permits	1,098,041	-	-	1,098,041
Intergovernmental	2,266,934	513,070	1,068,040	3,848,044
Fines and forfeitures	257,927	-	-	257,927
Others	28,776	467	32,459	61,702
Investment income	<u>63,571</u>	<u>383</u>	<u>603</u>	<u>64,557</u>
Total revenues	<u>16,586,845</u>	<u>513,920</u>	<u>1,101,102</u>	<u>18,201,867</u>
EXPENDITURES:				
Current:				
General government:				
Town council	191,879	-	-	191,879
Town administration and finance	2,003,924	-	-	2,003,924
Legal	<u>460,774</u>	<u>-</u>	<u>8,950</u>	<u>469,724</u>
Total general government	<u>2,656,577</u>	<u>-</u>	<u>8,950</u>	<u>2,665,527</u>
Public safety:				
Police	6,554,129	-	-	\$ 6,554,129
Parks and recreation	2,272,225	-	-	2,272,225
Public works	907,599	262,946	-	1,170,545
Comprehensive planning	1,619,772	-	-	1,619,772
Debt service:				
Principal	123,724	-	-	123,724
Interest	14,971	-	-	14,971
Capital outlay	<u>32,505</u>	<u>-</u>	<u>630,922</u>	<u>663,427</u>
Total expenditures	<u>14,181,502</u>	<u>262,946</u>	<u>639,872</u>	<u>15,084,320</u>
Excess of revenues over expenditures	<u>2,405,343</u>	<u>250,974</u>	<u>461,230</u>	<u>3,117,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	853,158	853,158
Transfers out	<u>(853,158)</u>	<u>-</u>	<u>-</u>	<u>(853,158)</u>
Total other financing sources (uses)	<u>(853,158)</u>	<u>-</u>	<u>853,158</u>	<u>-</u>
Net change in fund balances	1,552,185	250,974	1,314,388	3,117,547
Fund balance, beginning	<u>8,256,811</u>	<u>773,156</u>	<u>414,182</u>	<u>9,444,149</u>
Fund balance, ending	<u>\$ 9,808,996</u>	<u>\$ 1,024,130</u>	<u>\$ 1,728,570</u>	<u>\$ 12,561,696</u>

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

**TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 16) \$ 3,117,547

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlays	466,180	
Less current year depreciation	<u>(827,749)</u>	(361,569)

The issuance of long-term debt (e.g. bonds, leases, notes) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net assets

Principal repayment		123,724
---------------------	--	---------

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.

Compensated absences		<u>(24,383)</u>
----------------------	--	-----------------

Change in net assets of governmental activities (page 13)		<u>\$ 2,855,319</u>
---	--	---------------------

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

**TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010**

	BUSINESS- TYPE ACTIVITIES ENTERPRISE FUND
	<u>STORMWATER</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,995,246
Receivables	<u>114,530</u>
Total current assets	<u>2,109,776</u>
Noncurrent assets	
Infrastructure	4,582,986
Less: Accumulated depreciation	<u>(415,339)</u>
Total noncurrent assets	<u>4,167,647</u>
Total Assets	<u>6,277,423</u>
LIABILITIES	
Accounts payable	<u>111,697</u>
Total Liabilities	<u>111,697</u>
NET ASSETS	
Invested in capital assets	4,167,647
Unrestricted	<u>1,998,079</u>
Total Net Assets	<u><u>\$ 6,165,726</u></u>

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

**TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND <u>STORMWATER</u>
OPERATING REVENUES	
Charges for services	\$ 983,278
Total Operating Revenues	<u>983,278</u>
OPERATING EXPENSES	
Administrative expenses	54,748
Professional fees	22,723
Contractual services	63,860
QNIP Fees	69,571
Repairs and maintenance	362,058
Depreciation	<u>113,993</u>
Total Operating Expenses	<u>686,953</u>
Operating income	296,325
NONOPERATING REVENUES	
Investment earnings	<u>13,666</u>
Total Nonoperating Revenues	<u>13,666</u>
Income before contributions	309,991
Capital contributions	<u>86,092</u>
Change in net assets	396,083
TOTAL NET ASSETS, OCTOBER 1	<u>5,769,643</u>
TOTAL NET ASSETS, SEPTEMBER 30	<u><u>\$ 6,165,726</u></u>

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

**TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND STORMWATER</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 988,362
Payments for interfund services provided	(136,079)
Cash paid to suppliers	<u>(477,587)</u>
Net Cash Provided by Operating Activities	<u>374,696</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>13,666</u>
Net Cash provided by Investing Activities	<u>13,666</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 388,362
 CASH AND CASH EQUIVALENTS, OCTOBER 1	 <u>1,606,884</u>
 CASH AND CASH EQUIVALENTS, SEPTEMBER 30	 <u>\$ 1,995,246</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	<u>\$ 296,325</u>
Adjustment to reconcile operating income to cash provided by operating activities	
Depreciation	113,993
Change in Assets and Liabilities:	
Decrease in receivables	5,084
Decrease in due from other funds	244,542
Increase in accounts payable	95,374
Decrease in due to other funds	<u>(380,622)</u>
Total adjustments	<u>78,371</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 374,696</u>
 NONCASH CAPITAL ACTIVITIES	
Capital contributions from other funds	<u>\$ 86,092</u>

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



NOTES TO FINANCIAL STATEMENTS

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in interpreting the basic financial statements of the Town of Miami Lakes, Florida (the Town). The policies are considered essential and should be read in conjunction with the basic financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America applicable to governmental units. This report, the accounting systems and classification of accounts conforms to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Financial Reporting Entity

The Town was incorporated in accordance with the Constitution of the State of Florida and the Home Rule Charter of Miami-Dade County on December 5, 2000, to carry on a centralized government. The Town Council is responsible for legislative and fiscal control of the Town. A Town Manager is appointed by the Council and is responsible for administrative and fiscal control of the resources of the Town.

The basic criteria for determining whether another organization should be included in the Town's government-wide financial statements are financial accountability. Financial accountability includes (1) the appointment of a voting majority of the organization's governing body, (2) the ability of the Town to impose its will on the organization, or (3) if there is a financial benefit/burden relationship. In addition, an organization, which is fiscally dependent on the Town, should be included in its reporting entity. A blended component unit, although a legally separate entity, is, in substance, part of the Town's operations and so data from this unit is combined with data of the Town. Based upon the application of these criteria, there were no organizations that met the criteria described above.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. 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 support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a specific function or segments 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within six (6) months of the end of the current fiscal period, except for property taxes, for which the period is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Town reports the following major governmental funds:

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

The **special revenue fund** accounts for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects).

The **capital projects fund** accounts for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds.

The Town reports the **stormwater fund** as major proprietary fund. This fund accounts for the infrastructure and operations of stormwater transportation, which is funded through user charges.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from user fees for providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the stormwater enterprise fund are charges to customers for services to maintain and refurbish the stormwater system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

d. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition.

The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as their fair value of the pool shares for participants in Pool A. However, full realization of the principal value of the Pool B asset is not determinable as of year-end (See Note 2).

e. Receivables and Payables

Activities 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" or "advances to/from other funds. Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances".

f. Property Taxes

Property taxes are assessed as of January 1 each and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the Office of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Town for the year ended September 30, 2010 was 2.447.

The Town's tax levy is established by the Town Council prior to October 1st of each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and certain other special taxing districts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Property Taxes (Continued)

All real and tangible personal property taxes are due and payable on November 1st of each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails each property owner on the assessment roll a notice of the taxes due and collects the taxes for the Town. Taxes may be paid upon receipt of the notice from Miami-Dade County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. There were no material delinquent property taxes as of September 30, 2010.

g. Capital Assets

Capital assets are defined by the Town as property, equipment and infrastructure with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed assets are recorded at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all depreciable assets is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5-20
Leasehold improvements	15
Infrastructure	40

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the financial records and a resulting gain or loss is recorded in the government-wide financial statements.

h. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Long-term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method. Debts payable are reported net of the applicable premiums or discount. Debt issuance cost are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditure.

j. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The description of each reserve or designation indicates the purpose for which each was intended.

Unreserved fund balance is the portion of fund equity available for any lawful use.

k. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

I. New Pronouncements

The Town adopted the provisions of GASB Statement No. 51 Accounting and Financial Reporting for Intangible Assets (GASB 51) for the fiscal year ended September 30, 2010. GASB 51 establishes a framework for the recognition and measurement of intangible assets including computer software. The Town's primary intangible assets relate right-of-way easements. Because GASB 51 does not require retroactive application for intangible assets with indefinite useful lives, the Town has elected not to record its historical right-of-way easements. Should the Town obtain future easements or computer software, it will account for the in accordance with the provisions of GASB 51.

There was no impact of the implementation of GASB 51 on the financial statements as of and for the year ended September 30, 2010.

2. DEPOSITS AND INVESTMENTS

a. Cash Deposits

The carrying amount of the Town's cash deposits were \$12,685,184, including petty cash fund of \$250 as of September 30, 2010. Bank balance before reconciling items were \$13,286,841 at that date, approximately \$12,648,000 is collateralized or insured with securities held by the Town or by its agent in the Town's name as discussed below.

