



# Town of Miami Lakes, Florida

**2014**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2014**

# Town of Miami Lakes, Florida

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2014

Prepared by  
The Finance Department

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

# Town of Miami Lakes, Florida

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2014

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## **INTRODUCTORY SECTION**



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

Mayor  
Wayne Slaton

Vice Mayor  
Manny Cid

Councilmembers:

Tim Daubert

Tony Lama

Caesar Mestre

Frank Mingo

Nelson

Rodriguez

Town Manager  
Alex Rey

Town Clerk  
Marjorie Tejada

April 23, 2015

The Honorable Wayne Slaton, 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, 2014, 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, 2014 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, 2014, 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 170<sup>th</sup> Street and the Palmetto Expressway (SR 826) to the north, NW 138<sup>th</sup> Street to the south, NW 57<sup>th</sup> 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. 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 30,571 residents and it currently ranks 12<sup>th</sup> 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 component is 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's seat is elected at-large and is a voting member of the Council. The Mayor and Councilmembers' terms are limited to two consecutive four year terms. The Town Council is responsible for policymaking and legislative authority, passing ordinances and resolutions, adopting the budget, and appointing committees. The Town Council is responsible for the selection and appointment of the Town Manager, Town Attorney and Town Clerk. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the daily operations of the Town, and for appointing 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 seven departments: Administration, Building, Community and Leisure Services, Neighborhood Services, Planning, Police, and Public Works. With only 36 full-time and 6 part-time staff members, the Town relies heavily on contractors for the provision of various public services. Town employees serve under the administration of the Town Manager. The Town provides police protection through a contract with Miami-Dade County wherein police officers are assigned to the Town, and act under the direction of a Police Major reporting directly to the Town Manager. Fire-Rescue services and solid waste management services are provided by Miami-Dade County directly and assessed separately on property tax bills. Water and sewer service are provided and billed directly to users by the Miami-Dade County Water and Sewer Department.



## **ECONOMIC CONDITION AND OUTLOOK**

2014 property values for the Town of Miami Lakes increased to \$2,574,960,000 or an increase of 2.6% from the \$2,510,382,000 in taxable value for the prior fiscal year. The average Town residential taxable value for 2014 is \$162,327, which is 4.8% higher than prior fiscal year at \$154,848. 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 2009-2013 period was \$27,042, while Miami-Dade MSA and the State per capita personal income were \$23,174 and \$26,236, respectively.

The Town has also benefitted from a relatively low unemployment rate. In December 2013 the unemployment rate was 7.2% in the County and 4.8% in the Town. In December 2014, it was 6.3% in the County and 3.8% in the Town. Overall, the Town's unemployment rate decreased from 4.8% in 2013, to 3.8% in 2014 and is continuing to improve with the economy.

Building permits issued have steadily increased since the economic turnaround in Fiscal Year 2012. Building Permits issued Fiscal Year 2014 increased by 1% to 948 from 939 in Fiscal Year 2013.

Despite the long term nature of the economic recovery, the Town continued to maintain strong financial resources and for Fiscal Year 2014 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 2014 unassigned general fund balance is approximately \$4.8 which is an \$800,000 increase from Fiscal Year 2013.

The Fiscal Year 2014 millage rate reflects the Mayor and Council's commitment to low taxes as a high priority. The continued low rates require the prioritization of resources exclusively to the core municipal government functions of public safety, code enforcement, parks, road maintenance and drainage improvements, and beautification of the Town's right of ways while maintaining strong internal controls. The Town has an adopted Strategic Plan which is largely implemented. The Town is in the process of completing a plan update with a 10 year strategic vision.

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 2014 is \$4.8 million, representing 29% of the adopted general fund operating expenditures for the year, 14% above the established policy. The Town is in compliance with this policy as of September 30, 2014 and is in a solid financial position.

As previously mentioned, the Town is successful in managing operating cost effectively through a limited number of municipal staff administering private services contracts. This leaves the Town with no unions and limited pension liabilities. With relatively low unemployment rates and a stable revenue outlook, the Town is in an enviable position of financial strength.

## **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 government 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 and specific policies and procedures will continue to be developed to support improved processes.

## **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 Proposed Budget. A preliminary millage rate must be adopted no later than July 30 of each year. The Council is required to hold two public hearings on the Proposed Budget and to enact an Approved Budget no later than September 30th. The Approved Budget is prepared by fund, department and line item within departments. The Town Manager may approve transfers of appropriations within a department up to a limit of \$700 per line item a month, transfers of appropriations in excess of \$700 and between departments requires approval of the Town Council. Budget-to-actual comparisons are provided in this report for the General Fund as part of the Required Supplementary Information. Comparisons for all other funds' budget-to-actual may be found in the Supplementary Information section. Line item budget to actual comparisons may be found on the Town's web site.

### **Enterprise Operations**

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

## **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 or idle 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 2014 were money market and certificate of deposits. No investment is made for any commitment longer than a two-year period. During 2014, the Town earned \$102,059 in investment income, as compared to \$103,550 earned in Fiscal Year 2013.

## **Risk Management**

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

## **MAJOR INITIATIVES**

Significant projects were completed during Fiscal Year 2014 such as, opening 87th Avenue and 154th Street, completing the West Lakes A Drainage Project, adopting a Beautification Master Plan, transitioning the School Crossing Guard Services from Miami Dade County, obtaining a Class 5 rating within the Building Department which resulted in a 25% discount in Flood Insurance to all Town residents, implementing a Parks Reservation System, implementing a Quarterly Performance Report, implementing an E-Reader Lending Program and developing an IT Master Plan.

Other significant projects underway in Fiscal Year 2014/15 include:

**Miami Lakes Optimist Park New Clubhouse** The demolished Miami Lakes Optimist Park Clubhouse will be replaced by a 5,000 square foot multi-purpose facility that will consist of a clubhouse and concession stand, administrative offices, multi-purpose rooms and additional parking (\$1,500,000). *Projected Completion Date: Summer 2015*

**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 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 (\$1,200,000). *Projected Completion Date: 2016*

**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, 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 (\$1,200,000). *Projected Completion Date: Summer 2015*

**West Lakes Area** The Stormwater Master Plan identified the West Lakes area as a priority for stormwater improvements. To this end, hydrologic analysis and design work was completed in 2013. This information will become the basis for the Town's FEMA Grant proposal to obtain funding for the completion of the \$3,000,000 project in FY 2013-14. *Projected Completion Date: Fall 2017*

## **AWARDS AND ACKNOWLEDGMENTS**

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

The Town was also named a Playful City USA for the sixth consecutive year recognizing the Town's efforts in promoting play as a necessary component of ensuring high quality of life standards for its youth population. The Town is one of 217 communities across the country to be recognized for expressed commitment and willingness to take action for "play." The Town has been a Florida Department of Elder Affairs designated Communities for a Lifetime since 2007.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Miami Lakes for its Comprehensive Annual Financial Report for the year ended September 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This was the third year that the Town of Miami Lakes has received this prestigious award.

