



Town of Miami Lakes, Florida

2015

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

Town of Miami Lakes, Florida

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2015

Prepared by
The Finance Department

www.miamilakes-fl.gov

Town of Miami Lakes, Florida

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INTRODUCTORY SECTION



Town of Miami Lakes
6601 Main Street
Miami Lakes, FL 33014
(305) 364-6100
www.miamilakes-fl.gov

Mayor
Michael Pizzi

Vice Mayor
Manny Cid

Councilmembers:

Tim Daubert

Tony Lama

Caesar Mestre

Frank Mingo

Nelson Rodriguez

Town Manager
Alex Rey

Town Clerk
Gina Inguanzo

June 24, 2016.

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

Ladies and Gentlemen:

We are pleased to present the Town of Miami Lakes, Florida (the "Town") Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year ended September 30, 2015, pursuant to Florida State Statute and of the Rules of the Auditor General. The financial statements included in the report conform to Generally Accepted Accounting Principles in the United States of America ("GAAP") as prescribed by the Government Accounting Standards Board ("GASB"). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

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

The financial statements have been 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, 2015 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 presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for Fiscal Year ended September 30, 2015, are fairly presented in conformity with the Generally Accepted Accounting Principles (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 GOVERNMENT

Miami Lakes was incorporated on December 5, 2000. It is one of the 35 municipalities in Miami-Dade County, Florida. Conveniently located just 16 miles north of Downtown Miami and only 10 miles from Miami International Airport, our Town is home to approximately 30,000 residents. The Town encompasses about 6.8 square miles, bound by NW 170th Street and the Palmetto Expressway (SR 826) to the north, NW 138th Street to the south, NW 57th Avenue (Red Road) to the east, and Interstate 75 to the west.

Over the last 40 years, Miami Lakes has progressed from a dream on paper to a reality. This vibrant community is nationally recognized as one of the best examples of unique and innovative town planning. Land use in the Town is predominantly low-density residential. The next most prevalent uses are light industrial and office parks comprising 13% of the Town's area, and lakes and canals making up about 11%. The population of the Town of Miami Lakes has grown to almost 30,000 residents and it currently ranks 16th in population size within Miami-Dade County, within the middle of the range for city size. Comparable cities include Coral Gables on the high end of the population spectrum and Pinecrest on the lower end. The Town of Miami Lakes' residential areas are essentially built out with only a handful of parcels that are undeveloped.

Government Structure and Services Provided

The Town operates under a Mayor-Council-Manager form of government. The Town Council consists of the Mayor and six at-large members. The Mayor is a voting member of the Council. The members of the Council are limited to two consecutive four year terms and they are responsible for policymaking and legislative authority, passing ordinances, resolutions, adopting the budget, and appointing committees. The Town Council is responsible for the selection and appointment of the Town Manager and the Town Attorney. The Town Manager is responsible for carrying out the policies and laws of the Town Council, for overseeing the daily operations of the Town, and for appointing and managing all department heads and their subordinates.

Town of Miami Lakes provides a full range of municipal services including recreation and culture, public safety, public works and administrative services for its residents and businesses. The Town operates through eight departments: Administration, Building, Community Services, Finance, Planning, Police, Public Works and Community Outreach. With only 40 full-time and 36 part-time/seasonal staff members, the Town relies heavily on contractors for the provision of various public services. 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.

ECONOMIC CONDITION AND OUTLOOK

2015 property values for the Town of Miami Lakes increased to \$2,691,096,427 or an increase of 4.5% from the \$2,574,960,000 in taxable value for the prior fiscal year. The average Town residential taxable value for 2015 is \$171,624, which is 5.7% higher than prior fiscal year at \$162,327. This is an indication that property values continue to increase in recent years.

The Town's per capita income has remained strong and is significantly higher than the Miami-Dade Metropolitan Statistical Area ("Miami-Dade MSA") and the State of Florida (the "State"). The U.S. Census Bureau, American Community Survey data, indicated that the Town's per capita income for 2010-2014 periods was \$28,006 while Miami-Dade MSA and the State per capita personal income were \$23,433 and \$26,499, respectively.

The Town has also benefitted from a relatively low unemployment rate. In December 2014 the unemployment rate was 6.3% in the County and 6.9% in the Town. In December 2015, it was 5.8% in the County and 5.7% in the Town. Overall, the Town's unemployment rate decreased by 1.2% in 2015.

Despite the long term nature of the economic recovery, the Town continues to maintain strong financial resources and for Fiscal Year 2015 was able to maintain its millage rate of 2.3518.

LONG TERM FINANCIAL PLAN

A significant measure of the Town's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). Fiscal Year 2015 unassigned general fund balance is approximately \$4.5 million which is a \$300,000 decrease from Fiscal Year 2014.

The Fiscal Year 2015 millage rate reflects the Council's commitment to maintain a low tax rate. The continued low rates require the prioritization of resources exclusively to the core municipal government functions of public safety, code compliance, parks, road maintenance, drainage improvements and beautification of the Town's right of ways while maintaining strong internal controls. The Town updated and adopted a new 10 year Strategic Plan in fiscal year 2015.

The Town Council policy requires a minimum reserve of 15% of the operating expenditures in the General fund. The actual unassigned general fund balance at the end of fiscal year 2015 is \$4.5 million, representing 28% of the adopted general fund operating expenditures for the year, 13% above the established policy. The Town is in compliance with this policy as of September 30, 2015 and is in a solid financial position.

As previously mentioned, the Town is successful in managing operating costs effectively through a limited number of municipal staff administering private service 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 a favorable position of financial strength. The Town has since its inception, adopted a five year capital plan that is fully funded.

FINANCIAL INFORMATION

Accounting Control

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse; and to ensure that adequate accounting data is captured in the Town's financial management system to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state and local financial assistance, the Town is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with policy and implementation provisions embodied in the annual appropriated budget approved by the Town Council.

The financial management system provides financial controls for the Town. The implementation of MUNIS in 2012 coincided with the rewrite and implementation of the revised Town's Procurement Ordinance. As system implementation continues, the automation of processes will continue to improve, while specific policies and procedures will continue to be developed to support improved processes. In 2015 we continued making strides by improving financial reporting capabilities. We also made several changes to our internal controls ensuring proper segregation of duties and made sure that our account structure is in compliance with State regulations.

Budgetary Controls

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 Administration Department prior to the presentation and setting of the preliminary millage by the Town Council. The Administration Department uses these requests as a starting point to assist the Town Manager in developing a Manager's Proposed Budget. A preliminary millage rate must be adopted no later than July 30th of each year. The Council is required to hold two public budget 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 \$700 per line item per month. Transfers of appropriations in excess of \$700 per month (cumulative), and between departments, require 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 also 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 and conveyance system, and planning and constructing system expansions.

Cash Management

The Town of Miami Lakes is charged with the security of the Town's funds and assets with the goal of maximizing return on surplus cash. The Town adopted a formal Investment Policy and acquired financial advisory services in an ongoing effort to maximize investment income through broader investment opportunities, while preserving capital. The Town's primary investment instruments for Fiscal Year 2015 were money market accounts and certificates of deposits. No investment is made for any commitment longer than a two-year period. During 2015, the Town earned \$ 115,930 in investment income, as compared to \$ 102,059 earned in Fiscal Year 2014.

Risk Management

The Town purchases general liability, automobile, property and casualty insurance, as well as workers' compensation coverage through its agent. The Town continually reviews risk exposures and determines the most cost effective method of mitigating those exposures.

MAJOR INITIATIVES

Several significant projects were completed during Fiscal Year 2015, such as, the completion of the Park East Youth Center (costing around \$1.6 million) and the West Lakes Roadway & Drainage project. We also installed 9 bus shelters and completed the Greenway Bike Path Phase 2 thereby enhancing reliability within the Town.

Other significant projects underway in Fiscal Year 2015/16 include:

Miami Lakes Optimist Park New Clubhouse The demolished Miami Lakes Optimist Park Clubhouse will consist of a 5,000 square foot multi-purpose facility that includes clubhouse and concession stand, administrative offices, multi-purpose rooms and additional parking (\$1,898,000). *Projected completion expected in 2016.*

Lake Sarah Drainage and Roadway Improvements: The Lake Sarah sub-basin is generally located between Miami Lakeway South and the Palmetto Expressway right-of-way and between Twin Sabal Drive and Leaning Pine Drive, in the southeast residential area of the Town. The primary focus of this project includes drainage improvement restoration, and resurfacing of the existing roadway surfaces, pavement markings, and signage. This project also proposes stormwater improvements in the Lake Sarah Sub-Basin including the addition of catch basins, French drains, and manholes to provide water quality and quantity treatment (\$1,600,000). *Projected completion expected in 2018.*

Lake Martha Drainage and Roadway Improvements: The Lake Martha sub-basin is generally located west of Ludlam Road and north of Miami Lakeway South, in the southeastern residential section of the Town. As part of its Stormwater Master Plan, the Town of Miami Lakes is undertaking a series of projects to protect surface water quality and reduce flooding within the Town. The primary focus of this project includes restoration and resurfacing of the existing roadway surfaces; provide drainage improvements, pavement markings, and signage. This project also proposes stormwater improvements in the Lake Martha Sub-Basin including the addition of catch basins, French drains, and manholes to provide water quality and quantity treatment (\$2,600,000 approximately). *Projected to be completed in 2016.*

Canal Bank Stabilization: The specific area for this project is approximately 3,000 linear feet of the Golden Glades and Peter's Pike canals along the north boundary of the Town of Miami Lakes (NW 170th Street) from NW 82nd Avenue to just south of NW 170th Street on NW 77th Court. The canal modifications and stabilization is proposed to occur on residential side of the canal bank. The canal bank erosion is widespread on private properties, and nearby roadways. Erosion compromises the structural integrity of all of these facilities and can pose a danger to the public if slope failure or subsidence occurs (\$ 1,000,000). *Projected completion is expected in summer 2017.*

Beautification Master Plan: The Town of Miami Lakes adopted a Town-wide Beautification Master Plan to serve as a vision and provide guidance as to the physical environment within the Town. The master plan addresses issues including median planting, pocket/neighborhood park beautification, gateways, crosswalks and other right-of-way improvements. *Projected completion expected by Fiscal Year 2020.*

AWARDS AND ACKNOWLEDGMENTS

The Town received multiple awards over the last year, and these are the following:

Tree City USA Designation - 9th Consecutive Year

The Tree City USA Award is provided by The Arbor Day Foundation, in cooperation with the National Association of State Foresters and the USDA Forest Service, to recognize environmental improvement and encourage higher levels of tree care throughout America. This award is designed not only to recognize achievement, but also to communicate new ideas and help the leaders of all Tree City USAs plan for improving community tree care.

Being a Tree City USA helps present the kind of image that most citizens want to have for the place they live or conduct business.

Growth Award 7th Consecutive Year

The Tree City USA Growth Award is given to communities that go beyond the four standards of Tree City USA that demonstrate improvement and growth of local tree care.

Playful City USA Designation - 7th Consecutive Year

Playful City USA is a national recognition program honoring cities and towns that make play a priority and use innovative programs to get children active, playing, and healthy. Playful City USA communities make a commitment to play and physical activity by developing unique local action plans to increase the access to play in their community. In doing so, some of the most innovative concepts and cost-effective programs are being developed in Playful City USA communities.

GRANT AWARDS

The Town closed out the following grants this year:

- FDEP Recreational Trails Program for Greenway Bike Path Phase II (\$77,500).
- Metropolitan Planning Organization (MPO) Alternatives to Concurrency Study (\$32,000).
- Florida Department of Transportation (FDOT) Service Development of Miami Lakes Bus Circulator (\$238,875).
- Edward Byrne Justice Assistance Grant (JAG) Program for Police School Resource Officer (\$4,850).

The Town secured the following new grants this year:

- \$600,000 grant from FDOT and Miami Dade County MPO for the Transportation Alternative Program.
- \$85,000 grant from FDOT and Miami Dade County MPO for the Transportation Alternatives Program.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire Finance Department and the Town's audit firm, GLSC & Company, PLLC. We wish to express our appreciation to all members of Town staff who assisted and contributed to the preparation of this report. Finally, we would also like to thank the various operating departments for their efforts and support in planning and conducting the Town's operations in a responsible and progressive manner.

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.

Respectfully
submitted,



Alex Rey
Town Manager



Government Finance Officers Association

**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

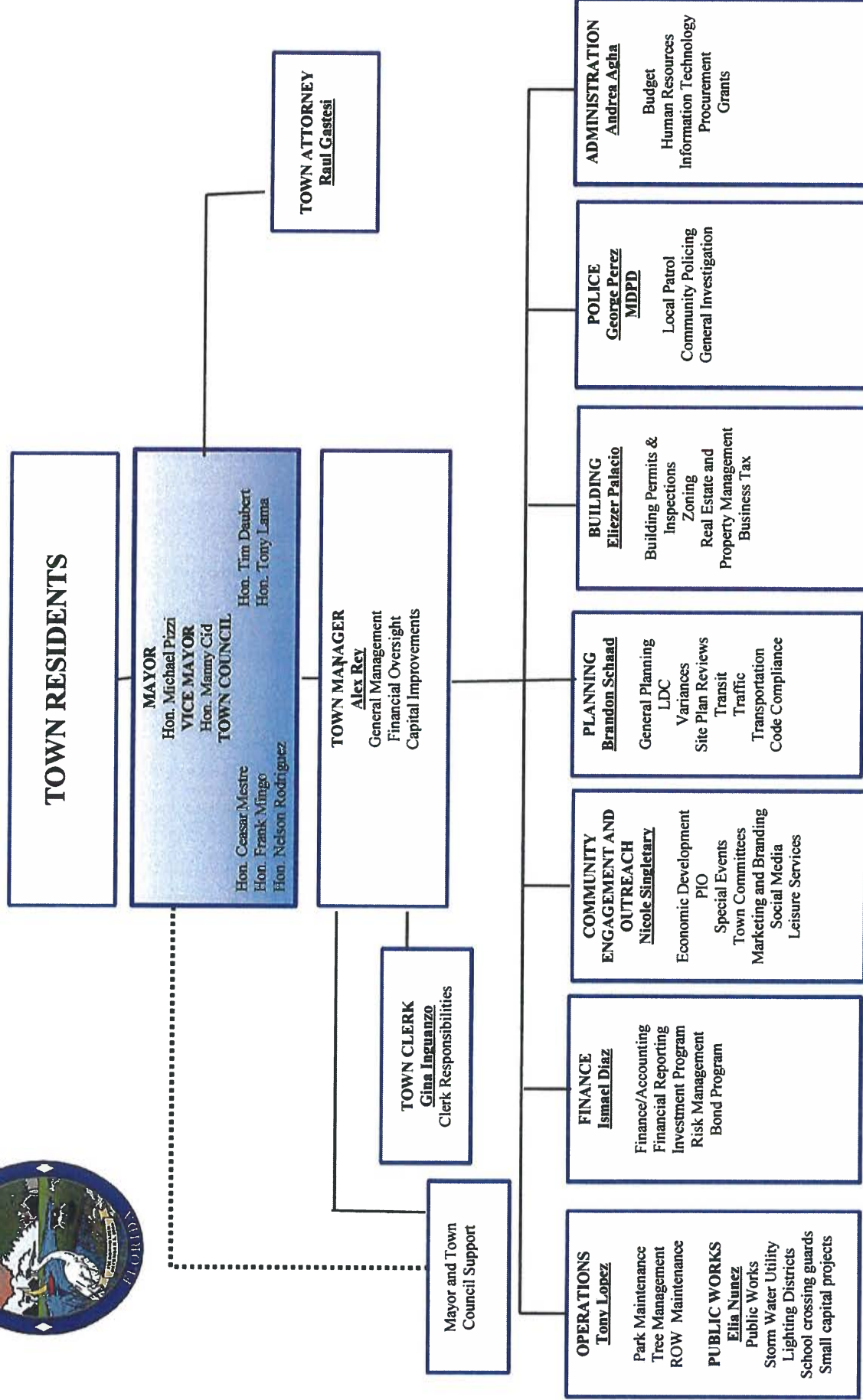
September 30, 2014

Executive Director/CEO



Town of Miami Lakes

FUNCTIONAL ORGANIZATIONAL CHART



***Town of Miami Lakes
List of Principal Officials
September 30, 2015***

Mayor and Town Council

Michael Pizzi, Mayor
Manny Cid, Vice Mayor
Tim Daubert, Councilmember
Tony Lama, Councilmember
Ceasar Mestre, Councilmember
Frank Mingo, Councilmember
Nelson Rodriguez, Councilmember

Appointed Officials

Alex Rey, Town Manager
Gina Inguanzo, Town Clerk
Raul Gastesi, Esq., Town Attorney





MIAMI LAKES
INDEPENDENT AUDITORS'
REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Town Council
Town of Miami Lakes, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Miami Lakes, Florida (the "Town") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Mayor and Town Council
Town of Miami Lakes, Florida

Emphasis of Matter

As described in Note 11 to the financial statements, in fiscal year 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation, the Town reported a restatement for the change in accounting principle. In addition, certain errors resulting in an understatement of amounts not previously reported for accounts receivables and revenue as of September 30, 2014, were discovered. Accordingly, adjustments have been made to fund balances as of September 30, 2014, to correct the error. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and budgetary comparison information, schedule funding progress and employer contributions, the schedule of share of collective net pension liability, the schedule of contributions on pages 50 through 54 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balance – budget to actual and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic 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.



