



Town of Miami Lakes, Florida

2011

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

Town of Miami Lakes, Florida

2011

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

FINANCE DEPARTMENT

Diane A. Camacho, CPA
Finance Director

www.miamilakes-fl.gov

Town of Miami Lakes, Florida

2011

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2011

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INTRODUCTORY SECTION



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Town of Miami Lakes

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March 15, 2012

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, 2011, 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.

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.

The Town's financial statements were audited by GLSC & Company, PLLC, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the Town's financial statements for the fiscal year ended September 30, 2011 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentations. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements for fiscal year ended September 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 approximately 30,000 residents and over 1,146 businesses. The Town has three office-commercial-industrial areas containing approximately 647 acres of land with approximately 6.9 million square feet of developed space.

The Town Center includes more than a quarter-million square feet of retail, office and entertainment space. The Town is approximately 94% built out, with only a small portion of land remaining vacant and undeveloped. As a result, the Town's current and long range planning efforts have shifted from a primarily growth management-related role to a larger focus on economic development and redevelopment. This trend is anticipated to continue over the next ten years.

Government Structure and Services Provided

The Town operates under a Mayor-Council-Manager form of government pursuant to which, the Town Council appoints 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 and two at-large. The Mayor's seat is elected at-large and is a voting member of the Council. The Mayor and Councilmembers' terms are limited to two consecutive four year terms.

The Town operates through seven departments: Finance, Budget and Administration, Community and Leisure Services, Building, Planning and Code Compliance, Police, and Public Works. With only 27 full-time and 6 part-time staff members, the Town relies heavily 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 officers are assigned to the Town, and act under the direction of a Police Major reporting directly to the Town Manager. Fire-Rescue services and solid waste management 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 users 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. Departmental allocations are based on long range planning efforts such as the Town's Strategic Plan, Stormwater Master Plan and the Transportation Master Plan. All Town departments are required to submit requests for appropriation to the Town's Budget and Administration Department prior to the presentation and setting of the preliminary millage by the Town Council in 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 two public hearings on the Proposed Budget and to enact an Approved Budget no later than September 30th. The Approved 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 in excess of \$300 and between departments requires approval of the Town Council. Budget-to-actual comparisons are provided in this report for the General Fund as part of the Required Supplementary Information. Comparisons for all other funds' budget-to-actual may be found in the Supplementary Information section. Line item budget to actual comparisons may be found on the Town's web site.

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

While the economy in South Florida continues to struggle under the 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"). U.S. Census Bureau, American Community Survey data, indicated that the Town's per capita income for 2010 was \$29,039, while Miami-Dade MSA and the State per capita personal income were \$23,750 and \$27,151, respectively. The Town has also benefitted from a relatively low unemployment rate. In 2010, the Town's unemployment rate was 7%, which was significantly lower than the County's unemployment rate of 13.1 % for the same period. Miami-Miami Beach-Kendall Florida's December 2011 unemployment rate was 9.6% per the U.S. Bureau of Labor Statistics, United State Department of Labor. Overall, unemployment for this large metropolitan area decreased from 11.8 % in December 2010 to 9.6 % in December 2011, a reduction of 18.6%.

Building permits which had fallen by 52% since fiscal year 2007 to 519 permits issued during fiscal year 2010, increased during fiscal year 2011 by 30% to 673. Occupational licenses, however, declined 1.8% from 1,193 to 1,171 for 2010 and 2011, respectively. Despite the long term nature of the economic recovery, the Town continued to maintain strong financial resources and for fiscal year 2011 was able to reduce its millage rate from 2.447 to 2.3702. The Town has been able to reduce its millage rate annually since fiscal year 2005 while maintaining strong cash reserves. Collections of property taxes have increased annually from 92.5% of levied taxes for fiscal year 2005 to 95.6% of levied taxes for fiscal year 2011.

Long-Term Financial Planning

A significant measure of the Town's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The Town's general fund balance has demonstrated positive trends over the past several years. Fiscal year 2011 saw a planned reduction in fund balance equal to the surplus earned in fiscal year 2010 resulting in a year end fund balance which is approximately the same as fiscal year 2009. At the beginning of fiscal year 2012, by

Council action, previously unassigned funds of approximately \$4 million were transferred to the ongoing Capital Projects Fund for various parks enhancements.

For fiscal year 2012, the Town continued to reduce its millage rate from 2.3702 to 2.3518. This reduction is the fifth reduction since fiscal year 2005 when the millage rate was 2.912 per \$1,000 of assessed value. The fiscal year 2012 reduction reflects the concerns of the Mayor and Council that reducing taxes is a high priority. The continued reductions require the prioritization of resources exclusively on the core municipal government functions of public safety, code enforcement, parks, road maintenance and drainage improvements, and beautification of the Town's right of ways while maintaining strong internal controls.

The Town has an adopted Strategic Plan which is still in the process of being updated. A long range Financial Plan is also underway pending development of a long term capital program. On December 16, 2010, the Town sold \$7.33 million in Town of Miami Lakes Special Obligation Bonds, Series 2010 (Government Center Project) (Build America Bonds – Direct Payment), (the "Series 2010 Bonds"). Actual unassigned general fund balance of \$8.4 million represents 56% of the proposed general fund operating expenditures, leaving the Town in a solid financial position to adequately meet the ongoing reductions in revenues caused by the economic environment.

As mentioned previously, the Town has been successful in operating cost effectively through a program of a limited municipal staff administering to private services contracts. This leaves the Town with no unions and limited pension liabilities. With relatively low unemployment rates and increasing collections of property taxes, the Town is in an enviable position of financial strength and began proceeding this fiscal year with planned infrastructure and parks improvements.

Relevant Financial Policies

The Town has also adopted a formal Investment Policy and acquired financial advisory services in an effort to maximize investment income through broader investment opportunities while preserving capital. This Policy in conjunction with the Town's long range Financial Plan will ensure a complete financial planning program. 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%. Concurrent with the sale of the Series 2010 Bond, the Town's fund balance reserve requirement was increased accordingly.

Additionally the Town:

- Maintains insurance for all types of risk due to loss due to damages or liability.
- Is in compliance with all debt related bond covenants
- Is in compliance with its investment policy

Major Initiatives

Major new capital projects to commence or continue in fiscal year 2012 include the construction of a new Government Center. This large project is being funded from the proceeds of the \$7.33 million Series 2010 Bonds. During fiscal year 2011 property was acquired for the site and a contract awarded for design/build. This project is expected to be completed during the first quarter of fiscal year 2013. Other significant projects underway for completion in fiscal year 2012 include:

- **Northwest 170 Street Greenway Development** – This project is 80% complete for Phase I of greenway construction. The overall projects includes a multi-use trail, observation and picnic areas using the public right-of-way on the south side of NW 170 Street between northwest 89th Avenue and northwest 77th Court. The development of this section of right-of-way would provide much needed aesthetic improvements to the property while also providing for safe bicycle and pedestrian access.

The Greenway will be completed in phases as funding is made available. The first phase will consists of the development of a multi-use trail for pedestrian and bicycle access, signage, rest areas, and amenities such as benches and waste containers from northwest 89th avenue to northwest 82nd avenue. The Town was awarded a \$100,000 Land and Water Conservation Fund grant to assist in the development of this area.

- **Miami Lakes Park Improvements – Basketball and Tennis Courts** – The Town is planning to construct new basketball courts and refurbish and add lighting to the existing tennis courts. This project is slated to be completed in the summer of 2012 at a cost of approximately \$192,000.
- **Miami Lakes Optimist Park - Clubhouse/Concession Facility** – This component of ongoing expansion at Miami Lakes Optimist Park will be approximately 5,000 square foot multi-purpose facility consisting of a clubhouse/concession stand, administrative offices and multi-purpose rooms for a variety of purposes for all ages and abilities of the community to enjoy. Additional parking will also be added. This is the first phase of the renovations to the Optimist Park and will cost approximately \$1 million. The total project is planned to include a gymnasium and field renovations.

Miami Lakes Optimist Park Improvements – Sewer Connection – The wastewater system at the Miami Lakes Optimist Park is on septic tanks. As part of the permitting requirements for the 2008 marina/canal restroom development project, the County's Department of Environmental Resource Management required the Town to connect its facilities to the County's sewer system. Due to the significant cost of this connection, approximately \$600,000, and because the Town was planning future facility upgrades at the park, the Town requested a five-year extension to the permit requirements. The request was approved with a construction deadline of April 2013.

- **Miami Lakes Community Center West Expansion and Picnic Park Enhancements** – This project provides a much needed 2,000 square foot expansion and additional parking to the Miami Lakes Community Center West that will increase programming opportunities for Town residents. To complement this project, the Town is pursuing grant funding for future enhancements to include a new half-court basketball facility, upgrading of exercise trails, refurbished community center, refurbished trail, restrooms and playground. The Town has completed the half-court basketball facility and is currently working on the design of the expansion. The total cost of this project is estimated at \$800,000.
- **Sevilla Estates Park** – Located at 8901 northwest 169th Terrace this project consists of a playground, swing set, sports court, fishing area, sidewalks, fencing, landscaping, and irrigation. Total project cost is approximately \$260,000 with \$220,000 coming from the State, County and private grant sources and the balance coming from the Town. Design is almost completed and the project is slated to begin construction this fall with a completion date of summer 2012.
- **Tot-Lot Equipment Replacement Program** – In an ongoing effort to renovate elements of the Town's Park infrastructure, twelve pocket parks will be renovated this year and receive new playground equipment, installation of new safety surfacing, and improved connections to the existing sidewalk. Funding for this program will come from the County's Safe Neighborhood Parks Grant Program (\$146,100) with a Town match (\$146,100). The completion of this tot lot replacement program will finish the tot lot renovation program which began in 2005.
- **Opening of northwest 87th Avenue** – A development agreement has been signed granting the right-of-way (ROW) to Miami-Dade County. Construction is scheduled to begin in 2012. The agreement also provides the ROW and funding for the construction of an additional two lanes along NW 154th Street between 84th Avenue and 89th Avenue. The Town is partnering with Miami-Dade Public Works for design of this project.
- **Lake Patricia** – Resurfacing of roadways in the Lake Patricia neighborhood. This \$552,000 project represents the roadways classified as Fair 6 in the Town's Roadway Assessment Report that require minor drainage improvements included in the Stormwater Capital Improvement plan.

- **Downtown Roadway and Drainage Improvements** – This major drainage and roadway project includes four sub-projects estimated at \$1.5 million:

- Miami Lakeway northeast of Ludlum
- Bull Run, Main Street, and Meadow Walk
- Miami Lakes Drive from Miami Lakeway North to Cowpen
- Miami Lakeway northwest of Ludlum

The Downtown project has been permitted and construction is expected to begin by mid-2012.

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

(\$ in 000's)		Adopted FY 2012	
<u>Sources of Funds</u>	<u>Amount</u>	<u>Percent</u>	
Proprietary Operations	\$ 700	6.3%	
State	500	4.5%	
County	456	4.1%	
Fuel Taxes	874	7.9%	
Other	250	2.3%	
Other Carryover (All Sources)	<u>8,299</u>	<u>74.9%</u>	
Total	\$ 11,079	100.0%	

(\$ in 000's)		Adopted FY 2012	
<u>Uses of Funds</u>	<u>Amount</u>	<u>Percent</u>	
Stormwater	\$ 1,809	16.3%	
Transportation	1,468	13.3%	
Parks and Recreation	4,760	43.0%	
Other	300	2.7%	
Carryover (All Sources)	<u>2,742</u>	<u>24.7%</u>	
Total	\$ 11,079	100.0%	

Awards and Acknowledgements

The Town closed out several grants this year totaling over \$684,000 which included; the United States Urban and Community Forestry Grant (\$67,127) for Florida Estates Park improvements, the Florida Department of Transportation (\$611,940) for the Miami Lakeway North Stormwater Project, and Florida Department of Environmental Protection (FDEP) Recreation Development Assistance Program (\$5,000) for a Tree Inventory.

The following new grants were secured:

- \$100,000 grant for development for Sevilla Estates Park from FDEP Land and Water Conservation Fund
- \$20,000 grant from KaBOOM! Let's Play Construction Grant for a playground equipment at Sevilla Estates Park
- \$77,500 grant from FDEP Recreational Trails Program for the NW 170th Street Greenway Phase II development
- \$10,000 grant from the Florida Department of Agriculture and Consumer Services Urban and Community Forestry Program for a Town-wide Street Tree Inventory
- \$5,594 grant from the Florida Department of Law Enforcement for a Town-wide Anti-Drug Initiative
- \$4,913 grant from the US Department of Justice for a School Resource Officer
- \$750 grant from KaBOOM! Let's Play Spruce Grant for refurbishment of Park 19.

The Town was named a Tree City USA for the fourth consecutive year and was a recipient of a Growth Award for a second consecutive year, 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."

Both the Tree City USA and the Playful City USA designations make the Town eligible to apply for certain grant programs.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Miami Lakes for its Comprehensive Annual Financial Report for the year ended September 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This was the first year that the Town of Miami Lakes has received this prestigious award. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

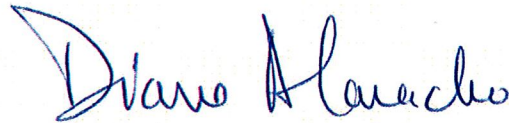
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We express our appreciation to all members of Town staff who assisted and contributed to the preparation of this report. Sincere appreciation is also 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,

A handwritten signature in blue ink, appearing to be 'Alex Rey'.