### **Grant Awards**

The Town closed out grants this year from a Miami-Dade County Greenway Study (\$35,000), Division of Forestry Grants for \$10,750, the Florida Department of Elder Affairs for an intergenerational arts education and gallery exhibition for seniors and students (\$5,000), and a Police School Resource Officer (\$3,392).

The following new grants were secured:

- \$1M grant for Canal Bank Stabilization from the Florida Department of Environmental Protection
- \$300,000 grant for West Lakes Drainage Phase II Improvements from the Florida Department of Environmental Protection
- \$100,000 grant from the Florida Highway Beautification Council to install trees and landscaping along the Palmetto Expressway
- \$32,000 grant for an Alternatives to Concurrency Study from the Miami-Dade County Metropolitan Planning Organization (MPO)

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 &

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 operation 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 finances.

Respectfully  
submitted,

A handwritten signature in blue ink, appearing to read 'Alex Rey', with a stylized flourish at the end.

Alex Rey  
Town Manager



Government Finance Officers Association

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

Presented to

**Town of Miami Lakes  
Florida**

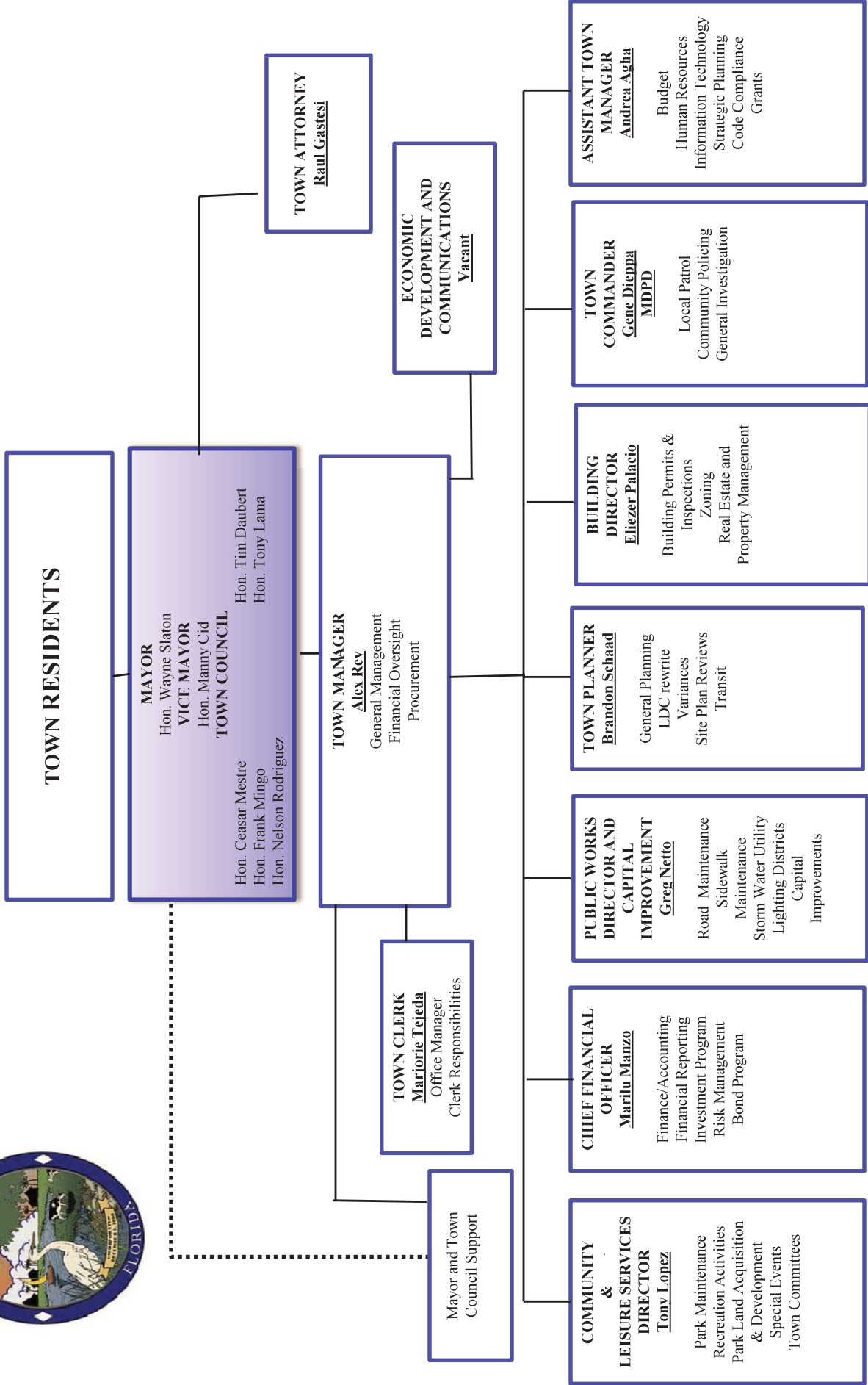
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

*Town of Miami Lakes*

ORGANIZATIONAL CHART





***Town of Miami Lakes  
List of Elected Officials  
September 30, 2014***

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**Mayor and Town Council**

Wayne Slaton, 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  
Marjorie Tejeda, Town Clerk  
Raul Gastesi, Esq., Town Attorney



MIAMI LAKES

**FINANCIAL SECTION**



MIAMI LAKES

**INDEPENDENT AUDITORS'  
REPORT**



## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Town Council  
Town of Miami Lakes, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Miami Lakes, Florida (the "Town") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We 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 of Miami Lakes, Florida, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Mayor and Town Council  
Town of Miami Lakes, Florida

### **Emphasis of Matter**

As described in Note 10 to the financial statements, in fiscal year 2014, the Town adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified in respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 14 and 40 and 41 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, 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 April 23, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

GLSC & Company, PLLC

Miami, Florida  
April 23, 2015



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, 2014. 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, which can be found at the front of this report, the financial statements and the accompanying notes to the financial statements.