Honorable Mayor and Town Council
Town of Miami Lakes, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2016, 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* in considering the Town's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
June 22, 2016



GLSC & COMPANY, PLLC
certified public accountants



MIAMI LAKES
**MANAGEMENT DISCUSSION
AND ANALYSIS**

TOWN OF MIAMI LAKES, FLORIDA

Management's Discussion and Analysis

The management of the Town of Miami Lakes offers the readers of our financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended September 30, 2015. We encourage our readers to consider the information presented in this discussion and analysis in conjunction with additional information that is provided in the letter of transmittal, the financial statements and the accompanying notes to the financial statements.

In Fiscal Year 2014-2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. On June 25, 2012, the Government Accounting Standards Board ("GASB") approved GASB Statement Nos. 67 and 68, effectively replacing GASB Statement Nos. 25 and 27, respectively. These new standards were designed to improve and provide transparency to the accounting and financial reporting for state and local government defined benefit pension plans and to bring governmental employer accounting and reporting standards closer in line with private sector requirements. Therefore, this year's Comprehensive Annual Financial Report ("CAFR") is affected by the New Pension liability in the government-wide financial statements and enterprise funds financial statements for Fiscal Year 2014-2015. GASB Statement No. 68 does not apply to governmental funds. There is no change in cash flow, contribution rates or General Fund budgeted expenditures associated with implementation of GASB 68.

Financial Highlights for Fiscal Year 2015

- At the close of the fiscal year the assets of the Town exceeded its liabilities by \$40.2 million (net position). Of this amount, \$4.0 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by approximately \$2.0 million during the current fiscal year.

This majority of the decrease is attributable to the Florida Retirement Pension related liability due to the implementation of GASB Statement No. 68 in 2015 which amounted to approximately \$1,768,358.

- Net position of the Town's business-type activities increased by approximately \$122 thousand and approximately decreased \$2.2 million for governmental activities. Capital contributions from governmental activities to business-type activities accounted mainly for the increase in the business-type activities.
- As of the close of the current fiscal year, the Town governmental funds reported combined fund balances of \$11.9 million, a decrease of \$1.7 million in comparison with the prior year. Approximately \$3.2 million, or 26%, of the ending fund balances amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$4.6 million or 29% of total general fund expenditures. The unassigned fund balance for the general fund was \$3.2 million or 20% of total general fund expenditures. Non spendable fund balance was \$154 thousand (3% of general fund ending fund balance). 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 increased by \$1.5 million or 8%.
- The town's long-term bonded debt decreased by \$105 thousand due to payment of principal on Special Obligation Bond, Series 2013 that was issued for 87th Avenue Roadway Improvement.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Town of Miami Lakes, and is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the financial position to address subsequent year challenges, identify any material deviations from the approved budget and identify individual fund issues or concerns.

The 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 non-major 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 non-major 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 13 and 14 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, transportation, 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 non-major funds and are combined into a single column on the fund financial statements.

At the closing of fiscal year ended September 30, 2015, the following were classified as major funds, the General Fund and the Capital Projects Fund. All other governmental funds are combined into a single column on the governmental funds financial statements. Individual fund data for the non-major 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 50 of the required supplementary information and other governmental funds are presented beginning on page 57.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary Funds - *Proprietary funds* are those funds where the Town charges a user fee in order to recover costs. Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The Town maintains one proprietary fund considered 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 19 through 21 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 22 through 49 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 combined statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combined and individual fund statements and other schedules can be found beginning on page 55 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 and deferred outflows exceeded liabilities and deferred inflows by \$40.2 million at the close of the most recent fiscal year.

Town of Miami Lakes, Florida Summary of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Current assets	\$15,343,436	\$19,048,849	\$ 475,930	\$ 683,496	\$15,818,826	\$19,732,345
Capital assets, net	<u>31,538,935</u>	<u>30,549,937</u>	<u>7,641,072</u>	<u>7,092,272</u>	<u>39,180,007</u>	<u>37,642,209</u>
Total assets	<u>46,882,371</u>	<u>49,598,786</u>	<u>8,116,462</u>	<u>7,775,768</u>	<u>54,998,833</u>	<u>57,374,554</u>
Deferred outflows of resources	258,822	-	8,949	-	267,771	-
Current liabilities	3,516,103	5,973,327	183,865	31,198	3,699,968	6,004,525
Noncurrent liabilities	<u>10,800,317</u>	<u>9,174,380</u>	<u>62,339</u>	<u>3,430</u>	<u>10,862,656</u>	<u>9,177,810</u>
Total liabilities	<u>14,316,420</u>	<u>15,147,707</u>	<u>246,204</u>	<u>34,623</u>	<u>14,562,624</u>	<u>15,182,335</u>
Deferred inflows of resources	466,379	-	16,154	-	482,533	-
Investment in capital assets, net of related debt	23,189,174	22,471,538	7,641,072	7,092,272	30,830,246	29,563,810
Restricted	5,374,581	4,750,852	-	-	5,374,581	4,750,852
Unrestricted	<u>3,794,639</u>	<u>7,228,689</u>	<u>221,981</u>	<u>648,868</u>	<u>4,016,620</u>	<u>7,877,557</u>
Total net position	<u>\$32,358,394</u>	<u>\$34,451,079</u>	<u>\$7,863,053</u>	<u>\$7,741,140</u>	<u>\$40,221,447</u>	<u>\$42,192,219</u>

The investment in capital assets, net of related debt, \$30.8 million or 77%, 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 because as previously mentioned, capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$5.4 million (13%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position \$4.0 million (10%) 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* for the governmental activities of \$3.5 million (48%) as well as a decrease in the business-type activities of \$427 thousand (66%), 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, an increase in restricted net position of \$624 thousand represents mostly increase in spending proceeds of Transit and Transportation reserve for projected capital infrastructure projects.

The following schedule compares Revenues and Expenses for the Town's operations for Fiscal Year 2015 and Fiscal Year 2014.

**Town of Miami Lakes, Florida
Summary of Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Program revenues:						
Charges for services	\$ 1,634,329	\$ 2,028,880	\$ 942,089	\$ 850,864	\$ 2,576,418	\$ 2,827,744
Operating grants/ contributions	70,759	3,392	-	-	70,759	3,392
Capital grants/ contributions	259,538	36,655	-	-	259,538	36,655
General revenues:						
Property taxes	5,784,851	5,525,235	-	-	5,784,851	5,525,235
Utility taxes	4,607,853	5,192,315	-	-	4,607,853	5,192,315
Franchise taxes	1,160,066	1,147,889	-	-	1,160,066	1,147,889
Intergovernmental	4,916,056	4,596,066	-	-	4,916,056	4,596,066
Investment income & miscellaneous	<u>348,561</u>	<u>897,055</u>	<u>32,138</u>	<u>2,618</u>	<u>380,699</u>	<u>899,673</u>
Total revenues	<u>18,782,013</u>	<u>19,427,487</u>	<u>974,227</u>	<u>853,482</u>	<u>19,756,240</u>	<u>20,280,969</u>
Expenses:						
General government	4,504,066	3,359,809	-	-	4,504,066	3,359,809
Public safety	7,972,810	6,365,715	-	-	7,972,810	6,365,715
Parks and recreation	3,306,152	3,051,793	-	-	3,306,152	3,051,793
Physical environment	4,307	1,679,697	-	-	4,307	1,679,697
Transportation	2,691,114	2,527,545	1,033,870	783,596	3,724,984	3,311,141
Interest expense	<u>600,247</u>	<u>603,123</u>	<u>-</u>	<u>-</u>	<u>600,247</u>	<u>603,123</u>
Total expenses	<u>19,078,696</u>	<u>17,587,682</u>	<u>1,033,870</u>	<u>783,596</u>	<u>20,112,566</u>	<u>18,371,278</u>
Excess/ (deficiency) before transfers	(430,195)	1,839,805	(59,643)	69,886	(489,838)	1,909,691
Transfers and contributions	<u>(251,946)</u>	<u>(804,131)</u>	<u>251,946</u>	<u>804,131</u>	<u>-</u>	<u>-</u>
Change in net position	(548,629)	1,035,674	192,303	874,017	(356,326)	1,909,691
Net position beginning of year	34,451,079	33,633,440	7,741,140	6,867,123	42,192,219	40,500,563
Cumulative effect of prior period adjustments	<u>(1,544,056)</u>	<u>(218,035)</u>	<u>(70,390)</u>	<u>-</u>	<u>(1,614,446)</u>	<u>(218,035)</u>
Net position as restated	32,907,023	33,415,405	7,670,750	6,867,123	40,577,773	40,282,528
Net position end of year	<u>\$32,358,394</u>	<u>\$34,451,079</u>	<u>\$7,863,053</u>	<u>\$7,741,140</u>	<u>\$40,221,447</u>	<u>\$42,192,219</u>

Governmental activities: The Town's Governmental revenues decreased \$645 thousand to \$18.8 million. Approximately 31% of the Governmental Activity's revenues come from property taxes, and another 31% from other taxes. Of the remainder, 9% from fees charged for services and the remainder primarily from shared revenues received from other governmental entities. Governmental expenses increased \$1.5 million or 8% over last year. Approximately 24% of expenses are attributable to general government, 42% to public safety, 17% to parks and recreation and 14% to transportation.

Revenues:

- Charges for various services provided by the Town decreased by approximately \$395 thousand (19%). This was attributable to the decrease in permitting activities.
- Grants and contributions increased by approximately \$157 thousand due to new Grant awards.
- Electric franchise fees increased by \$12 thousand (1%).
- Utility service tax decreased by \$584 thousand (11%). However, in FY2014 this revenue included a retroactive communications tax recovery of approximately \$475 thousand, which created an above normal deviation. The unaffected decrease for FY15 is around \$100k.
- Intergovernmental revenues increased by 320 thousand (7%) due to new Grants awarded in FY 2015.
- Investment income and miscellaneous revenues decreased by approximately \$548 thousand mainly due to claim settlement received (\$726 thousand) in FY 2014.

Expenses:

- The Town's administrative costs increased by \$1.1 million (34%) this past year largely due to legal expenses and planning.
- Public safety expenses as compared to the prior year increased by \$1.6 million (25%) due to the addition of the building department expenses to that category.
- Parks and recreation increased by approximately \$254 thousand (8%) due to the additions of consulting services for grounds maintenance contracts and parks facilities repairs and maintenance costs.
- Transportation increased \$164 thousand (6%) due to the completion projects as a result of the Town's aggressive efforts in prior years to refurbish and rehabilitate the Town's infrastructure.

Business-type activities: The Town has one business-type activity, a stormwater utility. Business-type activities, exclusive of transfers decreased the Town's total net position by \$60 thousand. In addition, the total \$192 thousand increase in net position was the result of capital contributions made by the Capital Project Fund for drainage projects.

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 balance at September 30, 2015 was \$4.6 million. Of this amount, \$3.2 million or (69%) was unassigned. Nonspendable fund balance for prepayments was \$154 thousand (3%). The unassigned fund balance represents 20% of total general fund expenditures, while total fund balance represents 29% of that same amount. The General Fund's balance decreased \$329 thousand (7%) from the previous year.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$11.9 million, a decrease of \$1.3 million in comparison with the prior year. Approximately 26% of the total fund balance \$3.2 million constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2015, the capital projects fund had a total fund balance of \$5.5 million, \$2.0 million of which has been assigned for use in capital projects and the remaining \$3.6 million restricted for Transportation and Transit projects with no remaining funds to be classified as unassigned. The \$1.3 million decrease in fund balance was mainly due to project completion. The Series 2010 construction fund balance (\$8,700) was closed, and the Series 2013 construction fund balance of \$108,289 was closed and transferred to debt service fund.

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

Net position of the Stormwater Utility as of September 30, 2015, amounted to \$7.9 million. Of this amount, \$7.6 million is invested in capital assets and \$222 thousand is unrestricted. Net position increased \$122 thousand from the prior year, an increase of 2%, as a result of capital contributions from capital projects fund related to the transfer of completed drainage projects. Investment in capital assets increased by \$549 thousand as a result of \$752 thousand of capital assets transferred from the Capital Projects Fund offset by depreciation of \$203 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 \$471,851.

The final amended budget to actual resulted in a positive variance in expenditure of \$1,359 thousand; actual revenues were \$298 thousand more than the final amended budget.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2015 the Town's investment in capital assets for its governmental and business-type activities amounted to \$30.8 million (net of related debt). This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. Total investment in capital assets for governmental activities increased by \$718 thousand and \$549 thousand for business-type activities.