Alex Rey
Town Manager

A handwritten signature in blue ink, appearing to be 'Diane A. Camacho'.

Diane A. Camacho, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Miami Lakes
Florida**

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

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



Linda C. Danison

President

Jeffrey R. Emer

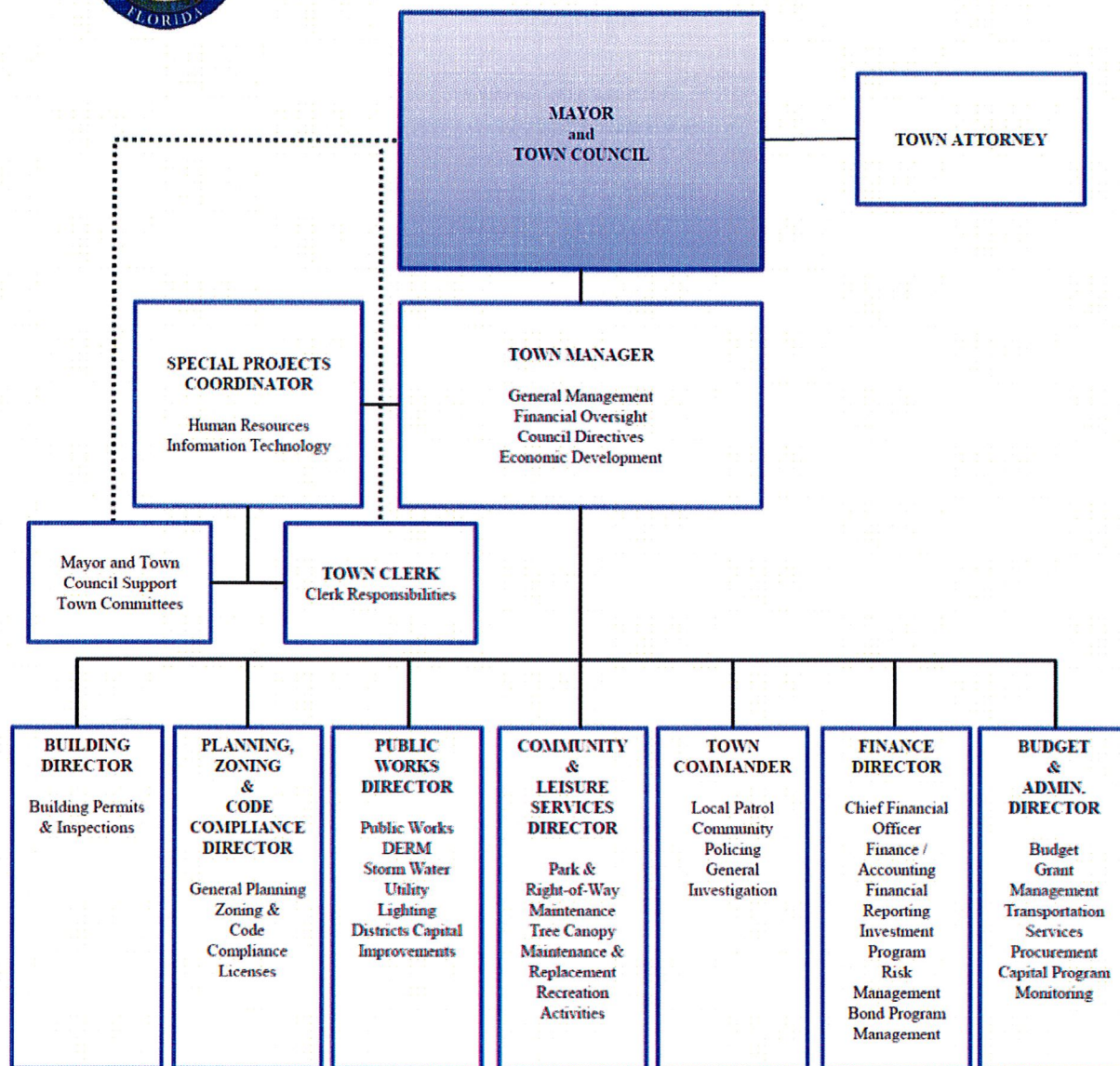
Executive Director



Town of Miami Lakes

TABLE OF ORGANIZATION

FY 2010-11



Town of Miami Lakes, Florida

**Michael Pizzi
Mayor**

**Caesar Mestre
Vice Mayor**

**Mary Collins
Councilmember**

**Tim Daubert
Councilmember**

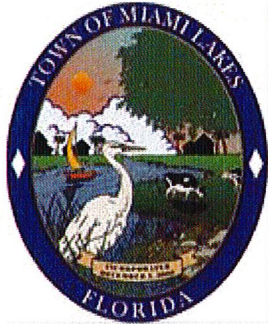
**Nelson Hernandez
Councilmember**

**Nick Perdomo
Councilmember**

**Richard Pulido
Councilmember**

**Alex Rey
Town Manager**

**Greenspoon Marder, P.A.
Town Attorney**



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT



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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, each major fund, and the aggregate remaining fund information of the Town of Miami Lakes, Florida (the "Town"), as of and for the year ended September 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town's management. Our responsibility is to express opinions on these 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 the 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 opinions.

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, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the 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 our report dated February 27, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



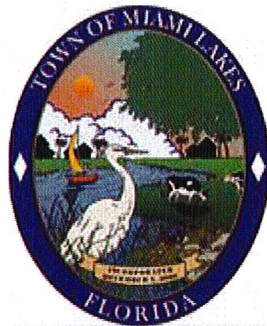
Honorable Mayor and Town Council
Town of Miami Lakes, Florida

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 43 and 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, combining and individual nonmajor fund financial statements, the budgetary comparison schedule, other schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparison schedule, and other schedules on pages 45 through 51 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

GLSC & Company, PLLC

February 27, 2012



MANAGEMENT DISCUSSION AND ANALYSIS



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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, 2011. 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 2011

- At the close of the fiscal year the assets of the Town exceeded its liabilities by \$37.3 million (net assets). Of this amount, \$6.9 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 \$2.6 million during the current fiscal year. This increase is attributable to excess revenues over expenses for 2011. Net assets of business-type activities decreased by \$1.2 million, net assets of the Town's governmental activities increased by approximately \$3.8 million. Transfer of funds from the business-type activity (\$1.6 million) to the Capital Projects Fund accounted for the reduction in the business-type activity. The increase in the Town's government funds resulted from the effect of this transfer, transfer by Miami-Dade County of approximately \$2 million in parks and related structures to the Town, and an excess of revenues over expenditures.
- As of the close of the current fiscal year, the Town governmental funds reported combined fund balances of \$18.7 million an increase of \$6.2 million in comparison with the prior year. Approximately \$8.4 million, or 44.7%, of the ending fund balances amount is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the fund balance for the general fund was \$8.4 million or 55.9% of total general fund expenditures. The unassigned fund balance for the general fund was \$8.36 million or 55.8% of total general fund expenditures. Restricted fund balance for the general fund was \$28 thousand. These designations are in compliance with the Town's fund balance and financial policies.
- During the year the Town had expenses that were \$2.2 million less than the \$19.1 million generated in taxes and other revenues for governmental programs, excluding transfers.
- Total cost of all of the Town's governmental activities increased by \$1.6 million or 10.6% as a result of the residents' dividend, payment of interest related to \$7.3 million debt, software and furniture and fixtures expenses, and a year-end bonus for eligible Town employees.

- The Town's debt increased by \$7.33 million during the fiscal year due to the sale of special obligation revenue bonds to fund the acquisition and construction of the new Government Center project.

Overview of the Financial Statements

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Town.

- Within the government wide financial statements, the first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
- The *government funds* statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.
- *Proprietary fund* statement offers short-term and long-term financial information about the activities the government operates like businesses, in this case the Town's stormwater utility.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, included is a section with combining statements that provides details about nonmajor governmental funds, each of which is added together and presented in a single column in the basic financial statements.

Government-Wide Financial Statements. The *government-wide financial statements* (statement of net assets and statement of activities found on pages 14 and 15) 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*).

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. Each fund is a separate accounting entity. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town categorizes funds: 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's funds are presented in separate fund financial statements. These funds are presented in a Governmental Fund Financial Statement and a Proprietary Fund (Business-type) Financial Statement. The Town's major funds are presented in separate columns on the fund financial statements. The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column on the fund financial statements.

Three of the Town's governmental funds, the General Fund, the Capital Projects Fund and the Series 2010 Construction Fund (Government Center Project), are classified as major funds. All other governmental funds are combined into a single column on the governmental funds financial statements. Individual fund data for the nonmajor funds is found in the combining statements.

The Town adopts an annual appropriated budget for its General Fund as well as its other governmental funds. Budgetary comparisons have been presented for funds which compare not only actual results to budget (budgetary basis), but also the original adopted budget to final budget. The budget to actual comparison for the General Fund is presented on page 43 of the required supplementary information and other governmental funds are presented beginning on page 47 of the combining statements and other schedules.

The basic governmental fund financial statements can be found on pages 16 and 18 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 basic proprietary fund financial statements can be found on pages 20 through 22 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 23 through 42 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's budgetary comparison schedules.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and other schedules can be found beginning on page 45 of this report.

Government-Wide Financial Analysis

The Government-wide Financial Statements were designed so that the user can determine if the Town is in a better or worse financial condition from the prior year. The Town's overall assets exceeded liabilities by \$37.3 million at the close of the most recent fiscal year.

Town of Miami Lakes Summary of Net Assets

	Governmental activities		Business-type activities		Total	
	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2010
Current assets	\$ 21,216,686	\$ 15,936,849	\$ 935,344	\$ 2,109,776	\$ 22,152,030	\$ 18,046,625
Capital assets, net	<u>21,103,196</u>	<u>16,355,536</u>	<u>4,086,787</u>	<u>4,167,647</u>	<u>25,189,983</u>	<u>20,523,183</u>
Total assets	<u>42,319,882</u>	<u>32,292,385</u>	<u>5,022,131</u>	<u>6,277,423</u>	<u>47,342,013</u>	<u>38,569,808</u>
Current liabilities	2,439,875	3,375,153	35,734	111,697	2,475,609	3,486,850
Noncurrent liabilities	<u>7,593,301</u>	<u>420,595</u>	<u>-</u>	<u>-</u>	<u>7,593,301</u>	<u>420,595</u>
Total liabilities	<u>10,033,176</u>	<u>3,795,748</u>	<u>35,734</u>	<u>111,697</u>	<u>10,068,910</u>	<u>3,907,445</u>
Investment in capital assets, net of related debt	18,197,702	16,025,495	4,086,787	4,167,647	22,284,489	20,193,142
Restricted	8,041,104	2,776,914	-	-	8,041,104	2,776,914
Unrestricted	<u>6,047,900</u>	<u>9,694,228</u>	<u>899,610</u>	<u>1,998,079</u>	<u>6,947,510</u>	<u>11,692,307</u>
Total net assets	<u>\$ 32,286,706</u>	<u>\$ 28,496,637</u>	<u>\$ 4,986,397</u>	<u>\$ 6,165,726</u>	<u>\$ 37,273,103</u>	<u>\$ 34,662,363</u>

The largest portion of the net assets \$22.3 million (60%) is restricted as to the purpose they can be used for or are invested in capital assets. The invested in capital assets, net of related debt, is the largest portion of net assets. This represents capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The Town 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 from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets, \$8.0 million (21.6%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets \$6.9 million (19%) may be used to meet the government's on-going obligations to citizens 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.

There was a decrease in *unrestricted net assets* in both the governmental activities and the business-type activities of \$3.6 million (38%) and \$1.1 million (55%), respectively, due to transfer from the General Fund and the Stormwater Fund to the Capital Projects Fund to continue the capital program.

Also, an increase in restricted net assets of \$5.3 million represents mostly the unspent proceeds from special obligation bonds issued during the year.

Town of Miami Lakes' Summary of Changes in Net Assets

The following schedule compares Revenues and Expenses for the Town's operations for Fiscal Year 2011 with Fiscal Year 2010.

	Governmental activities		Business-type activities		Total	
	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2010
Program revenues:						
Charges for services	\$1,450,010	\$1,376,220	\$1,011,821	\$983,278	\$2,461,831	\$2,359,498
Operating grants/contributions	655,345	205,391	-	-	655,345	205,391
Capital grants/contributions	2,023,000	312,500	-	-	2,023,000	312,500
General Revenues:						
Property taxes	5,660,784	6,572,134	-	-	5,660,784	6,572,134
Utility taxes	4,224,612	4,291,291	-	-	4,224,612	4,291,291
Franchise taxes	1,444,179	2,008,171	-	-	1,444,179	2,008,171
Intergovernmental	3,595,274	3,330,153	-	-	3,595,274	3,330,153
Investment income & misc.	54,466	106,006	5,521	13,666	59,987	119,672
Total revenues	<u>19,107,670</u>	<u>18,201,866</u>	<u>1,017,342</u>	<u>996,944</u>	<u>20,125,012</u>	<u>19,198,810</u>
Expenses:						
General government	4,006,694	2,648,569	-	-	4,006,694	2,648,569
Public safety	6,566,778	6,668,991	-	-	6,566,778	6,668,991
Parks and recreation	2,667,382	3,019,126	-	-	2,667,382	3,019,126
Public works	1,746,804	1,288,942	630,757	686,953	2,377,561	1,975,895
Comprehensive planning	1,452,701	1,634,827	-	-	1,452,701	1,634,827
Interest expense	443,156	-	-	-	443,156	-
	<u>16,883,515</u>	<u>15,260,455</u>	<u>630,757</u>	<u>686,953</u>	<u>17,514,272</u>	<u>15,947,408</u>
Excess of revenues	2,224,155	2,941,411	386,585	309,991	2,610,740	3,251,402
Transfers	<u>1,565,914</u>	<u>(86,092)</u>	<u>(1,565,914)</u>	<u>86,092</u>	<u>-</u>	<u>-</u>
Change in net assets	3,790,069	2,855,319	(1,179,329)	396,083	2,610,740	3,251,402
Net assets, beginning	<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>
Net assets, ending	<u>\$32,286,706</u>	<u>\$28,496,637</u>	<u>\$4,986,397</u>	<u>\$6,165,726</u>	<u>\$37,273,103</u>	<u>\$34,662,363</u>

Note: Totals may not add due to rounding.