### Financial Highlights for Fiscal Year 2014

- At the close of the fiscal year the assets of the Town exceeded its liabilities by \$42.2 million (net position). Of this amount, \$7.9 million (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$1.7 million during the current fiscal year. This increase is attributable to excess revenues over expenses for 2014. Net position of the Town's business-type activities increased by approximately \$874 thousand and approximately \$818 thousand for governmental activities, respectively. Capital contributions from governmental activities to business-type activities accounted mainly for the increase in the business-type activities. The increase in the Town's governmental funds resulted from the excess of revenues over expenditures.
- As of the close of the current fiscal year, the Town governmental funds reported combined fund balances of \$13.2 million, a decrease of \$799 thousand in comparison with the prior year. Approximately \$4.8 million, or 36%, 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 \$4.9 million or 33% of total general fund expenditures. The unassigned fund balance for the general fund was \$4.8 million or 32% of total general fund expenditures. Non Spendable fund balance was \$119 thousand, less than 1%. These designations are in compliance with the Town's fund balance and financial policies as explained in the notes to the financial statements.
- The town's long-term bonded debt decreased by \$100 thousand due to payment of principal on Special Obligation Bond, Series 2013 that was issued for 87<sup>th</sup> 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 nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Town.

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

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

**Government-Wide Financial Statements.** The *government-wide financial statements* (statement of net position and statement of activities found on pages 15 and 16 are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

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

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

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

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

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

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

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

The Town's funds are presented in separate fund financial statements. These funds are presented in a Governmental Fund Financial Statement and a Proprietary Fund (Business-type) Financial Statement. The Town's major funds are presented in separate columns on the fund financial statements. The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column on the fund financial statements.

At the closing of fiscal year ended September 30, 2014, 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 nonmajor funds is found in the combining statements.

The Town adopts an annual appropriated budget for its General Fund as well as its other governmental funds. Budgetary comparisons have been presented for funds which compare not only actual results to budget (budgetary basis), but also the original adopted budget to final budget. The budget to actual comparison for the General Fund is presented on page 40 of the required supplementary information and other governmental funds are presented beginning on page 42 of the combining statements and other schedules.

The basic governmental fund financial statements can be found on pages 17 through 19 of this report.

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

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

The Town uses an enterprise fund to account for its Stormwater Utility. The basic proprietary fund financial statements can be found on pages 21 through 23 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 24 through 39 of this report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and other schedules can be found beginning on page 42 of this report.

## Government-Wide Financial Analysis

The Government-wide Financial Statements were designed so that the user can determine if the Town is in a better or worse financial condition from the prior year. The Town's overall assets exceeded liabilities by \$42.2 million at the close of the most recent fiscal year.

### Town of Miami Lakes Summary of Net Position

	Governmental Activities		Business Activities		Total	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2014	2013	2014	2013	2014	2013
Current Assets	\$ 19,048,849	\$ 18,562,150	\$ 683,496	\$ 445,637	\$ 19,732,345	\$ 19,007,787
Capital Assets, Net	30,549,937	28,809,877	7,092,272	6,486,681	37,642,209	35,296,558
Total Assets	49,598,786	47,372,027	7,775,768	6,932,318	57,374,554	54,304,345
Current Liabilities	5,973,327	4,467,345	31,198	61,049	6,004,525	4,528,394
Noncurrent Liabilities	9,174,380	9,271,242	3,430	4,146	9,177,810	9,275,388
Total Liabilities	15,147,707	13,738,587	34,628	65,195	15,182,335	13,803,782
Net investment in capital assets	22,471,538	21,814,437	7,092,272	6,486,681	29,563,810	28,301,118
Restricted	4,750,852	5,021,979	-	-	4,750,852	5,021,979
Unrestricted	7,228,689	6,797,024	648,868	380,442	7,877,557	7,177,466
Total Net Position	\$ 34,451,079	\$ 33,633,440	\$ 7,741,140	\$ 6,867,123	\$ 42,192,219	\$ 40,500,563

The invested in capital assets, net of related debt, \$29.6 million or 70%, is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$4.75 million (11.3%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position \$7.9 million (18.7%) 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 an increase in *unrestricted net position* for the governmental activities of \$431 thousand (6.4%) as well as an increase in the business-type activities of \$268 thousand (71%), due to a planned transfer from the General Fund and the Stormwater Fund to the Capital Projects Fund to continue the capital pay-as-you-go projects.

Also, a decrease in restricted net position of \$271 thousand represents mostly the spending of proceeds from special obligation bonds Government Center and Roadway Improvement project, and spending proceeds of Transit and Transportation reserve for projected capital infrastructure projects.

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

The following schedule compares Revenues and Expenses for the Town's operations for Fiscal Year 2014 and Fiscal Year 2013.

	Summary of Changes in Net Position					
	Governmental Activities		Business Activities		Total	
	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2013
Program Revenues:						
Charges for Services	\$ 2,028,880	\$ 1,521,435	\$ 850,864	\$ 970,188	\$ 2,879,744	\$ 2,491,623
Operating Grants/Contributions	3,392	178,071	-	-	3,392	178,071
Capital Grants/Contributions	36,655	1,978,459	-	-	36,655	1,978,459
General Revenues:						
Property Taxes	5,525,235	5,432,333	-	-	5,525,235	5,432,333
Utility Taxes	5,192,315	4,383,036	-	-	5,192,315	4,383,036
Franchise Taxes	1,147,889	1,550,625	-	-	1,147,889	1,550,625
Intergovernmental	4,596,066	4,565,197	-	-	4,596,066	4,565,197
Investment Income & Misc.	897,055	103,153	2,618	397	899,673	103,550
<b>Total Revenues</b>	<b>19,427,487</b>	<b>19,712,309</b>	<b>853,482</b>	<b>970,585</b>	<b>20,280,969</b>	<b>20,682,894</b>
Expenses:						
General Government	3,359,809	3,505,665	-	-	3,359,809	3,505,665
Public Safety	6,365,715	6,287,319	-	-	6,365,715	6,287,319
Parks and Recreation	3,051,793	2,703,496	-	-	3,051,793	2,703,496
Public Works	2,527,545	2,831,483	783,596	877,397	3,311,141	3,708,880
Comprehensive Planning	1,679,697	1,622,645	-	-	1,679,697	1,622,645
Interest Expense	603,123	528,383	-	-	603,123	528,383
<b>Total Expenses:</b>	<b>17,587,682</b>	<b>17,478,991</b>	<b>783,596</b>	<b>877,397</b>	<b>18,371,278</b>	<b>18,356,388</b>
Excess of Revenues/(Expenses)	1,839,805	2,233,318	69,886	93,188	1,909,691	2,326,506
Transfers	(804,131)	(1,629,485)	804,131	1,629,485	-	-
Change in Net Position	1,035,674	603,833	874,017	1,722,673	1,909,691	2,326,506
Net position, Beginning, as restated	33,415,405	33,029,607	6,867,123	5,144,450	40,282,528	38,174,057
<b>Net Position, Ending</b>	<b>\$ 34,451,079</b>	<b>\$ 33,633,440</b>	<b>\$ 7,741,140</b>	<b>\$ 6,867,123</b>	<b>\$ 42,192,219</b>	<b>\$ 40,500,563</b>

