



# Town of Miami Lakes, Florida

## 2012

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2012



# Town of Miami Lakes, Florida

## 2012

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2012

### **FINANCE DEPARTMENT**

Jay C Maynard, CPA, CGFO  
Finance Manager

[www.miamilakes-fl.gov](http://www.miamilakes-fl.gov)





# Town of Miami Lakes, Florida

2012

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2012

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2012

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**INTRODUCTORY SECTION**





TOWN OF MIAMI LAKES  
6601 Main Street  
MIAMI LAKES, FL 33014  
(305) 364-6100  
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MAYOR  
Michael Pizzi

VICE MAYOR  
Ceasar Mestre

COUNCILMEMBERS:

Manny Cid

Tim Daubert

Nelson Hernandez

Tony Lama

Nelson Rodriguez

TOWN MANAGER  
Alex Rey

TOWN CLERK  
Marjorie Tejada

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

April 24, 2013

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, 2012, 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 Controls that it has established for this purpose. Because the cost of Internal Controls 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, 2012 are free of material misstatements. 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, 2012, 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 six departments: Budget & Administration, Building, Community and Leisure Services, Planning and Code Compliance, Police, and Public Works. With only 37 full-time and 20 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 2011 was \$29,670, while Miami-Dade MSA and the State per capita personal income were \$23,348 and \$26,733, respectively. The Town has also benefitted from a relatively low unemployment rate. In 2011, the Town's unemployment rate was 9.1%, which was lower than the County's unemployment rate of 9.5 % for the same period. Miami-Miami Beach-Kendall Florida's December 2012 unemployment rate was 9.1% per the U.S. Bureau of Labor Statistics, United State Department of Labor. Overall, unemployment for this large metropolitan area decreased from 9.6% in December 2011 to 9.1 % in December 2012, a reduction of 5.2%.

Building permits which had fallen by 31.5% since Fiscal Year 2007 to 673 permits issued during Fiscal Year 2011, increased during Fiscal Year 2012 by 4% to 699. Occupational licenses, increased 6.8% from 1,171 to 1,250 for 2011 and 2012, respectively. Despite the long term nature of the economic recovery, the Town continued to maintain strong financial resources and for Fiscal Year 2012 was able to reduce its millage rate to 2.3518. The Town has been able to reduce its millage rate annually since Fiscal Year 2002 while maintaining strong cash reserves. Collections of property taxes have increased from 92.5% of levied taxes for Fiscal Year 2005 to 95.84% of levied taxes for Fiscal Year 2012.

## **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 2012 saw a planned reduction in fund balance equal to the surplus earned in prior Fiscal Years resulting in a year end fund balance which is approximately the same as Fiscal Year 2010. 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 as they were for pay as you go construction projects.

For Fiscal Year 2013, the Town maintained its millage rate at 2.3518. This represents a lower rate than Fiscal Year 2002 when the millage rate was 3.057 per \$1,000 of assessed value. The Fiscal Year 2013 millage rate reflects the Mayor and Council's commitment to low taxes as a high priority. The continued low rates 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 largely implemented; therefore the Town is embarking on a plan update. Actual unassigned general fund balance of \$3.9 million represents 25.4% of the proposed general fund operating expenditures, leaving the Town in a solid financial position.

As previously mentioned, the Town has been successful in operating cost effectively through a limited number of municipal staff administering private services contracts. This leaves the Town with no unions and limited pension liabilities. With relatively low unemployment rates and a stable revenue outlook, the Town is in an enviable position of financial strength. The commencement of planned infrastructure improvements to the drainage & roadway systems, as well as the construction of a new government center and youth center position the Town well for future economic development. The Government Center was funded mostly by the 2010 Town of Miami Lakes Special Obligation Bonds.

## **Relevant Financial Policies**

In July of 2012, the Town went live with a new financial management system; Munis. This ongoing system implementation provide much needed controls for purchasing and contract management, payment processing (accounts payable cycle), and fixed asset management; all an evolution forward for financial controls for the Town. As implemented, requisition and invoice approval processes are a tiered approval process, providing effective audit trails or approvals stored within the system. Further, the system provides the audit trail for journal entries, and stores all of the related documents within the system electronically.

Coinciding with the implementation of this system was the rewrite and implementation of the Town's Procurement Ordinance which formally adopted the thresholds and process which must be followed for purchases, solicitations, and contracts. These processes and controls were largely implemented through the financial management system. Combined, these are a true asset for a Town who's business model is largely contract based. As system implementation continues, these controls will continue to improve and specific policies and procedures will be developed to support improved processes. In large part, the Town has taken huge leap forward from a completely open accounting system which lacked an audit trail and any approval controls.

The Town 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 2013 include the construction of a new Government Center. This large project is being funded from the proceeds of the \$7.33 million Series 2010 Special Obligation 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 third quarter of Fiscal Year 2013. Other significant projects underway for completion in Fiscal Year 2013 include:

- **Northwest 170 Street Greenway Development** Phase I of the 170th Street Greenway was completed and opened to the public March 17th, 2012, plans for Phase II are in process and a grant award of \$77,500 from the State is already in hand. Staff is currently seeking additional funding sources to complete the next phase of the project.
- **Youth Center Construction** The Miami Lakes Youth Center will be approximately 4,000 square feet, with multipurpose activity rooms and classrooms for after school educational programs and tutoring, a half basketball-court and additional parking. Additionally, there are two pavilion/picnic areas that can also be used to host small events and functions (\$1,200,000)

- **Community Center West Renovations** Miami Lakes Community Center West renovation and expansion will provide a much needed 1,000 square feet storage area, internal renovations/upgrade of existing facilities, path resurfacing and lighting, and half basketball-court, an open exercise court, one additional picnic pavilion, renovation of the existing picnic pavilion and bathrooms and additional parking. These improvements will increase programming opportunities and improved amenities for Town residents (\$1,144,000)
  
- **Miami Lakes Optimist Park**  
 This phase of improvements in Miami Lakes Park is fully funded and schedule to begin construction in the fall of 2013, it includes the following:
  - Clubhouse The Miami Lakes Optimist Park Clubhouse/Concession Stand will be demolished and replaced with an approximately 5,000 square foot multi-purpose facility that will consist of a clubhouse and concession stand, administrative offices, multi-purpose rooms for all ages and abilities, for the community to enjoy, and additional parking. This will be the first phase of the planned renovations to the park which includes both a gymnasium and field renovations (\$1,370,000)
  
  - Water and Sewer Connection Presently, the water/wastewater systems at the Miami Lakes Optimist Park are on septic tanks. Plans for these improvements have been completed and permitting is in progress (\$460,000)
  
  - Miami Lakes Park Improvements – Basketball and Tennis Courts The Town is planning to refurbish the existing basketball and tennis court. Permits from Dade County Public Schools have been obtained and these project components will be added to the Clubhouse construction project (\$271,000)
  
- **Opening of northwest 87<sup>th</sup> Avenue & Construction of 154<sup>th</sup> Street between 84<sup>th</sup> & 89<sup>th</sup> Avenues** A development agreement has been signed granting the right-of-way (ROW) to Miami-Dade County. Construction is scheduled to begin in 2013, with funds for 87<sup>th</sup> Ave provided by Miami-Dade County. The agreement also provides the ROW and funding for the construction of an additional two lanes along NW 154<sup>th</sup> Street between 84<sup>th</sup> Avenue and 89<sup>th</sup> Avenue. The Town is partnering with Miami-Dade Public Works for design of this project. Both will be completed by the end of 2013.

For the Town to complete this project prior to the Developer completing the roadway, a note in an amount not to exceed \$2 million will be obtained. The Town will be reimbursed for all related costs by the property owner inclusive of interest and closing costs. The County is expected to break ground on the construction of 87th Avenue in the fall of 2012 (\$1,733,300)

- **West Lakes Area** The Stormwater Master Plan identified the West Lakes area as a priority for stormwater improvements, to this end hydrologic analysis and design work is being completed in 2012. This information will become the basis for the Town's FEMA Grant proposal to obtain funding for the completion of the \$2,932,000 project in FY 2013-14



- **Re-surfacing of the Remaining Roadway Assessment Priority Roads** This project includes areas identified as 'fair' condition by the Roadway Assessment Report, which have yet to be resurfaced. These areas include Alamanda, Jacaranda, Holly, Laurel, Miami Lakes Drive, Dade Pine, Queen Palm, Palmetto Palm, Willow, Mahogany, Orchid, Eagan Lane, and Pent Place. The total expense is \$1,406,000 over two years.
- **Branding** The Town developed and adopted a new brand & tagline which will assist with marketing for Economic Development purposes and has embarked on a zoning code rewrite also to support economic development.

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

(\$ in 000's) Souce of Funds	Adopted FY 2013 Budget	
	Amount	Percent
Proprietary Operations:	\$ 288	3%
State	406	4%
County	176	2%
Fuel Taxes	874	9%
Other	2,362	24%
Other Carryover (All Sources)	5,600	58%
Total:	<u>\$ 9,706</u>	<u>100%</u>

(\$ in 000's) Uses of Funds	Adopted FY 2013 Budget	
	Amount	Percent
Stormwater	\$ 1,519	16%
Transportation	3,122	32%
Parks & Recreation	4,171	43%
Town Hall	513	5%
Other	45	0%
Carryover (All Sources)	336	3%
Total:	<u>\$ 9,706</u>	<u>100%</u>

## **FY12 Awards and Acknowledgements**

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

In 2012, the Town was named one of the "100 Best Communities for Young People" by America's Promise Alliance.

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, 2011. 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 second 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 Town closed out grants this year totaling over \$726,589 from the US Department of Justice, Miami-Dade County, Florida Department of Environmental Protection, Florida Department of Elder Affairs and KaBOOM! Dr. Pepper Snapple Group. These eight grants funded a School Resource Officer, park development and improvements at Miami Lakes Park, Sevilla Estates Park, Royal Oaks Park, mini-parks, and tot lots throughout the Town and construction of Phase I of the NW 170th Street Greenway, Police Explorers program activities, police anti-drug operations, senior home repairs, downtown drainage improvements, and mini-park maintenance.

The following new grants were secured:

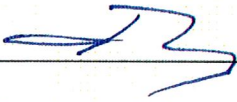
- \$838,054 grant for Downtown Drainage Improvements from the Federal Emergency Management Agency (FEMA)
- \$20,000 grant for an Origin and Destination Study from the Miami-Dade County Metropolitan Planning Organization (MPO)

- \$3,858 grant from the US Department of Justice for a School Resource Officer
- \$4,157 grant from the Florida Department of Law Enforcement for a Town-wide Anti-Drug Initiative.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire Finance staff of the Budget, Administration & Planning 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.

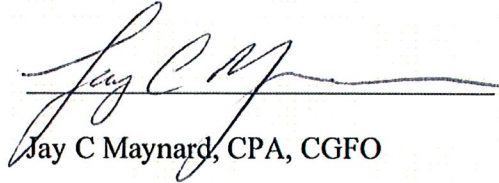
Respectfully submitted,



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Alex Rey

Town Manager



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Jay C Maynard, CPA, CGFO

Finance Manager

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, 2011

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.



*Christopher P. Morice*

President

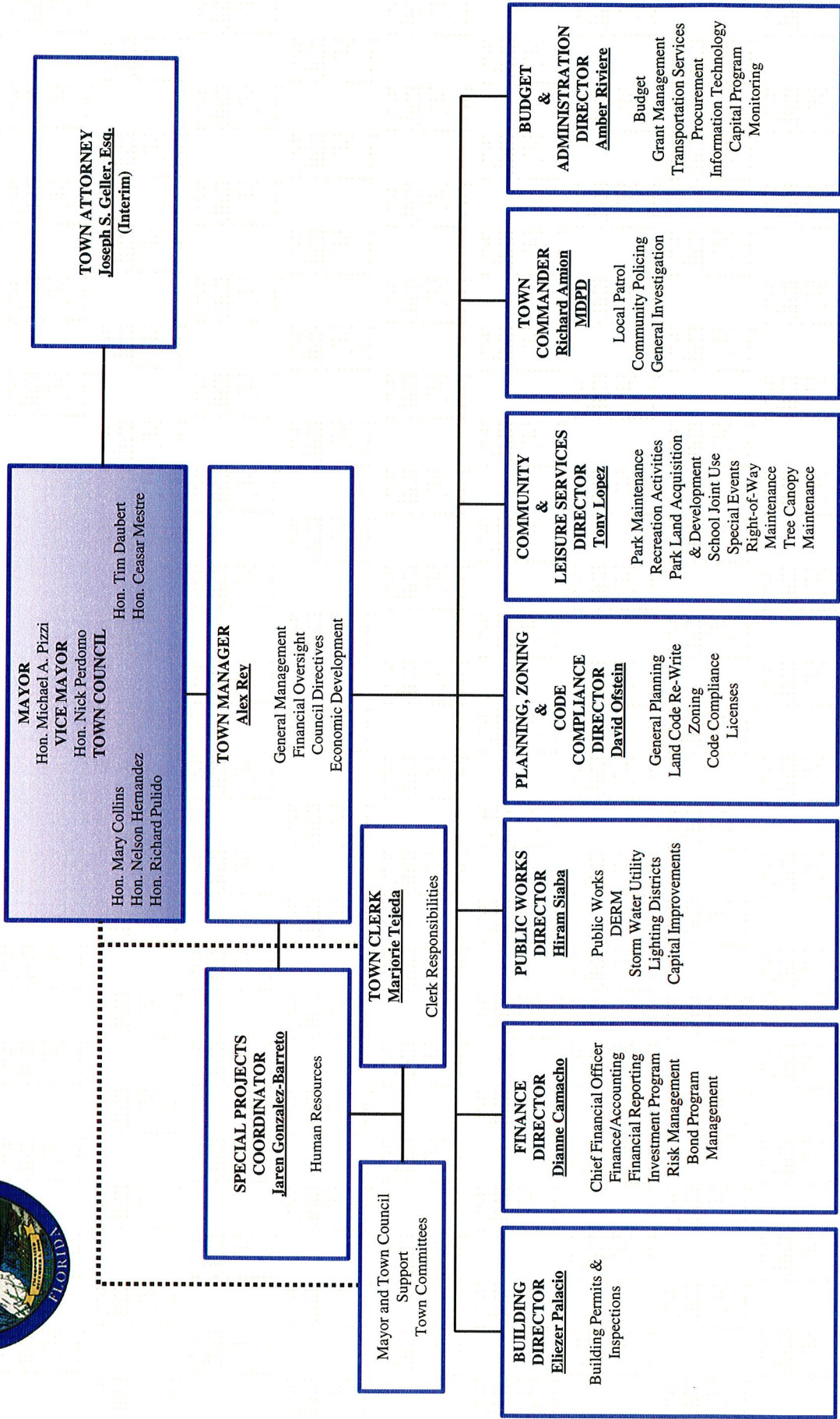
*Jeffrey R. Emer*

Executive Director



# Town of Miami Lakes

## FUNCTIONAL ORGANIZATIONAL CHART FY 2011-12





**Town of Miami Lakes, Florida**

**Mayor and Town Council**

**Michael Pizzi  
Mayor**

**Cesar Mestre  
Vice Mayor**

**Mary Collins  
Councilmember**

**Tim Daubert  
Councilmember**

**Nelson Hernandez  
Councilmember**

**Nick Perdomo  
Councilmember**

**Richard Pulido  
Councilmember**

**Alex Rey  
Town Manager**



**MIAMI LAKES**  
**FINANCIAL SECTION**



**MIAMI LAKES**  
**INDEPENDENT AUDITORS'**  
**REPORT**



**GLSC & COMPANY, PLLC**  
certified public accountants

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Miami, Florida 33126-6025  
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www.glscpa.com