Governmental activities: The Town's Governmental revenues increased \$.9 million to \$19.1 million. Approximately 30% of the Governmental Activity's revenues come from property taxes, and another 30% from other taxes. Of the remainder 11% came from park property donated from Miami-Dade County, 8% from fees charged for services and the remainder primarily from federal, state and local aid. Governmental expenses increase \$1.6 million (10.6%) over last year. Approximately 24% of expenses are attributable to general government, 39% to public safety, 16% to parks and recreation, 10% to public works and 9% to comprehensive planning.

Revenues:

- Property taxes decreased \$911 thousand (14%) this year. Property tax reductions resulted from a decrease in the ad-valorem rate from 2.447 to 2.3702 for FY 2011 combined with reductions in taxable assessed values of \$293 million.
- Electric franchise fees decreased \$564 thousand (28%) due to credits given to customers by the electric utility.
- Communication service tax revenue decreased by \$138 thousand as a result of a statewide decline in customer use of various services. This is thought to be the result of the economic downturn as residents sought to reduce their living expenses.
- Charges for various services provided by the Town increased \$74 thousand (5%).
- Operating grants increased \$450 thousand (219%) primarily due to aggressive action on the Town's part to obtain and bring to fruition all grant eligible programs.
- Capital grants and donations increased by \$1.7 million (547%) due to the donation by Miami-Dade County of some 76 small parks located in the Town to the Town.
- Interest income declined \$26 thousand (33%) due to the ongoing impact of the economic recession on interest rates.

Expenses:

- The Town's administrative costs increased by \$1.4 million (52%) this past year due to the payment of a residents dividend (\$468 thousand), software and furniture and fixtures expenses (\$422 thousand) and a year-end bonus to eligible town employees (\$46 thousand).
- No significant change in public safety expenses as compared to the prior year.
- Parks and recreation decreased \$352 thousand (11.7%) as a result of the delay of certain planned improvements.
- Public works increased \$458 thousand (35%) due to aggressive efforts to refurbish and rehabilitate the Town's infrastructure.

- Comprehensive planning decreased \$182 thousand (11%) primarily due to the reduction in personnel costs associated with reduced level of building activity.
- Non-departmental expense was recorded for the first debt service payment on the Town's newly issued \$7.33 million Special Obligation Bonds, Series 2010.

Business-type activities: The Town has one business Business-type activity, a stormwater utility. Business-type activities, exclusive of transfers increased the Town's total net assets by \$387 thousand (13.8%) in the current fiscal year. Revenues increased \$28 thousand (3%) and expenses, which for the most part, expenses reflect cleaning and maintenance costs, decreased \$56 thousand (8%). Transfer of \$1.6 million from the Stormwater Utility to the Capital Projects Fund for capital refurbishment of the stormwater system combined with net income from revenues and expenses resulted in an overall decrease of \$1.2 million in unrestricted assets for the business-type activities for the year, but produced no impact on the Town's total net assets.

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 chief operating fund of the Town and is used to account for most of its governmental activities. The General Fund's fund balance at September 30, 2011, was \$8.39 million. Of this amount \$8.36 million, or 99%, was unassigned. The remainder of the fund balance, \$28 thousand, is restricted to pay for police officer training. The unassigned fund balance represents 55.8% of total general fund expenditures, while total fund balance represents 55.9% of that same amount. The General Fund's balance decreased \$1.4 million (14.5%) from the previous year which was primarily due to payment of a residence dividend from available funds from fiscal year 2010 along with a transfer to capital for ongoing capital improvement needs.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$18.7 million, an increase of \$6.2 million in comparison with the prior year. Approximately 45% of the total fund balance \$8.36 million constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2011, the capital projects fund had a total fund balance of \$4.7 million, \$2.3 million of which has been designated for use in capital projects and is classified as assigned with the remaining \$2.4 million classified as restricted. The \$3 million increase in fund balance was mainly attributable to the transfer of funds from the General fund and Stormwater Fund. The Series 2010 construction fund balance had a total fund balance of \$3.7 million, all of which is restricted as proceeds under the authorizing bond ordinance.

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, 2011, amounted to \$5.0 million. Of this amount, \$4.1 million is invested in capital assets and \$.9 million is unrestricted. Net assets decreased \$1.2 million from the prior year, a decrease of 19.1%, as a result of a transfer of unrestricted fund balance for certain stormwater projects in the capital projects fund offset by \$387 in income from stormwater operations. Investment in capital assets declined less than 1% as a result of delayed programs and ongoing depreciation.

General Fund Budgetary Highlights

Over the course of the year, the Town amended the General Fund budget various times. Budget amendments typically fall into two categories: (1) Amendments are approved for rollovers related to capital improvement projects, tasks and projects in progress, and prior year encumbrances; and (2) supplemental appropriations to recognize and appropriate grant revenues which were received after the adoption of the budget, and to provide appropriations for various other needs which had arisen since the adoption of the budget.

At year end, the General Fund expenditures exceeded the original adopted budget by \$1.7 million. This was primarily due to the impact of a settlement agreement reached with Miami-Dade County over funds due to the County for the Quality Neighborhood Improvement Program (\$1.1 million) as well as to reallocate prior year surplus unreserved fund balance to the Special Revenue Fund for distribution to residents as a homeowner's dividend (\$.5 million) and to the Capital Project Fund for ongoing capital projects (\$0.9 million). Administrative expenses budget was increased as a result of certain IT and furniture and fixture expenses which were incurred as the Town brings its information and software systems up to date (\$390 thousand). Excluding the above expenditures, the original budget to year end actual would have resulted in a positive variance of \$105 thousand.

The final amended budget to actual resulted in a positive variance in general government of \$157 thousand, a positive variance in parks and recreation of \$281 thousand, a positive variance in comprehensive planning of \$131 thousand, a positive variance in public works of \$82 thousand, a negative variance of payment of prior liability of \$852 thousand resulting from the prior year accruals of this liability which was unbudgeted until 2011. Overall the actual expenditures were \$643 thousand under the final amended budget for the year.

Other Budgetary Highlights

Budgets for several new funds were adopted during the year. Budgets were established for the Electric Utility Tax Revenue Fund (\$700 thousand), Special Obligation Debt Service Fund (\$240 thousand) and for the Series 2010 Construction Fund (\$2.7 million). These budgets were adopted during the year due to the Town's decision to sell \$7.3 million in special obligation bonds to fund the acquisition and design and construction of a new Government Center.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2011 the Town's investment in capital assets for its governmental and business-type activities amounted to \$25.2 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. Total investment in capital assets for governmental and business-type activities increased by \$4.7 million due to the transfer of small parks properties by Miami-Dade County, land acquisition for the Government Center and progress on the capital improvement program.

TOWN OF MIAMI LAKES

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 5,848,917	\$ 3,207,035	\$ -	\$ -	\$ 5,848,917	\$ 3,207,035
Construction in progress	1,075,055	416,823			1,075,055	416,823
Infrastructure	13,646,079	12,467,186	4,086,787	4,167,647	17,732,866	16,634,833
	521,695	220,683			521,695	220,683
Leasehold improvements	11,450	43,809	-	-	11,450	43,809
Total capital assets, net	<u>\$ 21,103,196</u>	<u>\$ 16,355,536</u>	<u>\$ 4,086,787</u>	<u>\$ 4,167,647</u>	<u>\$ 25,189,983</u>	<u>\$ 20,523,183</u>

Additional information on the Town's capital assets can be found on Note 5 on page 35 and 36 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town had \$7.33 million in bonds outstanding and notes payable of \$202 thousand. During fiscal year 2011, the Town issued \$7.33 million in Town of Miami Lakes, Florida Special Obligation Revenue Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”). Moody's Investor Services and Fitch Ratings have rated these bonds Aa3 and AA, respectively. Notes payable pertains to two notes entered into in 2007 and 2008 to finance the purchase of police vehicles. Additional information on these long term debts can be found on Note 7 on pages 36 through 38 of this report.

Town of Miami Lakes, Florida Outstanding Debt Governmental

	<u>2011</u>	<u>2010</u>
Special Obligation Bonds	\$7,330,000	\$ -
Notes Payable	<u>201,663</u>	<u>330,042</u>
	<u>\$ 7,531,663</u>	<u>\$ 330,042</u>

Economic Factors and Next Year's Budget

- The unemployment rate for the Miami-Miami Beach- Kendall area as of December 2011 was 9.6% down from 11.8% in December 2010. The Town's unemployment rate for 2011 was 5.7 %.(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.
- The Town has had significant unassigned fund balances in the General Fund over the past three years.

All of these factors were considered in preparing the Town of Miami Lakes' budget for the 2012 fiscal year.

The property tax millage rate for the 2012 fiscal year has been reduced to 2.3518 mills (\$2.3518 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



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BASIC FINANCIAL STATEMENTS



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TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 19,931,310	\$ 834,765	\$ 20,766,075
Receivables	1,011,489	140,281	1,151,770
Internal balances	39,702	(39,702)	-
Deferred Charges	234,185	-	234,185
Property and equipment			
Non-depreciable capital assets			
Land	5,848,917	-	5,848,917
Construction in progress	1,075,055	-	1,075,055
Total non-depreciable capital assets	6,923,972	-	6,923,972
Depreciable assets			
Leasehold improvements	102,705	-	102,705
Furniture and equipment	1,188,172	-	1,188,172
Infrastructure	16,753,414	4,617,072	21,370,486
Less: accumulated depreciation	(3,865,067)	(530,285)	(4,395,352)
Net depreciable capital assets	14,179,224	4,086,787	18,266,011
Total property and equipment	21,103,196	4,086,787	25,189,983
Total assets	<u>\$ 42,319,882</u>	<u>\$ 5,022,131</u>	<u>\$ 47,342,013</u>

LIABILITIES AND NET ASSETS

Liabilities:			
Accounts payable and other current liabilities	\$ 2,315,223	\$ 35,734	\$ 2,350,957
Accrued payroll and benefits	94,141	-	94,141
Deferred Income	30,511	-	30,511
Noncurrent liabilities:			
Due within one year	133,209	-	133,209
Due in more than one year	7,460,092	-	7,460,092
Total liabilities	<u>10,033,176</u>	<u>35,734</u>	<u>10,068,910</u>
Net Assets:			
Invested in capital assets, net of related debt	18,197,702	4,086,787	22,284,489
Restricted for:			
Transportation and Transit	3,446,734	-	3,446,734
Police Officer Training	28,283	-	28,283
Capital Project - Town Government Center	3,665,450	-	3,665,450
Debt Service	900,637	-	900,637
Unrestricted	6,047,900	899,610	6,947,510
Total net assets	<u>\$ 32,286,706</u>	<u>\$ 4,986,397</u>	<u>\$ 37,273,103</u>

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, 2011

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions</u>		<u>Governmental Activities</u>	<u>Changes in Net Assets</u>	
			<u>Operating Contributions</u>	<u>Capital Contributions</u>		<u>Business-type Activity</u>	<u>Total</u>
Governmental activities:							
General government	\$ 4,006,694	\$ 109,411	\$ -	\$ -	\$ (3,897,283)	\$ -	\$ (3,897,283)
Public safety	6,566,778	277,300	6,598	-	(6,282,880)	-	(6,282,880)
Parks and recreation	2,667,382	-	81,030	2,023,000	(563,352)	-	(563,352)
Public works	1,746,804	-	567,717	-	(1,179,087)	-	(1,179,087)
Comprehensive planning	1,452,701	1,063,299	-	-	(389,402)	-	(389,402)
Interest Expense	443,156	-	-	-	(443,156)	-	(443,156)
Total governmental activities	16,883,515	1,450,010	655,345	2,023,000	(12,755,160)	-	(12,755,160)
Business-type activity:							
Stormwater	630,757	1,011,821	-	-	-	381,064	381,064
Total primary government	\$ 17,514,272	\$ 2,461,831	\$ 655,345	\$ 2,023,000	(12,755,160)	381,064	(12,374,096)
General revenues:							
Property taxes					5,660,784	-	5,660,784
Utility taxes					2,802,104	-	2,802,104
Communication services tax					1,422,508	-	1,422,508
Franchise taxes					1,444,179	-	1,444,179
Intergovernmental not restricted to specific programs					3,595,274	-	3,595,274
Investment and miscellaneous income					54,466	5,521	59,987
Transfer					1,565,914	(1,565,914)	-
Total general revenues and transfers					16,545,229	(1,560,393)	14,984,836
Change in net assets					3,790,069	(1,179,329)	2,610,740
Net assets, beginning					28,496,637	6,165,726	34,662,363
Net assets, ending					\$ 32,286,706	\$ 4,986,397	\$ 37,273,103