**Governmental activities:** The Town's Governmental revenues decreased \$285 thousand to \$19.4 million. Approximately 28% of the Governmental Activity's revenues come from property taxes, and another 33% from other taxes. Of the remainder, 10% from fees charged for services and the remainder primarily from shared revenues received from other governmental entities. Governmental expenses increased \$109 thousand or .6% over last year. Approximately 19% of expenses are attributable to general government, 36% to public safety, 17.3% to parks and recreation, 14.4% to public works and 9.6% to comprehensive planning.

**Revenues:**

- Charges for various services provided by the Town increased by approximately \$507 thousand (33%). This was attributable to the increase in permitting activities as a result of renewed growth in construction, park rental fees as well as increase in fines and forfeits in public safety services.
- Grants and contributions drawdown decreased by approximately \$2.1 million (98%) due to the collection of 2014 reimbursements in 2015.
- Electric franchise fees decreased by \$403 thousand (26%) due to the activation of a new reactor at Turkey Point which was added to the 2013 Tax Roll, requiring FPL to pay additional taxes and therefore reducing franchise fee distribution.
- Utility service tax increased by \$809 thousand (18.5%). This is primarily due to an increase of \$474 thousand in communication services tax that resulted from an audit conducted by Town staff, as well as an incline in cost of these services.
- Investment income and miscellaneous revenues increased by approximately \$794 thousand. This includes settlement of \$797,614 from the surety bond company and contractor for the cost to complete the construction of Park East Youth Center.

**Expenses:**

- The Town's administrative costs decreased by \$146 thousand (4%) this past year largely due to the elimination of Town Hall rental expenses and associated moving costs.
- Public safety expenses as compared to the prior year increased by \$78 thousand (1%), primarily due to the acquisition of five (5) police vehicles.
- Parks and recreation increased by approximately \$348 thousand (12.9%) due to the transfer of the public information and special events functions from the Mayor/Council office. The increase is also as a result of the increase in grounds maintenance contracts and park facility repairs and maintenance costs.
- Public works decreased \$304 thousand (10.7%) 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 increased the Town's total net position by \$70 thousand (3.7%) in the current fiscal year mainly due to positive result of operations. Additional \$804 thousand increase in net position was the result of capital contributions from Capital Project Fund for completed 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, 2014 was \$4.9 million. Of this amount \$4.8 million, or (97.6%), was unassigned. Nonspendable fund balance for prepayments was \$118,803 (2.4%). The unassigned fund balance represents 27% of total general fund expenditures, while total fund balance represents 28% of that same amount. The General Fund's balance increased \$711,825 (17%) from the previous year which was primarily due to revenues exceeding expenditures and transfers.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$13.2 million, a decrease of \$799 thousand in comparison with the prior year. Approximately 36.1% of the total fund balance \$4.8 million constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2014, the capital projects fund had a total fund balance of \$6.5 million, \$3.6 million of which has been designated for use in capital projects and the remaining \$2.9 restricted for Transportation and Transit projects. The \$613,340 decrease in fund balance was mainly due to expenditures exceeding revenues as various projects were completed during the year.

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

Net position of the Stormwater Utility as of September 30, 2014, amounted to \$7.7 million. Of this amount, \$7.1 million is invested in capital assets and \$649 thousand is unrestricted. Net position increased \$874 thousand from the prior year, an increase of 13%, as a result of capital contributions from capital projects fund related to the transfer of completed drainage projects and \$70 thousand in income from stormwater operations. Investment in capital assets increased \$606 thousand as a result of \$804 thousand of capital assets transferred from the Capital Projects Fund offset by depreciation of \$198 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 \$513,079.

The final amended budget to actual resulted in a positive variance of \$711 thousand; actual revenues were \$186 thousand less than the final amended budget and actual expenditures were \$897 thousand under the final amended budget for the year.

## **Capital Assets and Debt Administration**

### **Capital Assets**

As of September 30, 2014 the Town's investment in capital assets for its governmental and business-type activities amounted to \$37.6 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. Total investment in capital assets for governmental activities increased by \$657 thousand and \$606 thousand for business-type activities. These increases were attributed by the following:

- Completion of Mary Collins Community Center
- Water and Sewer Connections
- Purchase of (5) Police vehicles
- Various projects of drainage and roadway improvements



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

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 6,056,872	\$ 6,056,872	\$ -	\$ -	\$ 6,056,872	\$ 6,056,872
Building	4,533,806	4,661,141	-	-	4,533,806	4,661,141
Construction in Progress	1,801,618	2,347,551	877,500	273,340	2,679,118	2,620,891
Infrastructure	16,758,079	14,111,086	5,981,289	5,949,953	22,739,368	20,061,039
Furniture & Fixtures	1,399,562	1,633,227	233,483	263,288	1,633,045	1,896,515
<b>Total Capital Assets, Net</b>	<b>30,549,937</b>	<b>28,809,877</b>	<b>7,092,272</b>	<b>6,486,581</b>	<b>37,642,209</b>	<b>35,296,458</b>

In FY 2012, the Town implemented MUNIS, a Tyler Technologies product for the financial system. With the implementation of the new financial system, the Town activated an automated process for tracking, inventory, 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 33 and 34 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the Town had \$9.1 million in bonds. During fiscal year 2011, the Town issued \$7.33 million in Town of Miami Lakes, Florida Special Obligation Revenue Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”). Moody’s Investor Services and Fitch Ratings have rated these bonds Aa3 and AA, respectively. 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  
Outstanding Debt  
Governmental**

	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2014</u>	<u>2013</u>
Special Obligation Bonds	\$ 7,330,000	\$ 7,330,000
Notes Payable	1,755,000	1,855,000
	<u>9,085,000</u>	<u>9,185,000</u>

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

- The unemployment rate for the Miami-Miami Beach- Kendall area as of December 2014 was 5.9% down from 6.8% in December 2013. The Town's unemployment rate for 2014 was 3.8%. (Source: Bureau of Labor Statistics).
- The occupancy rate of the government's central business district has remained stable for the past three years.
- The Town has 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.