These increases were attributed by the following:

- Completion of Mary Collins Community Center
- Canal Stabilization
- West Lakes A,B,C,D,E
- Beautification Master Plan
- Miami Lakes Optimist Park
- Various projects of drainage and roadway improvements

**Town of Miami Lakes, Florida
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Land	\$ 6,056,872	\$ 6,056,872	\$ -	\$ -	\$ 6,056,872	\$ 6,056,872
Building	5,697,475	4,533,806	-	-	5,697,475	4,533,806
Construction in progress	3,198,090	1,801,618	1,629,446	877,500	4,827,536	2,679,118
Infrastructure	15,581,081	16,758,079	5,807,949	5,981,289	21,389,030	22,739,368
Furniture and fixtures	<u>1,005,417</u>	<u>1,399,562</u>	<u>203,677</u>	<u>233,483</u>	<u>1,209,094</u>	<u>1,633,045</u>
Total capital assets, net	<u>\$31,538,935</u>	<u>\$30,549,937</u>	<u>\$7,641,072</u>	<u>\$7,092,272</u>	<u>\$39,180,007</u>	<u>\$37,642,209</u>

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 has significantly increased internal controls and loss prevention. Additional information on the Town's capital assets can be found on Note 5 on page 32 and 33 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town had \$8.9 million in bonds and notes payable. 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. During fiscal year 2013, the Town issued a \$1.855 million in Town of Miami Lakes, Florida Roadway Improvement Special Obligation Notes, Federally Taxable Series 2013 (Roadway Improvement Project) (Total Bank)(the “Series 2013 Notes”). Additional information on these long term debts can be found on Note 6 on pages 34 through 36 of this report.

**Town of Miami Lakes, Florida
Outstanding Debt (Governmental)**

	FY 2015	FY 2014
Special obligation bonds	7,330,000	7,330,000
Notes payable	<u>1,650,000</u>	<u>1,755,000</u>
Total	<u>8,980,000</u>	<u>9,085,000</u>

Economic Factors and Next Year's Budget

- The Town's unemployment rate for 2015 was 5.7% down from 6.9% in 2014. (Source: Bureau of Labor Statistics).
- The Town's residential property assessed value increased by \$230 thousand.
- The Town has maintained a healthy unassigned fund balance in the General Fund over the past few years in spite of the increases in capital projects to maintain infrastructure and reduce long term maintenance costs.
- The Town did not incur in new long-term debt.
- The property tax millage rate for the 2015 fiscal year has been maintained at 2.3518 mills (\$2.3518 per \$1,000 of taxable assessed valuation).

Some of these factors were considered in preparing the Town of Miami Lakes' budget for the 2015 fiscal year.

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
6601 Main Street
Miami Lakes, Florida 33014



**BASIC
FINANCIAL STATEMENTS**

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,218,500	\$ 367,841	\$ 12,586,341
Accounts receivable - net	1,856,121	107,549	1,963,670
Due from other funds	246,891	-	246,891
Prepayments and other assets	178,673	-	178,673
Restricted assets:			
Cash and cash equivalents	843,251	-	843,251
Property and equipment:			
Non-depreciable capital assets:			
Land	6,056,872	-	6,056,872
Construction in progress	3,198,090	1,629,446	4,827,536
Total non-depreciable capital assets	9,254,962	1,629,446	10,884,408
Depreciable assets:			
Leasehold improvements	90,558	-	90,558
Furniture and equipment	2,863,685	278,429	3,142,114
Building	5,997,769	-	5,997,769
Infrastructure	21,950,406	6,933,631	28,884,037
Less: accumulated depreciation	(8,618,445)	(1,200,434)	(9,818,879)
Net depreciable capital assets	22,283,973	6,011,626	28,295,599
Total property and equipment	31,538,935	7,641,072	39,180,007
Total assets	46,882,371	8,116,462	54,998,833
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	258,822	8,949	267,771
Total deferred outflows of resources	258,822	8,949	267,771
LIABILITIES			
Accounts payable and other current liabilities	3,083,677	183,865	3,267,542
Accrued payroll and benefits	104,104	-	104,104
Deposits	49,709	-	49,709
Due to other funds	246,891	-	246,891
Noncurrent liabilities:			
Due within one year	136,722	-	136,722
Due in more than one year	10,695,317	62,339	10,757,656
Total liabilities	14,316,420	246,204	14,562,624
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	466,379	16,154	482,533
Total deferred inflows of resources	466,379	16,154	482,533
NET POSITION			
Net investments in capital assets	23,189,174	7,641,072	30,830,246
Restricted for:			
Transportation and Transit	4,468,088	-	4,468,088
Debt Service	906,493	-	906,493
Unrestricted	3,794,639	221,981	4,016,620
Total net position	\$ 32,358,394	\$ 7,863,053	\$ 40,221,447

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

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Primary government:						
Governmental activities:						
General government	\$ 4,504,066	\$ 926,044	\$ 8,716	\$ -	\$ (3,569,306)	\$ -
Public safety	7,972,810	318,413	-	-	(7,654,397)	-
Parks and recreation	3,306,152	85,024	30,043	77,500	(3,113,585)	-
Transportation	2,691,114	304,848	32,000	182,038	(2,172,228)	-
Physical environment	4,307	-	-	-	(4,307)	-
Interest expense	600,247	-	-	-	(600,247)	-
Total governmental activities	19,078,696	1,634,329	70,759	259,538	(17,114,070)	-
Business-type activity:						
Stormwater	1,033,870	942,089	-	-	-	(91,781)
Total primary government	\$ 20,112,566	\$ 2,576,418	\$ 70,759	\$ 259,538	(17,114,070)	(91,781)
General revenues:						
Property taxes					5,784,851	-
Utility taxes					3,230,117	-
Communication services tax					1,377,736	-
Franchise taxes					1,160,066	-
Other taxes					713,520	-
Intergovernmental not restricted to specific programs					4,202,536	-
Investment income					83,792	32,138
Other income					264,769	-
Transfers					(251,946)	251,946
Total general revenues and transfers					16,565,441	284,084
Change in net position					(548,629)	192,303
Net position, October 1, as restated					32,907,023	7,670,750
Net position, September 30					\$ 32,358,394	\$ 7,863,053
					\$ -	\$ 40,221,447

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

TOWN OF MIAMI LAKES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Major Funds		Nonmajor	Total
	General	Capital Projects	Governmental	Governmental
			Funds	Funds
ASSETS				
Cash and cash equivalents	\$ 5,280,160	\$ 6,217,694	\$ 720,646	\$ 12,218,500
Receivables, net	680,645	514,580	660,896	1,856,121
Due from other funds	246,891	-	-	246,891
Prepayments and other assets	153,892	333	24,448	178,673
Restricted assets:				
Cash and cash equivalents	-	-	843,251	843,251
Total assets	<u>\$ 6,361,588</u>	<u>\$ 6,732,607</u>	<u>\$ 2,249,241</u>	<u>\$ 15,343,436</u>
LIABILITIES				
Accounts payable	\$ 1,609,849	\$ 1,155,510	\$ 156,856	\$ 2,922,215
Accrued payroll and benefits	135,826	-	-	135,826
Deposits	49,416	293	-	49,709
Due to other funds	-	-	246,891	246,891
Total liabilities	<u>1,795,091</u>	<u>1,155,803</u>	<u>403,747</u>	<u>3,354,641</u>
FUND BALANCES				
Nonspendable:				
Prepayments and other assets	153,892	333	24,448	178,673
Restricted for:				
Debt Service			906,493	906,493
Transportation and Transit		3,553,535	914,553	4,468,088
Assigned for:				
Civil Suit	500,000	-	-	500,000
Hurricane Wilma	762,000	-	-	762,000
Capital Projects		2,022,936		2,022,936
Unassigned	<u>3,150,605</u>	<u>-</u>	<u>-</u>	<u>3,150,605</u>
Total fund balances	<u>4,566,497</u>	<u>5,576,804</u>	<u>1,845,494</u>	<u>11,988,795</u>
Total liabilities and fund balances	<u>\$ 6,361,588</u>	<u>\$ 6,732,607</u>	<u>\$ 2,249,241</u>	<u>\$ 15,343,436</u>

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

TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

Fund balances - total government funds (page 15)	\$	11,988,795
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	40,157,380	
Less: accumulated depreciation	<u>(8,618,445)</u>	31,538,935

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

Governmental bonds payable	(8,945,172)	
Compensated Absences	<u>(123,643)</u>	(9,068,815)

Bond interest payable not reported in the governmental funds	(161,462)
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OPEB obligations attributable to retiree benefits financed from governmental fund types	(22,346)
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Certain pension-related amounts, such as net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore, are not reported in the funds.

Net pension liability	(1,709,156)	
Pension related deferred outflows of resources	258,822	
Pension related deferred inflows of resources	<u>(466,379)</u>	<u>(1,916,713)</u>

Net position of governmental activities (Page 13)	\$	<u>32,358,394</u>
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TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Funds</u>	<u>Funds</u>
REVENUES:				
Ad valorem taxes	\$ 5,784,851	\$ -	\$ -	\$ 5,784,851
Utility taxes	2,856,736	-	373,381	3,230,117
Franchise fees	1,160,066	-	-	1,160,066
Communication services tax	1,377,736	-	-	1,377,736
Other taxes	152,625	155,672	405,223	713,520
Licenses and permits	1,146,036	21,735	21,146	1,188,917
Intergovernmental	3,037,541	259,538	1,235,754	4,532,833
Fines and forfeitures	312,466	-	-	312,466
Service charges	132,946	-	-	132,946
Investment income	47,812	27,033	8,947	83,792
Other	85,634	-	179,135	264,769
Total revenues	<u>16,094,449</u>	<u>463,978</u>	<u>2,223,586</u>	<u>18,782,013</u>
EXPENDITURES:				
Current:				
General government:				
Town council	628,992	-	-	628,992
Town administration and finance	2,645,746	-	-	2,645,746
Legal	639,785	-	-	639,785
Total general government	<u>3,914,523</u>	<u>-</u>	<u>-</u>	<u>3,914,523</u>
Public safety	7,973,823	-	-	7,973,823
Parks and recreation	2,721,909	-	-	2,721,909
Transportation	1,041,714	36,503	1,267,731	2,345,948
Physical environment	-	2,406	-	2,406
Debt service:				
Principal	-	-	105,000	105,000
Interest	-	-	600,247	600,247
Capital outlay	<u>163,852</u>	<u>3,190,094</u>	<u>2,040</u>	<u>3,355,986</u>
Total expenditures	<u>15,815,821</u>	<u>3,229,003</u>	<u>1,975,018</u>	<u>21,019,842</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>278,628</u>	<u>(2,765,025)</u>	<u>248,568</u>	<u>(2,237,829)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,161	1,432,875	526,335	1,974,371
Transfers out	(623,000)	-	(851,371)	(1,474,371)
Total other financing sources (uses)	<u>(607,839)</u>	<u>1,432,875</u>	<u>(325,036)</u>	<u>500,000</u>
Net change in fund balances	(329,211)	(1,332,150)	(76,468)	(1,737,829)
Fund balances, October 1, as restated	<u>4,895,708</u>	<u>6,908,954</u>	<u>1,921,962</u>	<u>13,726,624</u>
Fund balances, September 30	<u>\$ 4,566,497</u>	<u>\$ 5,576,804</u>	<u>\$ 1,845,494</u>	<u>\$ 11,988,795</u>

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

TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities (on page 14) are different because:

Net change in fund balances - total governmental funds (page 17)	\$	(1,737,829)
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Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlays	3,207,931	
Less: current year depreciation	(1,466,987)	
Capital contributions to proprietary fund	<u>(751,946)</u>	988,998

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

Principal repayment		105,000
Amortization of discount on bonds issued		(1,380)

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.

Changes in accrued interest payable on bonds	1,549	
Compensated absences	1,945	
Changes in net pension liability and other deferral amounts	<u>115,434</u>	118,928

Contributions to retiree benefits do not use current financial resources and are not recorded in full as expenditures in the governmental funds, however these disbursements increase the net OPEB obligations in the statement of activities.		(22,346)
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Change in net position of governmental activities (page 14)	\$	<u>(548,629)</u>
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TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2015

	Business-type Activity - Enterprise Fund Stormwater
ASSETS	
Current assets	
Cash and cash equivalents	367,841
Receivables, net	<u>107,549</u>
Total current assets	<u>475,390</u>
Noncurrent assets	
Construction in progress	1,629,446
Furniture and equipment	278,429
Infrastructure	6,933,631
Less: Accumulated depreciation	<u>(1,200,434)</u>
Total noncurrent assets	<u>7,641,072</u>
Total Assets	<u>8,116,462</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	<u>8,949</u>
Total deferred outflows of resources	<u>8,949</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>183,865</u>
Total current liabilities	<u>183,865</u>
Noncurrent liabilities	
Compensated absences	3,137
Net Pension Liability	<u>59,202</u>
Total noncurrent liabilities	<u>62,339</u>
Total Liabilities	<u>246,204</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	<u>16,154</u>
Total deferred inflows of resources	<u>16,154</u>
NET POSITION	
Net investment in capital assets	7,641,072
Unrestricted	<u>221,981</u>
Total Net Position	<u>\$ 7,863,053</u>

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

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activity - Enterprise Fund Stormwater
OPERATING REVENUES:	
Charges for services	\$ 942,089
Total operating revenues	<u>942,089</u>
OPERATING EXPENSES:	
Administrative expenses	212,194
Contractual services	118,967
QNIP fees	72,791
Repairs and maintenance	426,772
Depreciation	<u>203,146</u>
Total operating expenses	<u>1,033,870</u>
Operating (loss)	(91,781)
NONOPERATING REVENUES:	
Investment earnings	<u>32,138</u>
Total nonoperating revenues	<u>32,138</u>
(Loss) before contributions and transfers	<u>(59,643)</u>
Capital contributions	751,946
Transfers out	<u>(500,000)</u>
Net contributions and transfers	<u>251,946</u>
Change in net position	192,303
Total net position, October 1, as restated	<u>7,670,750</u>
Total net position, September 30	<u>\$ 7,863,053</u>

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

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activity - Enterprise Fund Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 968,295
Cash paid to suppliers	(465,863)
Cash paid to employees	(216,470)
Net Cash provided by Operating Activities	<u>285,962</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers out	(500,000)
Net Cash (Used in) Noncapital Financing Activities	<u>(500,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	32,138
Net Cash provided by Investing Activities	<u>32,138</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(181,900)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>549,741</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 367,841</u>
Displayed as:	
Cash and cash equivalents	<u>\$ 367,841</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED OPERATING ACTIVITIES:	
Operating (loss)	\$ (91,781)
Adjustment to reconcile operating income to cash provided by operating activities	
Depreciation	203,146
Noncash pension expense adjustment	(3,983)
Change in Assets and Liabilities:	
(Increase) in receivables	26,206
(Decrease) in accounts payable	152,667
(Decrease) in compensated absences	(293)
Total adjustments	<u>377,743</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 285,962</u>
NONCASH CAPITAL ACTIVITIES	
Capital contributions from other funds	<u>\$ 751,946</u>

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



**NOTES TO
FINANCIAL STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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 financial statements were prepared in accordance with GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its financial benefits to, or impose specific financial burdens on the Town. Based on the application of these criteria, there were no component units to the Town for fiscal year ended September 30, 2015.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Government-wide and Fund Financial Statements

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. All remaining governmental funds are aggregated and reported as nonmajor funds.

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.

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 Projects Fund** is used to account for the construction of major capital projects, other than those financed by the proprietary funds, the Series 2010 Special Obligation bond fund or the Series 2013 Construction Bond fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 **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 **Series 2013 Construction Fund** accounts for the construction costs related to 154th Street which is being funded from special obligation notes proceeds.

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.

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. Deposits and Investments

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, money markets, demand deposits and short term investments with original maturities of three months or less from the date of acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Deposits and Investments (continued)

State Statutes requires all deposits of the Town, including demand deposit accounts, time deposit accounts, and money market accounts to be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Investments are reported at fair value. Investments owned by the Town are accounted for in the Town's investment pool. Income earned from this pool is allocated to the respective funds based on average monthly balances.