Custodian Credit Risk. Custodian credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All of the Town's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, "*Florida Security for Public Deposit Act*". Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

The Town has a total exposure of \$638,448 from custodian credit risk for its deposit at September 30, 2010. The bank holding these funds withdrew from the Florida Public Deposit Program effective October 7, 2009. The Town was able to recover these funds and was fully withdrawn in March 2011.

b. Investments

The Town has no formal investment policy and uses investment guidance as provided by Section 218.415 of the Florida Statutes. The statute authorizes local governments to investment in obligations of the U.S. Treasury, its agencies and instrumentalities, which include the Local Government Surplus Trust Fund administered by the State Board of Administration (SBA). These investments are stated at amortized costs which approximate fair value of the pool shares.

At September 30, 2010, the Town’s investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Less Than 1 Year</u>
Certificate of Deposit	\$ 638,448	\$ 638,448
SBA Pool A	3,238,176	3,238,176
SBA Pool B	<u>43,991</u>	<u>43,991</u>
	<u>\$ 3,920,615</u>	<u>\$ 3,920,615</u>

Additional information regarding the Local Government Surplus Trust Fund may be obtained from the State Board of Administration.

Credit Risk. Investments in Pool B are not rated while investments in Pool A have a rating of AAAM.

The State Board of Administration is part of the Local Government Surplus Funds Trust Fund and is governed by Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Funds A and B. Additionally, the State of Florida Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The fair value of the position in the external investment Fund A is the same as the value of the pool shares. The fair value of the positions in the external investment Fund B is currently less than the book value of the fund’s shares. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission, however, the board has adopted operating procedures consistent with the requirements for a 2a-7fund.

3. RECEIVABLES AND PAYABLES

Receivables at year end were as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Due from other governments	\$ 576,027	\$ 32,810	\$ 332,307	\$ 114,530	\$ 1,055,674
Other	<u>245,718</u>	<u>-</u>	<u>60,136</u>	<u>-</u>	<u>305,854</u>
Total Receivables	<u>\$ 821,745</u>	<u>\$ 32,810</u>	<u>\$ 392,443</u>	<u>\$ 114,530</u>	<u>\$ 1,361,528</u>

Payables at year end were as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Due to other governments	\$ 852,330	\$ -	\$ -	\$ -	\$ 852,330
Vendors	<u>2,163,098</u>	<u>26,414</u>	<u>281,899</u>	<u>111,697</u>	<u>2,583,108</u>
Total Payables	<u>\$ 3,015,428</u>	<u>\$ 26,414</u>	<u>\$ 281,899</u>	<u>\$ 111,697</u>	<u>\$ 3,435,438</u>

4. INTERFUND BALANCES AND TRANSFERS

Interfund balances for the year ended September 30, 2010, consisted of the following:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	
General Fund	\$ -	\$ -	\$ 853,158	\$ 853,158
Special Revenue Fund	100,000	-	-	100,000
Capital Project Fund	<u>150</u>	<u>155,527</u>	<u>-</u>	<u>155,677</u>
Total	<u>\$ 100,150</u>	<u>\$ 155,527</u>	<u>\$ 853,158</u>	<u>\$ 1,108,835</u>

The outstanding balances between funds results mainly from the time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During the year, the Capital Project Fund allocated approximately \$86,092 of infrastructure to the Stormwater Fund (a Proprietary Fund) for the portion of drainage improvements on various capital projects funded by the Capital Project Fund and reported as capital contributions from other funds in the business-type activities.

4. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Also, the General Fund transferred approximately \$853,000 to the Capital Project Fund in fiscal year 2010 to partially finance the future capital projects of the Town which includes the construction of the New Government Center.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Non depreciable capital assets:				
Land	\$ 3,207,035	\$ -	\$ -	\$ 3,207,035
Construction in progress	<u>646,007</u>	<u>235,198</u>	<u>(464,382)</u>	<u>416,823</u>
Total assets not being depreciated	<u>3,853,042</u>	<u>235,198</u>	<u>(464,382)</u>	<u>3,623,858</u>
Capital assets, being depreciated:				
Furniture and equipment	759,035	10,752	-	769,787
Leasehold improvements	86,055	-	-	86,055
Infrastructure	<u>14,179,077</u>	<u>684,611</u>	<u>-</u>	<u>14,863,688</u>
Total capital assets being depreciated	<u>15,024,167</u>	<u>695,363</u>	<u>-</u>	<u>15,719,530</u>
Less accumulated depreciation for:				
Furniture and equipment	(426,169)	(122,935)	-	(549,104)
Leasehold improvements	(32,595)	(9,651)	-	(42,246)
Infrastructure	<u>(1,701,339)</u>	<u>(695,163)</u>	<u>-</u>	<u>(2,396,502)</u>
Total accumulated depreciation	<u>(2,160,103)</u>	<u>(827,749)</u>	<u>-</u>	<u>(2,987,852)</u>
Net capital assets being depreciated	<u>12,864,064</u>	<u>(132,386)</u>	<u>-</u>	<u>12,731,678</u>
Governmental activities				
Capital assets, net	<u>\$ 16,717,106</u>	<u>\$ 102,812</u>	<u>\$ (464,382)</u>	<u>\$ 16,355,536</u>

The following is a summary of capital assets in the Proprietary Fund at September 30, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, being depreciated:				
Infrastructure	\$ 4,496,894	\$ 86,092	\$ -	\$ 4,582,986
Less accumulated depreciation for:				
Infrastructure	<u>(301,346)</u>	<u>(113,993)</u>	<u>-</u>	<u>(415,339)</u>
Net capital assets being depreciated	<u>4,195,548</u>	<u>(27,901)</u>	<u>-</u>	<u>4,167,647</u>
Business-type activities				
Capital assets, net	<u>\$ 4,195,548</u>	<u>\$ (27,901)</u>	<u>\$ -</u>	<u>\$ 4,167,647</u>

5. CAPITAL ASSETS (CONTINUED)

Depreciation expenses charged to functions/programs of the primary government are as follows:

Governmental activities:

General Government	\$ 84,486
Public Safety	37,832
Public Works	263,442
Parks and Recreation	441,989
	<u>\$ 827,749</u>

Business-type activities:

Stormwater Utility	<u>\$ 113,993</u>
	<u>\$ 113,993</u>

6. LONG-TERM DEBT

Notes Payable

On August 31, 2007, the Town entered into a Loan Agreement with a bank in the amount of \$310,605 to finance the purchase of fifteen (15) police vehicles. The loan bears interest at a rate of 3.94% per annum, secured by non ad valorem revenues of the Town and payable in quarterly installment of \$17,186 including interest with final payment due on September 1, 2012.

On October 1, 2008, the Town entered into a Loan Agreement with a bank in the amount of \$319,746 to finance the purchase of fourteen (14) police vehicles. The loan bears interest at a rate of 3.469% per annum, secured by non ad valorem revenues of the Town and payable in quarterly installments of \$17,487 including interest with final payment due on September 30, 2013.

Annual debt service requirement to maturity are as follows:

Year End September 30th	<u>2007 Note</u>			<u>2008 Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 64,506	\$ 4,239	\$ 68,745	\$ 63,873	\$ 6,077	\$ 69,950
2012	67,085	1,660	68,745	66,124	3,826	69,950
2013	-	-	-	68,454	1,495	69,949
Total	<u>\$ 131,591</u>	<u>\$ 5,899</u>	<u>\$ 137,690</u>	<u>\$ 198,451</u>	<u>\$ 11,398</u>	<u>\$ 209,849</u>

6. LONG-TERM DEBT (CONTINUED)

	<u>Balance</u> <u>October 1,</u> <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30,</u> <u>2010</u>	<u>Due within</u> <u>One Year</u>
Governmental activities:					
Notes Payable	\$ 453,766	\$ -	\$ 123,724	\$ 330,042	\$ 128,378
Compensated absences	<u>66,171</u>	<u>36,822</u>	<u>12,440</u>	<u>90,553</u>	<u>-</u>
Total Long-term debt	<u>\$ 519,937</u>	<u>\$ 36,822</u>	<u>\$ 136,164</u>	<u>\$ 420,595</u>	<u>\$ 128,378</u>

The compensated absences are generally liquidated by the general fund.

7. EMPLOYEE RETIREMENT SYSTEM

Plan Description. Effective January 1, 2004, pursuant to Council enactment of Resolution No. 03-182, all of the Town's full-time employees became participants of the Florida Retirement System (FRS), a multiple employer cost sharing public employee retirement system, enacted by the Florida Legislature and available to governmental units within Florida. The FRS provides vesting after six years of creditable service. Members are eligible for normal retirement after vesting (6 years or more creditable service for regular members). Early retirement may be taken anytime, but there is a five percent benefit reduction for each year prior to normal retirement age (less than 30 years service or 62 years of age for regular members).

Funding Policy. Plan members do not contribute. The Town contribution rates ranged from 10.77% to 14.57% of covered payroll. Article X, Section 14 of the State Constitution and Part VII, Chapter 112 of the Florida Statutes provide the authority to amend the contribution rates and obligations.

The Town's contributions for the Florida Retirement System during the year which were equal to 100% of the required contribution amounted to approximately \$204,000.