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

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).

## **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, 2014**

<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Pooled Cash and cash equivalents	\$ 2,213,047	\$ 548,662	\$ 2,761,709
Cash and cash equivalents	14,127,120	1,079	14,128,199
Receivables	1,924,321	133,755	2,058,076
Prepayments and other assets	144,665	-	144,665
Restricted assets:			
Cash and cash equivalents	639,696	-	639,696
Property and equipment			
Non-depreciable capital assets			
Land	6,056,872	-	6,056,872
Construction in progress	1,801,618	877,500	2,679,118
Total non-depreciable capital assets	<u>7,858,490</u>	<u>877,500</u>	<u>8,735,990</u>
Depreciable assets			
Leasehold improvements	90,558	-	90,558
Furniture and equipment	2,823,411	278,429	3,101,840
Building	4,670,995	-	4,670,995
Infrastructure	22,257,941	6,933,631	29,191,572
Less: accumulated depreciation	<u>(7,151,458)</u>	<u>(997,288)</u>	<u>(8,148,746)</u>
Net depreciable capital assets	<u>22,691,447</u>	<u>6,214,772</u>	<u>28,906,219</u>
Total property and equipment	<u>30,549,937</u>	<u>7,092,272</u>	<u>37,642,209</u>
Total assets	<u>49,598,786</u>	<u>7,775,768</u>	<u>57,374,554</u>

LIABILITIES AND NET POSITION

Liabilities:			
Accounts payable and other current liabilities	5,792,383	31,198	5,823,581
Accrued payroll and benefits	136,202	-	136,202
Deposits	44,742	-	44,742
Noncurrent liabilities:			
Due within one year	129,121	-	129,121
Due in more than one year	<u>9,045,259</u>	<u>3,430</u>	<u>9,048,689</u>
Total liabilities	<u>15,147,707</u>	<u>34,628</u>	<u>15,182,335</u>
Net Position:			
Net investments in capital assets	22,471,538	7,092,272	29,563,810
Restricted for:			
Transportation and Transit	3,678,989	-	3,678,989
Debt Service	1,071,863	-	1,071,863
Unrestricted	<u>7,228,689</u>	<u>648,868</u>	<u>7,877,557</u>
Total net position	<u>\$ 34,451,079</u>	<u>\$ 7,741,140</u>	<u>\$ 42,192,219</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

<u><b>Functions/Programs</b></u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and</u>		<u>Total</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Governmental</u>	<u>Business-type</u>	
		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Activities</u>	<u>Activity</u>	
Governmental activities:							
General government	\$ 3,359,809	\$ 251,688	\$ -	\$ -	\$ (3,108,121)	\$ -	\$ (3,108,121)
Public safety	6,365,715	536,168	3,392	-	(5,826,155)	-	(5,826,155)
Parks and recreation	3,051,793	43,139	-	-	(3,008,654)	-	(3,008,654)
Public works	2,527,545	-	-	36,655	(2,490,890)	-	(2,490,890)
Comprehensive planning	1,679,697	1,197,885	-	-	(481,812)	-	(481,812)
Interest Expense	<u>603,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603,123)</u>	<u>-</u>	<u>(603,123)</u>
Total governmental activities:	<u>17,587,682</u>	<u>2,028,880</u>	<u>3,392</u>	<u>36,655</u>	<u>(15,518,755)</u>	<u>-</u>	<u>(15,518,755)</u>
Business-type activity:							
Stormwater	<u>783,596</u>	<u>850,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,268</u>	<u>67,268</u>
Total primary government	<u>\$ 18,371,278</u>	<u>\$ 2,879,744</u>	<u>\$ 3,392</u>	<u>\$ 36,655</u>	<u>(15,518,755)</u>	<u>67,268</u>	<u>(15,451,487)</u>
General revenues:							
Property taxes					5,525,235	-	5,525,235
Utility taxes					3,254,550	-	3,254,550
Communication services tax					1,937,765	-	1,937,765
Franchise taxes					1,147,889	-	1,147,889
Intergovernmental not restricted to specific programs					4,596,066	-	4,596,066
Investment and miscellaneous income					99,441	2,618	102,059
Special Items					797,614	-	797,614
Transfers					<u>(804,131)</u>	<u>804,131</u>	<u>-</u>
Total general revenues and transfers					<u>16,554,429</u>	<u>806,749</u>	<u>17,361,178</u>
Change in net position					1,035,674	874,017	1,909,691
Net position, beginning, restated					<u>33,415,405</u>	<u>6,867,123</u>	<u>40,282,528</u>
Net position, ending					<u>\$ 34,451,079</u>	<u>\$ 7,741,140</u>	<u>\$ 42,192,219</u>