The reported value of the pool is the same as their fair value of the pool shares for participants in Pool A. Investments, including restricted investments, consist of securities of governmental agencies unconditionally guaranteed by the U.S. Government.

f. Receivables and Payables

Receivables include amounts due from other governments and others for services provided by the Town. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund.

All trade receivables are shown net of an allowance for uncollectible accounts. An allowance for uncollectible accounts is provided for all trade receivables outstanding over 60 days.

g. Interfund 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, 2015 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.

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.

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 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. Debt issuance cost are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditure.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Net Position

Government-wide statements and proprietary fund statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets included restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

n. Fund equity

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Fund equity (Continued)

- **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.

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.

p. Restricted Assets

Certain resources set aside for the repayment of bonds are classified as restricted assets on the statement of net position because their use is limited by the applicable bond indenture covenants.

2. DEPOSITS AND INVESTMENTS

a. Cash and cash equivalents

The carrying amount of the Town's cash deposits were approximately \$3,448,270 as of September 30, 2015. Bank balances before reconciling items were approximately \$3,354,117 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.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

At September 30, 2015, the Town had the following investment types and effective duration presented in terms of years:

Investment Type	Fair Value
SBA Pool A	\$ 7,224
Money Market Fund	6,594,519
Certificate of Deposit	<u>3,379,569</u>
	<u>\$ 9,981,312</u>

The State Board of Administrations (SBA) administers the Local Government Surplus Funds Trust Fund (LGIP), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGIP. The LGIP is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized costs to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the LGIP is equal to the value of pool shares.

The investments in the LGIP are not insured by the FDIC or any other governmental agency.

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, 2015 is 28.4 days.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

b. Investments (continued)

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 Standard and Poor's as of September 30, 2015.

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, 2015 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 for the Town's governmental funds were as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Due from other governments	\$ 526,815	\$ 514,580	\$ 383,385	\$ 1,363,343
Other	259,486	-	277,511	536,997
Gross receivables	786,301	514,580	660,896	1,900,340
Less: Allowance for uncollectibles	(105,656)	-	-	(105,656)
Net total receivables	<u>\$ 680,645</u>	<u>\$ 514,580</u>	<u>\$ 660,896</u>	<u>\$ 1,794,684</u>

Receivables at year end for the Town's proprietary fund was as follows:

	<u>Stormwater Fund</u>
Due from other governments	\$ 107,549
Other	-
Gross receivables	107,549
Less: Allowance for uncollectibles	-
Net total receivables	<u>\$ 107,549</u>

3. RECEIVABLES AND PAYABLES (CONTINUED)

Payables at year end for the Town's governmental funds were as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non Major Fund</u>	<u>Total</u>
Vendors	\$1,609,849	\$1,155,510	\$ 156,856	\$2,922,215
Payroll and related accounts	135,826	-	-	135,826
Total (fund statements)	<u>\$1,745,675</u>	<u>\$1,155,510</u>	<u>\$ 156,856</u>	<u>\$3,058,041</u>

Payables at year end for the Town's government wide statements were as follows:

	<u>Fund Statements</u>	<u>Bond Interest payable</u>	<u>Government Wide</u>
Vendors	\$2,922,215	\$161,462	\$3,083,677
Payroll and related accounts	135,826	-	135,826

Payables at year end for the Town's proprietary fund was as follows:

	<u>Stormwater Fund</u>
Vendors	\$ 183,865
Payroll and related accounts	-
Total (fund statements)	183,865
Interest Accrual	-
Total government wide	<u>\$ 183,865</u>

4. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2015, consisted of the following:

	<u>Transfer In</u>			
<u>Transfer Out</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non Major Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 623,000	\$ -	\$623,000
Non Major Fund	15,161	309,875	526,335	851,371
Stormwater	-	500,000	-	500,000
Total	<u>\$15,161</u>	<u>\$1,432,875</u>	<u>\$ 526,335</u>	<u>\$ 1,974,371</u>

- The General Fund transferred approximately \$749,587 to the Capital Project Fund to partially finance various ongoing capital projects of the Town.
- The Special Revenue Fund transferred approximately \$268,328 to Capital Project Fund Series to partially finance various ongoing capital projects of the Town.
- The Capital Projects Fund transferred approximately \$93,921 to the Series 2013 Capital Project Fund of amounts that pertained to the construction of the Town Hall.
- The Special Revenue Fund and the Series 2013 Capital Projects Fund transferred approximately \$370,808 and \$153,223, respectively, to fund the interest and principal payments on the bonds.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2015, was as follows:

Governmental activities	Balance October 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance September 30, <u>2015</u>
Capital assets not being depreciated					
Land	\$ 6,056,872	\$ -	\$ -	\$ -	\$ 6,056,872
Construction in Progress	<u>1,801,618</u>	<u>2,777,951</u>	<u>-</u>	<u>(1,381,479)</u>	<u>3,198,090</u>
Total capital assets not being depreciated	<u>7,858,490</u>	<u>2,777,951</u>	<u>-</u>	<u>(1,381,479)</u>	<u>9,254,962</u>
Capital assets being depreciated:					
Furniture & Equipment	2,823,411	40,274	-	-	2,863,685
Building	4,670,995	151,495	-	1,175,279	5,997,769
Leasehold Improvements	90,558	-	-	-	90,558
Infrastructure	<u>22,257,941</u>	<u>238,211</u>	<u>-</u>	<u>(545,746)</u>	<u>21,950,406</u>
Total capital assets being depreciated	<u>29,842,905</u>	<u>409,980</u>	<u>-</u>	<u>629,533</u>	<u>30,902,418</u>
Less accumulated depreciation for:					
Furniture & Equipment	(1,423,849)	(434,419)	-	-	(1,858,268)
Building	(137,189)	(163,105)	-	-	(300,294)
Leasehold Improvements	(90,558)	-	-	-	(90,558)
Infrastructure	<u>(5,499,862)</u>	<u>(826,463)</u>	<u>-</u>	<u>-</u>	<u>(6,369,325)</u>
Total accumulated depreciation	<u>(7,151,458)</u>	<u>(1,466,987)</u>	<u>-</u>	<u>-</u>	<u>(8,618,445)</u>
Total capital assets being depreciated, net	<u>22,691,447</u>	<u>(1,037,007)</u>	<u>-</u>	<u>629,533</u>	<u>22,283,973</u>
Governmental activities capital assets, net	<u>\$ 30,549,937</u>	<u>\$ 1,740,944</u>	<u>\$ -</u>	<u>\$ (751,946)</u>	<u>\$ 31,538,935</u>

5. CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets in the Proprietary Fund at September 30, 2015:

Business-Type Activities	Balance October 1, 2014	Increases	Decreases	Transfers	Balance September 30, 2015
Capital Assets Not Being Depreciated					
Construction in Progress	\$ 877,500	\$ -	\$ -	\$ 751,946	\$ 1,629,446
Total capital assets not being depreciated	<u>877,500</u>	<u>-</u>	<u>-</u>	<u>751,946</u>	<u>1,629,446</u>
Capital assets being depreciated					
Infrastructure	6,933,631	-	-	-	6,933,631
Furniture & Equipment	<u>278,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,429</u>
Total capital assets being depreciated	<u>7,212,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,212,060</u>
Less accumulated depreciation for:					
Infrastructure	(952,342)	(173,340)	-	-	(1,125,682)
Furniture & Equipment	<u>(44,946)</u>	<u>(29,806)</u>	<u>-</u>	<u>-</u>	<u>(74,752)</u>
Total accumulated depreciation	<u>(997,288)</u>	<u>(203,146)</u>	<u>-</u>	<u>-</u>	<u>(1,200,434)</u>
Total capital assets being depreciated, net	<u>6,214,772</u>	<u>(203,146)</u>	<u>-</u>	<u>-</u>	<u>6,011,626</u>
Business-Type activities capital assets, net	<u>\$ 7,092,272</u>	<u>\$ (203,146)</u>	<u>\$ -</u>	<u>\$ 751,946</u>	<u>\$ 7,641,072</u>

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

<u>Governmental activities:</u>	
General Government	\$ 517,097
Public Safety	29,000
Transportation	347,689
Parks and Recreation	<u>573,200</u>
	<u>\$ 1,466,987</u>
<u>Business-type activities:</u>	
Stormwater Utility	\$ 203,146
	<u>\$ 203,146</u>

6. LONG-TERM DEBT

Special Obligation Bonds, Notes 2010

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

The Series 2010 Bonds are collateralized by the Electric Utility Tax Revenues and are due serially beginning December 1, 2019 through the year 2040 with semi-annual interest due on June 1 and December 1 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 ranging from 7.05% to 7.627%.

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 within the Town and the execution of a loan agreement between the Town and a financial institution relating to the issuance of the Note in the amount of \$1.855 million. The Notes bear 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.

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, 2015 the Town is not subject to the rebate provisions of the arbitrage regulations on its Series 2010 Bonds.

6. LONG-TERM DEBT (CONTINUED)

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

	<u>Special Obligation Bonds, Series 2010</u>		<u>Special Obligation Bonds, Series 2013</u>	
Year End September, 30	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ -	\$ 548,499	\$ 105,000	\$ 48,675
2017	-	548,499	110,000	45,578
2018	-	548,499	110,000	42,333
2019	380,000	548,499	115,000	39,088
2020	200,000	521,709	120,000	35,695
2021-2025	1,150,000	2,382,945	655,000	123,310
2026-2030	1,445,000	1,924,028	435,000	25,960
2031-2035	1,835,000	1,317,183	-	-
2036-2040	<u>2,320,000</u>	<u>548,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,330,000</u>	<u>\$ 8,887,861</u>	<u>\$ 1,650,000</u>	<u>\$ 360,638</u>

Long-term liability activity for the year ended September 30, 2015 was as follows:

	Balance October 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2015</u>	<u>Due within One Year</u>
Governmental activities:					
Special Obligation Bonds payable	\$ 7,330,000	\$ -	\$ -	\$ 7,330,000	\$ -
Less: deferred amounts on sale of bonds	(36,208)	-	1,380	(34,828)	-
Special Obligation Bonds, series 2013	1,755,000	-	(105,000)	1,650,000	105,000
Net pension liability	1,266,680	442,476	-	1,709,156	
OPEB	-	22,346	-	22,346	
Compensated absences	<u>149,709</u>	<u>55,811</u>	<u>(50,155)</u>	<u>155,365</u>	<u>31,722</u>
Total governmental activities	<u>10,465,181</u>	<u>520,633</u>	<u>(153,775)</u>	<u>10,832,039</u>	<u>136,722</u>
Business-type activities					
Net pension liability	43,875	15,327	-	59,202	
Compensated absences	<u>3,430</u>	<u>537</u>	<u>(830)</u>	<u>3,137</u>	<u>-</u>
Total Long-term debt	<u>\$ 10,512,486</u>	<u>\$ 536,497</u>	<u>\$ (154,605)</u>	<u>\$ 10,894,378</u>	<u>\$ 136,722</u>

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.

6. LONG-TERM DEBT (CONTINUED)

Future Revenues that are pledged

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

Pledged Revenue	Total Principal and interest <u>Outstanding</u>	Current Year Principal and <u>Interest paid</u>	Maximum Principal and <u>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	\$16,217,861	\$ 548,499	\$ 928,499	\$2,805,936	512%	302%

7. Florida Retirement System

Employees of the Town who are employed in a full-time or part-time regularly established position participate in the statewide Florida Retirement System (FRS). The FRS offers members a choice between the Pension Plan (multiple-employer, cost-sharing defined benefit plan) and the Investment Plan (defined contribution plan). All rates, benefits and amendments are established by the State of Florida through its legislative body.

The FRS has various classes of memberships. Town employees fall under four of the classes, which are as follows:

Special Risk Class – All certified law enforcement officers, certified firefighters/paramedics and certified firefighters/EMTs of the Town are covered by this class.

Senior Management Service Class – The Town Manager and certain senior management employees (department directors) are included in this class.

Regular Class – This class covers all Town employees who do not qualify for membership in the special risk or the senior management service classes.

Elected Officers' Class – Town Commissioners are covered under this class.

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

7. Florida Retirement System (CONTINUED)

Type of Benefit

The Florida Retirement System Pension Plan (FRS) is a cost-sharing, multiple-employer qualified defined benefit plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by municipalities, special districts, charter schools, and metropolitan planning organizations is optional. The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Average Final Compensation (AFC)

For members initially enrolled in the FRS before July 1, 2011, average final compensation (AFC) is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, AFC is the average of the eight highest fiscal years of salary earned during covered employment.

Vesting

The system provides for vesting of benefits, regardless of membership class, after six years of creditable service for members who are enrolled on or after July 1, 2001 through June 30, 2011 and eight years of creditable service for members who are enrolled on or after July 1, 2011. Vesting for the FRS Investment Plan occurs when an employee completes one year of service in the FRS Investment Plan.

Service Retirement

Normal retirement age in the regular, senior management service and elected officers' classes is 62 for members enrolled before July 1, 2011 and 65 for members enrolled on or after July 1, 2011. In the special risk service class, normal retirement age is 55 for members enrolled before July 1, 2011 and 60 for members enrolled on or after July 1, 2011. If a member is vested but has not reached normal retirement age, early retirement can be taken. The amount of the retirement benefit will be reduced 5% for each year prior to normal retirement.

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit. The system also provides for death and disability benefits.

State law provides for all eligible FRS members to elect to participate in the Deferred Retirement Option Program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to a maximum of sixty months, and to continue employment with the Town. When the DROP period ends, the employee must terminate employment.

7. Florida Retirement System (CONTINUED)

At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Funding Policy

Contributions to the FRS are made by the Town as a percentage of covered payrolls. Effective July 1, 2012, state law instituted a requirement that employees in all classes make a contribution to the FRS of 3.00% of their covered payroll, in addition to the employer's contribution. The required contribution rates in effect at year end for the Town were 7.26% for regular class employees, 21.43% for senior management service class employees, 22.04% for special risk class employees, and 42.27% for elected officers' class. Additionally, the Town is required to contribute 12.88% for all DROP participants. These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.26 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.04 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2015 and the two preceding years were as follows:

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Contribution Requirements:			
Employer	225,015	222,401	194,766
Employee	<u>78,409</u>	<u>79,032</u>	<u>83,919</u>
	\$ 303,424	\$ 301,433	\$ 278,685
Contributions made (100%)	\$ 302,424	\$ 301,433	\$ 278,685
Total covered payroll	\$ 2,951,715	\$ 2,845,986	\$ 3,105,953
Percent of contributions to total			
Covered payroll	10.28%	10.59%	8.97%

The FRS issues a comprehensive annual financial report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737
<http://www.dms.myflorida.com>

7. Florida Retirement System (CONTINUED)

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2015, are shown below (in thousands):

	FRS	HIS
Total Pension Liability (A)	\$ 161,370,735	\$ 10,249,201
Plan Fiduciary Net Position (B)	(148,454,394)	(50,774)
Net Pension Liability (A-B)	\$ 12,916,341	\$ 10,198,427

Plan Fiduciary Net Position as a Percentage
of the total Pension Liability (B/A)

92%

0.50%

The total pension liability for each plan was determined by the Plans' actuary and reported in the Plans' valuations dated July 1, 2015. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plans' fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The Town reported a liability of \$1,768,358 for its proportionate share of the net pension liability. The detail of proportion shares are as follows:

FRS Pension Plan:

Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Measurement Date
150,485	0.006870141%	151,893	0.006230023%	419,180	804,691

FRS Retiree Health Insurance Subsidy (HIS) Program:

Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Measurement Date
32,657	0.009533181%	36,121	0.009449186%	891,376	963,668

7. Florida Retirement System (CONTINUED)

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2013/2014 and 2014/2015. Although GASB 68 encourages the use of the employers projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense. For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2015, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2015:

HIS: The total pension liability is calculated on a single equivalent discount rate as required by GASB Statement No. 67. The discount rate used was updated from 4.29% to 3.80% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond municipal bond index. That index was originally approved for use in HIS GASB 67 calculation by the 2014 Actuarial Assumption Conference.