The contribution requirements of covered payroll and actual contribution made for fiscal year 2010 and the two preceding years were as follows:

	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Contribution requirements	\$ 203,850	\$ 175,516	\$ 178,216
Contribution made (100%)	203,850	175,516	178,216
Total covered payroll	1,980,949	2,022,174	2,008,959
% of contribution to covered payroll	10.3%	8.7%	8.9%

7. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

The Florida Retirement System issues a financial report that includes the financial statements and other statistically relevant financial information. That report may be obtained from the State of Florida, Division of Retirement, 2639 N. Monroe Street, Tallahassee, Florida 32399 or by calling (850) 488-2879.

8. COMMITMENTS AND CONTINGENCIES

Agreement with Miami-Dade County for Local Police Patrol Services

Effective November 14, 2004, the Town executed an agreement with the Miami-Dade County ("County") for local police patrol services provided by the County. Consideration for these services is based on actual costs of officers and equipment and is due on a quarterly basis based on the Town's annual budget. The last payment of the fiscal year is adjusted to actual costs for the year. Additional payments are required for optional law enforcement services. The agreement expires on November 13, 2012. The Town paid approximately \$6,335,689 to the County for local police patrol services during the fiscal year ended September 30, 2010.

Operating Lease

In December 2005, the Town entered into a five-year lease agreement expiring February 28, 2011 for approximately 13,125 square feet of office space for the Town Hall location for approximately \$27,474 per month subject to annual rate adjustment based on the Consumer Price Index (CPI) as published by U.S. Department of Labor, Bureau of Labor Statistic.

Minimum rental payments for the remainder of the lease term are as follows:

Lease will terminate February 28th, 2011

Fiscal year 2011	\$137,369
------------------	-----------

Total rental expenditures for fiscal year 2010 amounted to approximately \$326,000.

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Miami-Dade County Quality Neighborhood Improvement Plan (QNIP)

Florida Public Service Tax Revenue Bonds

Prior to the Town’s incorporation, Miami-Dade County issued \$77,640,000 in Florida Public Service Tax Revenue Bonds (UMSA Public Improvements) Series 1999 (the Revenue Bonds). The County pledged the Unincorporated Service Area’s (UMSA) utility tax revenues for debt service on the Revenue Bonds. Unlike other Miami-Dade municipalities that have incorporated subsequent to the issuance of the Revenue Bonds, there are no written agreements, contracts or other verified requirements for the Town’s participation in the repayment of the Revenue Bonds. The County has asserted a claim that the Town should participate in yearly Quality Neighborhood Improvement Program (QNIP) Debt Service Payments through 2024. Under the County’s assertions, the Town’s QNIP Debt Service Payment would be based on utility tax revenue collected by the Town during the year as a percentage of the total UMSA utility tax revenues for that year multiplied by the total debt service payment due by the County on the Revenue Bonds for that year.

During fiscal year 2010, Town management worked with the County to achieve a settlement of this and other financial issues outstanding between the two governments. On January 28, 2010, the Town Council in a Special Call Meeting authorized the Town staff to move forward and enter into an agreement with Miami-Dade County pursuant to which the Town would agree to pay all outstanding QNIP payments owed to the County under a structured settlement plan which the County had proposed.

The settlement terms call for a payment plan by the Town of \$153,423 annually beginning in fiscal year 2010 through 2024 with additional “make-up payments during the years 2010 through 2012. In return, the County would transfer the remaining pocket parks located within the Town boundaries, release the remaining Safe Neighborhood Park grants and General Obligation Bond funds due to the Town, totaling \$549,927.

Annual QNIP debt service payments are as follows:

2011	\$ 403,423
2012	403,423
2013	442,511
2014	153,423
2015	153,423
2016-2024	<u>1,380,807</u>
	<u>\$ 2,937,010</u>

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Stormwater system

In October 2003, the County and the Town entered into an agreement to transfer to the Town the operations and the maintenance of the Town’s Stormwater utility system located within the Town’s boundaries. As part of the agreement, the billing and collection activities will remain under the administration of the County’s Water and Sewer Department (“Department”) for an administrative fee of 87 cents per utility bill processed by the Department. The agreement is effective for a period of 5 years and is renewable by written mutual consent of both parties.

In addition, the agreement requires the Town to pay the County a yearly debt service payment through the year 2024 based on 2.4% of the Annual Debt Service Payment of the \$41,580,000 Miami-Dade County Stormwater Utility Revenue Bonds, Series 1999.

Annual QNIP Stormwater Debt Service payments are as follows:

2011	\$ 69,655
2012	69,636
2013	69,631
2014	69,632
2015	69,628
2016-2024	<u>626,298</u>
	<u>\$ 974,480</u>

During the fiscal year ended September 30, 2010, the Town paid approximately \$69,570 and \$27,561, in payments and administrative fees, respectively.

Litigation

The Town is involved in several lawsuits incidental to its operations, the outcome of which, in the opinion of management and legal counsel, should not have a material adverse effect on the financial position of the Town.

9. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Town carries commercial insurance. The Town also provides employee medical benefits through commercial insurance coverage. There were no reductions in insurance coverage from coverages in the prior year. Settled claims did not exceed coverages for the past three years.

10. SUBSEQUENT EVENTS

Homeowners Dividend

On December 14, 2010, the Town Council adopted Ordinance Number 2011-129 providing for the funding of a dividend to year round resident homeowners with homestead exemption. Approximately \$525,000 was allocated to pay the dividend with each qualifying residence receiving a \$75 check.

Issuance of Long Term Debt

Pursuant to Ordinance Number 2010-127, Resolution Number 2010-857 and Resolution Number 2010-858, on December 16, 2010, the Town issued \$7.33 million of Town of Miami Lakes, Florida, Special Obligation Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”) to pay all the costs of purchasing, designing and construction of a new Government Center, pay capitalized interest, fund a debt service reserve and, together with other available funds, to pay costs of issuance.

The Series 2010 Bonds are collateralized by the Electric Utility Tax Revenues and are due serially beginning December 1, 2019 through the year 2040 with semi-annual interest due on June 1 and December 1 of each year. Revenue requirements include at least 1.25 times the maximum principal and interest on all outstanding bonds.

Under the American Recovery and Reinvestment Act of 2009 Congress added certain provisions to the Internal Revenue Code (the “Code”) which made it possible for state and local governments to potentially obtain lower net borrowing costs when issuing bonds that meet certain requirements of the Code and the related Treasury Regulations (“qualified bonds”). A Build America Bond is a “qualified bond” where the issuer has made an irrevocable election to have the special rules applicable to the qualified bonds apply. A Build America Bond that constitutes a “qualified bond” entitles the issuer to receive direct subsidy payments from the United States Department of the Treasury, upon meeting certain other additional requirements, in the amount of 35% of the corresponding interest payable on the related bonds. The Series 2010 Bonds were issued as “qualified bonds”.

Relocation of Town Center

On February 18, 2011 the Town government offices moved to 15150 North West 79 Court. This interim site will be leased for approximately three years until such time the Town completes its proposed new Government Center. Annual rental for this lease is approximately \$235,000.

Millage Rate for Fiscal Year 2011

On September 16, 2010, the Town Council adopted the budget ordinance for fiscal year 2011, Ordinance 2010-125, that included a millage rate of 2.3702 which represents a reduction of .0768 from the fiscal year 2010 rate of 2.4470.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

**TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>			Variance with
	<u>Amended</u>		<u>Actual</u>	Original to
	<u>Original</u>	<u>Budget</u>		Amended Final
				Positive
				<u>(Negative)</u>
Revenues:				
Ad valorem taxes	\$ 6,679,877	\$ 6,572,134	\$ 6,572,134	\$ (107,743)
Utility taxes	2,085,000	2,730,389	2,730,389	645,389
Franchise fees	1,967,915	2,008,171	2,008,171	40,256
Communication service tax	1,500,000	1,560,902	1,560,902	60,902
Licenses and permits	725,850	1,098,041	1,098,041	372,191
Intergovernmental	2,000,000	2,266,934	2,266,934	266,934
Fines and forfeitures	342,000	257,927	257,927	(84,073)
Other	8,000	28,776	28,776	20,776
Investment Income	70,000	63,571	63,571	(6,429)
Total revenues	<u>15,378,642</u>	<u>16,586,845</u>	<u>16,586,845</u>	<u>1,208,203</u>
Expenditures:				
Current:				
General government:				
Town council	225,882	191,879	191,879	34,003
Town administration and finance	2,341,215	2,008,701	2,008,701	332,514
Legal	<u>300,000</u>	<u>460,774</u>	<u>460,774</u>	<u>(160,774)</u>
Total general government	<u>2,867,097</u>	<u>2,661,354</u>	<u>2,661,354</u>	<u>205,743</u>
Public safety:				
Police	7,062,697	6,692,824	6,692,824	369,873
Parks and recreation	2,571,254	2,298,469	2,298,469	272,785
Public works	1,014,637	907,599	907,599	107,038
Comprehensive planning	<u>1,791,665</u>	<u>1,621,256</u>	<u>1,621,256</u>	<u>170,409</u>
Total expenditures	<u>15,307,350</u>	<u>14,181,502</u>	<u>14,181,502</u>	<u>1,125,848</u>
Excess of revenues over expenditures	<u>71,292</u>	<u>2,405,343</u>	<u>2,405,343</u>	<u>2,334,051</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>853,158</u>	<u>853,158</u>	<u>(853,158)</u>
Total other financing uses	<u>-</u>	<u>853,158</u>	<u>853,158</u>	<u>(853,158)</u>
Net change in fund balance	71,292	1,552,185	1,552,185	1,480,893
Fund balance, beginning	<u>8,256,811</u>	<u>8,256,811</u>	<u>8,256,811</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,328,103</u>	<u>\$ 9,808,996</u>	<u>\$ 9,808,996</u>	<u>\$ 1,480,893</u>