**TOWN OF MIAMI LAKES, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	<b>Major Funds</b>			
<b><u>ASSETS</u></b>	<b><u>General</u></b>	<b><u>Capital Projects</u></b>	<b><u>Nonmajor Governmental Funds</u></b>	<b><u>Total</u></b>
Pooled cash and cash equivalents	\$ -	\$ 1,401,071	\$ 811,976	\$ 2,213,047
Cash and cash equivalents	8,308,751	5,602,482	215,887	14,127,120
Receivables, net	1,382,142	35,000	507,179	1,924,321
Due from other funds	254,937	-	-	254,937
Prepayments and other assets	118,803	-	25,862	144,665
Restricted assets:				
Cash and cash equivalents	-	-	639,696	639,696
Total assets	<b>\$ 10,064,633</b>	<b>\$ 7,038,553</b>	<b>\$ 2,200,600</b>	<b>\$ 19,303,786</b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts payable	\$ 4,988,274	\$ 529,306	\$ 111,792	\$ 5,629,372
Accrued payroll and benefits	136,202	-	-	136,202
Deposits	44,449	293	-	44,742
Due to other funds	-	-	254,937	254,937
Total liabilities	<b>5,168,925</b>	<b>529,599</b>	<b>366,729</b>	<b>6,065,253</b>
Fund balance:				
Nonspendable:				
Prepayments and other assets	118,803	-	25,862	144,665
Restricted for:				
Debt Service	-	-	1,071,863	1,071,863
Transportation and Transit	-	2,942,843	736,146	3,678,989
Assigned for:				
Capital Projects	-	3,566,111	-	3,566,111
Unassigned	4,776,905	-	-	4,776,905
Total fund balance	<b>4,895,708</b>	<b>6,508,954</b>	<b>1,833,871</b>	<b>13,238,533</b>
Total liabilities and fund balances	<b>\$ 10,064,633</b>	<b>\$ 7,038,553</b>	<b>\$ 2,200,600</b>	<b>\$ 19,303,786</b>

TOWN OF MIAMI LAKES, FLORIDA

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

Fund balance - total government funds (page 17)	\$	13,238,533
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		37,701,395
Less accumulated depreciation		(7,151,458)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Governmental bonds payable		(9,048,792)
Compensated Absences		(125,588)
Bond interest payable not reported in the governmental funds		<u>(163,011)</u>
Net position of governmental activities (Page 15)	\$	<u>34,451,079</u>

**TOWN OF MIAMI LAKES, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>Major Funds</b>			
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>REVENUES:</b>				
Ad valorem taxes	\$ 5,525,235	\$ -	\$ -	\$ 5,525,235
Utility taxes	2,880,432	-	374,118	3,254,550
Franchise fees	1,147,889	-	-	1,147,889
Communication services tax	1,937,765	-	-	1,937,765
Licenses and permits	1,197,885	-	-	1,197,885
Intergovernmental	2,871,920	207,338	1,734,172	4,813,430
Fines and forfeitures	536,168	-	-	536,168
Others	100,885	812,932	1,308	915,125
Investment income	<u>63,299</u>	<u>28,912</u>	<u>7,230</u>	<u>99,441</u>
Total revenues	<u>16,261,478</u>	<u>1,049,182</u>	<u>2,116,828</u>	<u>19,427,488</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Town council	354,820	-	-	354,820
Town administration and finance	2,208,605	-	3,550	2,212,155
Legal	<u>259,208</u>	<u>9,779</u>	<u>-</u>	<u>268,987</u>
Total general government	<u>2,822,633</u>	<u>9,779</u>	<u>3,550</u>	<u>2,835,962</u>
Public safety:				
Police	6,350,819	-	-	6,350,819
Parks and recreation	2,495,685	-	-	2,495,685
Public works	1,123,133	13,372	1,039,443	2,175,948
Comprehensive planning	1,679,697	-	-	1,679,697
Debt service:				
Principal	-	-	100,000	100,000
Interest	-	-	599,573	599,573
Capital outlay	<u>328,099</u>	<u>2,751,207</u>	<u>909,578</u>	<u>3,988,884</u>
Total expenditures	<u>14,800,066</u>	<u>2,774,358</u>	<u>2,652,144</u>	<u>20,226,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,461,412</u>	<u>(1,725,176)</u>	<u>(535,316)</u>	<u>(799,080)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,244,192	524,031	1,768,223
Transfers out	<u>(749,587)</u>	<u>(132,356)</u>	<u>(886,280)</u>	<u>(1,768,223)</u>
Total other financing sources (uses)	<u>(749,587)</u>	<u>1,111,836</u>	<u>(362,249)</u>	<u>-</u>
Net change in fund balances	711,825	(613,340)	(897,565)	(799,080)
Fund balance, beginning	<u>4,183,883</u>	<u>7,122,294</u>	<u>2,731,436</u>	<u>14,037,613</u>
Fund balance, ending	<u>\$ 4,895,708</u>	<u>\$ 6,508,954</u>	<u>\$ 1,833,871</u>	<u>\$ 13,238,533</u>



TOWN OF MIAMI LAKES, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE  
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of activities (on page 16) are different because:

Net change in fund balances - total governmental funds (page 19)	\$	(799,080)
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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	\$ 3,906,245	
Less current year depreciation	(1,362,054)	
Capital contributions to proprietary fund	<u>(804,131)</u>	1,740,060

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	100,000
Amortization of discount on bonds issued	(1,382)

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	(2,168)
Compensated absences	<u>(1,756)</u>

Change in net position of governmental activities (page 16)	\$ <u>1,035,674</u>
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**TOWN OF MIAMI LAKES, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2014**

	<u><b>BUSINESS- TYPE ACTIVITIES ENTERPRISE FUND</b></u>
	<u><b>STORMWATER</b></u>
<b>ASSETS</b>	
Current assets	
Pooled cash and cash equivalents	\$ 548,662
Cash and cash equivalents	1,079
Due from other government	<u>133,755</u>
Total current assets	<u>683,496</u>
Noncurrent assets	
Construction in progress	877,500
Furniture and equipment	278,429
Infrastructure	6,933,631
Less: Accumulated depreciation	<u>(997,288)</u>
Total noncurrent assets	<u>7,092,272</u>
Total Assets	<u>7,775,768</u>
<b>LIABILITIES</b>	
Accounts payable	31,198
Compensated absences	<u>3,430</u>
Total Liabilities	<u>34,628</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,092,272
Unrestricted	<u>648,868</u>
Total Net Position	<u>\$ 7,741,140</u>

**TOWN OF MIAMI LAKES, FLORIDA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND <u>STORMWATER</u></b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 850,864
Total Operating Revenues	<u>850,864</u>
<b>OPERATING EXPENSES</b>	
Administrative expenses	189,165
Contractual services	114,697
QNIP Fees	43,703
Repairs and maintenance	237,591
Depreciation	<u>198,440</u>
Total Operating Expenses	<u>783,596</u>
Operating income	67,268
<b>NONOPERATING REVENUES</b>	
Investment earnings	<u>2,618</u>
Total Nonoperating Revenues	<u>2,618</u>
Income before contributions and transfers	<u>69,886</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Capital contributions	<u>804,131</u>
Change in net position	874,017
TOTAL NET POSITION, OCTOBER 1	<u>6,867,123</u>
TOTAL NET POSITION, SEPTEMBER 30	<u>\$ 7,741,140</u>