7. Florida Retirement System (CONTINUED)

In general, the discount rate for calculating the total pension liability under GASB 67 is equivalent to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go-basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rates used at the two dates differ due to changes in the applicable municipal bond rate.

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which provides consulting for the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real estate (property)	10%	6.8%	6.2%	12.0%
Private equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%

Assumed Inflation – Mean

2.6%

1.9%

1- As outlined in the Plan's investment policy.

7. Florida Retirement System (CONTINUED)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2015.

	FRS		
	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Total pension liability	\$ 11,333,879	\$ 10,053,434	\$ 8,987,893
Less: Fiduciary net position	(9,248,743)	(9,248,743)	(9,248,743)
Net pension liability	<u>\$ 2,085,136</u>	<u>\$ 804,691</u>	<u>\$ (260,850)</u>

	HIS		
	1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
Total pension liability	\$ 1,102,853	\$ 968,466	\$ 856,408
Less: Fiduciary net position	(4,798)	(4,798)	(4,798)
Net pension liability	<u>\$ 1,098,055</u>	<u>\$ 963,668</u>	<u>\$ 851,610</u>

Pension Expense and Deferred Outflows/(Inflows) of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
2. Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
3. Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
4. Differences between expected and actual earnings on pension plan investments – amortized over five years contributions to the pension plans from employers are not included in collective pension expense.

7. Florida Retirement System (CONTINUED)

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2015, was 6.3 years for FRS and 7.2 years for HIS. The pension expense recognized during the year by the Town amounted to \$129,324.

The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2015, are presented below for each plan.

FRS Pension Expense			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:			
Contributions, subsequent to measurement date	\$ 39,905	\$ -	\$ 39,905
Experience expected/actual	84,952	(19,085)	65,867
Assumptions/Inputs	53,420		53,420
Projected/actual earnings	-	(191,717)	(191,717)
Changes in proportion, NPL	-	(206,967)	(206,967)
	<u>\$ 178,277</u>	<u>\$ (417,769)</u>	<u>\$ (239,492)</u>

HIS Program			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:			
Contributions, subsequent to measurement date	\$ 13,156	\$ -	\$ 13,156
Assumptions/Inputs	75,816	-	75,816
Projected/Actual earnings	522	-	522
Changes in proportion, NPL	-	(64,764)	(64,764)
	<u>\$ 89,494</u>	<u>\$ (64,764)</u>	<u>\$ 24,730</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period Ending September, 30	FRS Expense	HIS Expense
2016	\$ (230,279)	\$ (38,405)
2017	(63,657)	13,203
2018	(63,657)	13,203
2019	94,870	13,097
2020	18,423	13,046
Thereafter	4,808	10,586
Total	<u>\$ (239,492)</u>	<u>\$ 24,730</u>

7. Florida Retirement System (CONTINUED)

The required contribution rates in effect at year end were:

	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Special Risk Class	3%	22.04%	25.04%
Senior Management Service Class	3%	21.43%	24.43%
Regular Class	3%	7.26%	10.26%
Elected Officer's Class	3%	42.27%	45.27%
DROP from FRS	-	12.88%	12.88%

8. Other Post-employment Benefits

The Town offers to retiring employees a one-time opportunity to participate in the Town's employee group health and life insurance program pursuant to Section 112.0801, Florida Statutes. This required participation for retirees and their eligible dependents in the health and life insurance program and other coverage listed in the statute of the Town is at a premium cost to the retiree that is no more than the premium cost applicable to active employees. A retiring member who rejects this initial opportunity to continue to participate in the health and life insurance program will not be entitled to another opportunity to renew participation at any time in the future. The coverage provided under this program is supplemental and/or secondary to coverage under any and all other health insurance plans or programs that are provided to or carried by the retiring member from any other source. As of September 30, 2015, there were 74 participants receiving these post-employment benefits.

The Town has no formal plan and it does not issue separate financial statements for its post-employment health and life insurance benefit program.

Based on GASB issuance of Statements No. 43 and 45 which set forth the guidelines and future implementation timetable for reporting and disclosure of Other Post-Employment Benefits (OPEB), the Town had an actuary calculate future funding requirements during fiscal year 2015. The actuary's estimate, using the projected unit credit cost method, included other actuarial assumptions as classified below.

Funding Policy

The Town currently pays for post employment healthcare and life insurance benefits program on a pay-as-you go basis. As of September 30, 2015, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB requirements. The contribution requirements are provided for in the collective bargaining agreements negotiated with various unions representing the employees. The monthly health insurance contribution rate for retirees for fiscal year 2015 ranged from \$491 to \$618 for single coverage and from \$635 to \$650 for family coverage. Life insurance coverage for retiree and spouse is 100% retiree paid.

Annual OPEB Cost and Net OPEB obligation

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed thirty years. The Town's annual OPEB cost, the estimated amount contributed to the plan, and the changes in the Town's estimated net OPEB obligation for the year ended September 30, 2015 were as follows:

8. Other Post-employment Benefits (CONTINUED)

Annual OPEB Cost and Net OPEB obligation (Continued)

Annual required contribution	\$ 22,346
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>22,346</u>
Estimated employer contribution	-
Change in the net OPEB obligation	<u>22,346</u>
Estimated net OPEB obligation, beginning of year	-
Estimated net OPEB obligation, end of year	<u>\$ 22,346</u>

Funded Status and Funding Progress

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net obligation for fiscal year ended September 30, 2015 and two preceding years are presented below:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>% of Estimated OPEB Cost Contributed</u>	<u>Estimated Net OPEB Obligation</u>
2015	22,346	-	0%	22,346

Methods and Assumptions

Funded status and funding progress:

For the actuarial valuation date of October 1, 2014, the actuarial accrued liability for benefits was \$66,436, and the actuarial value of assets was \$ 0, resulting in an unfunded actuarial accrued liability of \$66,436. The funded ratio, which is the actuarial value of assets divided by the actuarial accrued liability, is 0%. The covered payroll (annual payroll for active participating employees) was \$3,012,100 for that period, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 2.2%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funding status of benefits and the annual required contributions of the Town are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

8. Other Post-employment Benefits (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Following are the actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the current year:

Measurement date:	October 1, 2014
Actuarial cost method:	Normal Cost Method
Amortization method:	Closed
Remaining amortization period:	30 years
Asset valuation method:	Market Value
Investment rate of return:	4.0%
Projected salary increases:	0.0%
Payroll growth rate:	0.0%
Inflation Rate:	2015 8.0%, 2019 5.0%, 2020 4.5%
Healthcare cost trend rate:	8% in fiscal year 2015, trending to 5% in 2019, then 4.5% in fiscal year 2020 and onward

9. 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. On March 4, 2014, the Town approved a new contract expiring on November 13, 2019 and retroactive to November 13, 2012. The Town paid approximately \$6,735,056 to the County for local police patrol services during the fiscal year ended September 30, 2015.

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 Municipal 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.

9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Florida Public Service Tax Revenue Bonds (Continued)

The settlement terms call for a payment plan by the Town of \$153,423 annually beginning in fiscal year 2010 through 2024. During fiscal year 2015, the Town paid \$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:

2016	\$ 69,612
2017	69,648
2018	69,570
2019	69,618
2020	69,540
2021-2024	<u>278,310</u>
	<u>\$ 626,298</u>

During the fiscal year ended September 30, 2015, the Town paid approximately \$72,791 for debt service.

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.

In addition, the Town could be liable for some of the Mayor's attorney fees and costs in defending his federal criminal charges for a demanded amount of approximately \$2,510,000. The Town's legal counsel and management feels that the outcome of this case is difficult to assess due to various factors including that there are other entities involved that may share the risk of an unfavorable outcome and that some of the criminal charges brought against the Mayor were incurred out of the scope of his duty as Mayor of the Town, and therefore, not entitled to be reimbursed. The Town's legal counsel believes that the Town, in a worst case scenario, would only be liable for a portion of the Mayor's legal costs, since the indictment included actions in performance of duties as the attorney for another municipality and the demanded amount for reimbursement is dependent upon a court determination. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

10. 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.

11. Restated Net Position / Fund Balance

The following discloses the restatement of the City's net positions and fund balances as of the beginning of the fiscal year.

In fiscal year 2015, the Town adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions. As a result of the implementation, the Town reported a restatement for the change in accounting principle as noted below:

Government-wide financial statements		
	<u>Governmental Activities</u>	<u>Business-type activities</u>
Net Position, September 30, 2014, as previously reported	\$ 34,451,079	\$ 7,741,140
Decrease due to implementation of GASB Statement No. 68, <i>Accounting and Financial Reporting for Pensions</i>	(2,032,147)	(70,390)
Change due to correction of an error	<u>488,091</u>	<u>-</u>
Net Position, September 30, 2014, as restated	<u>\$ 32,907,023</u>	<u>\$ 7,670,750</u>

Enterprise fund statements	
	<u>Stormwater Utility Fund</u>
Net Position, September 30, 2014, as previously reported	\$ 7,741,140
Decrease due to implementation of GASB Statement No. 68, <i>Accounting and Financial Reporting for Pensions</i>	<u>(70,390)</u>
Net Position, September 30, 2014, as restated	<u>\$ 7,670,750</u>

In addition, certain errors resulting in an understatement of amounts not previously reported for accounts receivables and revenue as of September 30, 2014, were discovered. Accordingly, the following adjustments have been made to fund balances as of September 30, 2014, to correct the error:

Governmental funds		
	<u>Capital Projects</u>	<u>Special Revenue</u>
Fund balance, September 30, 2014, as previously reported	\$ 6,508,954	\$ 775,930
Change due to correction of an error	<u>400,000</u>	<u>88,091</u>
Net Position, September 30, 2014, as restated	<u>\$ 6,908,954</u>	<u>\$ 864,021</u>

12. Date of Management Review

The Town's management has evaluated subsequent events through June 22, 2016, the date which the financial statements were available for issue.

13. Subsequent Events

In October 2015, the Town received notification from the State of Florida Division of Emergency Management that it was required to pay back overpaid funds received for Hurricane Wilma in the amount of approximately \$746,704. As of September 30, 2015, the Town had assigned approximately \$762,000 of the general fund balance to pay for this contingency.

In December 2015, the Town settled with the Mayor and was required to pay the Mayor's attorney fees and costs in defending his civil suit for reinstatement in the amount of approximately \$460,000. As of September 30, 2015, the Town had assigned approximately \$500,000 of the general fund balance to pay for this contingency. The Town could also be liable for a portion of legal costs in association with the criminal fees case (see note 9 commitment and contingencies under litigation section).



MIAMI LAKES
**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final Budget</u>		
Revenues:				
Ad valorem taxes	\$ 5,759,002	\$ 5,759,002	5,784,851	\$ 25,849
Utility taxes	2,692,034	2,692,034	2,856,736	164,702
Franchise fees	1,150,000	1,150,000	1,160,066	10,066
Communication service tax	1,438,118	1,438,118	1,377,736	(60,382)
Licenses and permits	1,266,548	1,266,548	1,146,036	(120,512)
Intergovernmental	2,969,779	2,969,779	3,037,541	67,762
Fines and forfeitures	98,867	98,867	312,466	213,599
Other	365,184	365,184	371,205	6,021
Investment Income	56,740	56,740	47,812	(8,928)
Total revenues	<u>15,796,272</u>	<u>15,796,272</u>	<u>16,094,449</u>	<u>298,177</u>
Expenditures:				
Current:				
General government:				
Town council	545,014	659,110	628,992	30,118
Town administration and finance	2,526,521	2,831,797	2,645,746	186,051
Legal	235,000	639,785	639,785	-
Total general government	<u>3,306,535</u>	<u>4,130,692</u>	<u>3,914,523</u>	<u>216,169</u>
Public safety:				
Police	7,174,365	6,959,480	6,900,072	59,408
Parks and recreation	2,587,382	2,841,605	2,721,909	119,696
Public works	1,181,167	1,161,748	1,041,712	120,036
Comprehensive planning	2,038,223	2,082,223	1,237,605	844,618
Total expenditures	<u>16,287,672</u>	<u>17,175,748</u>	<u>15,815,821</u>	<u>1,359,927</u>
Excess of revenues over expenditures	<u>(491,400)</u>	<u>(1,379,476)</u>	<u>278,628</u>	<u>1,658,104</u>
Other financing uses:				
Transfers in	-	-	15,161	15,161
Transfers out	-	-	(623,000)	(623,000)
Transfers in / Contributions	-	-	(607,839)	(607,839)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(607,839)</u>	<u>(607,839)</u>
Net change in fund balance	<u>(491,400)</u>	<u>(1,379,476)</u>	<u>(329,211)</u>	<u>1,050,265</u>
Fund balance, beginning	<u>491,400</u>	<u>1,379,476</u>	<u>4,895,708</u>	<u>(3,516,232)</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,566,497</u>	<u>\$ (2,465,967)</u>

See accompanying notes to Budgetary Comparison Schedules.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2015

A. Budgetary Information

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

Annual budgets are adopted for all governmental funds 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.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2015
(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
	(a)	(b)	(b)-(a)	(a)/(b)	(c)	(b-a)/(c)
10/1/2014	\$ -	\$ 66,436	\$ 66,436	0.0%	\$ 3,012,100	2.2%

Note: Schedule is intended to show information for 3 years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM
SCHEDULE OF SHARE OF COLLECTIVE NET PENSION LIABILITY
SEPTEMBER 30, 2015

Florida Retirement System Plan:

	2015	
	<u>FRS</u>	<u>HIS</u>
Total pension liability	\$ 161,370,735,088	\$ 10,249,201,290
Plan fiduciary net position	(148,454,393,902)	(50,774,315)
Net pension Liability	<u>\$ 12,916,341,186</u>	<u>\$ 10,198,426,975</u>

Plan fiduciary net position as a percentage of the total
pension liability

92%

0.50%

Town of Miami Lakes, Florida:

Share of net pension liability as a percentage	0.006230023%	0.009449186%
Share of net pension liability as an amount	\$ 804,691	\$ 963,668

Covered-employee payroll

\$ 2,951,715	\$ 2,951,715
--------------	--------------

Net pension liability as a percentage of covered-
employee payroll

27%

33%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
FLORIDA RETIREMENT SYSTEM (FRS) PENSION SCHEDULE
SCHEDULE OF CONTRIBUTIONS

	2015
Contractually required contribution	\$ 303,424
Contributions in relation to the contractually required contribution	<u>303,424</u>
Contributions deficiency (excess)	<u><u>\$ -</u></u>
 Covered-employee payroll	 \$ 2,951,715
 Contribution as a percentage of covered-employee payroll	 10%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