## 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, 2012, 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, 2012, 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 April 24, 2013, 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.

An Independent Member of

**B K R**  
INTERNATIONAL

Firms In Principal Cities Worldwide



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 on pages 3 through 13 and budgetary comparison information on pages 46 and 47, 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 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 48 through 55 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

April 24, 2013







# MIAMI LAKES

## 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, 2012. 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 2012

- At the close of the fiscal year the assets of the Town exceeded its liabilities by \$38.2 million (net position). Of this amount, \$6.3 million (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$901 thousand during the current fiscal year. This increase is attributable to excess revenues over expenses for 2012. Net position of business- type activities increased by \$158 thousand, net position of the Town's governmental activities increased by approximately \$743 thousand. Transfer of funds between the capital project fund and the business-type activity (\$71 thousand), net of \$771 thousand capital transfers to the Stormwater Fund and \$700 thousand from the Stormwater Fund to the Capital Projects Fund accounted for the increase in the business-type activity. The increase in the Town's government funds resulted from the excess of revenues over expenditures.
- As of the close of the current fiscal year, the Town governmental funds reported combined fund balances of \$15.9 million, a decrease of \$2.8 million in comparison with the prior year. Approximately \$3.9 million, or 25%, of the ending fund balances amount is available for spending at the government's discretion (*unassigned fund balance*). The decrease is attributable to the allocation of funds, for the purpose they were saved, for pay as you go capital parks projects.
- At the end of the current fiscal year, the fund balance for the general fund was \$4.0 million or 25% of total general fund expenditures. The unassigned fund balance for the general fund was \$3.9 million or 25% of total general fund expenditures. Non Spendable fund balance was \$28 thousand, less than 1%. Restricted fund balance for the general fund was \$34 thousand, 0.8%. These designations are in compliance with the Town's fund balance and financial policies as explained in the notes to the financial statements.
- Total cost of all of the Town's governmental activities decreased by \$58 thousand or .3%.
- The town's debt decreased by \$202 thousand due to pay off of two notes from prior years for police vehicle acquisition.

## 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.

- 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. Within the fund financial statements are: government and proprietary fund 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 position 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 position* presents information on all of the Town’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 as governmental and proprietary.

**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 46 of the required supplementary information and other governmental funds are presented beginning on page 50 of the combining statements and other schedules.

The basic governmental fund financial statements can be found on pages 16 through 19 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 45 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 48 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 \$38.2 million at the close of the most recent fiscal year.

### Town of Miami Lakes Summary of Net Position

	Governmental Activities		Business Activities		Total	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2012	2011	2012	2011	2012	2011
Current Assets	\$ 19,999,607	\$ 21,216,686	\$ 469,779	\$ 935,344	\$ 20,469,386	\$ 22,152,030
Capital Assets, Net	24,448,038	21,103,196	4,734,099	4,086,787	29,182,137	25,189,983
Total Assets	<u>44,447,645</u>	<u>42,319,882</u>	<u>5,203,878</u>	<u>5,022,131</u>	<u>49,651,523</u>	<u>47,342,013</u>
Current Liabilities	3,981,641	2,439,875	57,861	35,734	4,039,502	2,475,609
Noncurrent Liabilities	7,436,397	7,593,301	1,567	-	7,437,964	7,593,301
Total Liabilities	<u>11,418,038</u>	<u>10,033,176</u>	<u>59,428</u>	<u>35,734</u>	<u>11,477,466</u>	<u>10,068,910</u>
Investment in capital asstes, net of related debt	20,557,318	18,197,702	4,734,099	4,086,787	25,291,417	22,284,489
Restricted	6,588,938	8,041,104	-	-	6,588,938	8,041,104
Unrestricted	5,883,351	6,047,900	410,351	899,610	6,293,702	6,947,510
Total Net Position:	<u>\$ 33,029,607</u>	<u>\$ 32,286,706</u>	<u>\$ 5,144,450</u>	<u>\$ 4,986,397</u>	<u>\$ 38,174,057</u>	<u>\$ 37,273,103</u>

The invested in capital assets, net of related debt, \$25.2 million or (66.3%), is the largest portion of net position. 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 position, \$6.6 million (17.2%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position \$6.3 million (16.4%) 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 position, 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 position* in both the governmental activities and the business-type activities of \$165 thousand (2%) and \$489 thousand (54%), respectively, due to a planned transfer from the General Fund and the Stormwater Fund to the Capital Projects Fund to continue the capital, pay as you go projects.



Also, a decrease in restricted net position of \$1.5 million represents mostly the spending of proceeds from special obligation bonds issued during the year for the New Government Center project.

### Town of Miami Lakes' Summary of Changes in Net Position

The following schedule compares Revenues and Expenses for the Town's operations for Fiscal Year 2012 with Fiscal Year 2011.

	Governmental Activities		Business Activities		Total	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for Services	\$ 1,516,631	\$ 1,450,010	\$ 978,961	\$ 1,011,821	\$ 2,495,592	\$ 2,461,831
Operating Grants & Contributions	564,775	655,345	-	-	564,775	655,345
Capital Grants & Contributions	-	2,023,000	-	-	-	2,023,000
General Revenues:						
Property Taxes	5,441,776	5,660,784	-	-	5,441,776	5,660,784
Utility Taxes	4,194,407	4,224,612	-	-	4,194,407	4,224,612
Franchise Taxes	1,673,746	1,444,179	-	-	1,673,746	1,444,179
Intergovernmental	4,167,906	3,595,274	-	-	4,167,906	3,595,274
Investment Income & Misc.	80,198	54,466	1,311	5,521	81,509	59,987
<b>Total Revenues</b>	<b>17,639,439</b>	<b>19,107,670</b>	<b>980,272</b>	<b>1,017,342</b>	<b>18,619,711</b>	<b>20,125,012</b>
Expenses:						
General Government	3,241,018	4,006,694	-	-	3,241,018	4,006,694
Public Safety	6,234,271	6,566,778	-	-	6,234,271	6,566,778
Parks & Recreation	2,798,627	2,667,382	-	-	2,798,627	2,667,382
Public Works	2,353,479	1,746,804	892,995	630,757	3,246,474	2,377,561
Comprehensive Planning	1,636,965	1,452,701	-	-	1,636,965	1,452,701
Interest Expense	561,402	443,156	-	-	561,402	443,156
<b>Total Expenses:</b>	<b>16,825,762</b>	<b>16,883,515</b>	<b>892,995</b>	<b>630,757</b>	<b>17,718,757</b>	<b>17,514,272</b>
Excess of Revenues / (Expenses)	813,677	2,224,155	87,277	386,585	900,954	2,610,740
Transfers	(70,776)	1,565,914	70,776	(1,565,914)	-	-
Change In Net Position	742,901	3,790,069	158,053	(1,179,329)	900,954	2,610,740
Net Position, Beginning	32,286,706	28,496,637	4,986,397	6,165,726	37,273,103	34,662,363
<b>Net Position, Ending</b>	<b>\$ 33,029,607</b>	<b>\$ 32,286,706</b>	<b>\$ 5,144,450</b>	<b>\$ 4,986,397</b>	<b>\$ 38,174,057</b>	<b>\$ 37,273,103</b>

**Governmental activities:** The Town's Governmental revenues decreased \$1.5 million to \$17.6 million. Approximately 31% of the Governmental Activity's revenues come from property taxes, and another 34% from other taxes. Of the remainder 9% from fees charged for services and the remainder primarily from federal, state and local aid. Governmental expenses decreased \$58 thousand (.4%) over last year. Approximately 19.3% of expenses are attributable to general government, 37.1% to public safety, 15% to parks and recreation, 14% to public works and 9.8% to comprehensive planning.

**Revenues:**

- Property taxes decreased \$219 thousand (3.87%) this year attributable to an increase in VAB activity. The Town set the millage rate in FY 12 at 2.358 per mill, slightly below the FY 2011 rate.
- Electric franchise fees increased \$229 thousand (15.9%) due to credits given to customers by the electric utility in the prior year.
- Communication service tax revenues have decreased by \$73 thousand (5.2%) due to a continued decline in cost of these services.
- Charges for various services provided by the Town increased \$66 thousand (4.6%). This was attributable to an increase in Fines & Forfeitures in police services and new park rental fees.
- Operating grants drawdown decreased by \$90 thousand (13.9%) primarily due to the collection of 2012 reimbursements in 2013.
- Interest income increased \$20 thousand (43.1%) due to favorable interest rates and diversification of investments into stable return vehicles such as money markets and CD's.

**Expenses:**

- The Town's administrative costs decreased by \$63 thousand (2.6%) this past year largely due to reduction in intergovernmental relations and temporary administrative support reductions in expense.
- Public safety expenses as compared to the prior year decreased by \$333,000 (4%), due to more efficient staffing allocation and better management of overtime utilization.
- Parks and recreation increased \$131 thousand (5%) as a result of repairs and maintenance and the reclassification of employees by the IRS. This increase is due primarily to increased maintenance costs and increased maintenance on additional parks transferred to the town in 2011.
- Public works increased \$607 thousand (37.4%) due to aggressive efforts to refurbish and rehabilitate the Town's infrastructure. These activities included sidewalk repairs and replacement assessments, completion of tree inventory. An exclusion of a reimbursement from the Special Revenue Sixth Cent Local Option Fuel Tax of \$200 thousand also attributed to this increase.
- Comprehensive planning increased by \$184 thousand (12.7%), due to the purchase and installation of the Building permitting software system, including consulting fees.
- Non-departmental expense increased \$118 thousand (26.7%) due to the first year of two semi-annual debt service payments for the issued \$7.33 million Special Obligation Bonds, Series 2010. FY 11 payments were for one semi-annual payment.

**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 position by \$87 thousand (9.7%) in the current fiscal year. Revenues decreased \$37 thousand (3.7%) and expenses, cleaning and maintenance costs, increased \$262 thousand (41.6%). Transfers of \$71 thousand from the Stormwater Utility to the Capital Projects Fund, net of capitalization of completed assets in the Stormwater Fund, for capital refurbishment of the Stormwater system combined with net income from revenues and expenses resulted in an decrease of \$489 thousand in unrestricted assets for the business-type activities for the year.

## **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, unassigned 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, 2012, was \$4 million. Of this amount \$3.9 million, or 97.5%, was unassigned. Nonspendable fund balance for prepayments was \$28,000 thousand or less than 1%. The remainder of the fund balance, \$34 thousand, less than 1%, is restricted to pay for law enforcement initiatives. The unassigned fund balance represents 25.8% of total general fund expenditures, while total fund balance represents 26.2% of that same amount. The General Fund's balance decreased \$4.39 million (52.4%) from the previous year which was primarily due to a \$4 million 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 \$15.9 million, a decrease of \$2.8 million in comparison with the prior year. Approximately 24.5% of the total fund balance \$3.99 million constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2012, the capital projects fund had a total fund balance of \$7.9 million, \$5.3 million of which has been designated for use in capital projects and is classified as assigned with the remaining \$2.5 million classified as restricted. The \$4 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 \$2.1 million, all of which is restricted as proceeds under the authorizing bond ordinance. Decrease in fund balance of \$1.5 million represents on-going construction expenditures related to the New Town Hall.

**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 position of the Stormwater Utility as of September 30, 2012, amounted to \$5.1 million. Of this amount, \$4.7 million is invested in capital assets and \$410 thousand is unrestricted. Net position increased \$158 thousand from the prior year, an increase of 3.2%, as a result of a transfer of unrestricted fund balance for certain stormwater projects in the capital projects fund offset by \$87 thousand in income from stormwater operations. Investment in capital assets increased \$647 thousand as a result of \$771 thousand of capital assets transferred from the Capital Projects Fund offset by depreciation of \$123 thousand.