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

TOWN OF MIAMI LAKES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

Major Funds

ASSETS	Capital Projects				Nonmajor	Total
	General	Capital Projects	Fund Series 2010 Construction	Governmental Funds		
Cash and cash equivalents	\$ 10,420,318	\$ 3,778,256	\$ 3,688,875	\$ 2,043,861	\$ 19,931,310	
Receivables	532,029	200,296	-	279,164	1,011,489	
Due from other funds	349,688	891,904	-	7,435	1,249,027	
Total assets	<u>\$ 11,302,035</u>	<u>\$ 4,870,456</u>	<u>\$ 3,688,875</u>	<u>\$ 2,330,460</u>	<u>\$ 22,191,826</u>	
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 1,895,265	\$ 181,657	\$ 15,925	\$ 39,376	\$ 2,132,223	
Accrued payroll and benefits	94,141	-	-	-	94,141	
Deferred revenue	30,511	-	-	-	30,511	
Due to other funds	891,905	7,435	7,500	302,485	1,209,325	
Total liabilities	<u>2,911,822</u>	<u>189,092</u>	<u>23,425</u>	<u>341,861</u>	<u>3,466,200</u>	
Fund balance:						
Restricted for:						
Police Officer Training	28,283	-	-	-	28,283	
Debt Service	-	-	-	900,637	900,637	
Capital Projects Series 2010 Construction						
Town Government Center	-	-	3,665,450	-	3,665,450	
Transportation and Transit	-	2,358,772	-	1,087,962	3,446,734	
Assigned, designated for:						
Capital Projects - parks and stormwater		2,322,592	-	-	2,322,592	
Unassigned	8,361,930	-	-	-	8,361,930	
Total fund balance	<u>8,390,213</u>	<u>4,681,364</u>	<u>3,665,450</u>	<u>1,988,599</u>	<u>18,725,626</u>	
Total liabilities and fund balances	<u>\$ 11,302,035</u>	<u>\$ 4,870,456</u>	<u>\$ 3,688,875</u>	<u>\$ 2,330,460</u>	<u>\$ 22,191,826</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, 2011

Fund balance - total government funds (page 16)	\$ 18,725,626
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	24,968,263
Less accumulated depreciation	(3,865,067)
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds	
	234,185
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.	
Governmental bonds payable	(7,289,652)
Notes Payable	(201,663)
Compensated Absences	(101,986)
Bond interest payable not reported in the governmental funds	<u>(183,000)</u>
Net assets of governmental activities (Page 14)	<u>\$ 32,286,706</u>

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 YEAR ENDED SEPTEMBER 30, 2011

Major Funds						
	Capital Projects Fund					
	General	Capital Projects	Series 2010 Construction	Nonmajor Governmental Funds	Total	
REVENUES:						
Ad valorem taxes	\$ 5,660,784	\$ -	\$ -	\$ -	\$ 5,660,784	
Utility taxes	2,790,949	-	-	11,155	2,802,104	
Franchise fees	1,444,179	-	-	-	1,444,179	
Communication services tax	1,422,508	-	-	-	1,422,508	
Licenses and permits	1,063,299	-	-	-	1,063,299	
Intergovernmental	2,293,167	1,419,940	-	621,767	4,334,874	
Fines and forfeitures	277,300	-	-	-	277,300	
Others	24,327	7,595	-	1,066	32,988	
Investment income	28,961	1,444	8,941	7,290	46,636	
Total revenues	15,005,474	1,428,979	8,941	641,278	17,084,672	
EXPENDITURES:						
Current:						
General government:						
Town council	338,262	-	-	467,713	805,975	
Town administration and finance	2,443,307	31,915	-	8,693	2,483,915	
Legal	364,973	81,026	29,203	-	475,202	
Total general government	3,146,542	112,941	29,203	476,406	3,765,092	
Public safety:						
Police	6,558,600	-	-	-	6,558,600	
Parks and recreation	2,194,546	-	-	-	2,194,546	
Public works	1,002,060	-	-	467,399	1,469,459	
Comprehensive planning	1,456,088	-	-	-	1,456,088	
Debt service:						
Principal	128,379	-	-	-	128,379	
Interest	10,316	-	-	240,730	251,046	
Cost of Issuance	-	-	242,260	-	242,260	
Capital outlay	501,910	824,860	2,417,117	-	3,743,887	
Total expenditures	14,998,441	937,801	2,688,580	1,184,535	19,809,357	
Excess (deficiency) of revenues over expenditures	7,033	491,178	(2,679,639)	(543,257)	(2,724,685)	
OTHER FINANCING SOURCES (USES)						
Proceeds from debt issuance	-	-	6,289,986	1,040,013	7,329,999	
Discount on debt issued	-	-	(41,384)	-	(41,384)	
Transfers in	-	2,461,616	96,487	467,713	3,025,816	
Transfers out	(1,425,816)	-	-	-	(1,425,816)	
Total other financing sources (uses)	(1,425,816)	2,461,616	6,345,089	1,507,726	8,888,615	
Net change in fund balances	(1,418,783)	2,952,794	3,665,450	964,469	6,163,930	
Fund balance, beginning	9,808,996	1,728,570	-	1,024,130	12,561,696	
Fund balance, ending	\$ 8,390,213	\$ 4,681,364	\$ 3,665,450	\$ 1,988,599	\$ 18,725,626	

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 GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Amounts reported for governmental activities in the statement of activities (on page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$	6,163,930
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Government 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	\$	3,601,875	
Less current year depreciation		<u>(877,215)</u>	\$ 2,724,660

The net effect of various miscellaneous transaction involving capital assets is to increase net assets

Donations of Parks		2,023,000
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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

Proceeds from bonds issued	(7,330,000)	
Principal repayment	128,379	
Discount on bonds issued	40,348	
Deferred charges for issuance costs	<u>234,185</u>	(6,927,088)

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.

Increase in accrued interest payable on bonds		(183,000)
Compensated absences		<u>(11,433)</u>

Change in net assets of governmental activities (page 15)	\$	<u>3,790,069</u>
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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, 2011

**BUSINESS-
TYPE ACTIVITIES
ENTERPRISE
FUND**

STORMWATER

ASSETS

Current assets

Cash and cash equivalents

\$ 834,765

Receivables

140,281

Total current assets

975,046

Noncurrent assets

Infrastructure

4,617,072

Less: Accumulated depreciation

(530,285)

Total noncurrent assets

4,086,787

Total Assets

\$ 5,061,833

LIABILITIES

Accounts payable

\$ 35,734

Due to other funds

39,702

Total Liabilities

75,436

NET ASSETS

Invested in capital assets

4,086,787

Unrestricted

899,610

Total Net Assets

\$ 4,986,397

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

TOWN OF MIAMI LAKES, FLORIDA
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

**BUSINESS-
TYPE ACTIVITIES-
ENTERPRISE
FUND
STORMWATER**

OPERATING REVENUES

Charges for services	\$ 1,011,821
Total Operating Revenues	<u>1,011,821</u>

OPERATING EXPENSES

Administrative expenses	61,379
Professional fees	8,514
Contractual services	58,252
QNIP Fees	69,655
Repairs and maintenance	318,011
Depreciation	114,946
Total Operating Expenses	<u>630,757</u>

Operating income	381,064
------------------	---------

NONOPERATING REVENUES

Investment earnings	<u>5,521</u>
Total Nonoperating Revenues	<u>5,521</u>

Income before contributions and transfers	386,585
---	---------

Capital contributions	34,086
Transfer out	<u>(1,600,000)</u>
Total Nonoperating Contributions/Transfers	<u>(1,565,914)</u>

Change in net assets	(1,179,329)
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TOTAL NET ASSETS, OCTOBER 1	<u>6,165,726</u>
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TOTAL NET ASSETS, SEPTEMBER 30	<u><u>\$ 4,986,397</u></u>
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The notes to the financial statements are an integral part of these statements

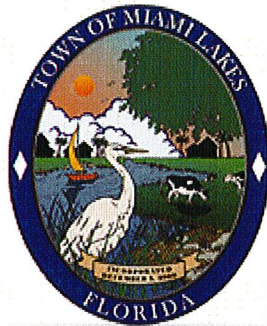
TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND STORMWATER
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 986,359
Cash paid to suppliers	(552,361)
Net Cash Provided by Operating Activities	<u>433,998</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer to other funds	(1,600,000)
Net Cash (Used in) Noncapital Financing Activities	<u>(1,600,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	5,521
Net Cash provided by Investing Activities	<u>5,521</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,160,481)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>1,995,246</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u><u>\$ 834,765</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 381,064
Adjustment to reconcile operating income to cash provided by operating activities	
Depreciation	114,946
Change in Assets and Liabilities:	
Increase in receivables	(25,751)
(Decrease) in accounts payable	(75,963)
Increase in due to other funds	<u>39,702</u>
Total adjustments	<u>52,934</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 433,998</u></u>
NONCASH CAPITAL ACTIVITIES	
Capital contributions from other funds	<u><u>\$ 34,086</u></u>

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



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NOTES TO FINANCIAL STATEMENTS



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TOWN OF MIAMI LAKES, FLORIDA
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The Town of Miami Lakes, Florida (the "Town") was incorporated in fiscal year 2001 and is a political subdivision of the State of Florida located in northwestern Miami-Dade County. The Town operates under a Mayor-Council-Manager form of government, with the legislative function being vested in a seven-member Council. The Town Council is governed by the Town Charter and by state and local laws and regulations. The Town Council is responsible for establishment and adoption of policy. The Town provides the following range of municipal services authorized by its charter: public safety, streets, stormwater, health and social services, culture, recreation, bus transportation, planning and zoning, and general administrative services.

The accounting policies of the Town conform to Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

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 policies are considered essential and should be read in conjunction with the basic financial statements.

b. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. 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 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.

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.

d. 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 similar to the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Accounting principles generally accepted in the United State of America set forth minimum criteria (percentage of assets, liabilities, revenue or expenditures/expenses of the applicable fund category and the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are presented in one column in the respective fund financial statements.

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 **Capital Projects Fund** accounts for the construction of major capital projects other than those financed by the proprietary funds.

The **Series 2010 Construction Fund** account for the acquisition and construction costs related to the Government Center which is being funded from special obligation bond proceeds.

The Town reports the **Stormwater Utility Fund** as its only proprietary fund. This fund is used to account for the provision of stormwater maintenance and capital improvements within the Town.

Additionally, the Town reports the following fund types:

The **Special Revenue Fund** is used to account for and report the receipts of local option fuel tax and county-shared fuel tax that are legally restricted for expenditures related to development, construction equipping, maintenance, operations or expansion of public transportation system, roads and bridges.

The **Debt Service Fund** is used to account for the accumulation of resources for and payment of principal, interest and related costs of the Town's special obligation bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

e. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, investments with the State Board of Administration (SBA) investment pools (Securities and Exchange Commission Rule 2A-7 Pool), certificates of deposit, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes and are reported at amortized cost.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Investments

The Town's investments are reported at fair value which is the amount a financial instrument could be exchanged for in a current transaction between willing parties. Generally, these are quoted market prices. Investments, including restricted investments, consist of securities of governmental agencies unconditionally guaranteed by the U.S. Government.

g. 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".

i. Property Taxes

Property taxes are assessed as of January 1 each year 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, 2011 was 2.3702.

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.

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, 2011.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. 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.

l. 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.

m. 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 straight-line method, which does not result in a material difference from the effective interest method. The face amount of the debt issued is reported net of bond premiums and discounts whereas issuance costs are recorded as other assets. Debt issuance cost are reported as deferred charges and amortized over the term of the related debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Long-term Obligations (Continued)

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.

n. New Accounting Standards

Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance** – amount that cannot be spent either because they are not in spendable form (such as inventory) or because they are legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, Town Code, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed fund balance** – amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Town Council). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest level action to remove or change the constraint.
- **Assigned fund balance** – amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates the authority.
- **Unassigned fund balance** – amounts that are available for any purpose which are not included in other spendable classifications.

The Town's reserve policy ordinance requires that the Town maintain 15% of budgeted general fund expenditures on hand as a reserve whenever possible.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. New Accounting Standards (Continued)

When expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been first expended out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council or Town Manager has provided otherwise in its commitment or assignment actions.

o. 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.

2. DEPOSITS AND INVESTMENTS

a. Cash and cash equivalents

The carrying amount of the Town's cash deposits were \$6,518,750, including petty cash fund of \$250 as of September 30, 2011. Bank balances before reconciling items were \$6,595,350 at that date, the total of which 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.

b. Investments

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. On December 13, 2011, the Town adopted Ordinance 11-139 which provides for a comprehensive investment policy pursuant to Section 218.415, Florida Statutes, and established permitted investments, issuer limits, credit rating requirements and maturity limits to protect the Town's cash and investment assets. The investment policy applies to all cash and investments held or controlled by the Town with the exception of funds related to the issuance of debt.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Town's investment policy allows for the following investments:

- Direct obligations of the U. S. Government, its Agencies or Instrumentalities;
- Securities and Exchange Commission registered money market mutual funds
- Insured or fully collateralized Certificates of Deposit
- Intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act functioning as a money market mutual
- Financial institution deposits that are in Qualified Public Depositories of the State in accordance with Chapter 280.02, Florida Statutes
- Repurchase agreements secured by direct obligations of the U.S. Government, its Agencies or Instrumentalities.