TOWN OF MIAMI LAKES, FLORIDA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Nonmajor Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue	Capital Projects Fund Series 2010 Construction	Capital Projects Fund Series 2013 Construction	Debt Service	
ASSETS					
Cash and cash equivalents	\$ 688,025	\$ -	-	\$ 32,621	\$ 720,646
Receivables, net	383,384	-	-	277,512	660,896
Prepayments and other assets	-	-	-	24,448	24,448
Restricted assets:					
Cash and cash equivalents	-	-	-	843,251	843,251
Total Assets	\$ 1,071,409	\$ -	\$ -	\$ 1,177,832	\$ 2,249,241
LIABILITIES					
Accounts payable	\$ 156,856	\$ -	-	\$ -	\$ 156,856
Due to other funds	-	-	-	246,891	246,891
Total liabilities	156,856	-	-	246,891	403,747
FUND BALANCES					
Nonspendable:					
Prepayments	-	-	-	24,448	24,448
Restricted for:					
Debt Service	-	-	-	906,493	906,493
Transportation and transit	914,553	-	-	-	914,553
Total fund balances	914,553	-	-	930,941	1,845,494
Total liabilities and fund balances	\$ 1,071,409	\$ -	\$ -	\$ 1,177,832	\$ 2,249,241

TOWN OF MIAMI LAKES, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Nonmajor Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue	Capital Projects Fund Series 2010 Construction	Capital Projects Fund Series 2013 Construction	Debt Service	
REVENUES:					
Utility taxes	\$ -	\$ -	-	\$ 373,381	\$ 373,381
Other taxes	405,223	-	-	-	405,223
Licenses and permits	21,146	-	-	-	21,146
Intergovernmental	1,235,754	-	-	-	1,235,754
Investment income	3,226	-	-	5,721	8,947
Others	-	1,175	-	177,960	179,135
Total revenues	1,665,349	1,175	-	557,062	2,223,586
EXPENDITURES:					
Current:					
Transportation	1,265,731	-	-	2,000	1,267,731
Debt service:					
Principal	-	-	-	105,000	105,000
Interest	-	-	-	600,247	600,247
Capital outlay	2,040	-	-	-	2,040
Total expenditures	1,267,771	-	-	707,247	1,975,018
Excess (deficiency) of revenues over (under) expenditures	397,578	1,175	-	(150,185)	248,568
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	526,335	526,335
Transfers out	(347,046)	(9,875)	(108,289)	(386,161)	(851,371)
Total other financing sources (uses)	(347,046)	(9,875)	(108,289)	140,174	(325,036)
Net change in fund balances	50,532	(8,700)	(108,289)	(10,011)	(76,468)
Fund balances, October 1, as restated	864,021	8,700	108,289	940,952	1,921,962
Fund balances, September 30	\$ 914,553	\$ -	\$ -	\$ 930,941	\$ 1,845,494



MIAMI LAKES

**SCHEDULES OF REVENUE,
EXPENDITURES, AND CHANGES
IN FUND BALANCE –
BUDGET TO ACTUAL**

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>	
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
New Local Option Gas Tax	\$ 350,000	\$ 350,000	\$ 405,223	\$ 55,223
State Grant - MPO Origin and Destination Study	32,000	32,000	28,239	(3,761)
State Grant - Bus Operating	54,789	54,789	33,803	(20,986)
Transportation Sales Tax 20%	216,205	216,205	234,441	18,236
Peoples Transportation Sales Tax 80%	864,822	864,822	937,765	72,943
Investment Income	1,720	1,720	3,226	1,506
FTA-SRTA Hybrid Bus			1,506	1,506
Tree Program	3,200	3,200	672	(2,528)
Impact Fees-Public Safety	12,000	12,000	20,474	8,474
Total revenues	<u>1,534,736</u>	<u>1,534,736</u>	<u>1,665,349</u>	<u>130,613</u>
Expenditures:				
Current:				
Police Impact Fee-Expenditures	15,713	15,713	-	15,713
Black Olive Tree Program	3,200	3,200	-	3,200
Transportation Roadway System Maintenance				
Sidewalk Replacement	225,000	225,000	214,308	10,692
ADA Compliance		25,000	24,500	500
Potholes Repairs	45,000	41,500	18,563	22,937
SideWalk Press Cleaning	90,000	90,000	89,893	107
Striping and Signage	30,000	30,000	24,392	5,608
Contingency	374,967	349,967	-	349,967
Roadway System Maintenance	130,000	133,500	130,985	2,515
Transit				
Transit Salaries and Wages	43,000	39,200	36,474	2,726
Transit Payroll Taxes	3,290	3,290	2,689	601
Transit Retirement Contribution	3,037	3,037	2,572	465
Transit Life & Health Insurance	-	3,800	3,945	(145)
Traffic Studies	65,000	65,000	41,245	23,755
Education and Training	-	300	165	135
Transit- Administration Program Expense 5%	10,810	12,810	11,722	1,088
Transit Bus Contract Expenses	220,000	220,000	203,606	16,394
Insurance	22,950	22,950	20,662	2,288
Travel and Per Diem		700	439	261
Repairs & Maintenance	13,225	13,225	8,415	4,810
Global Positioning System	13,000	13,000	2,040	10,960
Promotional Activities	20,000	17,000	9,599	7,401
Bus Stop Signs	25,000	25,000	-	25,000
Contingency for Transit	393,953	393,953	-	393,953
Streetlighting Utilities	283,500	280,500	272,240	8,260
Repairs and Maintenance	110,000	110,000	102,429	7,571
PTP - Administration Program Expense 5%	43,241	46,241	46,888	(647)
Contingency for PTP	217,448	217,448	-	217,448
Total expenditures	<u>2,401,334</u>	<u>2,401,334</u>	<u>1,267,771</u>	<u>1,133,563</u>
Excess (deficiency) of revenues over expenditures	<u>(866,598)</u>	<u>(866,598)</u>	<u>397,578</u>	<u>1,264,176</u>
Other financing (uses)				
Transfer out Capital Projects Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(347,046)</u>	<u>(47,046)</u>
Total other financing (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(347,046)</u>	<u>(47,046)</u>
Net change in fund balance	(1,166,598)	(1,166,598)	50,532	1,217,130
Fund balance, beginning, as restated	<u>1,166,598</u>	<u>1,166,598</u>	<u>864,021</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914,553</u>	<u>\$ 1,217,130</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final Budget</u>		<u>(Negative)</u>
Revenues:				
Federal Direct Payment	\$ 178,152	\$ 178,152	\$ 177,960	\$ (192)
Electric utility taxes	369,792	369,792	373,381	3,589
Investment Income	4,800	4,800	5,721	921
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>552,744</u>	<u>552,744</u>	<u>557,062</u>	<u>4,318</u>
Expenditures:				
Current:				
Town administration and finance	1,350	1,350	-	1,350
Dissemination Agent Fees	2,000	2,000	2,000	-
Preparation Fee	200	200	-	200
Principal	105,000	105,000	105,000	-
Interest	601,672	601,672	600,247	1,425
Contingency	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>
Total expenditures	<u>742,222</u>	<u>742,222</u>	<u>707,247</u>	<u>34,975</u>
(Deficiency) of revenues (under) expenditures	(189,478)	(189,478)	(150,185)	39,293
OTHER FINANCING SOURCES (USES)				
Transfers in	523,720	523,720	526,335	2,615
Transfers out	<u>(365,547)</u>	<u>(365,547)</u>	<u>(386,161)</u>	<u>(20,614)</u>
Total other financing sources (uses)	<u>158,173</u>	<u>158,173</u>	<u>140,174</u>	<u>(17,999)</u>
Net change in fund balance	(31,305)	(31,305)	(10,011)	21,294
Fund balance, beginning	<u>31,305</u>	<u>31,305</u>	<u>940,952</u>	<u>909,647</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 930,941</u>	<u>\$ 930,941</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>	
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
New Local Option Gas Tax	\$ 136,000	\$ 136,000	\$ 155,672	\$ 19,672
Safe Routes to School	200,000	200,000	-	(200,000)
Grant 154 & palmetto	100,000	100,000	61,437	(38,563)
Greenway and Trails Masterplan Grant	35,000	35,000	-	(35,000)
Stormwater Grant	1,300,000	1,300,000	192,675	(1,107,325)
Grant Bike Path	-	-	5,425	5,425
FDEP Land & Water Grant - Sevilla Estates Park	-	-	-	-
Impact fees - parks	14,500	14,500	21,735	7,235
Investment income	30,960	30,960	27,034	(3,926)
Total revenues	<u>1,816,460</u>	<u>1,816,460</u>	<u>463,978</u>	<u>(1,352,482)</u>
Expenditures:				
Current:				
Capital outlay				
Drainage Improvements				
West Lake A	689,000	793,659	399,371	394,288
West Lake B, C, D and E	-	3,000	2,636	364
Canal Bank Stabilization	1,000,000	1,000,000	120,601	879,399
Lake Martha Improvement	720,000	720,000	229,392	490,608
CIP Reserve	200,000	138,341	-	138,341
Transportation Improvements				
Traffic Calming	65,000	65,000	36,503	28,497
Storage Yard	308,000	308,000	-	308,000
Bus Shelter Acquisition	170,000	170,000	141,120	28,880
Safe Routes to School	321,500	321,500	15,373	306,127
CIP Reserve	1,017,378	1,008,878	-	1,008,878
Roadway resurfacing:				
Various projects	30,000	30,000	-	30,000
Lake Martha	1,080,000	1,127,000	344,089	782,911
Lake Sarah	-	8,500	5,486	3,014
Entrance Features	428,000	428,000	61,437	366,563
Parks and Recreation				
Dog Park	150,000	150,000	2,017	147,983
Parks Beautification Grant	28,000	28,000	9,511	18,489
ROP Playground Canopy	50,000	65,700	62,053	3,647
Mini Parks:				
Community Center East	1,200,000	1,305,200	817,425	487,775
Community Center West	45,000	229,575	165,920	63,655
Optimist Park:				
Building construction	1,800,000	1,922,000	775,003	1,146,997
Facilities and Equipment				
Art in Public Places	-	2,406	2,406	-
Machinery and Equipment	-	18,800	21,392	(2,592)
Infrastructure	-	55,970	17,268	38,702
Town Hall Other Expense	208,908	131,732	-	131,732
Total expenditures	<u>9,510,786</u>	<u>10,031,261</u>	<u>3,229,003</u>	<u>6,802,258</u>
Total revenues over expenditures	(7,694,326)	(8,214,801)	(2,765,025)	5,449,776
Other financing sources(uses):				
Transfers in	1,253,000	1,423,000	1,432,875	(9,875)
Transfers out	(48,597)	(48,597)	-	-
	<u>1,204,403</u>	<u>1,374,403</u>	<u>1,432,875</u>	<u>(9,875)</u>
Net change in fund balance	<u>(6,489,923)</u>	<u>(6,840,398)</u>	<u>(1,332,150)</u>	<u>5,508,248</u>
Fund balance, beginning, as restated	6,489,923	6,840,398	6,981,029	140,631
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,648,879</u>	<u>\$ 5,648,879</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SERIES 2013 CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	
OTHER FINANCING (USES)				
Transfer out	<u>(109,576)</u>	<u>(109,576)</u>	<u>(108,289)</u>	<u>(1,287)</u>
Total other financing (uses)	<u>(109,576)</u>	<u>(109,576)</u>	<u>(108,289)</u>	<u>(1,287)</u>
Net change in fund balance	(109,576)	(109,576)	(108,289)	(1,287)
Fund balance, beginning	<u>109,576</u>	<u>109,576</u>	<u>108,289</u>	<u>(1,287)</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,574)</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - STORMWATER UTILITY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
Stormwater utility fees	\$ 950,000	\$ 950,000	\$ 942,089	\$ (7,911)
Total revenues	<u>950,000</u>	<u>950,000</u>	<u>942,089</u>	<u>(7,911)</u>
Expenditures:				
Current:				
Salaries and Wages	130,814	130,814	113,372	17,442
Retirement Contributions	8,886	8,886	3,542	5,344
Payroll Taxes	9,625	9,625	7,003	2,622
Health Insurance	23,553	23,553	20,436	3,117
Wireless Stipend	960	960	677	283
Stormwater utility revenue bond debt	70,000	70,000	72,791	(2,791)
Inspection services	60,000	60,000	55,598	4,402
Canal maintenance	234,830	264,830	261,410	3,420
Upgrades and improvements	25,000	50,000	49,336	664
System maintenance and repairs	100,000	85,500	81,373	4,127
Street sweeping/litter control	50,000	30,000	24,289	5,711
Vacuum Truck operations & maintenance	20,000	24,500	21,438	3,062
WASD collection fee	27,000	27,000	27,522	(522)
NPDES discharge model and permit fees	25,000	27,000	25,327	1,673
Community Rating System	2,000	2,000	250	1,750
Education and training	5,000	3,000	3,824	(824)
Publications and subscriptions	1,000	1,000	-	1,000
Public outreach and workshops	5,000	5,000	535	4,465
Depreciation			203,147	(203,147)
Contingency	<u>92,511</u>	<u>92,511</u>	<u>-</u>	<u>92,511</u>
Total expenditures	<u>978,179</u>	<u>978,179</u>	<u>1,033,870</u>	<u>(55,691)</u>
(Deficiency) of revenues over expenses	<u>(28,179)</u>	<u>(28,179)</u>	<u>(91,781)</u>	<u>(63,602)</u>
Other financing uses:				
Transfers (in)/out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Non-operating income				
Interest income	2,580	2,580	32,138	29,558
Capital contributions	<u>-</u>	<u>-</u>	<u>751,946</u>	<u>751,946</u>
Total non-operating income	<u>2,580</u>	<u>2,580</u>	<u>784,084</u>	<u>781,504</u>
Change in net position	<u>(525,599)</u>	<u>(525,599)</u>	<u>192,303</u>	<u>717,902</u>
Net position, beginning, as restated	525,599	525,599	7,670,750	7,145,151
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,863,053</u>	<u>\$ 7,863,053</u>



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.