### ***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 were under the original adopted budget by \$69 thousand.

The final amended budget to actual resulted in a positive variance in general government of \$845 thousand, revenues were \$174 thousand over budget and the actual expenditures were \$671 thousand under the final amended budget for the year.

## **Capital Assets and Debt Administration**

### **Capital Assets**

As of September 30, 2012 the Town's investment in capital assets for its governmental and business-type activities amounted to \$29.2 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 \$4.0 million due to the increase in construction in progress for the Government Center and progress in the capital improvement programs related to infrastructure and the acquisition of furniture & fixtures.

## TOWN OF MIAMI LAKES

### Capital Assets (Net of Depreciation)

	Governmental Activities		Business Activities		Total	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2012	2011	2012	2011	2012	2011
Land	\$ 6,056,872	\$ 5,848,917	\$ -	\$ -	\$ 6,056,872	\$ 5,848,917
Construction in Progress	3,840,362	1,075,055	-	-	3,840,362	1,075,055
Infrastructure	13,643,758	13,646,079	4,456,830	4,086,787	18,100,588	17,732,866
Furniture & Fixtures	903,884	521,695	277,269	-	1,181,153	521,695
Leasehold Improvements	3,162	11,450	-	-	3,162	11,450
<b>Total Capital Assets, Net</b>	<b>\$ 24,448,038</b>	<b>\$ 21,103,196</b>	<b>\$ 4,734,099</b>	<b>\$ 4,086,787</b>	<b>\$ 29,182,137</b>	<b>\$ 25,189,983</b>

In FY 2012 the Town implemented MUNIS, a Tyler Technologies product for the financial system. With the implementation of the new financial system, the Town activated an automated process for tracking, inventorying, depreciating and reconciling the capital assets. This will significantly increase internal controls and loss prevention. Additional information on the Town's capital assets can be found on Note 5 on page 36 and 37 of this report.

### Long-Term Debt

At the end of the current fiscal year, the Town had \$7.33 million in bonds. 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 pertaining to the prior acquisition of police vehicles were paid in fiscal year 2012 with a principal reduction of \$202 thousand. Additional information on these long term debts can be found on Note 7 on pages 38 through 40 of this report.

#### Town of Miami Lakes, Florida

#### Outstanding Debt

#### Governmental

	2012	2011
Special Obligation Bonds	\$ 7,330,000	\$ 7,330,000
Notes Payable	-	201,633
	<u>\$ 7,330,000</u>	<u>\$ 7,531,633</u>

### **Economic Factors and Next Year's Budget**

- The unemployment rate for the Miami-Miami Beach- Kendall area as of December 2012 was 9.1% down from 9.6% in December 2011. The Town's unemployment rate for 2012 was 9.1%. (Source: Bureau of Labor Statistics).
- The occupancy rate of the government's central business district has remained stable for the past three years.
- The Town has had reduced unassigned fund balances in the General Fund over the past years due to increases in capital projects to maintain infrastructure and reduce long term maintenance costs.

All of these factors were considered in preparing the Town of Miami Lakes' budget for the 2013 fiscal year.

The property tax millage rate for the 2013 fiscal year has been maintained at 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 79<sup>th</sup> Court  
Miami Lakes, Florida 33016





**BASIC  
FINANCIAL STATEMENTS**

TOWN OF MIAMI LAKES, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2012

	Governmental	Business-type	Total
<u>ASSETS</u>	<u>Activities</u>	<u>Activities</u>	
Cash and cash equivalents	\$ 17,969,053	\$ 1,040,008	\$ 19,009,061
Receivables	1,068,485	137,932	1,206,417
Internal balances	708,161	(708,161)	-
Prepayments and other assets	27,798	-	27,798
Unamortized Issuance Costs	226,110	-	226,110
Property and equipment			
Non-depreciable capital assets			
Land	6,056,872	-	6,056,872
Construction in progress	<u>3,840,362</u>	<u>-</u>	<u>3,840,362</u>
Total non-depreciable capital assets	9,897,234	-	9,897,234
Depreciable assets			
Leasehold improvements	90,558	-	90,558
Furniture and equipment	1,609,078	278,429	1,887,507
Infrastructure	17,523,415	5,109,418	22,632,833
Less: accumulated depreciation	<u>(4,672,247)</u>	<u>(653,748)</u>	<u>(5,325,995)</u>
Net depreciable capital assets	<u>14,550,804</u>	<u>4,734,099</u>	<u>19,284,903</u>
Total property and equipment	<u>24,448,038</u>	<u>4,734,099</u>	<u>29,182,137</u>
Total assets	<u>\$ 44,447,645</u>	<u>\$ 5,203,878</u>	<u>\$ 49,651,523</u>

LIABILITIES AND NET POSITION

Liabilities:			
Accounts payable and other current liabilities	\$ 3,743,966	\$ 57,861	\$ 3,801,827
Accrued payroll and benefits	206,150	-	206,150
Deposits	31,525	-	31,525
Noncurrent liabilities:			
Due within one year	29,073	-	29,073
Due in more than one year	<u>7,407,324</u>	<u>1,567</u>	<u>7,408,891</u>
Total liabilities	<u>11,418,038</u>	<u>59,428</u>	<u>11,477,466</u>

Net Position:			
Invested in capital assets, net of related debt	20,557,318	4,734,099	25,291,417
Restricted for:			
Transportation and Transit	3,547,153	-	3,547,153
Law Enforcement Trust Fund (LETF)	33,735	-	33,735
Town Government Center	2,131,416	-	2,131,416
Debt Service	876,634	-	876,634
Unrestricted	<u>5,883,351</u>	<u>410,351</u>	<u>6,293,702</u>
Total net position	<u>\$ 33,029,607</u>	<u>\$ 5,144,450</u>	<u>\$ 38,174,057</u>

The accompanying notes are an integral part of the financial statements

TOWN OF MIAMI LAKES, FLORIDA

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Program Revenues				Charges for Services	Governmental Activities		Business-type Activity	Total
	Expenses	Operating Contributions	Capital Contributions	Governmental Activities		Governmental Activities	Business-type Activity		
<b>Governmental activities:</b>									
General Government	\$ 3,241,018	\$ 229,855	\$ 4,000	\$ -	\$ -	\$ (3,007,063)	\$ -	\$ (3,007,063)	
Public Safety	6,234,271	215,183	54,602	-	-	(5,964,486)	-	(5,964,486)	
Parks and Recreation	2,798,627	7,085	276,293	-	-	(2,515,249)	-	(2,515,249)	
Public Works	2,353,479	-	229,880	-	-	(2,123,599)	-	(2,123,599)	
Comprehensive Planning	1,836,965	1,064,408	-	-	-	(572,557)	-	(572,557)	
Interest Expense	561,402	-	-	-	-	(561,402)	-	(561,402)	
<b>Total governmental activities</b>	<b>16,825,762</b>	<b>1,516,631</b>	<b>564,775</b>	<b>-</b>	<b>-</b>	<b>(14,744,356)</b>	<b>-</b>	<b>(14,744,356)</b>	
<b>Business-type activity:</b>									
Stormwater	892,995	978,961	-	-	-	-	85,966	85,966	
<b>Total primary government</b>	<b>\$ 17,718,757</b>	<b>\$ 2,495,592</b>	<b>\$ 564,775</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(14,744,356)</b>	<b>\$ 85,966</b>	<b>(14,658,390)</b>	
<b>General revenues:</b>									
Property taxes						5,441,776	-	5,441,776	
Utility taxes						2,845,651	-	2,845,651	
Communication services tax						1,348,756	-	1,348,756	
Franchise taxes						1,673,746	-	1,673,746	
Intergovernmental not restricted to specific programs						4,167,906	-	4,167,906	
Investment and miscellaneous income						80,198	1,311	81,509	
Transfer						(70,776)	70,776	-	
<b>Total general revenues and transfers</b>						<b>15,487,257</b>	<b>72,087</b>	<b>15,559,344</b>	
Change in net position						742,901	158,053	900,954	
<b>Net position, beginning</b>						<b>32,286,706</b>	<b>4,986,397</b>	<b>37,273,103</b>	
<b>Net position, ending</b>						<b>\$ 33,029,607</b>	<b>\$ 5,144,450</b>	<b>\$ 38,174,057</b>	

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

TOWN OF MIAMI LAKES, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012

<u>ASSETS</u>	<u>Major Funds</u>				<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects Fund Series 2010 Construction</u>	<u>Nonmajor Governmental Funds</u>	
Cash and cash equivalents	\$ 6,159,841	\$ 7,400,048	\$ 2,555,676	\$ 1,853,488	\$ 17,969,053
Receivables	543,394	216,428	-	308,663	1,068,485
Due from other funds	195,531	700,000	-	8,161	903,692
Prepayments and other assets	27,798	-	-	-	27,798
Total assets	<u>\$ 6,926,564</u>	<u>\$ 8,316,476</u>	<u>\$ 2,555,676</u>	<u>\$ 2,170,312</u>	<u>\$ 19,969,028</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 2,662,185	\$ 387,580	\$ 424,260	\$ 86,941	\$ 3,560,966
Accrued payroll and benefits	235,223	-	-	-	235,223
Deposits payable	31,231	294	-	-	31,525
Due to other funds	-	-	-	195,531	195,531
Total liabilities	<u>2,928,639</u>	<u>387,874</u>	<u>424,260</u>	<u>282,472</u>	<u>4,023,245</u>
Fund balance:					
Non Spendable:					
Prepayments and other assets	27,798	-	-	-	27,798
Restricted for:					
Law Enforcement Trust Fund (LETF)	33,735	-	-	-	33,735
Debt Service	-	-	-	876,634	876,634
Capital Projects Series 2010 Construction					
Town Government Center	-	-	2,131,416	-	2,131,416
Transportation and transit	-	2,535,947	-	1,011,206	3,547,153
Assigned for:					
Parks/ Stormwater/Facilities & Equipment	-	5,392,655	-	-	5,392,655
Unassigned:	<u>3,936,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,936,392</u>
Total fund balance	<u>3,997,925</u>	<u>7,928,602</u>	<u>2,131,416</u>	<u>1,887,840</u>	<u>15,945,783</u>
Total liabilities and fund balances	<u>\$ 6,926,564</u>	<u>\$ 8,316,476</u>	<u>\$ 2,555,676</u>	<u>\$ 2,170,312</u>	<u>\$ 19,969,028</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MIAMI LAKES, FLORIDA

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012

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

Fund balance - total government funds (page 16 )	\$	15,945,783
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets		29,120,285
Less accumulated depreciation		(4,672,247)
Unamortized bond issue costs are not available to pay for current-period expenditures and, there, are not reported in the funds		
		226,110
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		(7,291,031)
Compensated Absences		(116,293)
Bond Interest payable not reported in the governmental funds		<u>(183,000)</u>
Net position of governmental activities (Page 15 )	\$	<u>33,029,607</u>

The accompanying notes are an integral part of the financial statements.



**TOWN OF MIAMI LAKES, FLORIDA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Major Funds				Total
	General	Capital Projects	Capital Projects Fund Series 2010 Construction	Nonmajor Governmental Funds	
<b>REVENUES:</b>					
Ad valorem taxes	\$ 5,441,776	\$ -	\$ -	\$ -	\$ 5,441,776
Utility taxes	2,513,790	-	-	331,861	2,845,651
Franchise fees	1,673,746	-	-	-	1,673,746
Communication services tax	1,348,756	-	-	-	1,348,756
Licenses and permits	1,064,408	-	-	-	1,064,408
Intergovernmental	2,671,692	1,462,970	-	789,994	4,924,656
Fines and forfeitures	215,183	-	-	-	215,183
Others	35,193	19,345	-	4,007	58,545
Investment income	<u>40,325</u>	<u>10,052</u>	<u>9,697</u>	<u>6,646</u>	<u>66,720</u>
Total revenues	<u>15,004,869</u>	<u>1,492,367</u>	<u>9,697</u>	<u>1,132,508</u>	<u>17,639,441</u>
<b>EXPENDITURES:</b>					
Current:					
General government:					
Town council	404,915	-	-	-	404,915
Town administration and finance	2,366,566	40,452	178	13,648	2,420,844
Legal	<u>458,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>458,525</u>
Total general government	<u>3,230,006</u>	<u>40,452</u>	<u>178</u>	<u>13,648</u>	<u>3,284,284</u>
Public safety:					
Police	6,234,271	-	-	-	6,234,271
Parks and recreation	2,248,811	-	-	-	2,248,811
Public works	1,347,823	-	-	671,120	2,018,943
Comprehensive planning	1,439,318	-	-	-	1,439,318
Debt service:					
Principal	201,663	-	-	-	201,663
Interest	3,449	-	-	548,499	551,948
Capital outlay	<u>585,516</u>	<u>3,030,977</u>	<u>1,543,553</u>	<u>-</u>	<u>5,140,046</u>
Total expenditures	<u>15,270,857</u>	<u>3,071,429</u>	<u>1,543,731</u>	<u>1,233,267</u>	<u>21,119,284</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(265,988)</u>	<u>(1,579,062)</u>	<u>(1,534,034)</u>	<u>(100,759)</u>	<u>(3,479,843)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	4,826,300	-	-	4,826,300
Transfers out	<u>(4,126,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,126,300)</u>
Total other financing sources (uses)	<u>(4,126,300)</u>	<u>4,826,300</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Net change in fund balances	(4,392,288)	3,247,238	(1,534,034)	(100,759)	(2,779,843)
Fund balance, beginning	<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>
Fund balance, ending	<u>\$ 3,997,925</u>	<u>\$ 7,928,602</u>	<u>\$ 2,131,416</u>	<u>\$ 1,887,840</u>	<u>\$ 15,945,783</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF MIAMI LAKES, FLORIDA**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

Net change in fund balances - total governmental funds (page 18 )	\$ (2,779,843)
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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	4,298,027	
Less current year depreciation	<u>(953,184)</u>	3,344,843

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 government funds. Neither transaction, however, has any effect on net assets.