The Town's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds and maximizing investment income.

At September 30, 2011, the Town had the following investment types and effective duration presented in terms of years:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (Years)</u>
Federal Home Loan Bank	\$ 180,068	.17
Federal Home Loan Mortgage Corporation	620,374	1.75
SBA Pool A	13,419,294	0
SBA Pool B	27,589	0
	<u>\$ 14,247,325</u>	

The State Board of Administration's Local Government Surplus Fund Trust Fund currently known as the Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board Administration (SBA). These rules provide guidance and establish the general operating procedures for the administration of the Florida PRIME. Additionally, the Office of the Florida Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restricted the Pool into two separate pools. Pool A, currently referred to as the Florida PRIME, consisted of all money market appropriate assets, which was approximately \$12 Billion or 86% of Pool assets. Pool B, currently referred to as Fund B Surplus Trust Fund (Fund B), consisted of assets that either defaulted on a payment, and/or had any significant default on a payment, and/or had any significant credit and liquidity risk, which constituted approximately \$2 billion or 14% of pool assets.

On August 3, 2009, the SBA announced the rebranding of the Local Government Surplus Funds Trust Fund (formerly Pool A) as the "Florida Prime", reflecting the improvements and added benefits for participants that had been developed. The Florida Prime is considered a SEC 27-a like fund, therefore, account balances are considered to be fair value of the investment. Fund B, is accounted for as a fluctuating net asset value (NAV) pool. The fair value factor for Fund B as of September 30, 2011 is 0.75683860, and the fair value is calculated by multiplying the factor by the account balance.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. As a mean of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy limits the Town's investment portfolio to maturities not to exceed two years for operating and debt service funds and not to exceed three years for capital project or special purpose funds.

The weighted average days to maturity of the Florida Prime as of September 30, 2011 is 31 days and the weighted average life of Fund B as of September 30, 2011 is 4.82 years. However, because Fund B consisted of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town's investment policy specifically sets parameter to minimize the Town's credit risk by:

- Limiting investment to the safest type of issuer
- Pre-qualifying the financial institution, pools, money market mutual funds, and broker/dealer with which the Town will do business, and
- Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Town's investment in Florida Prime was rated AAAm by S&P as of September 30, 2011. Fund B was unrated as of that date.

Custodial credit risk for investment is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy requires that a bank or banks shall be contracted for the safekeeping or custody of securities owned by the Town as part of its investment portfolio or pledged to the Town as collateral. Securities owned by the Town shall be evidenced by safekeeping receipts of the institution holding the securities. All security transaction shall utilize the "delivery versus payment" procedures for settlement. All of Town's investment at September 30, 2011 are being kept by a third party commercial trust bank and are fully secured and collateralized under the name of the Town or its agent.

3. RECEIVABLES AND PAYABLES

Receivables at year end were as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor</u>	<u>Stormwater Fund</u>	<u>Total</u>
Due from other governments	\$ 524,683	\$ 200,296	\$ 30,578	\$ 140,281	\$ 895,838
Other	<u>7,346</u>	<u>-</u>	<u>248,586</u>	<u>-</u>	<u>255,932</u>
Total Receivables	<u>\$ 532,029</u>	<u>\$ 200,296</u>	<u>\$ 279,164</u>	<u>\$ 140,281</u>	<u>\$ 1,151,770</u>

Payables at year end were as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Series 2010 Construction Fund</u>	<u>Nonmajor</u>	<u>Stormwater Fund</u>	<u>Total</u>
Due to other governments	\$ 23,137	\$ -	\$ -	\$ -	\$ -	\$ 23,137
Vendors	<u>1,872,128</u>	<u>181,657</u>	<u>15,925</u>	<u>39,376</u>	<u>35,734</u>	<u>2,144,820</u>
Total Payables	<u>\$ 1,895,265</u>	<u>\$ 181,657</u>	<u>\$ 15,925</u>	<u>\$ 39,376</u>	<u>\$ 35,734</u>	<u>\$ 2,167,957</u>

4. INTERFUND BALANCES AND TRANSFERS

Interfund balances for the year ended September 30, 2011, consisted of the following:

<u>Due From</u>	<u>Due To</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ 891,905	\$ -	\$ 891,905
Nonmajor Funds	302,485	-	-	302,485
Capital Project Fund	-	-	7,435	7,435
Series 2010 Construction Fund	7,500	-	-	7,500
Stormwater Fund	<u>39,702</u>	<u>-</u>	<u>-</u>	<u>39,702</u>
Total	<u>\$ 349,687</u>	<u>\$ 891,905</u>	<u>\$ 7,435</u>	<u>\$ 1,249,027</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.

Interfund transfers for the year ended September 30, 2011, consisted of the following:

<u>Transferred In</u>	<u>Transferred Out</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Stormwater Fund</u>	
Capital Projects	\$ 861,616	\$ 1,600,000	\$ 2,461,616
Series 2010 Construction Fund	96,487	-	96,487
Nonmajor Funds	<u>467,713</u>	<u>-</u>	<u>467,713</u>
Total	<u>\$ 1,425,816</u>	<u>\$ 1,600,000</u>	<u>\$ 3,025,816</u>

- The Stormwater Fund transferred approximately \$1.6 million to the Capital Project Fund to finance a portion of drainage improvements on various ongoing projects.
- The General Fund transferred approximately \$862,000 to the Capital Project Fund to partially finance various ongoing capital projects of the Town.
- The General Fund transferred approximately \$96,000 to the Series 2010 Construction Fund to finance a portion of the cost of issuing the Special Obligation Bonds, Series 2010.
- The General Fund transferred approximately \$468,000 to the Special Revenue Fund to finance payments of the resident's dividend pursuant to Ordinance Number 2011-129.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2011, 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	\$ 2,641,882	\$ -	\$ 5,848,917
Construction in progress	<u>416,823</u>	<u>889,740</u>	<u>(231,508)</u>	<u>1,075,055</u>
Total assets not being depreciated	<u>3,623,858</u>	<u>3,531,622</u>	<u>(231,508)</u>	<u>6,923,972</u>
Capital assets, being depreciated:				
Furniture and equipment	769,787	418,385	-	1,188,172
Leasehold improvements	86,055	16,650	-	102,705
Infrastructure	<u>14,863,688</u>	<u>1,923,812</u>	<u>(34,086)</u>	<u>16,753,414</u>
Total capital assets being depreciated	<u>15,719,530</u>	<u>2,358,847</u>	<u>(34,086)</u>	<u>18,044,291</u>
Less accumulated depreciation for:				
Furniture and equipment	(549,104)	(117,373)	-	(666,477)
Leasehold improvements	(42,246)	(49,009)	-	(91,255)
Infrastructure	<u>(2,396,502)</u>	<u>(710,833)</u>	-	<u>(3,107,335)</u>
Total accumulated depreciation	<u>(2,987,852)</u>	<u>(877,215)</u>	-	<u>(3,865,067)</u>
Net capital assets being depreciated	<u>12,731,678</u>	<u>1,481,632</u>	<u>(34,086)</u>	<u>14,179,224</u>
Governmental activities				
Capital assets, net	<u>\$ 16,355,536</u>	<u>\$ 5,013,254</u>	<u>(\$ 265,594)</u>	<u>\$ 21,103,196</u>

The following is a summary of capital assets in the Proprietary Fund at September 30, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets, being depreciated:				
Infrastructure	\$ 4,582,986	\$ 34,086	\$ -	\$ 4,617,072
Less accumulated depreciation for:				
Infrastructure	<u>(415,339)</u>	<u>(114,946)</u>	-	<u>(530,285)</u>
Net capital assets being depreciated	<u>4,167,647</u>	<u>(80,860)</u>	-	<u>4,086,787</u>
Business-type activities				
Capital assets, net	<u>\$ 4,167,647</u>	<u>\$ (80,860)</u>	<u>\$ -</u>	<u>\$ 4,086,787</u>

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

Governmental activities:

General Government	\$ 148,339
Public Safety	8,178
Public Works	272,552
Parks and Recreation	<u>448,146</u>
	<u>\$ 877,215</u>

Business-type activities:

Stormwater Utility	<u>\$ 114,946</u>
	<u>\$ 114,946</u>

6. CONSTRUCTION COMMITMENTS

The Town has two significant construction projects as of September 30, 2011. These projects consist of the design and construction of a new Government Center and drainage improvements. Total contract amounts are \$4,433,204 and \$274,998, respectively with expenditures to date of \$133,173 and \$3,380, leaving remaining commitments of \$4,300,031 and \$271,618 at year end.

7. LONG-TERM DEBT

Special Obligation Bonds

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 December 1, 2019 through the year 2040 with semi-annual interest due on June 1 and December 1 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”. Bonds bear interest rates from 7.05% to 7.627%.

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

7. LONG-TERM DEBT (CONTINUED)

A summary of debt service requirements to maturity are as follows:

	<u>Special Obligation Bonds</u>		<u>Notes Payable</u>	
Year End September 30th	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ -	\$ 548,499	\$ 133,209	\$ 5,486
2013	-	548,499	68,454	1,495
2014	-	548,499	-	-
2015	-	548,499	-	-
2016	-	548,499	-	-
2017-2021	580,000	2,790,037	-	-
2022-2026	1,150,000	2,347,139	-	-
2027-2031	1,445,000	1,879,303	-	-
2032-2036	1,835,000	1,254,715	-	-
2037-2041	<u>2,320,000</u>	<u>205,289</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,330,000</u>	<u>\$ 11,218,978</u>	<u>\$ 201,663</u>	<u>\$ 6,981</u>

Long-term liability activity for the year ended September 30, 2011 was as follows:

	Balance October 1, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2011</u>	Due within <u>One Year</u>
Governmental activities:					
Special Obligation Bonds payable	\$ -	\$ 7,330,000	\$ -	\$ 7,330,000	\$ -
Less: deferred amounts on sale of bonds	-	(41,383)	1,035	(40,348)	-
Notes Payable	330,042	-	(128,379)	201,663	133,209
Compensated absences	<u>90,553</u>	<u>36,692</u>	<u>(25,259)</u>	<u>101,986</u>	<u>-</u>
Total Long-term debt	<u>\$ 420,595</u>	<u>\$ 7,325,309</u>	<u>\$ (152,603)</u>	<u>\$ 7,593,301</u>	<u>\$ 133,209</u>

The Town's compensated absences are generally liquidated by the General Fund.

Compliance with bond covenant

The Special Obligation Bond Resolutions for the Series 2010 Bonds covenant that the estimated Pledged Revenues will be sufficient to pay the principal of and interest on the Series 2010 Bonds as they become due.

For fiscal year ended September 30, 2011, the electric utility tax revenue was 395% of the maximum annual debt service on the bonds.

7. LONG-TERM DEBT (CONTINUED)

Future Revenues that are pledged

The Town has pledged the Electric Utility Tax revenues as payment for the Special Obligation Bond issued December 16, 2010. Monthly receipts are deposited into the Utility Tax Revenue Fund to be used to make the monthly debt service payment on the bonds. At the end of the month, unused revenues are then transferred to the General Fund for normal operating purposes. Below is a summary of pledged revenues:

Pledged Revenue		Total Principal and interest <u>Outstanding</u>	Current Year Principal and Interest paid	Maximum Principal And Interest	Current Year Revenue	% of Revenues to Principal and Interest Paid	% of Revenues to Maximum Principal and Interest
Electric Tax	Utility	\$ 18,548,978	\$ 240,730	\$ 928,449	\$ 2,450,483	13%	264%

8. FUND BALANCE

As of September 30, 2011, fund balances are composed of the following:

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Series 2010 Construction Fund</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Restricted:					
Law Enforcement	\$ 28,283	\$ -	\$ -	\$ -	\$ 28,283
Debt Service	-	-	-	900,637	900,637
Town Government Center	-	-	3,665,450	-	3,665,450
Transportation	-	2,358,772	-	1,087,962	3,446,734
Assigned:					
Capital Project – Parks and Stormwater	-	2,322,592	-	-	2,322,592
Unassigned	<u>8,361,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,361,930</u>
Total Fund Balances	<u>\$ 8,390,213</u>	<u>\$ 4,681,364</u>	<u>\$ 3,665,450</u>	<u>\$ 1,988,599</u>	<u>\$ 18,725,626</u>

9. 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 4.91% to 6.27% 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 the required contribution amounted to \$193,587.

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.

10. COMMITMENTS AND CONTINGENCIES

Agreement with Miami-Dade County for Local Police Patrol Services

Effective November 14, 2004, the Town executed an agreement with the County for local police patrol services provided by the County. Consideration for the services is based utilizing the actual costs of officers and equipment. Services are 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 \$6,450,000 to the County for local police patrol services during the fiscal year ended September 30, 2011.

10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Lease

In January, 2011, the Town entered into a three-year lease agreement expiring February 28, 2014 for approximately 18,722 square feet of office space for the Town Hall location for approximately \$18,722 per month subject to annual rate adjustment of 5% per year annually for the next two years. Such terms were subject to a subsequent purchase of land from the lessor for construction of a new building and the land was purchased in June of 2011.

The lease agreement also includes payments for additional rent from the Town for its proportionate share of the building operating expenses estimated at \$12,793 per month as well as a proportionate share of the estimated ad valorem real estate taxes estimated at \$3,588. These amounts are subject to adjustment annually based on actual changes incurred. Property taxes for 2011 in fact declined due to a decrease in both the millage rate and the property values. Operating costs have not yet met the annual review requirement.