**TOWN OF MIAMI LAKES, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u><b>BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND STORMWATER</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers and users	\$ 741,696
Cash paid to suppliers	(470,931)
Cash paid to employees	(144,793)
Net Cash provided by Operating Activities	<u>125,972</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>2,618</u>
Net Cash provided by Investing Activities	<u>2,618</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 128,590
 <b>CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	 <u>421,150</u>
 <b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	 <u><u>\$ 549,740</u></u>
 <b>Displayed as:</b>	
Pooled cash and cash equivalents	\$ 548,662
Cash and cash equivalents	<u>1,079</u>
Total cash and cash equivalents	<u><u>\$ 549,741</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED OPERATING ACTIVITIES:</b>	
Operating Income	\$ <u>67,268</u>
Adjustment to reconcile operating income to cash provided by operating activities	
Depreciation	198,440
Change in Assets and Liabilities:	
(Increase) in receivables	(109,168)
(Decrease) in compensated absences	(717)
(Decrease) in accounts payable	<u>(29,851)</u>
Total adjustments	<u>58,704</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	 <u><u>\$ 125,972</u></u>
 <b>NONCASH CAPITAL ACTIVITIES</b>	
Capital contributions from other funds	<u><u>\$ 804,131</u></u>



**NOTES TO  
FINANCIAL STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**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, 2014.

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 154<sup>th</sup> 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, 2014 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 \$2,763,705 as of September 30, 2014. Bank balances before reconciling items were \$2,434,152 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, 2014, the Town had the following investment types and effective duration presented in terms of years:

Investment Type	Fair Value
SBA Pool A	\$ 4,211
Money Market Fund	9,868,352
Certificate of Deposit	<u>4,041,108</u>
	<u>\$ 13,913,671</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 is 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, 2014 is 39 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, 2014.

*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, 2014 are being kept by a third party commercial trust bank and are fully secured and collateralized under the name of the Town or its agent.

## 3. RECEIVABLES AND PAYABLES

Receivables at year end September 30, 2014 were as follows:

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Non Major</u> <u>Funds</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
Due from other governments	\$ 1,257,597	\$ 35,000	\$ 221,381	\$ 133,755	\$ 1,647,733
Other	230,201	-	285,798	-	515,999
Gross receivables	<u>1,487,798</u>	<u>35,000</u>	<u>507,179</u>	<u>133,755</u>	<u>2,163,732</u>
Less: Allowance for uncollectible	<u>(105,656)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,656)</u>
Total Receivables	<u>\$ 1,382,142</u>	<u>\$ 35,000</u>	<u>\$ 507,179</u>	<u>\$ 133,755</u>	<u>\$ 2,058,076</u>

Payables at year end September 30, 2014 were as follows:

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Non Major</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
Vendors	\$4,988,274	\$529,306	\$ 111,792	\$ 31,198	\$5,660,570
Payroll and related accounts	<u>136,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,202</u>
Total (fund statements)	5,124,476	529,306	111,792	31,198	5,796,772
Interest Accrual	<u>163,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,011</u>
Total government wide	<u>\$5,287,487</u>	<u>\$529,306</u>	<u>\$ 111,792</u>	<u>\$ 31,198</u>	<u>\$5,959,783</u>

#### 4. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2014, consisted of the following:

Transferred Out	Transferred In		Total
	Capital Projects Fund	Non Major Fund	
General Fund	\$ 749,587	\$ -	\$ 749,587
Capital Projects Fund	132,356	-	132,356
Non Major Fund	<u>362,249</u>	<u>524,031</u>	<u>886,280</u>
Total	<u>\$1,244,192</u>	<u>\$ 524,031</u>	<u>\$ 1,768,223</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, 2014, was as follows:

Governmental activities	Balance				Balance
	October 1, 2013	Increases	Decreases	Transfers	September 30, 2014
Capital assets not being depreciated					
Land	\$ 6,056,872	\$ -	\$ -	\$ -	\$ 6,056,872
Construction in Progress	<u>2,347,551</u>	<u>3,652,090</u>	<u>-</u>	<u>(4,198,023)</u>	<u>1,801,618</u>
Total capital assets not being depreciated	<u>8,404,423</u>	<u>3,652,090</u>	<u>-</u>	<u>(4,198,023)</u>	<u>7,858,490</u>
Capital assets being depreciated:					
Furniture & Equipment	2,649,053	174,358	-	-	2,823,411
Building	4,670,995	-	-	-	4,670,995
Leasehold Improvements	90,558	-	-	-	90,558
Infrastructure	<u>18,784,252</u>	<u>79,797</u>	<u>-</u>	<u>3,393,892</u>	<u>22,257,941</u>
Total capital assets being depreciated	<u>26,194,858</u>	<u>254,155</u>	<u>-</u>	<u>3,393,892</u>	<u>29,842,905</u>
Less accumulated depreciation for:					
Furniture & Equipment	(1,015,825)	(408,024)	-	-	(1,423,849)
Building	(9,854)	(127,335)	-	-	(137,189)
Leasehold Improvements	(90,558)	-	-	-	(90,558)
Infrastructure	<u>(4,673,167)</u>	<u>(826,695)</u>	<u>-</u>	<u>-</u>	<u>(5,499,862)</u>
Total accumulated depreciation	<u>(5,789,404)</u>	<u>(1,362,054)</u>	<u>-</u>	<u>-</u>	<u>(7,151,458)</u>
Total capital assets being depreciated, net	<u>20,405,454</u>	<u>(1,107,899)</u>	<u>-</u>	<u>3,393,892</u>	<u>22,691,447</u>
Governmental activities capital assets, net	<u>\$ 28,809,877</u>	<u>\$ 2,544,191</u>	<u>\$ -</u>	<u>\$ (804,131)</u>	<u>\$ 30,549,937</u>