See Notes to Budgetary Comparison Schedule

**TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE –SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Amended Budget</u>		<u>Original to Amended</u>
				<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
New Local Option Gas Tax	\$ 357,830	\$ 358,469	\$ 358,469	\$ 639
Federal Grant - Bus Purchase	570,000	-	-	(570,000)
Transportation Sales Tax 20%	150,000	154,601	154,601	4,601
Investment Income	3,500	383	383	(3,117)
Impact Fees-Public Safety	<u>3,000</u>	<u>467</u>	<u>467</u>	<u>(2,533)</u>
Total revenues	<u>1,084,330</u>	<u>513,920</u>	<u>513,920</u>	<u>(570,410)</u>
Expenditures:				
Current:				
Police Impact Fees	3,000	-	-	3,000
Transportation Roadway System Maint	330,000	176,949	176,949	153,051
Transit				
Crosswalks	10,000	-	-	10,000
Traffic Calming	50,000	31,500	31,500	18,500
Traffic Studies	10,000	1,980	1,980	8,020
Professional Fees	-	450	450	(450)
Bus Circulator	60,000	47,624	47,624	12,376
Insurance	6,500	4,145	4,145	2,355
Bus Benches/Shelter R & M	13,000	102	102	12,898
Bus Acquisition	570,000	-	-	570,000
Equipment non cap	-	196	196	(196)
Total expenditures	<u>1,052,500</u>	<u>262,946</u>	<u>262,946</u>	<u>789,554</u>
Excess of revenues over expenditures	<u>31,830</u>	<u>250,974</u>	<u>250,974</u>	<u>219,144</u>
Net change in fund balance	31,830	250,974	250,974	219,144
Fund balance, beginning	<u>773,156</u>	<u>773,156</u>	<u>773,156</u>	<u>-</u>
Fund balance, ending	<u>\$ 804,986</u>	<u>\$ 1,024,130</u>	<u>\$ 1,024,130</u>	<u>\$ 219,144</u>

See Notes to Budgetary Comparison Schedule

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2010

A. Budgetary Information

Annual budgets are legally adopted for all governmental funds.

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

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States.

1. Prior to July 30 of each year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and means of financing such expenditures.
2. Public hearings are held to obtain tax payers comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The level of control at which expenditures may not exceed budget is at the departmental level. The Town Council approves these levels by passing an ordinance. Any revisions that alter the total expenditures of any appropriation center within a fund must be approved by the Town Council.



OTHER SCHEDULES

TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>			Variance with Original to Amended Final Budget <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Amended Budget</u>	<u>Actual</u>	
Revenues:				
Local Option Gas Tax 3cent	\$ 150,792	\$ 137,137	\$ 137,137	\$ (13,655)
Grant/Parks				
Miami Lakes Park Land and Water	200,000	200,000	200,000	-
Florinda Estates	67,127	-	-	(67,127)
Bike Path NW 170th Greenway	100,000	-	-	(100,000)
Boundless Playground	112,500	112,500	112,500	-
Grant/Stormwater				
Federal Stimulus Funding	600,000	-	-	(600,000)
Stormwater Improvement Grant	200,000	-	-	(200,000)
1/2 Cent Trans Sales Tax	592,250	618,403	618,403	26,153
SNP Royal Oaks Park	200,000	-	-	(200,000)
SNP Miami Lakes Park	46,100	-	-	(46,100)
Impact Fees	20,000	3,323	3,323	(16,677)
Investment Income	3,000	603	603	(2,397)
Donations(Boundless Playground)	-	29,136	29,136	29,136
Total revenues	<u>2,291,769</u>	<u>1,101,102</u>	<u>1,101,102</u>	<u>(1,190,667)</u>
Expenditures:				
Current:				
Legal Cost of Real Estate Acquisition	-	8,950	8,950	(8,950)
Road & Drainage Improvements	2,145,000	216,363	216,363	1,928,637
Transportation Improvements	953,000	103,571	103,571	849,429
Royal Oaks Park Construction	200,000	33,281	33,281	166,719
Development of Mini Parks				
Florinda Estates	98,750	10,559	10,559	88,191
Bike Path NW 170th Greenway	200,000	14,978	14,978	185,022
169th Terr & 89th Ct Project	100,000	-	-	100,000
Beautification Matching Grant	5,000	5,000	5,000	-
Miami Lakes Park General Improvements				
Boundless Playground	200,000	247,169	247,169	(47,169)
Total expenditures	<u>3,901,750</u>	<u>639,872</u>	<u>639,872</u>	<u>3,261,878</u>
(Deficiency) excess of revenues				
(under) over expenditures	<u>(1,609,981)</u>	<u>461,230</u>	<u>461,230</u>	<u>2,071,211</u>
Other financing uses:				
Transfer in -Stormwater Operating Acct	1,379,778	-	-	1,379,778
Transfer in-General Fund	-	853,158	853,158	(853,158)
Total other financing uses	<u>1,379,778</u>	<u>853,158</u>	<u>853,158</u>	<u>(526,620)</u>
Net change in fund balance	(230,203)	1,314,388	1,314,388	1,544,591
Fund balance, beginning	<u>414,182</u>	<u>414,182</u>	<u>414,182</u>	<u>-</u>
Fund balance, ending	<u>\$ 183,979</u>	<u>\$ 1,728,570</u>	<u>\$ 1,728,570</u>	<u>\$ 1,544,591</u>



STATISTICAL SECTION

**TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
NET ASSETS BY COMPONENT
LAST NINE YEARS**

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:									
Invested in capital assets, net of related debt	\$ 2,120,114	\$ 3,498,055	\$ 6,044,933	\$ 9,767,253	\$ 11,243,582	\$ 13,506,338	\$ 14,112,595	\$ 16,263,340	\$ 16,025,495
Restricted	653,435	2,633,235	2,144,384	1,725,395	1,989,535	2,450,414	2,078,865	1,218,698	2,776,914
Unrestricted	3,951,742	3,351,764	4,232,728	3,393,391	3,575,683	3,589,471	5,251,427	8,159,280	9,644,228
Total governmental activities net assets	<u>\$ 6,725,291</u>	<u>\$ 9,483,054</u>	<u>\$ 12,422,045</u>	<u>\$ 14,886,039</u>	<u>\$ 16,808,800</u>	<u>\$ 19,546,223</u>	<u>\$ 21,442,887</u>	<u>\$ 25,641,318</u>	<u>\$ 28,446,637</u>
Business-type activities:									
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 1,064,936	\$ 1,493,937	\$ 1,956,792	\$ 2,601,424	\$ 3,644,830	\$ 4,195,548	\$ 4,167,647
Unrestricted	-	-	48,956	702,928	427,813	921,494	1,343,801	1,574,095	1,998,079
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,113,892</u>	<u>\$ 2,196,865</u>	<u>\$ 2,384,605</u>	<u>\$ 3,522,918</u>	<u>\$ 4,988,631</u>	<u>\$ 5,769,643</u>	<u>\$ 6,165,726</u>
Primary government									
Invested in capital assets, net of related debt	\$ 2,120,114	\$ 3,498,055	\$ 7,109,869	\$ 11,261,190	\$ 13,200,374	\$ 16,107,762	\$ 17,757,425	\$ 20,458,888	\$ 20,193,142
Restricted	653,435	2,633,235	2,144,384	1,725,395	1,989,535	2,450,414	2,078,865	1,218,698	2,776,914
Unrestricted	3,951,742	3,351,764	4,281,684	4,096,319	4,003,496	4,510,965	6,595,228	9,733,375	11,692,307
Total primary government net assets	<u>\$ 6,725,291</u>	<u>\$ 9,483,054</u>	<u>\$ 13,535,937</u>	<u>\$ 17,082,904</u>	<u>\$ 19,193,405</u>	<u>\$ 23,069,141</u>	<u>\$ 26,431,518</u>	<u>\$ 31,410,961</u>	<u>\$ 34,662,363</u>

Note: The Town began to report accrual information when it implemented GASB 34 in fiscal year 2002. Stormwater operation was transferred by Miami-Dade County in fiscal year 2004.

**TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN NET ASSETS
LAST NINE YEARS**

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses									
Governmental activities:									
General government	\$ 1,284,795	\$ 1,765,747	\$ 1,739,246	\$ 1,899,972	\$ 2,495,045	\$ 3,170,034	\$ 3,139,386	\$ 3,020,796	\$ 2,648,569
Public safety	3,864,966	4,536,401	5,168,188	5,390,092	6,113,789	6,215,685	7,004,847	6,619,819	6,654,020
Parks and recreation	1,739,755	1,171,872	1,353,905	1,858,785	2,864,423	2,586,003	2,709,057	2,571,167	3,019,126
Public works	401,074	1,297,323	1,655,451	1,995,828	6,880,032	2,311,072	2,829,430	2,178,162	1,288,942
Comprehensive planning	715,255	1,311,865	1,260,743	1,421,806	1,592,071	1,634,839	1,702,826	1,808,535	1,634,827
Interest expense							11,397	19,456	14,971
Non-departmental	1,494,934	1,686,076	1,730,146	1,773,843	1,849,245	1,931,551	-	-	-
Total governmental activities expenses	<u>9,500,779</u>	<u>11,769,284</u>	<u>12,907,679</u>	<u>14,340,326</u>	<u>21,794,605</u>	<u>17,849,184</u>	<u>17,396,943</u>	<u>16,217,935</u>	<u>15,260,455</u>
Business-type activities:									
Stormwater utilities	-	-	430,852	414,405	776,142	649,798	647,440	893,472	686,953
Total business-type activities expenses	-	-	430,852	414,405	776,142	649,798	647,440	893,472	686,953
Total primary government expenses	<u>9,500,779</u>	<u>11,769,284</u>	<u>13,338,531</u>	<u>14,754,731</u>	<u>22,570,747</u>	<u>18,498,982</u>	<u>18,044,383</u>	<u>17,111,407</u>	<u>15,947,408</u>
Program Revenues									
Governmental activities:									
Charges for services:									
General Government	254,451	25,990	28,842	-	19,741	55,469	871,832	158,677	20,252
Public Safety	109,267	219,789	166,239	343,732	183,033	276,784	373,576	305,409	257,927
Parks and recreation	644,663	339,243	32,499	97,280	14,468	2,642	1,010	-	-
Public works	-	1,000	184,639	-	-	-	-	-	-
Comprehensive Planning	-	946,457	1,095,077	1,216,051	1,319,577	1,246,495	1,011,605	811,904	1,098,041
Operating Grants and contributions	-	152,040	180,092	524,538	5,259,662	318,943	15,363	1,274,011	205,390
Capital grants and contributions	2,036,125	416,644	-	315,500	455,213	1,249,374	620,692	1,298,299	312,500
Total governmental activities program revenues	<u>3,044,506</u>	<u>2,101,163</u>	<u>1,687,388</u>	<u>2,497,101</u>	<u>7,251,694</u>	<u>3,149,707</u>	<u>2,894,078</u>	<u>3,848,300</u>	<u>1,894,110</u>
Business-type activities:									
Charges for services									
Stormwater Utility	-	-	795,224	1,108,962	876,342	1,262,970	990,651	992,577	983,278
Operating Grants and contributions	-	-	-	-	16,745	-	-	-	-
Total business-type activities program revenues	-	-	795,224	1,108,962	893,087	1,262,970	990,651	992,577	983,278
Total primary government program revenues	<u>\$ 3,044,506</u>	<u>\$ 2,101,163</u>	<u>\$ 2,482,612</u>	<u>\$ 3,606,063</u>	<u>\$ 8,144,781</u>	<u>\$ 4,412,677</u>	<u>\$ 3,884,729</u>	<u>\$ 4,840,877</u>	<u>\$ 2,877,388</u>

Note: The Town began to report accrual information when it implemented GASB 34 in fiscal year 2002. Stormwater operation was transferred by Miami-Dade County in fiscal year 2004.

**TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN NET ASSETS (CONTINUED)
LAST NINE YEARS**

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net(expense)Revenue									
Governmental activities	\$ (6,456,273)	\$ (9,668,121)	\$ (11,220,291)	\$ (11,843,225)	\$ (14,542,911)	\$ (14,699,477)	\$ (14,502,865)	\$ (12,369,635)	\$ (13,366,344)
Business-type activities	-	-	364,372	694,557	116,945	613,172	343,211	99,105	296,325
Total primary government net expense	<u>(6,456,273)</u>	<u>(9,668,121)</u>	<u>(10,855,919)</u>	<u>(11,148,668)</u>	<u>(14,425,966)</u>	<u>(14,086,305)</u>	<u>(14,159,654)</u>	<u>(12,270,530)</u>	<u>(13,070,019)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
General Revenues									
Taxes:									
Property taxes	4,965,982	5,472,570	5,855,433	6,093,713	7,064,767	7,706,385	7,427,746	7,433,753	6,572,134
Utility service taxes	2,208,122	2,279,546	2,258,485	2,326,833	2,483,810	2,461,479	2,533,824	2,560,676	2,730,389
Communication services tax	485,365	752,622	783,175	1,329,651	1,530,924	1,490,228	1,491,360	1,776,558	1,560,902
Franchise taxes	678,711	1,113,629	1,810,595	1,263,596	1,584,345	2,079,921	2,001,376	1,967,915	2,008,171
Intergovernmental not restricted to specific programs	2,201,060	2,726,055	3,209,523	3,445,972	3,831,639	3,651,451	3,806,793	3,402,916	3,330,153
Investment and miscellaneous income	180,327	81,462	81,071	235,870	304,387	569,304	250,310	82,981	106,006
Transfers	-	-	161,000	(388,416)	(334,200)	(521,868)	(1,111,880)	(656,733)	(86,092)
Total governmental activities	<u>10,719,567</u>	<u>12,425,884</u>	<u>14,159,282</u>	<u>14,307,219</u>	<u>16,465,672</u>	<u>17,436,900</u>	<u>16,399,529</u>	<u>16,568,066</u>	<u>16,221,663</u>
Business-type activities:									
General Revenues									
Investment income	-	-	-	-	-	3,273	10,622	25,174	13,666
Capital contribution	-	-	910,520	-	-	-	-	-	-
Transfers	-	-	(161,000)	388,416	334,200	521,868	1,111,880	656,733	86,092
Total business-type activities	<u>-</u>	<u>-</u>	<u>749,520</u>	<u>388,416</u>	<u>334,200</u>	<u>525,141</u>	<u>1,122,502</u>	<u>681,907</u>	<u>99,758</u>
Total primary government	<u>10,719,567</u>	<u>12,425,884</u>	<u>14,908,802</u>	<u>14,695,635</u>	<u>16,799,872</u>	<u>17,962,041</u>	<u>17,522,031</u>	<u>17,249,973</u>	<u>16,321,421</u>
Change in Net assets									
Governmental activities	4,263,994	2,727,763	2,938,991	2,463,994	1,922,761	2,737,423	1,896,664	4,198,431	2,855,319
Business-type activities	-	-	1,113,892	1,082,973	451,145	1,138,313	1,465,713	781,012	396,083
Total prime government	<u>\$ 4,263,994</u>	<u>\$ 2,727,763</u>	<u>\$ 4,052,883</u>	<u>\$ 3,546,967</u>	<u>\$ 2,373,906</u>	<u>\$ 3,875,736</u>	<u>\$ 3,362,377</u>	<u>\$ 4,979,443</u>	<u>\$ 3,251,402</u>

Note: The Town began to report accrual information when it implemented GASB 34 in fiscal year 2002.
Stormwater operation was transferred by Miami-Dade County in fiscal year 2004.

**TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ -	\$ 1,352,164	\$ -	\$ -	\$ -	\$ -	\$ 2,635,346	\$ 1,883,267	\$ 31,361	\$ 549,214
Unreserved	<u>526,990</u>	<u>3,253,013</u>	<u>3,785,432</u>	<u>3,446,989</u>	<u>3,393,391</u>	<u>3,575,683</u>	<u>1,165,611</u>	<u>3,456,720</u>	<u>8,225,450</u>	<u>9,259,782</u>
Total General Fund	<u>\$ 526,990</u>	<u>\$ 4,605,177</u>	<u>\$ 3,785,432</u>	<u>\$ 3,446,989</u>	<u>\$ 3,393,391</u>	<u>\$ 3,575,683</u>	<u>\$ 3,800,957</u>	<u>\$ 5,339,987</u>	<u>\$ 8,256,811</u>	<u>\$ 9,808,996</u>
 All Other Governmental Funds										
Unreserved, reported in:										
Special Revenue funds	\$ -	\$ -	\$ 261,340	\$ 411,181	\$ 293,263	\$ 437,919	\$ 523,962	\$ 573,707	\$ 773,156	\$ 1,024,130
Capital projects funds	<u>-</u>	<u>-</u>	<u>1,938,227</u>	<u>2,518,942</u>	<u>1,432,132</u>	<u>1,551,616</u>	<u>1,926,452</u>	<u>1,505,158</u>	<u>414,182</u>	<u>1,728,570</u>
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,199,567</u>	<u>\$ 2,930,123</u>	<u>\$ 1,725,395</u>	<u>\$ 1,989,535</u>	<u>\$ 2,450,414</u>	<u>\$ 2,078,865</u>	<u>\$ 1,187,338</u>	<u>\$ 2,752,700</u>

Note: The Town created special revenue and capital project funds beginning fiscal year 2003.

**TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues										
Ad valorem taxes	\$ 2,899,888	\$ 4,965,982	\$ 5,472,570	\$ 5,855,433	\$ 6,093,713	\$ 7,064,767	\$ 7,706,385	\$ 7,427,746	\$ 7,433,753	\$ 6,572,134
Utility taxes	2,496,901	2,208,172	2,279,546	2,258,485	2,326,833	2,483,810	2,461,479	2,533,824	2,560,676	2,730,389
Franchise fees	617,994	678,711	1,113,629	1,810,595	1,263,596	1,584,345	2,079,921	2,001,376	1,967,915	2,008,171
Communication service tax	-	485,315	752,622	783,175	1,329,651	1,530,924	1,490,228	1,491,360	1,776,558	1,560,902
Licenses and permits	89,646	254,451	923,942	1,031,256	1,216,051	1,163,289	1,246,495	1,011,605	811,904	1,098,041
Intergovernmental	1,066,734	2,201,060	2,878,095	3,389,615	4,286,010	9,526,515	5,016,401	4,646,217	5,975,226	3,848,044
Impact fees	-	644,663	339,243	37,910	131,269	32,943	54,399	685,185	-	-
Fines and forfeitures	139,656	109,267	219,789	221,894	307,103	318,949	276,784	373,576	305,395	257,927
Others	2,296	84,360	466,149	216,237	42,617	52,013	58,714	201,914	162,945	61,702
Investment Income	101,314	95,967	81,462	81,071	197,292	295,824	323,999	236,054	78,727	64,557
Total Revenue	<u>7,414,429</u>	<u>11,727,948</u>	<u>14,527,047</u>	<u>15,685,671</u>	<u>17,194,135</u>	<u>24,053,379</u>	<u>20,714,805</u>	<u>20,608,857</u>	<u>21,073,099</u>	<u>18,201,867</u>
Expenditures										
General government:										
Town Council	52,928	120,481	96,007	104,019	121,125	207,189	265,712	257,576	206,114	191,879
Town Administration and finance	229,597	853,676	1,324,040	1,204,287	1,515,033	1,890,342	2,004,617	2,386,610	2,207,613	2,003,924
Legal	148,823	304,630	336,069	267,741	246,717	366,957	454,641	481,727	669,680	469,724
Total general government	<u>431,348</u>	<u>1,278,787</u>	<u>1,756,116</u>	<u>1,576,047</u>	<u>1,882,875</u>	<u>2,464,488</u>	<u>2,724,970</u>	<u>3,125,913</u>	<u>3,083,407</u>	<u>2,665,527</u>
Public safety:										
Police	4,501,556	3,864,966	4,536,401	5,168,188	5,387,539	6,100,498	6,205,485	6,698,208	6,534,646	6,554,129
Parks and recreation	223,796	1,739,755	1,171,285	1,352,229	1,824,921	2,562,829	2,474,116	2,488,718	2,320,385	2,272,225
Public works	385,793	401,074	1,297,323	1,655,451	2,471,423	7,068,413	2,265,780	2,593,852	1,958,909	1,170,545
Comprehensive planning	-	715,255	1,311,865	1,260,537	1,420,280	1,589,038	1,619,406	1,697,387	1,802,792	1,619,772
Debt service:										
Principal	-	-	-	-	-	-	-	57,348	119,238	123,724
Interest	-	-	-	-	-	-	-	11,397	19,456	14,971
Non departmental	1,289,830	1,494,934	1,686,076	1,730,146	1,773,843	1,849,245	1,931,551	-	-	-
Capital Outlay	55,116	62,337	1,388,155	2,711,959	3,728,164	2,122,436	3,292,949	3,088,299	3,208,969	663,427
Total expenditures	<u>6,887,439</u>	<u>9,557,108</u>	<u>13,147,221</u>	<u>15,454,557</u>	<u>18,489,045</u>	<u>23,756,947</u>	<u>20,514,257</u>	<u>19,761,122</u>	<u>19,047,802</u>	<u>15,084,320</u>
Other Financing Sources(Uses)										
Proceeds from debt issuance	-	-	-	-	-	-	310,605	319,746	-	-
Transfer in	-	-	2,159,387	2,341,237	1,621,000	743,589	1,192,640	184,500	-	853,158
Transfer out	-	-	(2,159,387)	(2,180,237)	(1,584,416)	(593,589)	(1,017,640)	(184,500)	-	(853,158)
Total other financing sources (uses)	-	-	-	161,000	36,584	150,000	485,605	319,746	-	-
Net change in fund balance	<u>\$ 526,990</u>	<u>\$ 2,170,840</u>	<u>\$ 1,379,826</u>	<u>\$ 392,114</u>	<u>\$ (1,258,326)</u>	<u>\$ 446,432</u>	<u>\$ 686,153</u>	<u>\$ 1,167,481</u>	<u>\$ 2,025,297</u>	<u>\$ 3,117,547</u>
Ratio of total debt service to noncapital expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.41%	0.88%	0.97%

Note: In fiscal year 2006, the increase in public work expenditures and intergovernmental revenues were brought about by the recovery costs and reimbursements from FEMA from Hurricane Katrina and Wilma.

**TOWN OF MIAMI LAKES, FLORIDA
 FINANCIAL TRENDS
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST NINE YEARS
 (in thousand dollars)**

Fiscal year	Communication					Total
	Property Tax	Utility Service Tax	Service Tax	Franchise fees		
2002	\$ 4,966	\$ 2,208	\$ 485	\$ 678	\$ 8,337	
2003	5,473	2,280	753	1,114	9,620	
2004	5,855	2,259	783	1,811	10,708	
2005	6,094	2,326	1,330	1,264	11,014	
2006	7,065	2,484	1,531	1,584	12,664	
2007	7,706	2,461	1,490	2,080	13,737	
2008	7,428	2,534	1,491	2,001	13,454	
2009	7,434	2,561	1,777	1,968	13,740	
2010	6,572	2,730	1,561	2,008	12,871	

Note: The Town began to report accrual information when it implemented GASB 34 in fiscal year 2002.

**TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST NINE YEARS
(in thousands of dollars)**

Fiscal Year Ended September 30,	Real Property					Total Actual & Assessed Value of Taxable Property	Exemptions (a)			Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Personal Property	Personal Property		Real Property - Amendment 10 Excluded Value (b)	Real Property - Other Exemptions	Personal Property		
2002	\$ 1,101,867	\$ 572,582	\$ 144,536	\$ 232,945	\$ 2,051,930	\$ 50,073	\$ 313,261	\$ 1,061	\$ 1,687,535	3.057	
2003	1,291,545	593,865	129,784	258,006	2,273,200	102,582	313,077	1,298	1,856,243	3.057	
2004	1,520,039	685,617	148,626	238,574	2,592,856	202,883	346,738	1,447	2,041,788	2.968	
2005	1,815,493	738,688	147,017	249,436	2,950,634	377,762	366,930	1,867	2,204,075	2.912	
2006	2,312,593	919,492	191,308	236,590	3,659,983	686,626	421,907	870	2,550,580	2.825	
2007	2,846,055	1,126,527	265,719	209,618	4,447,919	1,002,159	574,727	1,097	2,869,936	2.740	
2008	3,334,127	1,204,349	279,668	197,970	5,016,114	1,295,218	572,154	3,701	3,145,041	2.480	
2009	3,289,648	1,226,570	279,681	206,157	5,002,056	1,186,156	743,956	22,106	3,049,838	2.480	
2010 (c)	2,520,228	1,233,586	258,766	216,112	4,228,692	623,281	670,177	20,938	2,914,296	2.447	

Source: Miami-Dade County Property Appraiser

Note: Property in the Town is reassessed each year. Property is assessed at actual market value. Tax rates are per \$1,000 of assessed value.

- (a) Exemptions for real proerty include: \$25,000 homestead exemption; an additional \$25,000 homestead exemption (excluding Schoold Board taxes) in FY 2009; widows/widowers exemption; governmental exemption; disability/blind age 65 and older exemption; institutional exemption; economic development exemption and other exemtions as allowed by law.
- (b) Amendment 10 was an amendment to the Florida Constitution in 1992 which capped the assessed value of properties with homestead exemption to increases of 3% per year or the Conumper Price Index, whichever is less (193.155, F. S.)
- (c) Total actual and assessed values are estimates based on the First Certified 2009 Tax Roll made on October 2009, prior to any adjustments processed by the Value Adjustment Board. The Final Certified Tax Roll for 2009 has not been released as of the date of this report.

Note: Miami Lakes was incorporated in December 5, 2000; therefore information on taxable property values prior to date is not available.

**TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST NINE YEARS
(in thousands of dollars of assessed value)**

Fiscal Year	<u>Direct Rate Overlapping Rates:</u>										
	Miami-Dade County							State Rates			
	Town of Miami Lakes Operating Millage	Miami-Dade Countywide Operating	Miami-Dade Fire & Rescue Service District	Miami-Dade School Board	Public Library	Debt Service	Children's Trust	South Florida Water Management District	Environmental Projects	Florida Inland Navigation District	Total Direct & Overlapping Rates
2002	3.0570	5.7130	2.7520	9.3760	0.4510	0.5520		0.5970	0.1000	0.0385	22.6365
2003	3.0570	5.8890	2.6610	9.2520	0.4860	0.3900		0.5970	0.1000	0.0385	22.4705
2004	2.9680	5.9690	2.6610	9.1000	0.4860	0.2850	0.5000	0.5970	0.1000	0.0385	22.7045
2005	2.9120	5.9350	2.6610	8.6870	0.4860	0.2850	0.4442	0.5970	0.1000	0.0385	22.1457
2006	2.8250	5.8350	2.6610	8.4380	0.4860	0.2850	0.4288	0.5970	0.1000	0.0385	21.6943
2007	2.7400	5.6150	2.6510	8.1050	0.4860	0.2850	0.4223	0.5970	0.1000	0.0385	21.0398
2008	2.4800	4.5760	2.2487	7.9480	0.3842	0.2850	0.4223	0.5346	0.0894	0.0345	19.0027
2009	2.4800	4.8379	2.2271	7.7970	0.3822	0.2850	0.4212	0.5346	0.0894	0.0345	19.0889
2010	2.4470	4.8379	2.2271	7.9950	0.3822	0.2850	0.5000	0.5346	0.0894	0.0345	19.3327

Miami Lakes was incorporated in December 5, 2000, therefore no millage rates are reflected through fiscal year 2001.