In addition the Town pays for the cost of weekend electricity for the full time operation of the police station which is located in this building. Costs for additional electricity totaled \$87,971 for fiscal year 2011.

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

Lease will terminate February 28th, 2014

<u>Fiscal</u>	<u>Rent</u>	<u>Additional Rent</u>
2012	\$231,217	\$196,577
2013	242,777	196,577
2014	103,205	81,907

The above assume no significant increase in maintenance or property taxes during the remaining term of the lease.

Total rent expenditures for fiscal year 2011 amounted to approximately \$335,000.

10. 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 in addition to the immediate payment of the past due pro-rata share of debt service on the QNIP bonds amounted to \$1,042,477. In return the County transferred the remaining pocket parks located within the Town boundaries, released the remaining Safe Neighborhood Park grants and General Obligation Bond funds due to the Town, totaling \$550,000. During fiscal year 2011, the Town paid approximately \$1.2 million of its QNIP share to Miami-Dade County.

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.

10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Annual QNIP Stormwater Debt Service payments are as follows:

2012	\$ 69,636
2013	69,631
2014	69,632
2015	69,628
2016	69,612
2017-2024	<u>556,686</u>
	<u>\$ 904,825</u>

During the fiscal year ended September 30, 2011 the Town paid approximately \$70,000 and \$22,000, 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.

11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and 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 coverage in the prior year. Settled claims did not exceed coverage for the past three years.

12. SUBSEQUENT EVENTS

Millage Rate for Fiscal Year 2012

On September 16, 2011 the Town Council adopted the budget ordinance for fiscal year 2011, Ordinance 2010-125, that included a millage rate of 2.3518 which represents a reduction of .0184 from the fiscal year 2010 rate of 2.3702.



REQUIRED SUPPLEMENTARY INFORMATION



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TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(in \$'000)

	<u>Budgeted Amounts</u>			<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Ad valorem taxes	\$ 5,757	\$ 5,661	\$ 5,661	\$ -
Utility taxes	2,530	2,791	2,791	-
Franchise fees	2,088	1,444	1,444	-
Communication service tax	-	1,423	1,423	-
Licenses and permits	910	1,063	1,063	-
Intergovernmental	3,623	2,293	2,293	-
Fines and forfeitures	282	276	277	1
Other	71	33	24	(9)
Investment Income	-	29	29	-
Total revenues	<u>15,261</u>	<u>15,013</u>	<u>15,005</u>	<u>(8)</u>
Expenditures:				
Current:				
General government:				
Town council	327	357	338	19
Town administration and finance	2,230	2,621	2,541	80
Legal	383	423	365	58
Total general government	<u>2,940</u>	<u>3,401</u>	<u>3,244</u>	<u>157</u>
Public safety:				
Police	6,647	6,697	6,697	-
Parks and recreation	2,478	2,518	2,237	281
Public works	1,103	1,086	1,004	82
Comprehensive planning	1,604	1,603	1,472	131
Non-departmental - QNIP	-	344	344	-
Total expenditures	<u>14,772</u>	<u>15,649</u>	<u>14,998</u>	<u>651</u>
Excess (deficiency) of revenues over expenditures	<u>489</u>	<u>(636)</u>	<u>7</u>	<u>643</u>
Other financing sources (uses):				
Transfers out	-	(1,579)	(1,426)	(153)
Payment of prior Liability	-	(852)	-	(852)
Transfers in	-	153	-	153
Total other financing (uses)	<u>-</u>	<u>(2,278)</u>	<u>(1,426)</u>	<u>(852)</u>
Net change in fund balance	489	(2,914)	(1,419)	1,495
Fund balance, beginning	<u>9,809</u>	<u>9,809</u>	<u>9,809</u>	<u>-</u>
Fund balance, ending	<u>\$ 10,298</u>	<u>\$ 6,895</u>	<u>\$ 8,390</u>	<u>\$ 1,495</u>

* amounts may not foot due to rounding off to \$'000

See Notes to Budgetary Comparison Schedule

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2011

A. Budgetary Information

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.



COMBINING STATEMENTS



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TOWN OF MIAMI LAKES, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

<u>ASSETS</u>	<u>Nonmajor Governmental Funds</u>		
	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,144,915	\$ 898,946	\$ 2,043,861
Receivables	30,578	248,586	279,164
Due from other funds	7,435	-	7,435
Total assets	<u>\$ 1,182,928</u>	<u>\$ 1,147,532</u>	<u>\$ 2,330,460</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 39,376	\$ -	\$ 39,376
Due to other funds	55,590	246,895	302,485
Total liabilities	<u>94,966</u>	<u>246,895</u>	<u>341,861</u>

Fund balance:

Restricted for:

Debt Service	-	900,637	900,637
Transportation and transit	1,087,962	-	1,087,962
Total fund balance	<u>1,087,962</u>	<u>900,637</u>	<u>1,988,599</u>
Total liabilities and fund balances	<u>\$ 1,182,928</u>	<u>\$ 1,147,532</u>	<u>\$ 2,330,460</u>

TOWN OF MIAMI LAKES, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Nonmajor Governmental Funds		Total
	<u>Special Revenue</u>	<u>Debt Service</u>	
REVENUES:			
Utility taxes	\$ -	\$ 11,155	\$ 11,155
Intergovernmental	537,511	84,256	621,767
Investment income	647	6,643	7,290
Others	<u>1,066</u>	<u>-</u>	<u>1,066</u>
Total revenues	<u>539,224</u>	<u>102,054</u>	<u>641,278</u>
EXPENDITURES:			
Current:			
General government:			
Town council	467,713	-	467,713
Town administration and finance	<u>7,993</u>	<u>700</u>	<u>8,693</u>
Total general government	<u>475,706</u>	<u>700</u>	<u>476,406</u>
Public works	467,399	-	467,399
Debt service:			
Interest	<u>-</u>	<u>240,730</u>	<u>240,730</u>
Total expenditures	<u>943,105</u>	<u>241,430</u>	<u>1,184,535</u>
(Deficiency) of revenues over expenditures	<u>(403,881)</u>	<u>(139,376)</u>	<u>(543,257)</u>
OTHER FINANCING SOURCES			
Proceeds from debt issuance	-	1,040,013	1,040,013
Transfers in	<u>467,713</u>	<u>-</u>	<u>467,713</u>
Total other financing sources	<u>467,713</u>	<u>1,040,013</u>	<u>1,507,726</u>
Net change in fund balances	63,832	900,637	964,469
Fund balance, beginning	<u>1,024,130</u>	<u>-</u>	<u>1,024,130</u>
Fund balance, ending	<u>\$ 1,087,962</u>	<u>\$ 900,637</u>	<u>\$ 1,988,599</u>



BUDGETARY SCHEDULES



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TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(in \$'000)

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
New Local Option Gas Tax	\$ 382	\$ 382	\$ 378	\$ 4
Federal Grant - Bus Purchase	242	294	-	294
Federal Grant- Bus Shelters	272	272	-	272
State Grant -Bus Purchase	52	52	-	52
Transportation Sales Tax 20%	167	167	160	8
Investment Income	-	1	1	(0)
Impact Fees-Public Safety	-	1	1	0
Total revenues	<u>1,115</u>	<u>1,169</u>	<u>539</u>	<u>630</u>
Expenditures:				
Current:				
Police Impact Fees	-	288	-	288
Transfer to Public Works G/F	-	200	200	-
Transportation Roadway System Maint	-	291	240	51
Transit	-	-	-	-
Crosswalks	10	33	-	33
Traffic Calming	50	13	13	-
Traffic Studies	10	5	5	-
Transit- Adm Prog Expense 5%	-	35	8	27
Professional Fees	-	10	10	-
Insurance	7	7	-	7
Bus Bences/Shelter R & M	13	13	-	13
Administrative Expense	43	43	-	43
Bus Acquisition	151	151	-	151
Bus Signage	60	6	-	6
Bus Benches/Shelters	258	258	-	258
Operation and Maint.	54	54	-	54
Equipment non cap	-	10	-	10
Council- Dividends to residents	-	468	468	(0)
Total expenditures	<u>655</u>	<u>1,883</u>	<u>943</u>	<u>940</u>
Excess (Deficiency) of revenues over expenditures	460	(714)	(404)	(310)
Other financing sources				
Transfer In	<u>-</u>	<u>468</u>	<u>468</u>	<u>(0)</u>
Net change in fund balance	460	(246)	64	(310)
Fund balance, beginning	<u>1,024</u>	<u>1,024</u>	<u>1,024</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,484</u>	<u>\$ 778</u>	<u>\$ 1,088</u>	<u>\$ (310)</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(in \$'000)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - US Government	\$ -	\$ 84	\$ 84	\$ 0
Electric utility taxes	-	11	11	-
Investment Income	-	5	7	(1)
Total revenues	-	101	102	(1)
Expenditures:				
Current:				
Town administration and finance	-	1	1	-
Interest	-	241	241	(0)
Total expenditures	-	241	241	(0)
(Deficiency) of revenues over expenditures	-	(141)	(139)	(1)
OTHER FINANCING SOURCES				
Proceeds from debt issuance	-	1,040	1,040	(0)
Total other financing sources	-	1,040	1,040	(0)
Net change in fund balance	-	899	901	(1)
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ 899	\$ 901	\$ (1)



OTHER SCHEDULES



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TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(in \$'000)

	<u>Budgeted Amounts</u>				<u>Variance with Final</u>
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Budget - Positive</u>
					<u>(Negative)</u>
Revenues:					
New Local Option Gas Tax	\$ 152	\$ 152	\$ 147	\$	5
FRDAP (DEP) grant	67	67	67		(0)
State grant for Bull Run	200	200	-		200
Miami-Dade County - Safe Neighbor	246	246	-		246
Federal Land and Water grant	100	100	-		100
Federal stimulus funding	612	612	568		44
1/2 Cent transportation surtax	670	670	638		31
Impact fees - parks	-	8	8		0
GO Bonds - Miami-Dade County	500	-	-		-
Investment income	-	-	1		(1)
Total revenues	<u>2,547</u>	<u>2,054</u>	<u>1,429</u>		<u>625</u>
Expenditures:					
Current:					
General government:					
Town administration and finance	-	32	32		(0)
Legal	25	81	81		(0)
Capital outlay					
Drainage Improvements					
MLD to Ludlam	30	-	-		-
Miami Lakeway North	482	482	17		465
Lake Patricia	310	310	51		259
Miami Lakes N - S of Celebration	870	900	412		488
MLN - CEI Federal Mandate	113	113	59		54
Miscellaneous	30	30	-		30
Transportation Improvements					
Street Lighting	-	35	-		35
Traffic Calming	65	65	-		65
Sidewalks	-	30	-		30
Roadway resurfacing:					
Various projects	80	50	7		43
Miami Lakeway North	54	-	2		(2)
Miami Lakeway N MLD	160	284	127		157
Lake Patricia	100	100	13		87
NW 60 Avenue	150	150	13		137
Miami Lakes N to Cowpen Road	70	-	-		-
Replace street signs	-	2	2		0
Parks and Recreation					
Royal Oaks Park - Phase III	15	16	7		9
Royal Oaks Park - Art in Public Pl	-	15	15		-
Royal Oaks Park - Miscellaneous	-	40	1		39
Mini Parks:					
Rehab Tot Lots	-	125	1		124
Bike Path NW 170 Greeway	193	193	16		176
Florida Estates Project	80	80	77		3
Sevilla Estates					
Consultants	-	4	4		-
Park Development	-	192	-		192
Facilities and Equipment					
Police Station	500	-	-		-
Software	350	350	-		350
IT Costs	-	110	-		110
Furniture	250	154	-		154
Moving	5	5	-		5
Legal costs - Real Estate Acquisition	-	81	-		81
Total expenditures	<u>3,931</u>	<u>4,028</u>	<u>938</u>		<u>3,090</u>
Excess (Deficiency) of revenues					
over expenditures	<u>(1,385)</u>	<u>(1,974)</u>	<u>491</u>		<u>(2,465)</u>
Other financing uses:					
Transfers in - General Fund	456	862	862		(0)
Transfer in - Stormwater	800	1,600	1,600		-
	<u>1,256</u>	<u>2,462</u>	<u>2,462</u>		<u>(0)</u>
Net change in fund balance	(129)	488	2,953		(2,465)
Fund balance, beginning	<u>1,729</u>	<u>1,729</u>	<u>1,729</u>		<u>-</u>
Fund balance, ending	<u>\$ 1,600</u>	<u>\$ 2,216</u>	<u>\$ 4,681</u>	<u>\$</u>	<u>(2,465)</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SERIES 2010 CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(in \$'000)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final Budget</u>		
Revenues:				
Investment Income	\$ -	\$ 9	\$ 9	\$ (0)
Total revenues	-	9	9	(0)
Expenditures:				
Current:				
Town administration and finance	-	29	29	(0)
Cost of Issuance				
Financial advisors fees	-	33	32	0
Underwriters Discount	-	125	125	(0)
Paying agent fees	-	2	2	0
Dissemination agent fee	-	2	2	-
Rating agency fees	-	28	28	-
Bond counsel fees	-	50	50	-
Miscellaneous fees	-	1	1	0
Printing expenses	-	3	3	(0)
Acquisition and construction				
Construction costs	-	7	7	(0)
Insurance/performance bond	-	95	95	(0)
Geotechnical exploration	-	8	8	(0)
Professional services - design	-	43	43	(0)
Site assessment	-	1	1	-
Land	-	2,262	2,262	0
Total expenditures	-	2,689	2,689	0
(Deficiency) of revenues over expenditures	-	(2,680)	(2,680)	(0)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	6,290	6,290	0
Discount on debt issued	-	(41)	(41)	(0)
Transfer in from general fund	-	97	96	0
Total other financing sources (uses)	-	6,345	6,345	0
Net change in fund balance	-	3,665	3,665	(0)
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ 3,665	\$ 3,665	\$ (0)