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Financial Trends	
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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	62-66
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Revenue Capacity	
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These schedules contain information to help the read assess the government's most significant local revenue source, the property tax.	67-71
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Debt Capacity	
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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.	72-73
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Demographic and Economic Information	
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	74-75
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Operating Information and Insurance in Force	
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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.	76-79
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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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets										
Restricted	\$ 11,243,582	\$ 13,506,338	\$ 14,112,595	\$ 16,263,340	\$ 16,025,495	\$ 18,197,702	\$ 20,557,318	\$ 21,814,437	\$ 22,471,538	\$ 23,189,174
Unrestricted	1,989,535	2,450,414	2,078,865	1,218,698	2,776,914	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581
Total governmental activities net position	3,575,683	3,589,471	5,251,427	8,159,280	9,844,228	6,230,900	5,883,351	6,797,024	7,228,689	3,794,639
	<u>\$ 16,808,800</u>	<u>\$ 19,546,223</u>	<u>\$ 21,442,887</u>	<u>\$ 25,641,318</u>	<u>\$ 28,446,637</u>	<u>\$ 32,469,706</u>	<u>\$ 33,029,607</u>	<u>\$ 33,633,440</u>	<u>\$ 34,451,079</u>	<u>\$ 32,358,394</u>
Business-type activities:										
Net investment in capital assets										
Restricted	\$ 1,956,792	\$ 2,601,424	\$ 3,644,830	\$ 4,195,548	\$ 4,167,647	\$ 4,086,787	\$ 4,734,099	\$ 6,486,581	\$ 7,092,272	\$ 7,641,072
Unrestricted	427,813	921,494	1,343,801	1,574,095	1,998,079	899,610	410,351	380,542	648,868	221,981
Total business-type activities net position	<u>\$ 2,384,605</u>	<u>\$ 3,522,918</u>	<u>\$ 4,988,631</u>	<u>\$ 5,769,643</u>	<u>\$ 6,165,726</u>	<u>\$ 4,986,397</u>	<u>\$ 5,144,450</u>	<u>\$ 6,867,123</u>	<u>\$ 7,741,140</u>	<u>\$ 7,863,053</u>
Primary government										
Net investment in capital assets										
Restricted	\$ 13,200,374	\$ 16,107,762	\$ 17,757,425	\$ 20,458,888	\$ 20,193,142	\$ 22,284,489	\$ 25,291,417	\$ 28,301,018	\$ 29,563,810	\$ 30,830,246
Unrestricted	1,989,535	2,450,414	2,078,865	1,218,698	2,776,914	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581
Total primary government net position	<u>\$ 4,003,496</u>	<u>\$ 4,510,965</u>	<u>\$ 6,595,228</u>	<u>\$ 9,733,375</u>	<u>\$ 11,692,307</u>	<u>\$ 7,130,510</u>	<u>\$ 6,293,702</u>	<u>\$ 7,177,566</u>	<u>\$ 7,877,557</u>	<u>\$ 4,016,620</u>
	<u>\$ 19,193,405</u>	<u>\$ 23,069,141</u>	<u>\$ 28,431,518</u>	<u>\$ 31,410,961</u>	<u>\$ 34,662,363</u>	<u>\$ 37,456,103</u>	<u>\$ 38,174,057</u>	<u>\$ 40,500,563</u>	<u>\$ 42,192,219</u>	<u>\$ 40,221,447</u>

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN NET POSITION
LAST TEN YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses											
Governmental activities:											
General government	\$ 1,899,972	\$ 2,495,045	\$ 3,170,034	\$ 3,139,386	\$ 3,020,796	\$ 2,648,569	\$ 4,006,694	\$ 3,241,018	\$ 3,505,665	\$ 3,359,809	\$ 4,504,066
Public safety	5,390,092	6,113,789	6,215,685	7,004,847	6,619,819	6,654,020	6,566,778	6,234,271	6,287,319	6,365,715	7,972,810
Parks and recreation	1,858,785	2,864,423	2,586,003	2,709,057	2,571,167	3,019,126	2,667,382	2,798,627	2,703,496	3,051,793	3,306,152
Public works	1,995,828	6,880,032	2,311,072	2,829,430	2,178,162	1,288,942	1,746,804	2,353,479	2,831,483	2,527,545	2,691,114
Comprehensive planning	1,421,806	1,592,071	1,634,839	1,702,826	1,808,535	1,634,827	1,452,701	1,636,965	1,622,645	1,679,697	-
Physical Environment	-	-	-	-	-	-	-	-	-	-	4,307
Interest Expense	-	-	-	11,397	19,456	14,971	260,156	561,402	528,383	603,123	600,247
Non-departmental	1,773,843	1,849,245	1,931,551	-	-	-	-	-	-	-	-
Total governmental activities expenses	14,340,326	21,794,605	17,849,184	17,396,943	16,217,935	15,260,455	16,700,515	16,825,762	17,478,991	17,587,682	19,078,696
Business-type activities:											
Stormwater utilities	414,405	776,142	649,798	647,440	893,472	686,953	630,757	892,995	877,397	783,596	1,033,870
Total business-type activities expenses	414,405	776,142	649,798	647,440	893,472	686,953	630,757	892,995	877,397	783,596	1,033,870
Total primary government expenses	14,754,731	22,570,747	18,498,982	18,044,383	17,111,407	15,947,408	17,331,272	17,718,757	18,356,388	18,371,278	20,112,566
Program Revenues											
Governmental activities:											
Charges for services:											
General Government	-	19,741	55,469	871,832	158,677	20,252	109,411	229,955	181,927	251,688	926,044
Public Safety	343,732	183,033	276,784	373,576	305,409	257,927	277,300	215,183	324,720	536,168	318,413
Parks and recreation	97,280	14,468	2,642	1,010	-	-	-	7,085	11,705	43,139	85,024
Public works	-	-	-	-	-	-	-	-	-	-	304,848
Comprehensive Planning	1,216,051	1,319,577	1,246,495	1,011,605	811,904	1,098,041	1,063,299	1,064,408	1,003,083	1,197,885	-
Operating Grants and contributions	524,538	5,259,662	318,943	15,363	1,274,011	205,390	655,345	564,774	178,071	3,392	70,759
Capital grants and contributions	315,500	455,213	1,249,374	620,692	1,298,299	312,500	2,023,000	-	1,978,459	36,655	259,538
Total governmental activities program revenues	2,497,101	7,251,694	3,149,707	2,894,078	3,848,300	1,894,110	4,128,355	2,081,405	3,677,965	2,068,927	1,964,626
Business-type activities:											
Charges for services											
Stormwater Utility	1,108,962	876,342	1,282,970	990,651	992,577	983,278	1,011,821	978,961	970,188	850,864	942,089
Operating Grants and contributions	-	16,745	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,108,962	893,087	1,282,970	990,651	992,577	983,278	1,011,821	978,961	970,188	850,864	942,089
Total primary government program revenues	\$ 3,606,063	\$ 8,144,781	\$ 4,412,677	\$ 3,884,729	\$ 4,840,877	\$ 2,877,388	\$ 5,140,176	\$ 3,060,366	\$ 4,648,153	\$ 2,919,791	\$ 2,906,715

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expense) Revenue										
Governmental activities	\$ (14,542,911)	\$ (14,699,477)	\$ (14,502,865)	\$ (12,369,635)	\$ (13,366,344)	\$ (12,572,160)	\$ (14,744,356)	\$ (13,801,027)	\$ (15,518,755)	\$ (17,114,070)
Business-type activities	116,945	613,172	343,211	99,105	296,325	381,064	85,966	92,791	67,268	(91,781)
Total primary government net expense	<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>(12,191,096)</u>	<u>(14,658,390)</u>	<u>(13,708,236)</u>	<u>(15,451,487)</u>	<u>(17,205,851)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	7,064,767	7,706,385	7,427,746	7,433,753	6,572,134	5,660,784	5,441,776	5,432,333	5,525,235	5,784,851
Utility service taxes	2,483,810	2,461,479	2,533,824	2,560,676	2,730,389	2,802,104	2,845,651	3,016,183	3,254,550	3,230,117
Communication services tax	1,530,924	1,490,228	1,491,360	1,776,558	1,560,902	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736
Franchise taxes	1,584,345	2,079,921	2,001,376	1,967,915	2,008,171	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066
Other Taxes	-	-	-	-	-	-	-	-	-	713,520
Intergovernmental not restricted to specific programs	3,831,639	3,651,451	3,806,793	3,402,916	3,330,153	3,595,274	4,167,906	4,565,197	4,596,066	4,202,536
Investment and miscellaneous income	304,387	569,304	250,310	82,981	106,006	54,466	80,198	103,153	99,441	83,792
Special Items	-	-	-	-	-	-	-	-	797,614	264,769
Transfers	(334,200)	(521,868)	(1,111,880)	(656,733)	(86,092)	1,565,914	(70,776)	(1,629,485)	(804,131)	(251,946)
Total governmental activities	<u>16,465,672</u>	<u>17,436,900</u>	<u>16,399,529</u>	<u>16,568,066</u>	<u>16,221,663</u>	<u>16,545,229</u>	<u>15,487,257</u>	<u>14,404,859</u>	<u>16,554,429</u>	<u>16,565,441</u>
Business-type activities:										
General Revenues	-	3,273	10,622	25,174	13,666	5,521	1,311	397	2,618	32,138
Investment income	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Investment and miscellaneous income	-	-	-	-	-	-	-	-	-	-
Transfers	334,200	521,868	1,111,880	656,733	86,092	(1,565,914)	70,776	1,629,485	804,131	251,946
Total business-type activities	<u>334,200</u>	<u>525,141</u>	<u>1,122,502</u>	<u>681,907</u>	<u>99,758</u>	<u>(1,560,393)</u>	<u>72,087</u>	<u>1,629,882</u>	<u>806,749</u>	<u>284,084</u>
Total primary government	<u>16,799,872</u>	<u>17,962,041</u>	<u>17,522,031</u>	<u>17,249,973</u>	<u>16,321,421</u>	<u>14,984,836</u>	<u>15,559,344</u>	<u>16,034,741</u>	<u>17,361,178</u>	<u>16,849,525</u>
Change in Net Position										
Governmental activities	1,922,761	2,737,423	1,896,664	4,198,431	2,855,319	3,973,069	742,901	603,832	1,035,674	(548,629)
Business-type activities	451,145	1,138,313	1,465,713	781,012	396,083	(1,179,329)	158,053	1,722,673	874,017	192,303
Total prime government	<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>\$ 2,793,740</u>	<u>\$ 900,954</u>	<u>\$ 2,326,505</u>	<u>\$ 1,909,691</u>	<u>\$ (356,326)</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,798	\$ 95,039	\$ 118,803	\$ 153,892
Restricted	-	2,635,346	1,883,267	31,361	549,214	28,283	33,735	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	1,262,000
Unassigned	3,575,683	1,165,611	3,456,720	8,225,450	9,259,782	8,361,930	3,936,392	4,088,844	4,776,905	3,150,605
Total General Fund	\$ 3,575,683	\$ 3,800,957	\$ 5,339,987	\$ 8,256,811	\$ 9,808,996	\$ 8,390,213	\$ 3,997,925	\$ 4,183,883	\$ 4,895,708	\$ 4,566,497

All Other Governmental Funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,452	\$ 25,862	\$ 24,781
Restricted, reported in:										
Special Revenue funds-Transportation & Transit	-	-	-	-	-	1,087,962	1,011,206	3,630,535	727,446	914,553
Capital Projects funds-Transportation	-	-	-	-	-	2,358,772	2,535,947	-	2,942,843	3,553,535
Town Government Center	-	-	-	-	-	3,665,450	2,131,416	1,296,471	-	-
Roadway Improvement	-	-	-	-	-	-	-	8,700	8,700	-
Debt Service fund	-	-	-	-	-	900,637	876,634	909,899	1,071,863	906,493
Assigned, reported in:										
Capital Projects fund-Parks & Stormwater	-	-	-	-	-	2,322,592	5,392,655	3,974,673	3,566,111	1,961,499
Unreserved, reported in:										
Special Revenue funds	437,919	523,962	573,707	773,156	1,024,130	-	-	-	-	-
Capital projects funds	1,551,616	1,926,452	1,505,158	414,182	1,728,570	-	-	-	-	-
Total all other governmental funds	\$ 1,989,535	\$ 2,450,414	\$ 2,078,865	\$ 1,187,338	\$ 2,752,700	\$ 10,335,413	\$ 11,947,858	\$ 9,853,730	\$ 8,342,825	\$ 7,360,861

Note:

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Ad valorem taxes	\$ 7,064,767	\$ 7,706,385	\$ 7,427,746	\$ 7,433,753	\$ 6,572,134	\$ 5,660,784	\$ 5,441,776	\$ 5,432,333	\$ 5,525,235	\$ 5,784,851
Utility taxes	2,483,810	2,461,479	2,533,824	2,560,676	2,730,389	2,802,104	2,845,651	3,016,184	3,254,550	3,230,117
Franchise fees	1,584,345	2,079,921	2,001,376	1,967,915	2,008,171	1,444,179	1,673,746	1,550,825	1,147,889	1,160,066
Communication service tax	1,530,924	1,490,228	1,491,360	1,776,558	1,560,902	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736
Licenses and permits	1,163,289	1,246,495	1,011,605	811,904	1,098,041	1,063,299	1,064,408	1,003,083	1,197,885	1,188,917
Intergovernmental	9,526,515	5,016,401	4,646,217	5,975,226	3,848,044	4,334,874	4,924,656	6,905,351	4,813,430	4,532,833
Impact fees	32,943	54,399	685,185	-	-	-	-	-	-	-
Fines and forfeitures	318,949	276,784	373,576	305,395	257,927	277,300	215,183	324,720	536,168	312,466
Others	52,013	58,714	201,914	162,945	61,702	32,988	58,545	10,008	915,125	1,111,235
Investment Income	295,824	323,999	236,054	78,727	64,557	46,636	66,720	103,150	99,441	83,792
Total Revenue	24,053,379	20,714,805	20,608,857	21,073,099	18,201,867	17,084,672	17,639,441	19,712,307	19,427,488	18,782,013
Expenditures										
General government:										
Town Council	207,189	265,712	257,576	206,114	191,879	805,975	404,915	427,733	354,820	628,992
Town Administration and finance	1,890,342	2,004,617	2,386,610	2,207,613	2,003,924	2,483,915	2,420,844	2,367,698	2,212,155	2,645,746
Legal	366,957	454,641	481,727	669,680	469,724	475,202	458,525	292,506	268,987	639,785
Total general government	2,464,488	2,724,970	3,125,913	3,083,407	2,665,527	3,765,092	3,284,284	3,087,937	2,835,962	3,914,523
Public safety	6,100,498	6,205,485	6,698,208	6,534,646	6,554,129	6,558,600	6,234,271	6,306,601	6,350,819	7,973,823
Parks and recreation	2,562,829	2,474,116	2,488,718	2,320,385	2,272,225	2,194,546	2,248,811	2,183,242	2,495,685	2,721,909
Public works/Transportation	7,068,413	2,265,780	2,593,852	1,958,909	1,170,545	1,469,459	2,018,943	2,485,634	2,175,948	2,345,948
Comprehensive planning	1,589,038	1,619,406	1,697,387	1,802,792	1,619,772	1,456,088	1,439,318	1,635,458	1,679,697	-
Debt service:										
Principal	-	-	57,348	119,238	123,724	128,379	201,663	-	100,000	105,000
Interest	-	-	11,397	19,456	14,971	251,046	551,948	549,039	599,573	600,247
Cost of Issuance	-	-	-	-	-	-	-	53,650	-	-
Non departmental	1,849,245	1,931,551	-	-	-	242,260	-	-	-	2,406
Capital Outlay	2,122,436	3,292,949	3,088,299	3,208,969	663,427	3,743,887	5,140,046	7,442,013	3,988,884	3,355,986
Total expenditures	23,756,947	20,514,257	19,761,122	19,047,802	15,084,320	19,809,357	21,119,284	23,743,574	20,226,568	21,019,842
Other Financing Sources(Uses)										
Proceeds from debt issuance	-	310,605	319,746	-	-	7,329,999	-	1,855,000	-	-
Discount on debt issued	-	-	-	-	-	(41,384)	-	-	-	-
Transfer in	743,589	1,192,640	184,500	-	853,158	3,025,816	4,826,300	1,277,865	1,768,223	1,974,371
Transfer out	(593,589)	(1,017,640)	(184,500)	-	(853,158)	(1,425,816)	(4,126,300)	(1,009,768)	(1,768,223)	(1,474,371)
Total other financing sources (uses)	150,000	485,605	319,746	-	-	8,888,615	700,000	2,123,097	-	500,000
Net change in fund balance	446,432	686,153	1,167,481	2,025,297	3,117,547	6,163,930	(2,779,843)	(1,908,170)	(799,080)	(1,737,829)
Ratio of total debt service to noncapital expenditures	N/A	N/A	0.41%	0.88%	0.97%	2.36%	4.73%	3.37%	4.31%	3.99%

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

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Utility Service			Communication		Franchise Fees	Total
	Property Tax	Tax	Service Tax	Service Tax			
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	
2013	5,432	3,016		1,367	1,551	11,366	
2014	5,525	3,255		1,938	1,148	11,866	
2015	5,785	3,230		1,378	1,160	11,553	

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 & Assessed		Exemptions (a)			Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Assessed Value of Taxable Property	Real Property - Amendment 10 Excluded Value (b)	Real Property - Other Exemptions	Personal Property			
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	254,579	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
2013	1,874,949	1,042,206	256,502	191,859	3,365,516	167,191	511,365	14,560	2,672,400	2.3518
2014 (d)	1,907,261	1,042,902	250,187	201,117	3,401,467	282,618	604,260	17,619	2,496,970	2.3518
2015	2,137,641	1,058,802	267,240	185,585	3,649,268	454,180	602,557	18,893	2,573,638	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 Tax Roll, prior to any adjustments processed by the Value Adjustment Board.