Principal repayment	201,663	
Amortization of Bond Discounts	(1,380)	
Amortization of Unamortized issuance costs	(8,075)	

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		<u>(14,307)</u>
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Change in net position of governmental activities (page 15 )	\$ <u>742,901</u>
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The accompanying notes are an integral part of the financial statements.

**TOWN OF MIAMI LAKES, FLORIDA**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2012

	<b>BUSINESS-                      TYPE ACTIVITIES                      ENTERPRISE                      FUND</b> <hr/> <b>STORMWATER</b> <hr/>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 1,040,008
Receivables	<u>137,932</u>
Total current assets	<u>1,177,940</u>
Noncurrent assets	
Furniture & Equipment	278,429
Infrastructure	5,109,418
Less: Accumulated depreciation	<u>(653,748)</u>
Total noncurrent assets	<u>4,734,099</u>
Total Assets	<u>\$ 5,912,039</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 57,861
Due to other funds	708,161
Noncurrent liabilities:	
Due in more than one year	<u>1,567</u>
Total Liabilities	<u>767,589</u>
<b>NET POSITION</b>	
Invested in capital assets	4,734,099
Unrestricted	<u>410,351</u>
Total Net Position	<u>\$ 5,144,450</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF MIAMI LAKES, FLORIDA**

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<b>BUSINESS - TYPE ACTIVITIES- ENTERPRISE FUND STORMWATER</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ <u>978,961</u>
Total Operating Revenues	<u>978,961</u>
<b>OPERATING EXPENSES</b>	
Administrative expenses	138,408
Contractual services	97,569
QNIP Fees	69,636
Repairs and maintenance	463,919
Depreciation	<u>123,463</u>
Total Operating Expenses	<u>892,995</u>
Operating income	85,966
<b>NONOPERATING REVENUES</b>	
Investment earnings	<u>1,311</u>
Total Nonoperating Revenues	<u>1,311</u>
Income before contributions and transfers	<u>87,277</u>
Capital contributions	770,776
Transfer out	<u>(700,000)</u>
Total Contributions/Transfers	<u>70,776</u>
Change in net position	158,053
TOTAL NET POSITION , OCTOBER 1	<u>4,986,397</u>
TOTAL NET POSITION , SEPTEMBER 30	<u>\$ 5,144,450</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<b>BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND</b>
	<b>STORMWATER</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers and users	\$ 981,310
Cash paid to suppliers	(77,378)
Net Cash Provided by Operating Activities	903,932
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer to other funds	(700,000)
Net Cash (Used in) Noncapital Financing Activities	(700,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	1,311
Net Cash provided by Investing Activities	1,311
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	205,243
<b>CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	834,765
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	\$ 1,040,008
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>	
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income	\$ 85,966
Adjustment to reconcile operating income to cash provided by operating activities	
Depreciation	123,463
Change in Assets and Liabilities:	
Decrease in receivables	2,349
Increase in compensated absences	1,567
Increase in accounts payable	22,128
Increase in due to other funds	668,459
Total adjustments	817,966
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 903,932
<b>NONCASH CAPITAL ACTIVITIES</b>	
Capital contributions from other funds	\$ 770,776

The accompanying notes are an integral part of the financial statements.





**NOTES TO  
FINANCIAL STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012**

**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 position and the statement of changes in net position) 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)**

d. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 non-major 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 Project Fund** accounts for the construction of major capital projects, other than those financed by the proprietary funds and proceeds from the Series 2010 Special Obligation bonds.

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

The Town reports the following major proprietary fund:

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".

**h. Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

**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, 2012 was 2.3518.

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



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**i. Property Taxes (Continued)**

All real and tangible personal property taxes are due and payable on November 1st of each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails each property owner on the assessment roll a notice of the taxes due and collects the taxes for the Town. Taxes may be paid upon receipt of the notice from Miami-Dade County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. There were no material delinquent property taxes as of September 30, 2012.

**j. 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.

**k. Compensated Absences**

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### l. 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 position. 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.

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.

### m. Fund Balance Classification

#### **GASB 54:**

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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### m. Fund Balance Classification (Continued)

- **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. Amounts that can be used only for the specific purposes determined by a formal action (resolution/ordinance) of the Town Council, the Town's highest level of decision making authority. Commitments may only be changed or lifted by the Town Council taking the same formal action (resolution/ordinance) that imposed the constraint originally.
- **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. Amounts that the Town intends to use for a specific purpose; the intent shall be expressed by the Town Council or may be delegated to the Town Manager. Assigned fund balance includes all remaining amounts that are reported in the governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
- **Unassigned fund balance** – amounts that are available for any purpose which are not included in other spendable classifications.

#### **Spending Order of Fund Balances:**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**n. New Accounting Standards**

**GASB 63:**

During fiscal year 2012, the Town implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. Since the Town has no deferred inflow or outflow of resources to report, the statement has no significant impact on the Town’s financial statements other than changes in presentation requirements on the Statement of Net Position.

**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 \$5,520,401 as of September 30, 2012. Bank balances before reconciling items were \$5,775,962 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.

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.

**2. DEPOSITS AND INVESTMENTS (CONTINUED)**

At September 30, 2012, 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>
SBA Pool A	\$ 4,587,994	-
SBA Pool B	28,753	4.08
Money Markert Fund	5,231,236	-
Certificate of Deposit	3,640,677	0.73
	<u>\$ 13,488,660</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.

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, 2012 is 0.948967, and the fair value is calculated by multiplying the factor by the account balance.



## 2. DEPOSITS AND INVESTMENTS (CONTINUED)

*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, 2012 is 39 days and the weighted average life of Fund B as of September 30, 2012 is 4.08 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.

The Town's investment in Florida Prime was rated AAAM by S&P as of September 30, 2012. 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, 2012 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 September 30, 2012 were as follows:

	General Fund	Capital Projects Fund	Non Major Fund	Storm-Water Fund	Total
Due From other Governments	\$ 469,699	\$ 216,428	\$ 83,788	\$ 137,932	\$ 907,847
Other	73,695	-	224,875	-	298,570
<b>Total Receivables</b>	<b>\$ 543,394</b>	<b>\$ 216,428</b>	<b>\$ 308,663</b>	<b>\$ 137,932</b>	<b>\$ 1,206,417</b>

Payables at year end September 30, 2012 were as follows:

	General Fund	Capital Projects Fund	2010 Construction Fund	Non Major Fund	Storm-Water Fund	Total
Due To other Governments	\$ 51,578	\$ -	\$ -	\$ -	\$ -	\$ 51,578
Vendors	2,610,607	387,580	424,260	86,941	57,861	3,567,249
Interest Accrual	-	-	-	183,000	-	183,000
<b>Total Receivables</b>	<b>\$ 2,662,185</b>	<b>\$ 387,580</b>	<b>\$ 424,260</b>	<b>\$ 269,941</b>	<b>\$ 57,861</b>	<b>\$ 3,801,827</b>

### 4. INTERFUND BALANCES AND TRANSFERS

Interfund balances for the year ended September 30, 2012, consisted of the following:

Due From	Due To			Total
	General Fund	Capital Projects Fund	Special Revenue Fund	
Capital Project Funds	\$ -	\$ -	\$ 8,161	\$ 8,161
Special Revenue Fund	195,531	-	-	195,531
Storm-Water Fund	-	700,000	-	700,000
<b>Total</b>	<b>\$ 195,531</b>	<b>\$ 700,000</b>	<b>\$ 8,161</b>	<b>\$ 903,692</b>

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, 2012, consisted of the following:

Transferred In	Transferred Out		Total
	General Fund	Nonmajor Stormwater Fund	
Capital Projects	\$ 4,126,300	\$ 700,000	\$ 4,826,300
<b>Total</b>	<b>\$ 4,126,300</b>	<b>\$ 700,000</b>	<b>\$ 4,826,300</b>

**4. INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

- The Stormwater Fund transferred approximately \$700,000 to the Capital Project Fund to finance a portion of drainage improvements on various ongoing projects.
- The General Fund transferred approximately \$440,000 to the Capital Project Fund to partially finance various ongoing capital projects of the Town.
- The General Fund transferred \$3,686,300 to the Capital Project Fund – Facilities & Equipment

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Non Depreciable Assets</i>				
Land	\$ 5,848,917	\$ 207,955	\$ -	\$ 6,056,872
Construction In Progress	<u>1,075,055</u>	<u>3,455,405</u>	<u>(690,098)</u>	<u>3,840,362</u>
Total Assets not being depreciated:	<u>6,923,972</u>	<u>3,663,360</u>	<u>(690,098)</u>	<u>9,897,234</u>
<i>Capital Assets, being depreciated:</i>				
Furniture and Equipment	1,188,172	554,764	(133,858)	1,609,078
Leasehold Improvements	102,705	-	(12,147)	90,558
Infrastructure	<u>16,753,414</u>	<u>770,001</u>	<u>-</u>	<u>17,523,415</u>
Total Capital Assets, being depreciated:	<u>18,044,291</u>	<u>1,324,765</u>	<u>(146,005)</u>	<u>19,223,051</u>
<i>Less accumulated depreciation for:</i>				
Furniture and Equipment	(666,478)	(172,574)	133,858	(705,194)
Leasehold Improvements	(91,255)	(8,288)	12,147	(87,396)
Infrastructure	<u>(3,107,335)</u>	<u>(772,322)</u>	<u>-</u>	<u>(3,879,657)</u>
Total accumulated depreciation	<u>(3,865,068)</u>	<u>(953,184)</u>	<u>146,005</u>	<u>(4,672,247)</u>
Net capital assets being depreciated	<u>14,179,223</u>	<u>371,581</u>	<u>-</u>	<u>14,550,804</u>
Governmental Activities				
Capital assets, net	<u>\$ 21,103,195</u>	<u>\$ 4,034,941</u>	<u>\$ (690,098)</u>	<u>\$ 24,448,038</u>

**5. CAPITAL ASSETS (CONTINUED)**

The following is a summary of capital assets in the Proprietary Fund at September 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, being depreciated:				
Infrastructure	\$ 4,617,071	\$ 492,347	\$ -	\$ 5,109,418
Furniture & Equipment	<u>-</u>	<u>278,429</u>	<u>-</u>	<u>278,429</u>
Total Capital Assets, being depreciated:	<u>4,617,071</u>	<u>770,776</u>	<u>-</u>	<u>5,387,847</u>
Less accumulated depreciation for:				
Infrastructure	(530,285)	(122,303)	-	(652,588)
Furniture & Equipment	<u>-</u>	<u>(1,160)</u>	<u>-</u>	<u>(1,160)</u>
Total accumulated depreciation	<u>(530,285)</u>	<u>(123,463)</u>	<u>-</u>	<u>(653,748)</u>
Net capital assets being depreciated	<u>\$ 4,086,786</u>	<u>\$ 647,313</u>	<u>\$ -</u>	<u>\$ 4,734,099</u>

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

<u>Governmental activities:</u>	
General Government	\$ 147,585
Public Works	277,311
Parks and Recreation	<u>528,288</u>
	<u>\$ 953,184</u>
 <u>Business-type activities:</u>	
Stormwater Utility	<u>\$ 123,463</u>
	<u>\$ 123,463</u>

**6. CONSTRUCTION / PROJECT COMMITMENTS**

The significant construction projects as of September 30, 2012 include the construction of a new Government Center for the Town, Downtown Drainage and Resurfacing Improvements, Lake Patricia Drainage and Resurfacing Improvements, and the Construction of Community Center East. The Government Center project is \$7.2 million, with \$5.879 million in expenditures to date, with a remainder of \$1.321 million. Lake Patricia is a \$698,000 project, with \$635,000 of expenditures to date, with a remainder of \$63,000. Downtown is a \$1.447 million project with \$1.271 of expenditures to date, with a remainder of \$176,000. Community Center - East is a \$1.2 million project, with \$806,000 of expenditures to date, with a remainder of \$394,000.

## 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.

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%.

### **Arbitrage**

Arbitrage refers to the profit earned by investing tax-exempt bond funds in higher yielding investments. Under federal arbitrage regulations, an issuer of tax-exempt bonds is allowed to earn this profit for a certain period of time during the construction period of the related project. Once this time period has expired, the profit realized on any recurring bond proceeds is subject to rebate to the federal government. These federal arbitrage regulations apply to all of tax-exempt issues. As of September 30, 2012 the Town is not subject to the rebate provisions of the arbitrage regulations on its Series 2010 Bonds.

**7. LONG-TERM DEBT (CONTINUED)**

**Notes Payable**

During the fiscal year 2012, the Town of Miami Lakes settled the Loan Agreements discussed below in the combined principal amount of \$201,663.