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
STORMWATER UTILITY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
(in \$'000)

	Budgeted Amounts			Variance with
	Original	Final Budget	Actual	Final Budget -
				Positive (Negative)
Revenues:				
Stormwater utility fees	\$ 975	\$ 1,015	\$ 1,012	\$ 3
Total revenues	975	1,015	1,012	3
Expenditures:				
Current:				
Stormwater utility revenue bond debt	70	70	70	0
Stormwater utility director	20	36	36	(0)
Stormwater master plan update	75	75	21	54
Stormwater inspection contract	52	52	5	47
System maintenance	200	200	192	8
Minor repairs and improvements	100	100	10	90
Community rating system	65	65	2	63
NPDES permit fees	24	25	25	0
Street sweeping/litter control	75	75	42	33
Canal maintenance	169	140	53	87
WASD collection fee	32	32	29	3
Stormwater utility administration	-	22	22	0
Memberships, dues and exp	1	1	1	0
Education and training	2	2	1	1
Public outreach and workshops	25	25	9	16
Professions services - engineering	38	38	-	38
NPDES discharge model	15	15	-	15
Legal services	10	10	-	10
Contingency	50	50	-	50
Total expenditures	1,022	1,032	516	517
Excess (deficiency) of revenues over expenditures	(47)	(17)	496	(513)
Other income/expense				
Transfers out	(800)	(1,600)	(1,600)	-
Interest income	20	12	6	6
Depreciation	-	-	(115)	115
Capital contributions	-	-	34	(34)
Total other financing sources (uses)	(781)	(1,589)	(1,675)	87
Net income	(828)	(1,606)	(1,179)	(426)
Net assets, beginning	6,166	6,166	6,166	-
Net assets, ending	\$ 5,338	\$ 4,560	\$ 4,986	\$ (426)



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STATISTICAL SECTION



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STATISTICAL SECTION

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader Understand how the government's financial performance and well-Being have changed over time.	52-57
Revenue Capacity	
These schedules contain information to help the read assess the government's most significant local revenue source, the property tax.	58-61
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's' ability to issue additional debt in the future.	62-63
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	64-65
Operating Information and Insurance in Force	
These schedules contain service and infrastructure data to help the Reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	66-69

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning that year.



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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 18,197,702
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	8,041,104
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	6,047,900
Total governmental activities net assets	\$ 6,725,291	\$ 9,483,054	\$ 12,422,045	\$ 14,886,039	\$ 16,808,800	\$ 19,546,223	\$ 21,442,887	\$ 25,641,318	\$ 28,446,637	\$ 32,286,706
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	\$ 4,086,787
Unrestricted	-	-	48,956	702,928	427,813	921,494	1,343,801	1,574,095	1,998,079	899,610
Total business-type activities net assets	\$ -	\$ -	\$ 1,113,892	\$ 2,196,865	\$ 2,384,605	\$ 3,522,918	\$ 4,988,631	\$ 5,769,643	\$ 6,165,726	\$ 4,986,397
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	\$ 22,284,489
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	8,041,104
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	6,947,510
Total primary government net assets	\$ 6,725,291	\$ 9,483,054	\$ 13,535,937	\$ 17,082,904	\$ 19,193,405	\$ 23,069,141	\$ 26,431,518	\$ 31,410,961	\$ 34,662,363	\$ 37,273,103

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 TEN YEARS

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$4,006,694
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	6,554,020	6,566,778
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	2,667,382
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	1,746,804
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	1,452,701
Interest Expense	-	-	-	-	-	-	11,397	19,456	14,971	443,156
Non-departmental	1,494,934	1,686,076	1,730,146	1,773,843	1,849,245	1,931,551	-	-	-	-
Total governmental activities expenses	9,500,779	11,769,284	12,907,679	14,340,326	21,794,605	17,849,184	17,396,943	16,217,935	15,260,455	16,883,515
Business-type activities:										
Stormwater utilities	-	-	430,852	414,405	776,142	649,798	647,440	893,472	686,953	630,757
Total business-type activities expenses	-	-	430,852	414,405	776,142	649,798	647,440	893,472	686,953	630,757
Total primary government expenses	9,500,779	11,769,284	13,338,531	14,754,731	22,570,747	18,498,982	18,044,383	17,111,407	15,947,408	17,514,272
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	109,411
Public Safety	109,267	219,789	166,239	343,732	183,033	276,784	373,576	305,409	257,927	277,300
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	1,063,299
Operating Grants and contributions	-	152,040	180,092	524,538	5,259,662	318,943	15,363	1,274,011	205,390	655,345
Capital grants and contributions	2,036,125	416,644	-	315,500	455,213	1,249,374	620,692	1,298,299	312,500	2,023,000
Total governmental activities program revenues	3,044,506	2,101,163	1,687,388	2,497,101	7,251,694	3,149,707	2,894,078	3,848,300	1,894,110	4,128,355
Business-type activities:										
Charges for services	-	-	795,224	1,108,962	876,342	1,262,970	990,651	992,577	983,278	1,011,821
Stormwater Utility	-	-	-	-	16,745	-	-	-	-	-
Operating Grants and contributions	-	-	795,224	1,108,962	893,087	1,262,970	990,651	992,577	983,278	1,011,821
Total business-type activities program revenues	\$3,044,506	\$2,101,163	\$2,482,612	\$3,606,063	\$8,144,781	\$4,412,677	\$3,884,729	\$4,840,877	\$2,877,388	\$5,140,176

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 TEN YEARS

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net(expenditure)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)	\$ (12,755,160)
Business-type activities	-	-	364,372	694,557	116,945	613,172	343,211	99,105	296,325	381,084
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>	<u>\$ (12,374,096)</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	5,660,784
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	2,802,104
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	1,422,508
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	1,444,179
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	3,595,274
Investment and miscellaneous income	180,327	81,462	81,071	235,870	304,387	569,304	250,310	82,981	106,006	54,466
Transfers	-	-	161,000	(388,416)	(334,200)	(521,868)	(1,111,880)	(656,733)	(86,092)	1,565,914
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>	<u>16,545,229</u>

Business-type activities:										
General Revenues										
Investment income	-	-	-	-	-	-	10,622	25,174	13,666	5,521
Capital Contributions	-	-	910,520	-	-	-	-	-	-	-
Transfers	-	-	(161,000)	388,416	334,200	521,868	1,111,880	656,733	86,092	(1,565,914)
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>	<u>(1,560,393)</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>	<u>14,984,836</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	1,896,864	4,198,431	2,855,319	3,790,069
Business-type activities	-	-	1,113,892	1,082,973	451,145	1,138,313	1,465,713	781,012	396,083	(1,179,329)
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>\$ 3,362,577</u>	<u>\$ 4,979,443</u>	<u>\$ 3,251,402</u>	<u>\$ 2,610,740</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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 1,352,164	\$ -	\$ -	\$ -	\$ -	\$ 2,635,346	\$ 1,883,267	\$ 31,361	\$ 549,214	\$ -
Unreserved	3,253,013	3,785,432	3,446,989	3,393,391	3,575,683	1,165,611	3,456,720	8,225,450	9,259,782	-
Restricted for:										
Police Officer Training	-	-	-	-	-	-	-	-	-	28,283
Unassigned	-	-	-	-	-	-	-	-	-	8,361,930
Total General Fund	\$ 4,605,177	\$ 3,785,432	\$ 3,446,989	\$ 3,393,391	\$ 3,575,683	\$ 3,800,957	\$ 5,339,987	\$ 8,256,811	\$ 9,808,996	\$ 8,390,213
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	-	1,938,227	2,518,942	1,432,132	1,551,616	1,926,452	1,505,158	414,182	1,728,570	-
Restricted for, reported in:										
Transportation and Transit - Capital Project fund	-	-	-	-	-	-	-	-	-	2,358,772
Town Government Center - Capital Project fund Series 2010	-	-	-	-	-	-	-	-	-	3,665,450
Debt Service - Debt Service fund	-	-	-	-	-	-	-	-	-	900,637
Transportation and Transit - Special Revenue fund	-	-	-	-	-	-	-	-	-	1,087,962
Assigned, reported in:										
Capital Projects fund - Parks & Stormwater	-	-	-	-	-	-	-	-	-	2,322,592
Total all other governmental funds	\$ -	\$ 2,199,567	\$ 2,930,123	\$ 1,725,395	\$ 1,989,535	\$ 2,450,414	\$ 2,078,865	\$ 1,187,338	\$ 2,752,700	\$ 10,335,413

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

The Town created capital Projects fund 2010 construction and the debt service beginning fiscal year 2010

The Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definition" effective October 1, 2010.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Ad valorem 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	\$ 5,660,784
Utility taxes	2,208,172	2,279,546	2,258,485	2,326,833	2,483,810	2,461,479	2,533,824	2,560,876	2,730,389	2,802,104
Franchise fees	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	1,444,179
Communication service tax	485,315	752,822	783,175	1,329,651	1,530,924	1,490,228	1,491,360	1,776,558	1,560,902	1,422,508
Licenses and permits	254,451	923,942	1,031,256	1,216,051	1,163,289	1,246,495	1,011,605	811,904	1,038,041	1,063,299
Intergovernmental	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	4,334,874
Impact fees	644,663	339,243	37,910	131,269	32,943	54,399	685,185			
Fines and forfeitures	109,267	219,789	221,894	307,103	318,949	276,784	373,576	305,395	257,927	277,300
Others	84,360	466,149	216,237	42,617	52,013	58,714	201,914	162,945	61,702	32,988
Investment income	95,967	81,462	81,071	197,292	295,824	323,999	236,054	78,727	84,557	46,636
Total Revenue	11,727,948	14,527,047	15,885,671	17,194,135	24,053,379	20,714,805	20,608,857	21,073,099	18,201,867	17,084,672
Expenditures										
General government:										
Town Council	120,481	96,007	104,019	121,125	207,189	265,712	257,576	206,114	191,879	805,975
Town Administration and finance	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	2,483,915
Legal	304,630	336,069	267,741	246,717	366,957	454,641	481,727	669,680	469,724	475,202
Total general government	1,278,787	1,756,116	1,576,047	1,882,875	2,464,488	2,724,970	3,125,913	3,083,407	2,665,527	3,765,092
Public safety:										
Police	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	6,558,600
Parks and recreation	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	2,194,546
Public works	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	1,469,459
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	1,456,088
Debt service:										
Principal	-	-	-	-	-	-	57,348	119,238	123,724	128,379
Interest	-	-	-	-	-	-	11,397	19,456	14,971	251,046
Non departmental	1,494,934	1,686,076	1,730,146	1,773,843	1,849,245	1,931,551	-	-	-	242,260
Capital Outlay	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	3,743,887
Total expenditures	9,557,108	13,147,221	15,454,557	18,489,045	23,756,947	20,514,257	19,761,122	19,047,802	15,084,320	19,809,357
Other Financing Sources(Uses)										
Proceeds from debt issuance	-	-	-	-	-	-	319,746	-	-	7,329,999
Discount on debt issued	-	-	-	-	-	-	-	-	-	(41,384)
Transfer in	-	2,159,387	2,341,237	1,621,000	743,589	1,192,640	184,500	-	853,158	3,025,816
Transfer out	-	(2,159,387)	(2,180,237)	(1,584,416)	(593,589)	(1,017,640)	(184,500)	-	(853,158)	(1,425,816)
Total other financing sources	-	-	161,000	36,584	150,000	485,605	319,746	-	-	8,888,615
Net change in fund balance	\$ 2,170,840	\$ 1,379,826	\$ 392,114	\$ (1,258,326)	\$ 446,432	\$ 686,153	\$ 1,167,481	\$ 2,025,297	\$ 3,117,547	\$ 6,163,930
Ratio of total debt service to noncapital expenditures	N/A	N/A	N/A	N/A	N/A	N/A	0.41%	0.88%	0.97%	2.341%

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.

In fiscal year 2011, the Town issued Series 2010 Electric Utility Tax Revenues Bond

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(IN \$'000)

<u>Fiscal year</u>	<u>Property Tax</u>	<u>Utility Service Tax</u>	<u>Communication Service Tax</u>	<u>Franchise fees</u>	<u>Total</u>
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
2011	5,661	2,802	1,423	1,444	11,330

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(IN \$'000)

Fiscal Year Ended September 30,	Real Property			Exemptions (a)					Total Actual &		Real Property -			Total Taxable		Total Direct Tax Rate
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Personal Property	Assessed Value of Taxable Property	Real Property - Amendment 10 Excluded Value (b)	Real Property - Other Exemptions	Personal Property	Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate					
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)	2,514,939	1,137,015	258,583	210,860	4,121,397	710,177	623,209	20,938	2,767,073		2.447					
2011 (d)	1,939,659	1,101,621	255,550	203,322	3,500,152	312,380	615,780	20,851	2,551,141		2.370					

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 property include: \$25,000 homestead exemption; an additional \$25,000 homestead exemption (excluding School Board taxes) in FY 2009; widows/widowers exemption; governmental exemption; disability/blind age 65 and older exemption; institutional exemption; economic development exemption and other exemptions 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 Consumer Price Index, whichever is less (193.155, F. S.)