Source: Miami-Dade County, Finance Department, Tax Collector's Division.

**TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND SIX YEARS AGO
(in thousands of dollars)**

<u>Taxpayer</u>	<u>2010</u>			<u>2004</u>		
	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Assessed</u>		<u>Total Town</u>	<u>Assessed</u>		<u>Total Town</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
The Graham Companies	\$ 299,980	1	10.29%	\$ 223,397	1	10.94%
Sengra Corporation	107,705	2	3.70%	83,687	2	4.10%
Cordis Corporation	32,575	3	1.12%	25,779	5	1.26%
Cap East Associates	38,275	4	1.31%	19,307	7	0.95%
Caterpillar Tractor Co.	21,800	5	0.75%	16,125	9	0.79%
Miami Lakes County Club, Inc.	19,314	6	0.66%	16,588	8	0.81%
Royal Oaks Plaza, Inc.	19,200	7	0.66%	15,200	10	0.74%
Costco Wholesale Corp	15,888	8	0.55%	9,766	13	0.48%
Private Tax payer	13,690	9	0.47%	24,360	6	1.19%
Palms Corporate Centre, LLC	13,560	10	0.47%			
Kimco autofund LP	12,466	11	0.43%			
MAS Investments LLC	11,579	12	0.40%	8,480	15	0.42%
5980 Miami Lakes Drive LLC	10,743	13	0.37%			
HPTCY Corporation	10,404	14	0.36%	8,930	14	0.44%
Carmax Auto Supertores, Inc.	6,746	15	0.23%			
BPI				37,297	4	1.83%
Pershing				47,309	3	2.32%
First States Investment 5000A LLC				13,549	11	0.66%
EWE Warehouse Investment VII LT				10,360	12	0.51%
Total	633,925		21.75%	560,134		22.12%
 Total Net Assessed Real and Personal Property Value (in thousands)	 \$2,914,296			 \$ 2,041,788		

Source: Miami-Dade County Property Appraiser

Note: Information prior to 2004 is not available.

**TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST SIX FISCAL YEARS
(in thousands of dollars)**

Fiscal Year ended September 30, (1)	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Net Amount Levied	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 6,585	\$ 6,012	91.30%	82	\$ 6,094	92.54%
2006	7,589	7,030	92.63%	35	7,065	93.10%
2007	8,268	7,628	92.25%	78	7,706	93.20%
2008	7,840	7,347	93.71%	81	7,428	94.74%
2009	7,840	7,407	94.48%	27	7,434	94.82%
2010 (2)	\$ 6,256	n/a	n/a	n/a	n/a	n/a

Source: Miami-Dade County Property Tax Collector

Note (1) Detailed information for delinquent payments by year not available before fiscal year 2007, therefore fiscal year 2004 and earlier is not reflected above.

Note (2) Taxes levied in FY 2010 is an estimate based on the 2009 First Certified 2009 Tax Roll made on October 2009, before any significant changes by the Value Adjustment Board had actually been processed. The Final Certified Tax Roll for 2009 has not been released as of the date of this report.

**TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS**

Governmental activities

Fiscal Year ended September 30,	Notes payable	Population	Per Capita Personal Income	Per Capita	% of Per Capital Personal
2007	\$ 310,605	27,027	n/a	\$ 11.49	n/a
2008	661,564	27,031	32,676	24.47	0.07%
2009	519,937	26,694	30,178	19.48	0.06%
2010	420,595	29,361	n/a	14.32	n/a

There were no outstanding debt prior to fiscal year 2007.

n/a - Information is not available.

**TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010
(in thousand dollars)**

<u>Jurisdiction</u>	<u>Net Outstanding Debt</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Miami Lakes</u>
Miami-Dade County Schools (2)	\$ 567,310	1.32%	\$ 7,472
Miami-Dade County (3)	<u>859,492</u>	1.32%	<u>11,321</u>
Subtotal overlapping debt	1,426,802		18,793
Town of Miami Lakes direct debt	<u>-</u>		<u>-</u>
Total direct and overlapping debt	<u>\$ 1,426,802</u>		<u>\$ 18,793</u>

Sources: (1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable property value that is within the Town's boundaries and dividing it by the county's total property value.

(2) Miami-Dade County Schools, General Finance Department

(3) Miami-Dade County, Finance Department (includes General Obligation, Special Obligation Bonds)

The Town has no outstanding general obligation debt.

The Town has no legal debt margin.

**TOWN OF MIAMI LAKES, FLORIDA
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS**

Calendar Year	Population	Median Household Income (1999 \$)	Per Capita Personal Income	School Enrollment	Town Unemployment Rate
2001	22,676	\$61,147	\$28,867	6559	2.90%
2002	24,291	n/a	n/a	n/a	n/a
2003	25,523	n/a	n/a	n/a	n/a
2004	24,853	n/a	n/a	n/a	n/a
2005	24,741	n/a	n/a	n/a	n/a
2006	n/a	n/a	n/a	n/a	n/a
2007	27,027	n/a	n/a	n/a	n/a
2008	27,031	n/a	\$32,676	n/a	2.80%
2009	26,694	\$67,800	\$30,178	6,800	4.40%
2010	29,361	n/a	n/a	n/a	n/a

Sources: Per Capita and Median Household Income information provided by U.S. Bureau of the Census.

School enrollment data provided by U.S. Census Bureau for 2000 and 2005-2009 American Community Survey.

Unemployment rate data provided by the U.S. Bureau of the Census. Population information provided by the U.S.

Bureau of the Census (2000 and 2010) or the University of Florida's Bureau of Economic and Business Research (BEBR).

n/a - Information is not available.

**TOWN OF MIAMI LAKES, FLORIDA
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND EIGHT YEARS AGO**

Employer	2010			2002		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cordis Corporation (Johnson & Johnson)	600	1	4.94%			0.00%
The Graham Companies	486	2	4.00%	521		4.21%
Inktel	464	3	3.82%			0.00%
Schering Corporation (Merk Pharmaceuticals)	287	4	2.36%	320		2.58%
American Express Travel Services	275	5	2.26%			0.00%
Caterpillar Corporation	237	6	1.95%			0.00%
	2,349		19.33%	841		6.79%
Total Employed (1) (2)	12,153			12,381		

Source: Town of Miami Lakes telephone survey November 2010 and March 2011 (for earlier information)

Blanks indicate information not available.

Note (1) - U.S. Census Bureau, Selected Economic Characteristics: 2005-2009

Note (2) - U.S. Census Bureau - Census 2000 Summary

**TOWN OF MIAMI LAKES, FLORIDA
OPERATING INFORMATION
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

Function/Program	<u>Full-time and part-time/contract employees as of September 30,</u>							
	2003	2004	2005	2006	2007	2008	2009	2010
Town Clerk's Office	1	1	1	1	1	3	3	4
Town Administration	7	7	9	10	12	10	12	11
Building Department	3	4	3	7	8	5	6	6
Planning and Development						4	3	5
Parks and Recreation	1	3	6	7	7	7	7	8
Public Works	1	1	1	2	3	2	1	1
Total	13	16	20	27	31	31	32	35

Source: Town of Miami Lakes, Florida adopted Budget (various years).

**TOWN OF MIAMI LAKES, FLORIDA
OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS**

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>General Government</u>									
Building permits issued	100	441	1,266	1,264	1,390	1,088	744	556	519
<u>Police</u>									
Physical arrests	398	430	424	360	314	355	485	529	407
<u>Culture and Recreation</u>									
Summer camp participants	n/a	n/a	n/a	n/a	n/a	n/a	133	208	n/a
Community programs	n/a	n/a	n/a	n/a	n/a	64	64	101	109
Special events	n/a	n/a	n/a	n/a	39	45	52	63	n/a
<u>Stormwater Utility</u>									
Stormwater system linear feet cleaned	n/a	n/a	n/a	n/a	50,649	58,866	36,945	77,371	36,602
Number of Stormwater drains cleaned	n/a	n/a	n/a	n/a	839	673	150	483	266
<u>Public Works</u>									
Road miles maintained	n/a	n/a	n/a	n/a	77	77	77	77	77
Street lights	n/a	n/a	n/a	n/a	2,943	2,943	2,943	2,943	2,943