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUE)

Fiscal Year	Direct Rate	Overlapping Rates:										Total Direct & Overlapping Rates
		Miami-Dade County										
		Town of Miami										
		Lakes	Miami-Dade Countywide	Miami-Dade Fire & Rescue Service District	Miami-Dade School Board	Public Library	County Debt Service	Children's Trust	Water Management District	Environmental Projects	Florida Inland Navigation District	
Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage	Operating Millage
2006	2.8250	5.8350	2.6610	8.4380	0.4860	0.2850	0.4288	0.5970	0.1000	0.0385	21.6943	
2007	2.7400	5.6150	2.6510	8.1050	0.4860	0.2850	0.4223	0.5970	0.1000	0.0385	21.0398	
2008	2.4800	4.5760	2.2487	7.9480	0.3842	0.2850	0.4223	0.5346	0.0894	0.0345	19.0027	
2009	2.4800	4.8379	2.2271	7.7970	0.3822	0.2850	0.4212	0.5346	0.0894	0.0345	19.0889	
2010	2.4470	4.8379	2.2271	7.9950	0.3822	0.2850	0.5000	0.5346	0.0894	0.0345	19.3327	
2011	2.3702	5.4275	2.5953	8.2490	0.3500	0.4450	0.5000	0.5346	0.0894	0.0345	20.5955	
2012	2.3518	4.7035	2.4627	7.7650	0.1725	0.5180	0.5000	0.3676	0.0613	0.0345	18.9369	
2013	2.3518	4.7035	2.4623	7.6440	0.1725	0.7550	0.5000	0.3523	0.0587	0.0345	19.0346	
2014	2.3518	4.7035	2.4496	7.9770	0.1725	0.4220	0.5000	0.3583	0.0587	0.0345	19.0279	
2015	2.3518	4.6669	2.4207	7.9740	0.2840	0.4500	0.5000	0.1577	0.0548	0.0345	18.8944	

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

**TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
(IN THOUSANDS)**

	2015			2006		
			Percentage of Total Town Taxable			Percentage of Total Town Taxable
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Assessed Value</u>
The Graham Companies	\$ 332,560	1	9.11%	\$ 235,901	1	6.45%
Sengra Corporation	111,548	2	3.06%	95,266	2	2.60%
Florida Power & Light	24,910	3	0.68%			
Royal Oaks Plaza, Inc.	20,400	4	0.56%	18,600	9	0.51%
Cap East Associates	19,588	5	0.54%	22,811	4	0.62%
Miami Lakes County Club, Inc.	18,624	6	0.51%	18,912	6	0.52%
Cordis Corporation	18,477	7	0.51%	29,630	3	0.81%
Schering/Merck Sharpe & Rohme Corp	17,877	8	0.49%			
Caterpillar Tractor Co.	15,900	9	0.44%			
Costco Wholesale Corp	13,373	10	0.37%			
Bellsouth Telecommunications				18,621	7	0.51%
Royal Oaks Plaza, Inc.				18,600	8	0.51%
Private Taxpayer				20,731	5	0.57%
First States Investment 5000A LLC				15,350	10	0.42%
Total	<u>606,607</u>		<u>16.62%</u>	<u>494,422</u>		<u>13.51%</u>
Total Net Assessed Real and Personal Property Value (in thousands)	\$ 3,649,268			\$ 3,659,983		

Source: Miami-Dade County Property Appraiser

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

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	
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	5,258	90.55%	n/a	n/a	n/a	
2013	5,517	4,785	86.73%	473	5,258	95.31%	
2014	5,904	5,525	93.58%	n/a	n/a	n/a	
2015	6,056	5,700	94.12%	85	5,785	95.52%	

Source: Miami-Dade County Property Tax Collector

Note (1) Detailed information for delinquent payments by year not available before fiscal year 2007

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.

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

Fiscal Year	Government Activities				Debt Coverage			
	Government Activities Notes Payable	Special Obligation Bonds Payable, Series 2010	Special Obligation Loan Payable	Improvement Roadway Total Government	Population	Per Capita Personal Income Note (1)	Percentage of Personal Income	Per Capita Pledged Revenue Coverage
2008	661,564	-	-	661,564	27,031	32,676	0.07%	24.47
2009	519,937	-	-	519,937	26,694	30,178	0.06%	19.48
2010	330,042	-	-	330,042	29,361	32,000	0.04%	11.24
2011	201,663	7,330,000	-	7,531,663	29,369	29,670	0.86%	256.45
2012	-	7,330,000	-	7,330,000	30,057	n/a	n/a	243.87
2013	-	7,330,000	1,855,000	9,185,000	30,396	28,410	1.06%	302.18
2014	-	7,330,000	1,755,000	9,085,000	30,161	27,042	1.11%	301.22
2015	-	7,330,000	1,650,000	8,980,000	30,791	28,006	1.04%	291.64
								2,439,328
								2,502,818
								2,670,036
								2,849,187
								2,805,937

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.

	Next Succeeding Year			
	Utility Services Tax	Principal	Interest	Total Debt Service Requirements Coverage
2013	2,670,036	-	548,499	548,499
2014	2,849,187	-	548,499	548,499
2015	2,805,937	-	548,499	548,499

Legend: (1) The personal income and per capital 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 DEBT
SEPTEMBER 30, 2015

<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)	\$ 365,012,000	1.17%	\$ 4,262,839
Miami-Dade County (3) - (000)	1,403,116,000	1.17%	\$ 16,386,467
Sub-total overlapping debt	<u>1,768,128,000</u>		<u>20,649,306</u>
Town of Miami Lakes direct debt	\$ 8,945,172	100.00%	\$ 8,945,172
Total direct and overlapping debt	<u><u>\$ 1,777,073,172</u></u>		<u><u>\$ 29,594,478</u></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)

Notes: The Town has not outstanding general obligation debt
The Town has no legal debt margin.

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

Calendar Year	Population	Median Household Income (1999 \$)	Total Personal Income (in ooo's)	Unemployment Rate	Per Capita Personal Income	Median Age	School Enrollment
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)	7823
2013	30,396	64,497	863,550	7.00%	28,410	38	7973
2014	30,161	63,754	815,614	7.40%	27,042	39	7668
2015	30,791	65,269	862,333	5.70%	28,006	39	7,774

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 (BEBR).

Note:

(1) Information unavailable as of the date of this report.

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

	2015			2006		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cordis Company (Johnson & Johnson)	900	1	6.44%	(a)		-
NutriForce Nutrition	600	2	4.29%	(a)		-
Intel	450	3	3.22%	(a)		-
The Graham Companies	344	4	2.46%	(a)		-
Bank United	286	5	2.05%	(a)		-
Merck Sharpe & Rohme Corporation	275	6	1.97%	(a)		-
Miami Lakes Auto Mall	247	7	1.77%			
Caterpillar Logistics Services, Inc.	220	8	1.57%	(a)		-
ISACO Int. Corp.	200	9	1.43%	(a)		-
	3,522		25.19%	-		0.00%
Total Employed	13,979	(1)		12,381	(2)	

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 EMPLOYEES BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Town Clerk's Office	1	1	3	3	4	5	4	1	1	1
Town Administration	10	12	10	12	11	8	12	14	12	14
Building Department	7	8	5	6	6	4	12	19	12	9
Planning, Code Compliance and Development	-	-	4	3	5	5	5	5	4	4
Parks and Recreation	7	7	7	7	8	7	16	26	13	8
Public Works & Transit	2	3	2	1	1	2	6	7	6	4
Total	27	31	31	32	35	31	55	72	48	40

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

See accompanying independent auditors' report.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>General Government</u>										
Building permits issued	1,390	1,088	744	556	519	673	699	749	948	799
Business Tax Receipts	n/a	n/a	n/a	n/a	1,193	1,171	1,250	973	1,394	1,541
<u>Police</u>										
Physical arrests	314	355	485	529	407	362	332	357	273	166
<u>Culture and Recreation</u>										
Summer camp participants - per week	n/a	n/a	n/a	133	208	215	150	20	100	100
Community programs - per year	n/a	64	66	68	106	146	93	91	83	47
Special events - per year	39	45	52	63	n/a	n/a	47	48	75	65
<u>Stormwater Utility</u>										
Stormwater system linear feet cleaned	50,649	58,866	36,945	77,371	36,602	43,905	24,500	34,180	26,617	25,383
Number of Stormwater drains cleaned	839	673	150	483	266	676	185	516	380	328
<u>Public Works</u>										
Road miles (maintained)	77	77	77	77	77	60	60	60	60	60
Street lights (maintained)	2,943	2,943	2,943	2,943	2,943	540	801	1,032	491	485

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Police (4)</u>										
Police Personnel	49	50	52	50	50	49	49	49	49	46
<u>Culture and Recreation (3)</u>										
Number of parks	97	98	99	99	99	99	99	101	101	101
Park acreage	117.3	117.6	117.8	117.8	118.3	118.3	118.3	127.17	127.17	127.17
Community center	2	2	2	2	3	3	3	3	3	3
<u>Storm water Drainage (1)</u>										
Stormwater system - linear feet	82,394	82,394	82,394	82,394	82,394	86,087	88,894	88,894	90,824	90,824
Stormwater drains - catchbasins & manholes	1,460	1,460	1,460	1,460	1,460	1,464	1,560	1,324	1,335	1,335
<u>Public Works (2)</u>										
Road miles	77	77	77	77	77	77	77	77	77	77
Street lights	2,943	2,943	2,943	2,943	2,943	2,890	2,084	2,975	2,362	2,362

- (1) Town of Miami Lakes, Stormwater Master Plan Update and GIS analysis performed during fiscal year 2011. Prior years have been adjusted to reflect corrected information.
(2) Public Works annual state report on road miles, streetlights from Florida Power & Light. Street lights reflect corrections made after an audit 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, 2015**

Type of Coverage	Insurer	Policy Period	Premium
Property and Inland Marine	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	64,942
General Liability	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	61,036
Automobile Insurance	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	14,606
Public Officials & Employment Practices Liability	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	28,463
Crime/Fidelity	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	791
Government Crime	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	507
Workers Compensation	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	22,317
Total Policies			\$ 192,662



**COMPLIANCE
SECTION**



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

To the Honorable Mayor and Town Council
Town of Miami Lakes, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Miami Lakes, Florida, (the "Town") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 22, 2016.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying management letter to be material weaknesses. See item 2015-001.

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. We consider the deficiency described in the accompanying management letter to be significant deficiency. See item 2014-1.

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying management letter as item 2014-1.

Town's Response to Findings

Town of Miami Lakes, Florida's response to the findings identified in our audit is described in the accompanying management letter. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

GLSC & Company, PLLC

Miami, Florida
June 22, 2016





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

To the Honorable Mayor and Town Council
Town of Miami Lakes, Florida

Report on the Financial Statements

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, 2015, which comprise the Town's basic financial statements and have issued our report thereon dated June 22, 2016.

Auditors' Responsibility

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 and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Florida Auditor General. Disclosures in those reports, which are dated June 22, 2016, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(i) as 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**

Honorable Mayor and Town Council
Town of Miami Lakes, Florida

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, and applicable management, 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

Miami, Florida
June 22, 2016



**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2015**

SECTION I – CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2015-001 Revenue Recognition

Condition:	During the audit, we noted that the Town in prior years recognized expenses related to reimbursement driven grant and did not record the revenues within the proper period in accordance with U.S generally accepted principles (GAAP).
Criteria:	The matching principle requires revenues to be recorded in the same period as the related expenditures.
Cause of Condition:	It appears internal controls over grant reporting are not in place.
Effect of Condition:	Financial statements can be materially misstated.
Recommendation:	We recommend that the Town monitors its grant expenditures to properly record related revenues at the time the expenditures related to the grants are recorded.
Management Response:	In the past we have recorded grant reimbursements revenues on a cash basis to ensure a conservative practice. However, the Town has incorporated a system for tracking all grant financial information according to GAAP as of fiscal year 2015.

SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2014-1 Prompt Payment Act

Condition:	During our audit we noted certain instances where the Town is not in compliance with Florida Statutes 218.74 which requires the payment of invoices (non-construction) for purchase of good or services within 45 days from date the invoice was received and 25 days for construction related purchases.
Recommendation:	We recommend that invoices be initially routed through the Finance Department in order to monitoring all invoices with department approval outstanding. We also recommend that the Town regularly monitors its accounts payable listing to ensure that long outstanding invoices are reviewed and approved within a reasonable timeframe.
Current Year Status:	During our audit we noted several instances of noncompliance with Florida Statute 218.74. Comment will be repeated.
Management Response:	In fiscal year 2016, we put in progress the implementation of a centralized accounts payable system and eliminated redundancies. We have also focused on cultivating faster invoice deliveries from vendors and have encouraged staff to follow up when necessary. All invoices are monitored for compliance with Florida Statute 218.74.

**TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2015**

SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2014-2 Segregation of Duties – Bank Reconciliations

Condition: Bank reconciliations and deposits are being performed by the same accounting personnel, therefore, a lack of segregation of duties is present.

Current Year Status: Corrected.

2013-1 Purchasing and Disbursement

Condition: The Town implemented standardized invoices for service oriented vendors (i.e. landscaping, public work contractors, etc.); however, several control weaknesses were noted as a result of our test of internal controls over the purchasing and disbursement process during the year ended September 30, 2013.

Current Year Status: Corrected.

TOWN OF MIAMI LAKES, FLORIDA
LETTER TO MANAGEMENT
SEPTEMBER 30, 2015
(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 auditors' 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 one material weakness, one significant deficiency and recommendations to improve the Town's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2015, see findings 2015-001 and 2014-1.
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. 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.
6. The Town of Miami Lakes has not met one or more of the conditions described in Section 218.503(1)(a), Florida Statutes.
7. 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, 2015, financial audit report.
8. We applied financial condition assessment procedures pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General and no deteriorating financial conditions were noted. It is management's responsibility to monitor the Town of Miami Lakes, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.



GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glscpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON AN EXAMINATION

Honorable Mayor and Town Council
Town of Miami Lakes, Florida

We have examined the Town of Miami Lakes, Florida (the "Town")'s compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2015. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

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

GLSC & Company, PLLC

Miami, Florida
June 22, 2016