(c) Total and assessed values for FY 2010 were updated to reflect the Final 2009 Tax Roll certified May 31, 2011.

(d) Total actual and assessed values are estimates based on the First Certified 2010 Tax Roll made on October 2010, prior to any adjustments processed by the Value Adjustment Board. The Final Certified Tax Roll for 2010 has not been released as of the date of this report.

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PER \$'000 OF ASSESSED VALUE)

Fiscal Year	Town of Miami Lakes Operating Millage	Overlapping Rates:									
		Miami-Dade County					State Rates				
		South Florida									
		Miami-Dade Countywide Operating	Miami-Dade Fire & Rescue Service District	Miami-Dade School Board	Public Library	County Debt Service	Children's Trust	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
2011	2.3702	5.4275	2.5953	8.2490	0.3500	0.4450	0.5000	0.5346	0.0894	0.0345	20.5955

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

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND SEVEN YEARS AGO
(IN \$'000)

	2011			2004		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
<u>Taxpayer</u>						
The Graham Companies	\$ 295,828	1	11.60%	\$ 223,397	1	10.94%
Sengra Corporation	70,041	2	2.75%	83,687	2	4.10%
Sengra Development Corp.	31,910	3	1.25%			
Miami Home Loans Inc.	21,302	4	0.83%			
Cap East Associates	19,451	5	0.76%	19,307	7	0.95%
Miami Lakes County Club, Inc.	19,314	6	0.76%	16,588	8	0.81%
Royal Oaks Plaza, Inc.	18,000	7	0.71%	15,200	10	0.74%
Private Taxpayer	13,412	8	0.53%	24,360	6	1.19%
Miami Lakes AM LLC	12,448	9	0.49%			
Costco Wholesale Corp	11,600	10	0.45%	9,766	13	0.48%
BRE/Miami Lakes Industrial LLC	11,069	11	0.43%			
HPTCY Corporation	10,200	12	0.40%	8,930	14	0.44%
Blumberg Industries LTD	9,568	13	0.38%			
MAS Investments LLC	9,145	14	0.36%	8,480	15	0.42%
Cordis Corporation	8,700	15	0.34%	25,779	5	1.26%
Pershing				47,309	3	2.32%
BPI				37,297	4	1.83%
Caterpillar Tractor Co.				16,125	9	0.79%
First States Investment 5000A LLC				13,549	11	0.66%
EWE Warehouse Investment VII LT				10,360	12	0.51%
Total	561,988		20.95%	560,134		19.65%
Total Net Assessed Real and Personal Property Value (in thousands)	\$ 2,551,141			\$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 COLLECTION
LAST SEVEN YEARS
(IN \$'000)

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	7,029	92.62%	36	7,065	93.10%
2007	8,268	7,621	92.17%	85	7,706	93.20%
2008	7,840	7,346	93.69%	82	7,428	94.74%
2009	7,840	7,385	94.20%	49	7,434	94.82%
2010 (3)	6,771	\$ 6,414	94.73%	56	6,470	95.55%
2011 (2)	6,060	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 2011 is an estimate based on the 2010 First Certified 2010 Tax Roll made on October 2010, before any significant changes by the Value Adjustment Board had actually been processed. The Final Certified Tax Roll for 2010 has not been released as of the date of this report.

Note (3) Taxes levied for fiscal year 2010 were updated to reflect the Final 2009 Tax Roll certified May 31, 2011.

n/a - Indicates information for those years is not available

TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
OUTSTANDING DEBT BY TYPE AND DEBT SERVICE COVERAGE
LAST FIVE YEARS

Fiscal Year	Outstanding Debt				Population	Per Capita		Percentage of Personal Income	Debt Coverage	
	Government Activities					Personal Income Note (1)	Pledged Revenue		Coverage	
	Government Activities Notes Payable	Special Obligation Bonds Payable	Total Government							
2007	\$ 310,605	\$ -	\$ 310,605		27,027	n/a	n/a	11.49	(2)	
2008	661,564	-	661,564		27,031	32,676	0.07%	24.47	(2)	
2009	519,937	-	519,937		26,694	30,178	0.06%	19.48	(2)	
2010	330,042	-	330,042		29,361	39,039	0.03%	11.24	(2)	
2011	201,663	7,330,000	7,531,663		29,369	n/a	n/a	256.45	2,439,328	4.45

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. There was no outstanding debt prior to fiscal year 2007.

The Series 2010 Electric Utility Tax Revenue Bonds provided that pledged revenue shall be adequate to cover at least 125% of the next succeeding year's Annual Debt Service Requirement for all bonds outstanding.

Next Succeeding Year				Total Debt Service Requirement	Coverage
Utility Services Tax	Principal	Interest			
2011	2,439,328	-	548,499	548,499	445%

Legend:

- (1) The personal income and per capita income data for 2011 is unavailable from the U.S. Department of Commerce as of this report date.
- (2) No outstanding bonds prior to fiscal year 2011.
- n/a - Indicates information for those years is not available.

TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
SEPTEMBER 30, 2011

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>% of Debt Applied to Miami Lakes (1)</u>	<u>Amount of Debt Applied to Miami Lakes</u>
Miami-Dade County Schools (2)	\$ 567,310	1.16%	\$ 6,581
Miami-Dade County (3)	1,062,146	1.16%	\$ 12,275
Sub-tota overlapping debt	<u>1,629,456</u>		<u>18,856</u>
Town of Miami Lakes direct debt	\$ -		\$ -
Total direct and overlapping debt	<u>\$ 1,629,456</u>		<u>\$ 18,856</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 taxable property value.
- (2) Based on Miami-Dade County percentage of County's taxable property.
- (3) Miami-Dade County, Finance Department (includes General Obligation, Special Obligation Bonds).

Notes: The Town has not 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 \$)		Total Personal Income (in 000's)	Unemployment Rate	Personal Income Per Capita	Median Age	School Enrollment
		Household	Income					
2002	24,291	n/a	n/a	n/a	n/a	n/a	37	n/a
2003	25,523	n/a	n/a	n/a	n/a	n/a	37	n/a
2004	24,853	n/a	n/a	n/a	n/a	n/a	37	n/a
2005	24,741	n/a	n/a	n/a	n/a	n/a	37	n/a
2006	n/a	n/a	n/a	n/a	n/a	n/a	38	n/a
2007	27,027	n/a	n/a	n/a	n/a	n/a	38	n/a
2008	27,031	n/a	883,265	n/a	2.80%	32,676	38	n/a
2009	26,694	67,800	805,572	n/a	4.40%	30,178	39	6,800
2010	29,361	62,034	852,614	n/a	7.00%	29,039	38	7,557
2011	29,369	(1)	(1)	(1)	5.70%	(1)	(1)	(1)

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, 2005-2009, and 2008-2010 American Community Survey Estimates.
Unemployment rate data provided by the U.S. Bureau of the Census or derived from Local Area Unemployment Statistics.
Population information provided by the U.S. Bureau of the Census (2000 and 2010) or Florida's Bureau Economic and Business Research (BEBR).

Note:

(1) Information unavailable as of the date of this report.
n/a - Indicates information for those years is not available.

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Inktel	400	1	2.75%	(a)		
Alorca	350	2	2.40%	(a)		
The Graham Companies	335	3	2.30%	521		4.21%
All Med Services	318	4	2.18%	(a)		
Schering Corporation (Merk Pharmaceuticals)	265	5	1.82%	320		2.58%
The Protective Group	(a)	6		(a)		
	1,668		8.71%	841		6.79%
Total Employed	14,563 (1)			12,381 (2)		

Source: Town of Miami Lakes telephone survey with Graham Company.

Note (1) U.S. Census Bureau, Selected Economic Characteristics 2008-2010 American Community Survey

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

Note (a) Information unavailable

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

Function/Program	Full-time and part-time/contract employees as of September 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Town Clerk's Office	1	1	1	1	1	3	3	4	5
Town Administration	7	7	9	10	12	10	12	11	8
Building Department	3	4	3	7	8	5	6	6	4
Planning and Development						4	3	5	5
Parks and Recreation	1	3	6	7	7	7	7	8	7
Public Works	1	1	1	2	3	2	1	1	2
Total	13	16	20	27	31	31	32	35	31

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

Information is not available for FY2002

TOWN OF MIAMI LAKES, FLORIDA
OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN 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>	<u>2011</u>
<u>General Government</u>										
Building permits issued	100	441	1,266	1,264	1,390	1,088	744	556	519	673
Occupational Licenses	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,193	1171
<u>Police</u>										
Physical arrests	398	430	424	360	314	355	485	529	407	362
<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	143
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	43,905
Number of Stormwater drains cleaned	n/a	n/a	n/a	n/a	839	673	150	483	266	676
<u>Public Works</u>										
Road miles maintained	n/a	n/a	n/a	n/a	77	77	77	77	77	60
Street lights	n/a	n/a	n/a	n/a	2,943	2,943	2,943	2,943	2,943	2,890

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 STATISTIC BY FUNCTION/PROGRAM
LAST TEN 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>	<u>2011</u>
<u>Police (3)</u>										
Patrol Units (marked) (4)	45	45	45	45	49	50	52	50	50	49
<u>Culture and Recreation (3)</u>										
Number of parks	94	95	95	96	97	98	99	99	99	99
Park acreage	116.68	116.8	116.8	116.8	117.3	117.6	117.8	117.8	118.3	118.3
Community center	2	2	2	2	2	2	2	2	3	3
<u>Stormwater Drainage (1)</u>										
Stormwater system - linear feet	n/a	n/a	n/a	n/a	82394	82394	82394	82394	82,394	86,087
Stormwater drains - catchbasins & manholes	n/a	n/a	n/a	n/a	1460	1460	1460	1460	1,460	1,464
<u>Public Works (2)</u>										
Road miles	n/a	n/a	n/a	n/a	77	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	2,890

(1) Town of Miami Lakes, Stormwater Master Plan, Update and GIS analysis performed during fiscal year 2011. Prior years have been adjusted to reflect corrected information.

(2) Public Works annual state report on road miles, streetlights from Florida Power & Light. Street lights reflect corrections made after an audit this year with FP & L.

(3) Town of Miami Lakes Parks Department

(4) Miami-Dade Police Department (represents total units 24 hours, 7 days)

n/a indicates information for those years is not available

TOWN OF MIAMI LAKES, FLORIDA
MISCELLANEOUS INFORMATION
INSURANCE IN FORCE
AS OF SEPTEMBER 30, 2011

Type of Coverage	Insurer	Policy Period	Premium
Accidental Death	Metropolitan Life Insurance Company	8/29/2011 - 8/29/2012	(a)
Property and Inland Marine	Preferred Government Insurance Trust	10/1/2011 - 9/30/2012	(b)
General Liability	Preferred Government Insurance Trust	10/1/2011 - 9/30/2012	(b)
Automobile Insurance	Preferred Government Insurance Trust	10/1/2011 - 9/30/2012	(b)
Public Officials Liability	Preferred Government Insurance Trust	10/1/2011 - 9/30/2012	(b)
Employment Practices Liability	Preferred Government Insurance Trust	10/1/2011 - 9/30/2012	(b)
Workers Compensation	Preferred Government Insurance Trust	10/1/2011 - 9/30/2012	\$22,120

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

(a) These policies carried together at one combined premium \$89,244.



COMPLIANCE SECTION



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**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 of Miami Lakes, Florida

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Town of Miami Lakes, Florida (the "Town"), as of and for the year ended September 30, 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 27, 2012. 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 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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 a certain deficiency in internal control over financial reporting, described in the accompanying Letter to Management as item 2008-02 that we consider to be a significant deficiency 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 of 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 an instance 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 item 2007-01.

The Town's responses to the findings identified in our audit are described in the accompanying Letter to Management. We did not audit the Town's responses and, accordingly, we expressed no opinion on them.

This report is intended solely for the information and use of management, Town Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

February 27, 2012





**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, each major fund, and the aggregate remaining fund information of the Town of Miami Lakes, Florida (the "Town"), as of and for the fiscal year ended September 30, 2011, and have issued a report thereon dated February 27, 2012.

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 February 27, 2012, 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.

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
T/

February 27, 2012

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2011**

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 Town has acquired a new financial system and is implementing same. Effective for fiscal year 2012, the Town will have transferred fixed asset information to the new system, will begin recording fixed assets programmatically based on parameters established by the Town and set up within the system, and the fixed asset module will reconcile internally with the software's general ledger. Written policies and procedures will be established supporting management's decisions set up in the new financial system software.

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2011
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, a Finance Director was hired, which is reviewing and approving journal entries. This finding will not be repeated.

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2011
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 2011 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:	The Town has made great strides toward timely budget amendments; however, most governmental entities cannot close a year within 60 days of year end resulting in a non-compliance comment that is almost impossible to comply with. This past year the financial budget ordinance for the fiscal year audited will be made in March 2012, which is an improvement over prior years.

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2011
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 was submitted. In addition, the Town hired a Grant Administrator to monitor all grant awards. This comment will not be repeated.

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2011
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 was a significant finding and recommendation to improve the Town's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2011, see finding 2008-02.
4. There were no violations of provisions of contracts and grant agreements or abuse, that has occurred or is likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential.
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 provisions of 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 finding 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, 2011, financial audit report.
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.