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

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

<u>Special Obligation Bonds</u>		
Year End September 30th	<u>Principal</u>	<u>Interest</u>
2013	\$ -	\$ 548,499
2014	-	548,499
2015	-	548,499
2016	-	548,499
2017	-	548,499
2018-2022	1,010,000	2,619,120
2023-2027	1,255,000	2,215,874
2028-2032	1,595,000	1,698,939
2033-2037	2,010,000	1,030,789
2038-2041	<u>1,460,000</u>	<u>226,141</u>
Total	<u>\$ 7,330,000</u>	<u>\$ 10,533,358</u>

Long-term liability activity for the year ended September 30, 2012 was as follows:

	Balance October 1, 2011	<u>Increases</u>	<u>Decreases</u>	Balance September 30, 2012	Due within <u>One Year</u>
<b>Governmental activities:</b>					
Special Obligation Bonds payable	\$ 7,330,000	\$ -	\$ -	\$ 7,330,000	\$ -
Less: deferred amounts on sale of bonds	(40,348)	-	1,380	(38,969)	-
Notes Payable	201,663	-	(201,663)	-	-
Compensated absences	<u>101,986</u>	<u>73,113</u>	<u>(29,733)</u>	<u>145,366</u>	<u>29,073</u>
Total governmental activities	<u>7,593,301</u>	<u>73,113</u>	<u>(230,016)</u>	<u>7,436,397</u>	<u>29,073</u>
<b>Business-type activities</b>					
Compensated absences	-	1,567	-	1,567	-
Total Long-term debt	<u>\$ 7,593,301</u>	<u>\$ 74,680</u>	<u>\$ (230,016)</u>	<u>\$ 7,437,964</u>	<u>\$ 29,073</u>

**7. LONG-TERM DEBT (CONTINUED)**

The Town’s compensated absences are generally liquidated by the General Fund. Currently ‘Due Within One Year’ are estimated based on prior years usage and known terminations resulting in payouts as of the date of the financial statement preparation.

**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, 2012, the electric utility tax revenue was 269.55% of the maximum annual debt service on the bonds.

**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 <u>Interest paid</u>	Maximum Principal <u>And Interest</u>	Current Year <u>Revenue</u>	% of Revenues to Principal and <u>Interest Paid</u>	% of Revenues to Maximum Principal and <u>Interest</u>
Electric Utility Tax	\$17,863,358	\$ 548,499	\$ 928,499	\$ 2,502,818	456.3%	269.55%



## 8. FUND BALANCE

As of September 30, 2012, fund balances are composed of the following:

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Series 2010 Construction Fund</u>	<u>Non-major Governmental</u>	<u>Total Governmental Funds</u>
<b>Non-Spendable:</b>					
Prepayments	\$ 27,798	\$ -	\$ -	\$ -	\$ 27,798
<b>Restricted:</b>					
Law Enforcement	33,735	-	-	-	33,735
Debt Service	-	-	-	876,634	876,634
Town Government Center	-	-	2,131,416	-	2,131,416
Transportation	-	2,535,947	-	1,011,206	3,547,153
<b>Assigned:</b>					
Capital Project – Parks and Stormwater	-	5,392,655	-	-	5,392,655
<b>Unassigned</b>	<u>3,936,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,936,392</u>
<b>Total Fund Balances</b>	<u>\$ 3,997,925</u>	<u>\$ 7,928,602</u>	<u>\$ 2,131,416</u>	<u>\$ 1,887,840</u>	<u>\$ 15,945,783</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, defined benefit plan, provides vesting after six years of creditable service for members who entered the plan prior to July 2011, and eight years for members entering after the time. Members who entered after July 2011 are offered a selection between the defined benefit plan and the investment plan, which vests each year on anniversary date. Members are eligible for normal retirement after vesting (*based on time of entry into plan*). 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 of service, or 62 years of age for regular members).

*Funding Policy:* Plan members currently contribute 3% of payroll per pay period, with the employer contributing the balance. The Town contribution rates ranged from 4.91% to 6.27% of covered payroll, between October of 2011 and June of 2012 and 5.18% to 6.30% between June 2012 and September 2012. 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.

**9. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)**

The contribution rate of current year covered payroll is 7.64 percent. The Town's total contributions for the Florida Retirement System for the years ending September 30, 2012, 2011, and 2010, were \$143,413, \$193,587, and \$204,000, respectively, these amounts exclude the post July 1, 2011 required 3% employee contributions. The Town made 100 percent of its required contributions for each year. FRS issues an annual financial report and a copy can be obtained by sending a written request to:

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 expired on November 13, 2012. The renewed contract has been agreed to with no significant changes and is pending execution by the Town Attorney. The Town paid approximately \$6,025,337 to the County for local police patrol services during the fiscal year ended September 30, 2012.

**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 2012 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 \$30,946 for fiscal year 2012.

**10. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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

<u>Fiscal</u>	<u>Rent</u>	<u>Additional Rent</u>
2013	\$ 242,777	\$ 196,577

The lease agreement will be terminated in May of 2013 as a result of relocation to the New Town Hall therefore there will be no payments in FY 2014.

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

Total rent expenditures for fiscal year 2012 amounted to approximately \$416,000.

**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

**10. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Neighborhood Park grants and General Obligation Bond funds due to the Town, totaling \$550,000. During fiscal year 2012, the Town paid approximately \$153,423 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.

Annual QNIP Stormwater Debt Service payments are as follows:

2013	\$ 69,631
2014	69,632
2015	69,628
2016	69,612
2017	69,648
2018-2024	<u>487,038</u>
	<u>\$ 835,189</u>

During the fiscal year ended September 30, 2012 the Town paid approximately \$70,000 and \$27,000, 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 2013**

On September 30, 2012 the Town Council adopted the budget ordinance for budget year 2013, Ordinance 2012-149, which set the annual millage rate at 2.3518 which is unchanged from the budget year 2012 rate. Ordinance 2012-150 set the annual operating and capital budgets.

### **Special Obligation Notes, Series 2013**

On April 23, 2013, the Town passed an Ordinance authorizing the issuance of a Special Obligation Notes, Series 2013 (the "Note") in an aggregate principal amount not to exceed \$2 million to finance the construction of certain roadway improvement with the Town and the execution of a loan agreement between the Town and financial institution relating to the issuance of the Note in the amount of \$1.855 million. The Note bears an interest rate of 2.95% and are payable on April 1 and October 1 of each year through 2028. The Notes principal and interest will be repaid from budgeted and appropriated non-ad valorem revenues equivalent to the annual principal and interest requirements deposited in a sinking fund account.



**MIAMI LAKES**  
**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

TOWN OF MIAMI LAKES, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012  
 ( in \$'000)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Amended Budget</u>		Final Budget- Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 5,531	\$ 5,442	\$ 5,442	\$ -
Utility taxes	2,592	2,639	2,514	(125)
Franchise fees	1,600	1,673	1,673	-
Communication service tax	1,406	1,230	1,350	120
Licenses and permits	823	911	1,064	153
Intergovernmental	2,625	2,661	2,672	11
Fines and forfeitures	224	174	215	41
Other	65	60	35	(25)
Investment income	65	40	40	-
Total revenues	<u>14,931</u>	<u>14,830</u>	<u>15,005</u>	<u>175</u>
Expenditures:				
Current:				
General government:				
Town council	802	684	405	279
Town administration and finance	2,304	2,367	2,367	-
Legal	386	458	458	-
Total general government	<u>3,492</u>	<u>3,509</u>	<u>3,230</u>	<u>279</u>
Public safety:				
Police	6,820	6,444	6,444	-
Parks and recreation	2,105	2,278	2,249	29
Public works	1,244	1,909	1,909	-
Comprehensive planning	1,525	1,649	1,286	363
Non-departmental - QNIP	154	153	153	-
Total expenditures	<u>15,340</u>	<u>15,942</u>	<u>15,271</u>	<u>671</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(409)</u>	<u>(1,112)</u>	<u>(266)</u>	<u>846</u>
Other financing uses:				
Transfers out	(4,406)	(4,406)	(4,406)	-
Transfers in	280	280	280	-
Total other financing uses	<u>(4,126)</u>	<u>(4,126)</u>	<u>(4,126)</u>	<u>-</u>
Net change in fund balance	(4,535)	(5,238)	(4,392)	846
Fund balance, beginning	<u>8,390</u>	<u>8,390</u>	<u>8,390</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,855</u>	<u>\$ 3,152</u>	<u>\$ 3,998</u>	<u>\$ 846</u>

See accompanying notes to budgetary schedule



**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**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.



**MIAMI LAKES**  
**COMBINING STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES -NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<b>Nonmajor Governmental Funds</b>		
	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES:</b>			
Utility taxes	\$ -	\$ 331,861	\$ 331,861
Intergovernmental	598,019	191,975	789,994
Investment income	2,436	4,210	6,646
Others	4,007	-	4,007
	<u>604,462</u>	<u>528,046</u>	<u>1,132,508</u>
<b>EXPENDITURES:</b>			
Current:			
General government:			
Town administration and finance	10,098	3,550	13,648
Total general government	<u>10,098</u>	<u>3,550</u>	<u>13,648</u>
Public works	671,120	-	671,120
Debt service:			
Interest	-	548,499	548,499
Total expenditures	<u>681,218</u>	<u>552,049</u>	<u>1,233,267</u>
Excess (deficiency) of revenues over expenditures	<u>(76,756)</u>	<u>(24,003)</u>	<u>(100,759)</u>
Net change in fund balances	(76,756)	(24,003)	(100,759)
Fund balance, beginning	<u>1,087,962</u>	<u>900,637</u>	<u>1,988,599</u>
Fund balance, ending	<u>\$ 1,011,206</u>	<u>\$ 876,634</u>	<u>\$ 1,887,840</u>



**MIAMI LAKES**  
**BUDGETARY SCHEDULES**



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TOWN OF MIAMI LAKES, FLORIDA

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>to Amended Final Budget</u>
	<u>Original</u>	<u>Amended Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
New Local Option Gas Tax	\$ 371,162	\$ 371,200	\$ 396,050	\$ 24,850
Federal Grant - Bus Purchase	570,000	570,000	-	(570,000)
Federal Grant- Bus Shelters	271,765	271,800	-	(271,800)
State Grant -Bus Purchase	294,000	294,000	-	(294,000)
State Grant for Circulator Operations	238,875	238,900	-	(238,900)
Transportation Sales Tax 20%	183,053	183,100	201,969	18,869
Investment Income	-	-	2,436	2,436
Impact Fees-Public Safety	<u>1,000</u>	<u>1,000</u>	<u>4,007</u>	<u>3,007</u>
Total revenues	<u>1,929,855</u>	<u>1,930,000</u>	<u>604,462</u>	<u>(1,325,538)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Transfer to Public Works G/F	200,000	200,000	-	200,000
Transportation Roadway System Maint	54,000	150,000	136,436	13,564
Sidewalk Replacement	200,000	313,364	312,081	1,283
Potholes Repairs	70,000	139,136	130,975	8,161
Stripping and Signage	40,000	65,400	30,130	35,270
ADA improvements	50,000	15,000	532	14,468
<b>Transit</b>				
Transit Salaries and Wages	-	4,319	4,319	-
Transit Payroll Taxes	-	330	330	-
Crosswalks	50,000	50,000	-	50,000
Traffic Calming	20,000	3,815	-	3,815
Traffic Studies	10,000	10,000	-	10,000
Transit- Adm Prog Expense 5%	9,153	10,098	10,098	-
Insurance	13,000	13,000	-	13,000
Shelter purchase	258,176	258,200	-	258,200
Bus Benches	6,500	6,500	-	6,500
Bus Benches/Shelter R & M	25,000	25,000	23,583	1,417
Administrative Expense	13,589	13,600	-	13,600
Bus Acquisition	204,600	204,600	-	204,600
Bus Signage	60,000	60,000	-	-
Trolley purchase	570,000	513,000	-	-
Administrative Expense	-	57,000	-	-
Circulator Operation and Maint.	477,750	477,800	32,734	445,066
Administrative Expense	29,400	29,400	-	29,400
Contingency	<u>41,301</u>	<u>109,200</u>	<u>-</u>	<u>109,200</u>
Total expenditures	<u>2,402,469</u>	<u>2,728,762</u>	<u>681,218</u>	<u>2,047,544</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(472,614)</u>	<u>(798,762)</u>	<u>(76,756)</u>	<u>722,006</u>
<b>Other financing sources(uses)</b>				
Transfer out Capital Projects Fund	(250,000)	-	-	-
Transfer out Capital Projects Fund-Town Hall Police Station	<u>(288,130)</u>	<u>(289,200)</u>	<u>-</u>	<u>289,200</u>
	<u>(538,130)</u>	<u>(289,200)</u>	<u>-</u>	<u>289,200</u>
Net change in fund balance	(1,010,744)	(1,087,962)	(76,756)	1,011,206
Fund balance, beginning	<u>1,087,962</u>	<u>1,087,962</u>	<u>1,087,962</u>	<u>-</u>
Fund balance, ending	<u>\$ 77,218</u>	<u>\$ -</u>	<u>\$ 1,011,206</u>	<u>\$ 1,011,206</u>

TOWN OF MIAMI LAKES, FLORIDA

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Original to Amended Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Amended Budget</u>		
<b>Revenues:</b>				
Intergovernmental - US Government	\$ 191,975	\$ 192,000	\$ 191,975	\$ (25)
Electric utility taxes	326,300	331,861	331,861	-
Investment Income	5,000	5,000	4,210	(790)
<b>Total revenues</b>	<u>523,275</u>	<u>528,861</u>	<u>528,046</u>	<u>(815)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Town administration and finance	140,174	3,550	3,550	-
Interest	548,499	548,500	548,499	1
Debt Service Reserve	3,500	3,500	-	3,500
<b>Total expenditures</b>	<u>692,173</u>	<u>555,550</u>	<u>552,049</u>	<u>3,501</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(168,898)</u>	<u>(26,689)</u>	<u>(24,003)</u>	<u>2,686</u>
Net change in fund balance	(168,898)	(26,689)	(24,003)	2,686
Fund balance, beginning	<u>900,637</u>	<u>900,637</u>	<u>900,637</u>	<u>-</u>
Fund balance, ending	<u>\$ 731,739</u>	<u>\$ 873,948</u>	<u>\$ 876,634</u>	<u>\$ 2,686</u>