Sources: Various Town departments and Miami-Dade County Police Department

Notes:

n/a indicates information for those years is not available

**TOWN OF MIAMI LAKES, FLORIDA
OPERATING INFORMATION
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS**

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Police (3)</u>									
Patrol Units (marked) (4)	45	45	45	45	49	50	52	50	50
<u>Culture and Recreation (3)</u>									
Number of parks	94	95	95	96	97	98	99	99	99
Park acreage	116.68	116.8	116.8	116.8	117.3	117.6	117.8	117.8	118.3
Community center	2	2	2	2	2	2	2	2	3
<u>Stormwater Drainage (1)</u>									
Stormwater system - linear feet	n/a	n/a	n/a	n/a	12000	12000	12000	12000	12,000
Stormwater drains - catchbasins & manholes	n/a	n/a	n/a	n/a	1460	1460	1460	1460	1,460
<u>Public Works (2)</u>									
Road miles	n/a	n/a	n/a	n/a	77	77	77	77	77
Street lights	n/a	n/a	n/a	n/a	2,943	2,943	2,943	2,943	2,943

- (1) Town of Miami Lakes, Stormwater Master Plan, Update #1
(2) Public Works annual state report on road miles, streetlights from Florida Power & Light
(3) Town of Miami Lakes Parks Department
(4) Miami-Dade Police Department (represents total units 24 hours, 7 days)

**TOWN OF MIAMI LAKES, FLORIDA
 MISCELLANEOUS INFORMATION
 INSURANCE IN FORCE
 AS OF SEPTEMBER 30, 2010**

Type of Coverage	Insurer	Policy Period	Premium
Accidental Death	Hartford Life Insurance Company	8/29/2010 - 8/29/2011	(a)
Property and Inland Marine	Preferred Government Insurance Trust	10/21/2010 - 9/30/2011	(b)
General Liability	Preferred Government Insurance Trust	10/21/2010 - 9/30/2011	(b)
Automobile Insurance	Preferred Government Insurance Trust	10/21/2010 - 9/30/2011	(b)
Public Officials Liability	Preferred Government Insurance Trust	10/21/2010 - 9/30/2011	(b)
Employment Practices Liability	Preferred Government Insurance Trust	10/21/2010 - 9/30/2011	(b)
Workers Compensation	Preferred Government Insurance Trust	10/21/2010 - 9/30/2011	\$18,500

(a) Coverage under Miami-Dade County through an interlocal agreement with Miami-Dade County.

(b) These policies carried together at one combined premium \$88,878.



COMPLIANCE SECTION



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

Honorable Mayor and Town Council
Town Miami Lakes, Florida

We have audited the basic financial statements of the governmental activities, the business-type activity, and each major fund of the Town of Miami Lakes, Florida (the "Town") as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated April 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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 misstatement 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Letter to Management as items 2008-02 and 2008-03 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Honorable Mayor and Town Council
Town Miami Lakes, Florida

Compliance and other matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Letter to Management as items 2007-01, and 2007-02.

The Town of Miami Lakes' responses to the findings identified in our audit are described in the accompanying Letter to Management. We did not audit the Town of Miami Lakes' responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, Town Council, management and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

April 14, 2011



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

Honorable Mayor and Town Council
Town of Miami Lakes, Florida

We have audited the financial statements of the governmental activities, the business-type activity, and each major fund of the Town of Miami Lakes, Florida (the Town) as of and for the fiscal year ended September 30, 2010, and has issued a report thereon dated April 14, 2011.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters dated April 14, 2011, and disclosures in that report should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(i) required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the basic financial statements of the Town, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Honorable Mayor and Town Council
Town Miami Lakes, Florida

We wish to thank the Town of Miami Lakes, Florida, and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

GLSC & Company, PLLC

April 14, 2011



**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2010**

SECTION I – CURRENT YEAR FINDINGS AND RECOMMENDATIONS

NONE

SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2008-02 - Fixed Assets Register

Condition:	We noted that the Town has no formal detailed records of fixed assets and the Excel spreadsheet the Town currently uses is not regularly reconciled with the general ledger resulting in various adjustments and corrections at year-end.
Criteria:	Sound internal control dictates that a formal fixed assets register be maintained to ensure that fixed assets that an entity owns are properly accounted for and that misappropriation or other inappropriate activity may be mitigated.
Cause of Condition:	Absence of formal detailed records and reconciliation process of fixed assets owned by the Town.
Effect of Condition:	Possible exposure to theft or loss. In addition, the Town cannot ensure that it is meeting its fiduciary responsibility over administration of public resources.
Recommendation:	We recommend that the Town develop and adopt written policies and procedures to ensure fixed assets are properly monitored and accounted for. In addition, regular reconciliation with general ledger should be performed to ensure financial reports are fairly stated and reliable for decision-making at any given time.
Current Year Status:	The Town still tracks its fixed assets using Excel spreadsheet and in the process of purchasing a new financial program, which will correct this issue. Findings will be repeated.
Management Response:	The new management is in process of purchasing a new financial program that will correct this issue.

TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2010
CONTINUED

SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2008-03 - Lack of segregation of duties and responsibilities

Condition:	We noted during our audit that the accounting personnel preparing the journal entries is the same person posting these entries in the general ledger system. In addition, journal entries bear no evidence of review and approval by supervisory personnel.
Criteria:	Effective internal control dictates segregation of duties and approval process to mitigate possible fraudulent transactions or significant misstatements in the financial statements.
Cause of Condition:	Due to turnover in the management level of Finance and Administration department, the staff was posting the transactions in the general ledger without any review by the supervisor.
Effect of Condition:	If condition is not addressed, there is a probability that fraudulent transaction or significant misstatement in the financial reports may occur.
Recommendation:	We strongly recommend that proper segregation of duties and review and approval process be strictly implemented.
Current Year Status:	During the current year audit, we still noted journal entries with no evidence of review and approval by supervisory personnel, findings will be repeated.
Management Response:	Management agrees with this finding and will properly review and show proof of review going forward.

TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2010
CONTINUED

SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2007-01 - Budget Amendments

Condition: The Town Council approved an amendment to the fiscal year 2007 budget beyond the sixty (60) days period allowed by the Florida Statute.

Cause of Condition: The Town has no effective system in place to monitor compliance with statutory requirements.

Effect of Condition: Non-compliance with the provisions of Florida Statutes

Criteria: Section 166.241(3) of the Florida Statutes provided that “governing body of each municipality at any time within a fiscal year or within up to sixty (60) days following end of the fiscal year may amend a budget for that year”.

Recommendation: We recommend that the Town develop and implement policies and procedures to ensure compliance with the provisions of the Florida Statutes.

Current Year Status: Budget for fiscal year 2010 was amended by the Town Council beyond the sixty (60) days period as allowed by the Florida Statute. The comment will be repeated.

Management Response: We understand the statutory requirements and we will develop policy to address timely compliance of the statutes.

TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2010
CONTINUED

SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2007-02 - Compliance with Federal Single Audit Requirements

- Condition:** The Town incurred expenditures in excess of \$500,000 on hurricane related expenditures as a result of Hurricane Wilma. The majority of the expenditures were reimbursed by the Federal Emergency Management Agency (FEMA). The Town has not completed the required Federal Single Audit of those expenditures as of April 15, 2011. In addition, the Town has not submitted Federal Single Audit report for fiscal year 2006 to the Federal Audit Clearinghouse.
- Cause of Condition:** The Town does not have a system in place to monitor compliance with the requirements of the OMB Circular No. A-133 Federal Single Audit.
- Effect of Condition:** Non-compliance with the requirements of OMB Circular No. A-133 Federal Single Audit.
- Criteria:** OMB Circular No. A-133, Audits of States, Local Government, and Non-Profit Organizations Subpart C section .320 provided that “the audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.”
- Recommendation:** We recommend that the Town develop and implement policies and procedures to provide reasonable assurance that the Single Audit is completed and the reports of federal awards are submitted to federal awarding agency in a timely manner.
- Current Year Status:** Federal Single Audit report as required by OMB Circular No. A-133 for fiscal year 2006 has not been submitted as of April 15, 2011. This comment will be repeated.
- Management Response:** We understand the federal requirements and we will develop policy to address timely compliance of the statutes.

TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2010
CONTINUED

**SECTION III – COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

1. Unless otherwise required to be reported in the auditor's report on internal control over financial reporting and on compliance and other matters, the management letter shall include, but not be limited to, a statement as to whether or not corrective actions have been taken to address significant findings and recommendations in the preceding annual financial audit report. The Town is still in the process of taking corrective actions to fully address the significant findings in the preceding annual financial audit reports. See current year status of each finding in Section II of this report.
2. The Town of Miami Lakes complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were significant findings and recommendations to improve the Town's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2010, see findings 2008-02 and 2008-03.
4. There were violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential, see findings 2007-02.
5. Based on our professional judgment, we may report the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (a) violations of laws, regulations, contracts and agreements, fraud, illegal acts or abuse, (b) deficiencies in internal control that are not significant deficiencies. We have reported deficiencies which are not significant deficiencies involving the Town's internal control and compliance as findings 2007-01.
6. The Town of Miami Lakes, Florida, was incorporated in accordance with the laws of the State of Florida. The Town is governed by an elected Mayor and a six-member Council under a Council form of government.
7. The Town of Miami Lakes has not met one or more of the conditions described in Section 218.503(1)(a), Florida Statutes.
8. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1) (a), Florida Statutes, agrees with the September 30, 2010, financial audit report.

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2010
CONTINUED**

**SECTION III – COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA (CONTINUED)**

9. We applied financial condition assessment procedures pursuant to Rule 10.556 (8) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition and our financial condition assessment was based in part on representation made by management and review of financial information provided by the same.