**MIAMI LAKES**  
**OTHER SCHEDULES**





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TOWN OF MIAMI LAKES, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE-CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>			Actual	Variance with Original to Amended Final Budget Positive (Negative)
	<u>Original</u>	<u>Amended Budget</u>			
	Original	Amended Budget	Actual	Variance	
Revenues:					
New Local Option Gas Tax	\$ 141,887	\$ 141,900	\$ 153,523	\$ 11,623	
State grant for Bull Run	200,000	200,000	200,000	-	
Miami-Dade County - Safe Neighbor Sevilla	100,000	100,000	176,293	76,293	
Playful City USA Grant (Sevilla)	-	20,000	-	(20,000)	
Miami-Dade County - Safe Neighbor Tot Lots	146,100	146,100	-	(146,100)	
Miami-Dade County- Safe Neighbor ROP	-	100,000	-	(100,000)	
State Land and Water grant Bike Path	100,000	100,000	100,000	-	
FDRAP grant Community Center E & W	400,000	400,000	-	(400,000)	
Federal stimulus funding	-	-	29,880	29,880	
1/2 Cent transportation surtax	732,210	732,200	803,274	71,074	
Impact fees - parks	10,000	10,000	17,068	7,068	
Donations	-	1,378	2,277	899	
Investment income	-	-	10,052	10,052	
<b>Total revenues</b>	<b>1,830,197</b>	<b>1,951,578</b>	<b>1,492,367</b>	<b>(459,211)</b>	

Expenditures:

Current:

General government:

Town administration and finance

36,611                      40,452                      40,452

-

Capital outlay

Drainage Improvements

NW 79th Ave North of 154th

100,000                      154,507                      154,507

-

NW 79th Ave & 163rd St Outfall

-                                  102,900                      95,634

7,266

NW 59th & 165th Terr

95,000                      95,000

95,000

NW 166 Street-79th to 82nd

-                                  10,493

10,493

Lake Patricia

417,000                      467,800

12,385

455,415

Miami Lakes N

907,000                      907,000

266,160

640,840

Various Drainage

30,000                      24,000

-

24,000

West Lake A-Hydrolic Analysis

-                                  21,600

21,600

-

West Lake A

-                                  116,000

-

116,000

West Lake B,C,D,E

-                                  137,900

35,000

102,900

Street Vacuum Truck

260,000                      285,000

278,429

6,571

CIP Reserve

392,654                      -

-

-

Transportation Improvements

Street Assessment

-                                  61,300

34,372

26,928

Traffic Calming

65,000                      65,000

19,665

45,335

New Sidewalks/Curbing/Parallel

-                                  30,000

-

30,000

Roadway resurfacing:

Various projects

-                                  42,900

30,654

12,246

Lake Martha

92,000                      77,811

-

77,811

Lake Sarah

112,000                      112,000

4,150

107,850

Miami Lakeway N MLD

184,000                      339,100

161,067

178,033

Lake Patricia

80,220                      166,700

122,235

44,465

154th St. Construction

93,320                      93,921

93,921

-

NW 59th & 165th Terr

115,000                      312,189

312,189

-

(Continued)

TOWN OF MIAMI LAKES, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE-CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012  
 (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Original to Amended Final
	<u>Original</u>	<u>Amended Budget</u>		Budget Positive
				<u>(Negative)</u>
Lochness Turn Lane	-	60,000	49,500	10,500
Entrance Features	-	900	900	-
Storage Yard	440,000	440,000	-	440,000
CIP Reserve	2,023,366	1,481,000	11,339	1,469,661
<b>Parks and Recreation</b>				
Royal Oaks Park - Phase III	-	40,323	40,323	-
Royal Oaks Park - Basketball Court	60,000	76,999	76,999	-
Miami Lakes Park:				
Marina	-	950	950	-
Redev Program		230,100	63,994	166,106
Concession Area, Clubhouse, Parking	1,000,000	1,125,000	-	1,125,000
Improvement Contingencies	192,083	108,013	50,109	57,904
Water and Sewer connection	600,000	600,000	43,320	556,680
<b>Mini Parks:</b>				
Rehab Tot Lots	292,000	292,000	271,552	20,448
Bike Path NW 170 Greeway	176,000	233,364	231,001	2,363
Misc. Improvements	-	500	500	-
Sevilla Estates	200,000	321,378	268,322	53,056
Community Center East	1,400,000	1,200,000	70,279	1,129,721
Community Center West	900,000	1,212,000	192,637	1,019,363
Parks Beautification Matching Grant	-	27,050	14,995	12,055
CIP Reserve	325,549	-	-	-
<b>Facilities and Equipment</b>				
Radio Station	75,000	-	-	-
IT Equipment	83,602	-	-	-
Misc. Expense	-	2,289	2,289	-
Furniture	98,359	173,300	-	173,300
Moving	2,659	4,800	-	4,800
Town Hall Other Expense		40,600	-	40,600
Reserve	40,563	-	-	-
<b>Total expenditures</b>	<u>10,888,986</u>	<u>11,334,139</u>	<u>3,071,429</u>	<u>8,262,710</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	(9,058,789)	(9,382,561)	(1,579,062)	7,803,499
<b>Other financing sources:</b>				
Transfers in	<u>4,204,702</u>	<u>4,826,300</u>	<u>4,826,300</u>	-
<b>Net change in fund balance</b>	(4,854,087)	(4,556,261)	3,247,238	7,803,499
<b>Fund balance, beginning</b>	<u>4,681,364</u>	<u>4,681,364</u>	<u>4,681,364</u>	-
<b>Fund balance, ending</b>	<u>\$ (172,723)</u>	<u>\$ 125,103</u>	<u>\$ 7,928,602</u>	<u>\$ 7,803,499</u>

TOWN OF MIAMI LAKES, FLORIDA

BUDGETARY COMPARISON SCHEDULE-SERIES 2010 CONSTRUCTION FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Original to Amended</u> <u>Final Budget</u>
	<u>Original</u>	<u>Amended Budget</u>		<u>Positive</u> <u>(Negative)</u>
Revenues:				
Investment Income	\$ 4,948	\$ 9,697	\$ 9,697	\$ -
Total revenues	<u>4,948</u>	<u>9,697</u>	<u>9,697</u>	<u>-</u>
Expenditures:				
Current:				
Town administration and finance	-	178	178	-
Acquisition and construction				
Art in Public Places	-	1,500	1,500	-
Project Management	30,000	30,000	27,788	2,212
Construction costs	3,200,000	3,200,000	1,290,402	1,909,598
Geotechnical exploration	-	160	160	-
Professional services - design	-	223,703	223,703	-
Total expenditures	<u>3,230,000</u>	<u>3,455,541</u>	<u>1,543,731</u>	<u>1,911,810</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(3,225,052)</u>	<u>(3,445,844)</u>	<u>(1,534,034)</u>	<u>1,911,810</u>
Net change in fund balance	(3,225,052)	(3,445,844)	(1,534,034)	1,911,810
Fund balance, beginning	<u>3,665,450</u>	<u>3,665,450</u>	<u>3,665,450</u>	<u>-</u>
Fund balance, ending	<u>\$ 440,398</u>	<u>\$ 219,606</u>	<u>\$ 2,131,416</u>	<u>\$ 1,911,810</u>

TOWN OF MIAMI LAKES, FLORIDA

BUDGETARY COMPARISON SCHEDULE-STORMWATER UTILITY FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Amended Budget</u>		<u>Original to</u>
				<u>Amended Final</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Stormwater utility fees	\$ 1,001,062	\$ 1,001,100	\$ 978,961	\$ (22,139)
Total revenues	<u>1,001,062</u>	<u>1,001,100</u>	<u>978,961</u>	<u>(22,139)</u>
<b>Expenses:</b>				
Salaries and Wages	79,200	87,962	87,962	-
Retirement Contributions	3,852	3,900	1,471	2,429
Payroll Taxes	5,508	5,500	3,947	1,553
Health Insurance	20,008	20,000	11,878	8,122
Stormwater utility revenue bond debt	70,000	70,000	69,636	364
Master Plan update	-	53,900	53,680	220
Stormwater utility director	30,000	30,000	-	30,000
Stormwater inspection contract	30,000	55,000	36,311	18,689
System maintenance	83,440	73,569	55,766	17,803
Minor repairs and improvements	100,000	221,269	221,269	-
Community rating system	20,000	20,000	8,632	11,368
NPDES permit fees	25,000	25,000	24,905	95
Street sweeping/litter control	70,720	70,700	42,473	28,227
Vacuum Truck Operations & Maint	62,740	62,700	2,144	60,556
Canal maintenance	168,500	168,500	88,503	79,997
WASD collection fee	32,000	32,000	27,721	4,279
Stormwater utility administration	32,000	32,000	32,000	-
Memberships, dues and exp	6,000	6,000	494	5,506
Education and training	1,000	1,000	657	343
Public outreach and workshops	10,000	10,000	-	10,000
Professions services - engineering	10,000	10,000	83	9,917
NPDES discharge model	15,000	15,000	-	15,000
Professional Services Interlocal with Miami Gardens	10,000	10,000	-	10,000
Legal services	5,000	5,000	-	5,000
Depreciation	-	123,463	123,463	-
Contingency	110,442	118,700	-	118,700
Total expenses	<u>1,000,410</u>	<u>1,331,163</u>	<u>892,995</u>	<u>438,168</u>
Operating income	<u>852</u>	<u>(330,063)</u>	<u>85,966</u>	<u>416,029</u>
<b>Other income/expenses</b>				
Transfers out	(700,000)	(700,000)	(700,000)	-
Interest income	7,000	7,000	1,311	(5,689)
Capital contributions	-	770,776	770,776	-
Total other income (expenses)	<u>(693,000)</u>	<u>77,776</u>	<u>72,087</u>	<u>(5,689)</u>
Change in net position	(692,348)	(252,287)	158,053	410,340
Net position, beginning	<u>4,986,397</u>	<u>4,986,397</u>	<u>4,986,397</u>	<u>-</u>
Net position, ending	<u>\$ 4,294,049</u>	<u>\$ 4,734,110</u>	<u>\$ 5,144,450</u>	<u>\$ 410,340</u>



**MIAMI LAKES**  
**STATISTICAL**  
**SECTION**

# 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	56-61
<b>Revenue Capacity</b>	
These schedules contain information to help the read assess the government's most significant local revenue source, the property tax.	62-65
<b>Debt Capacity</b>	
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.	66-67
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	68-69
<b>Operating Information and Insurance in Force</b>	
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.	70-73

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.

TOWN OF MIAMI LAKES, FLORIDA

FINANCIAL TRENDS  
NET POSITION BY COMPONENT  
LAST TEN YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt:										
Restricted	\$ 3,498,055	\$ 6,044,933	\$ 9,767,253	\$ 11,243,592	\$ 13,506,338	\$ 14,112,595	\$ 16,263,340	\$ 16,025,495	\$ 18,197,702	\$ 20,557,318
Unrestricted	2,633,235	2,144,364	1,725,395	1,989,535	2,450,414	2,078,865	1,218,698	2,776,914	8,041,104	6,588,938
Total governmental activities net assets	\$ 9,483,054	\$ 12,422,045	\$ 14,886,039	\$ 16,808,800	\$ 19,546,223	\$ 21,442,867	\$ 25,641,318	\$ 28,446,537	\$ 32,296,709	\$ 33,025,697
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt:										
Unrestricted	\$ -	\$ 1,064,936	\$ 1,493,937	\$ 1,956,792	\$ 2,601,424	\$ 3,644,830	\$ 4,195,548	\$ 4,167,647	\$ 4,086,787	\$ 4,734,099
Total business-type activities net assets	\$ -	\$ 1,113,892	\$ 2,196,865	\$ 2,364,605	\$ 3,522,918	\$ 4,988,631	\$ 5,769,643	\$ 6,165,728	\$ 4,956,397	\$ 5,144,650
<b>Primary government:</b>										
Invested in capital assets, net of related debt:										
Restricted	\$ 3,498,055	\$ 7,109,869	\$ 11,251,190	\$ 13,200,374	\$ 16,107,762	\$ 17,757,425	\$ 20,458,888	\$ 20,193,142	\$ 22,284,489	\$ 25,291,417
Unrestricted	2,633,235	2,144,364	1,725,395	1,989,535	2,450,414	2,078,865	1,218,698	2,776,914	8,041,104	6,588,938
Total primary government net assets	\$ 9,483,054	\$ 13,535,937	\$ 17,082,904	\$ 19,193,405	\$ 23,069,141	\$ 26,431,518	\$ 31,410,361	\$ 34,662,363	\$ 37,273,103	\$ 38,174,057

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 POSITION  
LAST TEN YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 3,241,018
Public safety	4,536,401	5,168,188	5,390,092	6,113,789	6,215,685	7,004,847	6,619,819	6,654,020	6,566,778	6,234,271
Parks and recreation	1,171,872	1,353,905	1,858,785	2,864,423	2,586,003	2,709,057	2,571,167	3,019,126	2,687,382	2,798,627
Public works	1,297,323	1,655,451	1,995,828	6,880,032	2,311,072	2,829,430	2,176,162	1,288,942	1,746,804	2,353,479
Comprehensive planning	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	1,636,965
Interest Expense	-	-	-	-	-	11,397	19,456	-	443,156	561,402
Non-departmental	1,686,076	1,730,146	1,773,843	1,849,245	1,931,551	-	-	-	-	-
Total governmental activities expenses	11,762,284	12,907,679	14,340,326	21,794,605	17,849,184	17,396,943	16,217,935	15,260,455	18,883,515	16,825,762
Business-type activities:										
Stormwater utilities	-	430,852	414,405	776,142	649,798	647,440	893,472	686,953	630,757	892,995
Total business-type activities expenses	-	430,852	414,405	776,142	649,798	647,440	893,472	686,953	630,757	892,995
Total primary government expenses	11,762,284	13,338,531	14,754,731	22,570,747	18,498,982	18,044,383	17,111,407	15,947,408	17,514,272	17,718,757
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	25,990	28,842	-	19,741	55,469	871,832	158,677	20,252	109,411	229,955
Public Safety	219,789	168,239	343,732	183,033	276,784	373,576	305,409	257,927	277,300	216,183
Parks and recreation	339,243	32,499	97,280	14,468	2,642	1,010	-	-	-	7,085
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	1,064,408
Operating Grants and contributions	152,040	180,092	524,538	5,259,862	318,943	15,363	1,274,011	205,980	655,345	564,774
Capital grants and contributions	416,644	-	315,500	455,213	1,249,374	620,692	1,299,299	312,500	2,023,000	-
Total governmental activities program revenues	2,101,163	1,687,388	2,487,101	7,251,694	3,149,707	2,894,078	3,848,300	1,894,110	4,128,355	2,081,405
Business-type activities:										
Charges for services:										
Stormwater Utility	-	795,224	1,108,962	876,342	1,262,970	990,651	992,577	983,278	1,011,821	978,961
Operating Grants and contributions	-	795,224	1,108,962	893,087	1,262,970	990,651	992,577	983,278	1,011,821	978,961
Total business-type activities program revenues	-	795,224	1,108,962	893,087	1,262,970	990,651	992,577	983,278	1,011,821	978,961
Total primary government program revenues	\$ 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	\$ 3,060,366

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 POSITION (CONTINUED)  
LAST TEN YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net(expense)Revenue</b>										
Governmental activities	\$ (9,668,121)	\$ (11,220,291)	\$ (11,843,225)	\$ (14,542,911)	\$ (14,699,477)	\$ (14,502,865)	\$ (12,368,635)	\$ (13,366,344)	\$ (12,755,160)	\$ (14,744,356)
Business-type activities	-	364,972	694,557	116,945	613,172	343,211	99,105	298,325	381,064	85,966
Total primary government net expense	<u>(9,668,121)</u>	<u>(10,855,319)</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>	<u>(14,658,390)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	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	5,441,776
Utility services taxes	2,479,546	2,268,486	2,326,893	2,463,810	2,461,479	2,533,824	2,560,676	2,730,389	2,802,104	2,845,651
Communication services tax	752,622	763,175	1,329,651	1,530,924	1,490,228	1,491,360	1,776,558	1,560,902	1,422,508	1,348,756
Franchise taxes	1,113,629	1,810,589	1,263,596	1,584,345	2,079,921	2,001,376	1,967,915	2,006,171	1,444,179	1,673,746
Intergovernmental not restricted to specific programs	2,726,055	3,209,523	3,445,972	3,831,639	3,651,451	3,806,793	3,402,816	3,330,153	3,595,274	4,167,906
Investment and miscellaneous income	81,462	181,000	235,870	304,367	569,304	250,310	82,981	106,006	54,466	80,198
Transfers	-	-	(388,416)	(334,200)	(521,866)	(1,111,880)	(656,733)	(86,092)	1,565,914	(70,776)
Total governmental activities	12,425,884	14,159,282	14,307,219	16,465,672	17,436,900	16,399,529	16,568,066	16,221,663	16,545,229	15,487,257
Business-type activities:										
General Revenues	-	-	-	-	3,273	10,622	25,174	13,666	5,521	1,311
Investment income	-	910,520	-	-	-	-	-	-	-	-
Capital Contributions	-	(161,000)	388,416	334,200	521,866	1,111,880	656,733	86,092	(1,565,914)	70,776
Transfers	-	749,520	388,416	334,200	525,141	1,122,902	681,907	89,758	(1,560,393)	72,087
Total business-type activities	12,425,884	14,908,802	14,695,635	16,799,872	17,962,041	17,522,031	17,249,873	16,321,421	14,984,836	15,559,344
<b>Change in Net Position</b>										
Governmental activities	2,727,763	2,938,991	2,463,994	1,922,761	2,737,423	1,896,664	4,198,431	2,855,319	3,790,069	742,901
Business-type activities	-	1,113,892	1,082,973	451,145	1,138,313	1,465,713	781,012	396,083	(1,179,299)	158,053
Total prime government	<u>\$ 2,727,763</u>	<u>\$ 4,052,883</u>	<u>\$ 3,546,967</u>	<u>\$ 2,373,906</u>	<u>\$ 3,875,736</u>	<u>\$ 3,362,377</u>	<u>\$ 4,979,443</u>	<u>\$ 3,251,402</u>	<u>\$ 2,610,740</u>	<u>\$ 900,954</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ 2,635,346	\$ 1,883,267	\$ -	\$ -	\$ -	\$ 27,798
Restricted	-	-	-	-	1,165,611	3,456,720	8,225,450	9,259,782	8,361,930	33,735
Unassigned	3,785,432	3,446,989	3,393,391	3,575,683	1,165,611	3,456,720	8,225,450	9,259,782	8,361,930	3,936,392
<b>Total General Fund</b>	\$ 3,785,432	\$ 3,446,989	\$ 3,393,391	\$ 3,575,683	\$ 3,800,967	\$ 5,339,987	\$ 8,256,811	\$ 9,508,996	\$ 8,390,213	\$ 3,997,925
<b>All Other Governmental Funds</b>										
Restricted, reported in:										
Special Revenue funds-Transportation & Transit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,087,962	\$ 1,011,206
Capital Projects funds-Transportation	-	-	-	-	-	-	-	-	2,358,772	2,535,947
Capital Projects fund 2010 Construction-Town Center	-	-	-	-	-	-	-	-	3,665,450	2,131,416
Debt Service fund	-	-	-	-	-	-	-	-	900,637	876,634
Assigned, reported in:										
Capital Projects fund-Parks & Stormwater	-	-	-	-	-	-	-	-	2,322,592	5,392,655
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	-	-
<b>Total all other governmental funds</b>	\$ 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	\$ 11,947,858

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Ad valorem taxes	\$ 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	\$ 5,441,776
Utility taxes	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	2,845,651
Franchise fees	1,113,629	1,810,595	1,283,596	1,584,345	2,079,921	2,001,376	1,967,915	2,006,171	1,444,179	1,673,746
Communication service tax	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	1,348,756
Licenses and permits	923,942	1,031,256	1,216,051	1,163,289	1,246,495	1,011,605	811,904	1,088,041	1,063,299	1,064,408
Intergovernmental	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	4,924,656
Impact fees	339,243	37,910	131,269	32,943	54,399	685,185	-	-	-	-
Fines and forfeitures	219,789	221,894	307,103	318,949	276,784	373,576	305,395	257,927	277,300	215,183
Others	466,149	216,237	42,617	52,013	58,714	201,914	162,945	61,702	32,988	58,545
Investment Income	81,462	81,071	197,292	295,824	323,999	236,054	78,727	64,557	46,636	66,720
<b>Total Revenue</b>	<b>14,527,047</b>	<b>15,685,671</b>	<b>17,194,135</b>	<b>24,053,379</b>	<b>20,714,805</b>	<b>20,608,857</b>	<b>21,073,099</b>	<b>18,201,867</b>	<b>17,084,672</b>	<b>17,639,441</b>
<b>Expenditures</b>										
General government:										
Town Council	96,007	104,019	121,125	207,189	265,712	257,576	206,114	191,879	805,975	404,915
Town Administration and finance	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	2,420,844
Legal	336,069	267,741	246,717	366,957	454,641	481,727	669,680	469,724	475,202	458,525
<b>Total general government</b>	<b>1,756,116</b>	<b>1,576,047</b>	<b>1,882,875</b>	<b>2,464,488</b>	<b>2,724,970</b>	<b>3,125,913</b>	<b>3,083,407</b>	<b>2,665,527</b>	<b>3,765,092</b>	<b>3,284,284</b>
Public safety:										
Police	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	6,234,271
Parks and recreation	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	2,248,811
Public works	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	2,018,943
Comprehensive planning	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	1,439,318
Debt service:										
Principal	-	-	-	-	-	57,348	119,238	123,724	128,379	201,663
Interest	-	-	-	-	-	11,397	19,456	14,971	251,046	551,948
Non departmental	1,686,076	1,730,146	1,773,843	1,849,245	1,931,551	-	-	-	242,260	-
Capital Outlay	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	5,140,046
<b>Total expenditures</b>	<b>13,147,221</b>	<b>15,454,557</b>	<b>18,489,045</b>	<b>23,756,947</b>	<b>20,514,257</b>	<b>19,761,122</b>	<b>19,047,802</b>	<b>15,084,320</b>	<b>19,809,357</b>	<b>21,119,284</b>
<b>Other Financing Sources(Uses)</b>										
Proceeds from debt issuance	-	-	-	-	310,605	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	4,826,300
Transfer out	(2,159,387)	(2,180,237)	(1,584,416)	(593,589)	(1,017,640)	(184,500)	-	(853,158)	\$(1,425,816)	(4,126,300)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>161,000</b>	<b>36,584</b>	<b>150,000</b>	<b>485,605</b>	<b>319,746</b>	<b>-</b>	<b>-</b>	<b>8,888,615</b>	<b>700,000</b>
<b>Net change in fund balance</b>	<b>\$ 1,379,826</b>	<b>\$ 392,114</b>	<b>\$ (1,258,326)</b>	<b>\$ 446,432</b>	<b>\$ 686,153</b>	<b>\$ 1,167,481</b>	<b>\$ 2,025,297</b>	<b>\$ 3,117,547</b>	<b>\$ 6,163,930</b>	<b>\$ (2,779,843)</b>
<b>Ratio of total debt service to noncapital expenditures</b>	N/A	N/A	N/A	N/A	N/A	0.41%	0.88%	0.97%	2.36%	4.73%

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

**TOWN OF MIAMI LAKES, FLORIDA**

**FINANCIAL TRENDS  
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN YEARS  
(IN THOUSANDS OF DOLLARS)**

Fiscal year	Property Tax	Utility Service		Franchise fees	Total
		Tax	Communication		
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
2012	5,442	2,846	1,349	1,674	11,311

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

TOWN OF MIAMI LAKES, FLORIDA

REVENUE CAPACITY  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (in thousands)

Fiscal Year Ended September 30,	Real Property				Total Actual & Exemptions (a)				Total Taxable Assessed Value	Personal Property	Total Direct Tax Rate
	Residential Property	Commercial/Industrial Property	Government/Institutional Property	Personal Property	Assessed Value of Taxable Property	Real Property - Excluded Value (b)	Real Property - Other Exemptions	Real Property - Exemptions			
2003	\$ 1,291,545	\$ 593,865	\$ 129,784	\$ 258,006	\$ 2,273,200	\$ 102,582	\$ 313,077	\$ 1,298	\$ 1,856,243	3.0570	
2004	1,520,039	685,617	148,626	238,574	2,592,866	202,883	346,738	1,447	2,041,788	2.9680	
2005	1,815,493	738,688	147,017	249,436	2,950,634	377,762	366,930	1,867	2,204,075	2.9120	
2006	2,312,593	919,492	191,308	236,590	3,659,983	686,626	421,907	870	2,550,580	2.8250	
2007	2,846,055	1,126,527	265,719	209,618	4,447,919	1,002,159	574,727	1,097	2,869,936	2.7400	
2008	3,334,127	1,204,349	279,668	197,970	5,016,114	1,295,218	572,154	3,701	3,145,041	2.4800	
2009	3,289,648	1,226,570	279,681	206,157	5,002,056	1,186,156	743,956	22,106	3,049,838	2.4800	
2010	2,514,939	1,137,015	258,583	210,860	4,121,397	710,177	623,209	20,938	2,767,073	2.4470	
2011 (c)	1,938,070	1,004,656	254,679	200,606	3,398,011	226,222	699,371	20,921	2,451,497	2.3702	
2012 (d)	1,903,646	1,032,709	258,263	194,083	3,388,701	209,587	690,396	19,733	2,468,985	2.3518	

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 2010; 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 2011 were updated to reflect the Final 2010 Tax Roll.

(d) Total actual and assessed values are estimates based on the First Certified 2011 Tax Roll, prior to any adjustments processed by the Value Adjustment Board. The Final Certified Tax Roll for 2011 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 FISCAL YEARS  
(in thousands)

Fiscal Year	Direct Rate Town of Miami Lakes Operating Millage	Overlapping Rates: Miami-Dade County		Miami-Dade Fire & Rescue		Miami-Dade School Board	Public Library	County Debt Service	Children's Trust	State Rates South Florida		Florida Inland Navigation District	Total Direct & Overlapping Rates
		Miami-Dade Countywide Operating	Miami-Dade Service District	Water Management District	Environmental Projects								
2003	3.0570	5.8890	2.6610	9.2520	0.4860	0.3900	0.5000	0.5970	0.1000	0.0385	22.9705		
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	19.0689		
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		
2012	2.3518	4.7036	2.4627	7.7650	0.1725	0.5180	0.5000	0.3676	0.0613	0.0345	18.9369		

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

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

<u>Taxpayer</u>	2012			2004		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
The Graham Companies	\$ 299,020	1	12.11%	\$ 223,397	1	10.94%
Sengra Corporation	34,199	2	1.39%	83,687	2	4.10%
Sengra Development Corp.	69,045	3	2.80%			
Royal Oaks Plaza, Inc.	19,800	4	0.80%			
Cap East Associates	19,606	5	0.79%	19,307	7	0.95%
Miami Lakes County Club, Inc.	19,131	6	0.77%	16,588	8	0.81%
Royal Oaks Plaza, Inc.	19,800	7	0.80%	15,200	10	0.74%
Caterpillar Tractor Co.	17,500	8	0.71%	16,125	9	0.79%
Miami Lakes AM LLC	12,333	9	0.50%			
Costco Wholesale Corp	11,500	10	0.47%	9,766	13	0.48%
BRE/Miami Lakes Industrial LLC	11,195	11	0.45%			
HPTCY Corporation	10,200	12	0.41%	8,930	14	0.44%
MAS Investments LLC	9,275	13	0.38%	8,480	15	0.42%
Cordis Corporation	8,800	14	0.36%	25,779	5	1.26%
Pershing				47,309	3	2.32%
Private Taxpayer				24,360	6	1.19%
BPI				37,297	4	1.83%
First States Investment 5000A LLC				13,549	11	0.66%
EWE Warehouse Investment VII LT				10,360	12	0.51%
<b>Total</b>	<b>\$ 561,404</b>		<b>22.01%</b>	<b>\$ 560,134</b>		<b>19.25%</b>
<b>Total Net Assessed Real and Personal Property Value (in thousands)</b>	<b>\$ 2,468,985</b>			<b>\$2,041,788</b>		

Source: Miami-Dade County Property Appraiser  
Note: Information prior to 2004 is not available.



**TOWN OF MIAMI LAKES, FLORIDA**

**REVENUE CAPACITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST EIGHT YEARS  
(in thousand)**

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	\$ 6,011	91.29%	83	\$ 6,094	92.54%
2006	7,589	7,029	92.62%	36	7,065	93.10%
2007	8,268	7,609	92.02%	97	7,706	93.20%
2008	7,840	7,348	93.72%	80	7,428	94.74%
2009	7,840	7,384	94.19%	50	7,434	94.82%
2010	6,771	6,414	94.73%	56	6,470	95.55%
2011	6,060	5,757	95.00%	51	5,808	95.84%
2012 (2)	5,807	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 2012 is an estimate based on the 2011 First Certified 2011 Tax Roll made on October 2011, before any significant changes by the Value Adjustment Board had actually been processed. The Final Certified Tax Roll for 2011 has not been released as of the date of this report

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

TOWN OF MIAMI LAKES, FLORIDA

DEBT CAPACITY  
OUTSTANDING DEBT BY TYPE AND DEBT COVERAGE  
LAST SIX FISCAL YEARS

Fiscal Year	Government Activities			Total Government	Population	Per Capita Personal Income Note (1)	Percentage of Personal Income	Per Capita	Debt Coverage	
	Government Activities Notes Payable	Special Obligation Bonds Payable							Pledged Revenue	Coverage
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	32,000	0.04%	11.24	(2)		
2011	201,663	7,330,000	7,531,663	29,369	29,670	0.86%	256.45	2,439,328	4.45	
2012	-	7,330,000	7,330,000	30,057	n/a	n/a	243.87	2,502,818	4.56	

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 Annual Debt Service Requirement for all bonds outstanding.

2012	Next Succeeding Year		
	Utility Services Tax	Principal	Interest
2,502,818	-	548,499	548,499
			Total Debt Service Requirements
			548,499
			Coverage
			456%

- Legend:
- (1) The personal income and per capita income data for 2012 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 ACTIVITIES**  
**SEPTEMBER 30, 2012**

<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)	\$ 416,211	1.31%	\$ 5,467
Miami-Dade County (3)	<u>1,043,496</u>	1.31%	<u>13,706</u>
Sub-tota overlapping debt	1,459,707		19,173
Town of Miami Lakes direct debt	<u>7,291,132</u>	100%	<u>\$ 7,291,132</u>
Total direct and overlapping debt	<u>\$ 8,750,839</u>		<u>\$ 7,310,305</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 (General Obligation Bonds)

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

<b>Calendar Year</b>	<b>Population</b>	<b>Median Household Income (1999 \$)</b>	<b>Total Personal Income (in 000's)</b>	<b>Unemployment Rate</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>
2003	25,523	n/a	n/a	n/a	n/a	37	n/a
2004	24,853	n/a	n/a	n/a	n/a	37	n/a
2005	24,741	n/a	n/a	n/a	n/a	37	n/a
2006	n/a	n/a	n/a	n/a	n/a	38	n/a
2007	27,027	n/a	n/a	n/a	n/a	38	n/a
2008	27,031	n/a	883,265	2.80%	32,676	38	n/a
2009	26,694	67,800	805,572	4.40%	30,178	39	6,800
2010	29,361	62,034	852,614	7.00%	29,039	38	7,557
2011	29,369	63,794	871,378	5.70%	29,670	38	8,005
2012	30,057	(1)	(1)	9.10%	(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 2008-2011 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 2011) or Florida's Bureau Economic and Business Research (BEER).

**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 AND NINE YEARS AGO**

Employer	2012			2003		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cordis Company (Johnson & Johnson)	940	1	6.45%	(a)		
The Graham Companies	486	2	3.34%	521		4.21%
Inktel	464	3	3.19%	(a)		
All Med Services	300	4	2.06%	(a)		
Nutri-Force Nutrition	400	5	2.75%	(a)		
Schering Corporation (Merk Pharmaceuticals)	275	6	1.89%	320		2.58%
	<u>2,865</u>		<u>19.67%</u>	<u>841</u>		<u>6.79%</u>
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 2008-2011 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 TEN FISCAL YEARS

Full-time and part-time/contract employees as of September 30,

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Town Clerk's Office	1	1	1	1	1	1	3	3	4	5
Town Administration	7	7	9	10	12	12	10	12	11	8
Building Department	3	4	3	7	8	8	5	6	6	4
Planning and Development	1	3	6	7	7	7	4	3	5	5
Parks and Recreation	1	1	1	2	3	3	7	7	8	7
Public Works							2	1	1	2
Total	13	16	20	27	31	31	31	32	35	31
										55

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

TOWN OF MIAMI LAKES, FLORIDA

OPERATING INFORMATION  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>General Government</u>										
Building permits issued	441	1,266	1,264	1,390	1,088	744	556	519	673	699
Business Tax Receipts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,193	1,171	1,250
<u>Police</u>										
Physical arrests	430	424	360	314	355	485	529	407	362	332
<u>Culture and Recreation</u>										
Summer camp participants - per week	n/a	n/a	n/a	n/a	n/a	n/a	133	208	215	150
Community programs - per year	n/a	n/a	n/a	n/a	64	66	68	106	146	93
Special events - per year	n/a	n/a	n/a	39	45	52	63	n/a	n/a	47
<u>Stormwater Utility</u>										
Stormwater system linear feet cleaned	n/a	n/a	n/a	50,649	58,866	36,945	77,371	36,602	43,905	24,500
Number of Stormwater drains cleaned	n/a	n/a	n/a	839	673	150	483	266	676	185
<u>Public Works</u>										
Road miles (maintained)	n/a	n/a	n/a	77	77	77	77	77	60	60
Street lights (maintained)	n/a	n/a	n/a	2,943	2,943	2,943	2,943	2,943	540	801

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 ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Police (4)</u>										
Police Personnel	45	45	45	49	50	52	50	50	49	49
<u>Culture and Recreation (3)</u>										
Number of parks	95	95	96	97	98	99	99	99	99	99
Park acreage	116.8	116.8	116.8	117.3	117.6	117.8	117.8	118.3	118.3	118.3
Community center	2	2	2	2	2	2	2	3	3	3
<u>Stormwater/Drainage (1)</u>										
Stormwater system - linear feet	n/a	n/a	n/a	82,394	82,394	82,394	82,394	82,394	86,067	88,894
Stormwater drains - catchbasins & manholes	n/a	n/a	n/a	1,460	1,460	1,460	1,460	1,460	1,464	1,560
<u>Public Works (2)</u>										
Road miles	n/a	n/a	n/a	77	77	77	77	77	77	77
Street lights (Owned)	n/a	n/a	n/a	2,943	2,943	2,943	2,943	2,943	2,890	2,084

(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 corrects 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)



**TOWN OF MIAMI LAKES, FLORIDA**

**MISCELLANEOUS INFORMATION  
INSURANCE IN FORCE  
AS OF SEPTEMBER 30, 2012**

<b>Type of Coverage</b>	<b>Insurer</b>	<b>Policy Period</b>	<b>Premium</b>
Accidental Death	Metropolitan Life Insurance Company	8/29/2012 - 8/29/2013	(a)
Property and Inland Marine	Preferred Government Insurance Trust	10/1/2012 - 9/30/2013	(b)
General Liability	Preferred Government Insurance Trust	10/1/2012 - 9/30/2013	(b)
Automobile Insurance	Preferred Government Insurance Trust	10/1/2012 - 9/30/2013	(b)
Public Officials Liability	Preferred Government Insurance Trust	10/1/2012 - 9/30/2013	(b)
Employment Practices Liability	Preferred Government Insurance Trust	10/1/2012 - 9/30/2013	(b)
Workers Compensation	Preferred Government Insurance Trust	10/1/2012 - 9/30/2013	\$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.



**MIAMI LAKES**  
**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, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 24, 2013. 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

Management of the Town is responsible for establishing and maintaining effective 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 certain deficiencies in internal control over financial reporting, described in the accompanying Letter to Management as items 2012-2 and 2008-02 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and Town Council  
Town 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 2012-1.

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

April 24, 2013





**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, 2012, and have issued a report thereon dated April 24, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters dated April 24, 2013 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*

April 24, 2013

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2012**

**SECTION I – CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

2012-1 - Purchasing Cards

Condition:	We noted that the Town has no written policies and procedures on the use of purchasing cards.
Criteria:	Effective internal control requires that written policies and procedures should be in place to prevent unauthorized use of purchasing cards.
Cause of Condition:	Absence of written policies and procedures regarding purchasing cards.
Effect of Condition:	The Town is susceptible to improper or unauthorized usage of purchasing card as well as spending for items not budgeted.
Recommendation:	We recommend that the Town develop and adopt written policies and procedures to ensure purchasing cards are only used for Town activities.
Management Response:	Presently purchasing card procedures exist in our Accounts Payable reconciliation process. Invoices for each card are reconciled with the receipts provided by the cardholder, if the receipts are not provided or are not for Town purposes the individual cardholder must reimburse the Town for the expense. The existing policies will be memorialized in writing and enhanced following the template provided by the State of Florida, to ensure consistent application in the future.

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2012  
(CONTINUED)**

**SECTION I – CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)**

2012-2 - Journal Entry Review

Condition:	Our review of journal entries prepared by the Town's accounting department during the year ended September 30, 2012, disclosed journal entries that showed no evidence of review or approval by supervisory personnel. In addition, these entries were posted in the general ledger system by the same personnel who prepared them.
Criteria:	Effective Internal control requires segregation of duties over the review and approval process to mitigate possible fraudulent transactions or significant misstatements in the financial statements.
Cause of Condition:	Due to the departure of the Finance Director, the staff was posting the transactions in the general ledger without any evidence of review by a supervisor during the intervening time period before the vacancy was filled.
Effect of Condition:	There is a possibility that fraudulent transactions or significant misstatements in the financial reports may occur.
Recommendation:	We recommend that proper segregation of duties over the review and approval process be strictly implemented. In addition, we recommend that direct posting of manual journal entries be limited to supervisory level.
Management Response:	Through the new financial management system the Town has implemented workflow approvals for journal entries. These workflows include oversight of the general journal entries, cash receipts, and accounts payable invoice posting for cash disbursements. The end user can post the entries only after review by the Finance Manager



**TOWN OF MIAMI LAKES, FLORIDA  
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SEPTEMBER 30, 2012  
(CONTINUED)**

**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 corrections at year-end.
- Criteria: Effective internal control requires 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: The Town provided capital assets schedule to the auditors with multiple revisions causing delay in the audit process. Capital assets represent a significant account balance for the Town and lack of formal accounting records could potentially result in a material misstatement of the financial statements if not immediately address.
- 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: In FY2012, the Town still tracked its fixed assets using an Excel spreadsheet. During the year, the Town acquired a new financial system; and the fixed assets module was implemented after September 30, 2012, but during the audit year-end fieldwork. The Town transferred the fixed assets information into the new financial system in 2013, which was the base fixed asset information for the 2012 audit. Findings were repeated.
- In addition, we also noted during the year that the Town wrote-off several assets (i.e. computer equipment) from its books without the appropriate documentation and approval process.

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2012  
(CONTINUED)**

**SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

2008-02 - Fixed Assets Register (Continued)

Corrective Action Plan: In July of 2012, the Town went live with Munis, a new Financial Management System and at the close of FY 2012, implemented the Fixed Asset module of the MUNIS financial system, all assets are now loaded into the system. Having fixed assets within the system will facilitate oversight and tracking for inventory and control purposes. A periodic reconciliation of the general ledger accounts provides the internal control to identify the acquisitions of new capital asset items and periodic inventories of the assets will ensure they are identified and in place. Policies and procedures are being developed to reconcile the capital accounts and review the maintenance and repairs accounts periodically for new purchases and enhancements to the existing assets.

The disposal of assets identified in the audit for FY 2012, were actually not physically disposed of until February 2013. The assets loaded into the financial management system at the end of FY 2012, were net of the obsolete equipment which was planned for disposal. This equipment held no book value, and was therefore within the Town Manager's authority to authorize its disposal.

Going forward, the Town's fixed asset disposal policy will be strictly adhered to and the use of the fixed asset module in Munis will facilitate improved asset tracking.

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 2012 was amended by the Town Council within the sixty (60) days period as allowed by the Florida Statute. The comment will not be repeated.

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2012  
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, 2012, see finding 2012-1, 2012-2, and 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. In connection with our audit, we did not have any such finding.
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, 2012, financial audit report.
9. We applied financial condition assessment procedures pursuant to Rule 10.556 (7) and no deteriorating financial conditions were noted. However, we noted declining trend for cash and investments as a result of using the proceeds of bonds issued during 2011 for construction of New Town Hall and planned appropriation of available fund balance to finance major road and park improvements during the year.