## 5. CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets in the Proprietary Fund at September 30, 2014:

Business-Type Activities	Balance October 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance September 30, 2014
Capital Assets Not Being Depreciated					
Construction in Progress	\$ 273,340	\$ -	\$ -	\$ 604,160	\$ 877,500
Total capital assets not being depreciated	<u>273,340</u>	<u>-</u>	<u>-</u>	<u>604,160</u>	<u>877,500</u>
Capital assets being depreciated					
Infrastructure	6,733,660	-	-	199,971	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>7,012,089</u>	<u>-</u>	<u>-</u>	<u>199,971</u>	<u>7,212,060</u>
Less accumulated depreciation for:					
Infrastructure	(783,708)	(168,634)	-	-	(952,342)
Furniture & Equipment	<u>(15,140)</u>	<u>(29,806)</u>	<u>-</u>	<u>-</u>	<u>(44,946)</u>
Total accumulated depreciation	<u>(798,848)</u>	<u>(198,440)</u>	<u>-</u>	<u>-</u>	<u>(997,288)</u>
Total capital assets being depreciated, net	<u>6,213,241</u>	<u>(198,440)</u>	<u>-</u>	<u>199,971</u>	<u>6,214,772</u>
Business-Type activities capital assets, net	<u>\$ 6,486,581</u>	<u>\$ (198,440)</u>	<u>\$ -</u>	<u>\$ 804,131</u>	<u>\$ 7,092,272</u>

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

Governmental activities:

General Government	\$ 505,098
Public Safety	7,475
Public Works	312,538
Parks and Recreation	<u>536,943</u>
	<u>\$ 1,362,054</u>

Business-type activities:

Stormwater Utility	\$ 198,440
	<u>\$ 198,440</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



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

**Special Obligation Bonds, Notes 2010 (continued)**

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, 2014 the Town is not subject to the rebate provisions of the arbitrage regulations on its Series 2010 Bonds.

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

Year End September 30th	<u>Special Obligation Bonds, Series 2010</u>		<u>Special Obligation Bonds, Series 2013</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	-	548,499	105,000	53,173
2016	-	548,499	105,000	49,927
2017	-	548,499	110,000	46,389
2018	-	548,499	110,000	42,924
2019	380,000	548,499	115,000	37,392
2020-2024	1,100,000	2,460,495	635,000	302,839
2025-2029	1,380,000	2,027,386	575,000	45,294
2030-2034	1,750,000	1,450,529	-	-
2035-2039	2,210,000	716,557	-	-
2040	<u>510,000</u>	<u>38,898</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,330,000</u>	<u>\$ 9,436,360</u>	<u>\$ 1,755,000</u>	<u>\$ 577,938</u>

## 6. LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the year ended September 30, 2014 was as follows:

	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014	Due within One Year
<b>Governmental activities:</b>					
Special Obligation Bonds payable	\$ 7,330,000	\$ -	\$ -	\$ 7,330,000	\$ -
Less: deferred amounts on sale of bonds	(37,590)	-	1,382	(36,208)	-
Special Obligation Bonds, series 2013	1,855,000	-	(100,000)	1,755,000	105,000
Compensated absences	<u>202,867</u>	<u>26,303</u>	<u>(79,461)</u>	<u>149,709</u>	<u>24,121</u>
Total governmental activities	<u>9,350,277</u>	<u>26,303</u>	<u>(178,079)</u>	<u>9,198,501</u>	<u>129,121</u>
<b>Business-type activities</b>					
Compensated absences	<u>4,146</u>	<u>842</u>	<u>(1,558)</u>	<u>3,430</u>	<u>-</u>
Total Long-term debt	<u>\$ 9,354,423</u>	<u>\$ 27,145</u>	<u>\$ (179,637)</u>	<u>\$ 9,201,931</u>	<u>\$ 129,121</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.

### Future Revenues that are pledged

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

Pledged Revenue	Total Principal and interest <u>Outstanding</u>	Current Year Principal and Interest paid <u>Interest paid</u>	Maximum Principal And Interest <u>And Interest</u>	Current Year Revenue <u>Revenue</u>	% of Revenues to Principal and Interest Paid <u>Interest Paid</u>	% of Revenues to Maximum Principal and Interest <u>Interest</u>
Electric Utility Tax	\$16,766,360	\$ 548,499	\$ 928,499	\$ 2,849,187	588%	309%

## 7. EMPLOYEE RETIREMENT SYSTEM

*Plan Description:* Effective January 1, 2004, pursuant to Council enactment of Resolution No. 03-182, all of the Town's full-time employees became participants of the Florida Retirement System (FRS), a multiple employer cost sharing public employee retirement system, enacted by the Florida Legislature and available to governmental units within Florida. The FRS, defined benefit plan, provides vesting after six years of creditable service for members who entered the plan prior to July 2011, and eight years for members entering after the time. Members who entered after July 2011 are offered a selection between the defined benefit plan and the investment plan, which vests each year on anniversary date. Members are eligible for normal retirement after vesting (*based on time of entry into plan*). Early retirement may be taken anytime, but there is a five percent benefit reduction for each year prior to normal retirement age (less than 30 years of service, or 62 years of age for regular members).

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

*Funding Policy:* Plan members currently contribute 3% of payroll per pay period, with the employer contributing the balance. The Town contribution rates ranged from 5.44% to 8.18%. Article X, Section 14 of the State Constitution and Part VII, Chapter 112 of the Florida Statutes provide the authority to amend the contribution rates and obligations.

The contribution rate of current year covered payroll is 7.37 percent. The Town's total contributions for the Florida Retirement System for the years ending September 30, 2014, 2013, and 2012, were \$220,577, \$158,239, and \$143,413, respectively, these amounts exclude the post July 1, 2011 required 3% employee contributions. The Town made 100 percent of its required contributions for each year. FRS issues an annual financial report and a copy can be obtained by sending a written request to:

State of Florida  
Division of Retirement  
2639 N. Monroe Street  
Tallahassee, Florida 32399,  
or by calling (850) 488-2879.

**8. COMMITMENTS AND CONTINGENCIES**

**Agreement with Miami-Dade County for Local Police Patrol Services**

Effective November 14, 2004, the Town executed an agreement with the 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 \$6,131,453 to the County for local police patrol services during the fiscal year ended September 30, 2014.

**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.

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

**Miami-Dade County Quality Neighborhood Improvement Plan (QNIP)  
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 2014, 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:

2015	\$ 69,628
2016	69,612
2017	69,648
2018	69,570
2019	69,618
2020-2024	<u>347,850</u>
	<u>\$ 695,926</u>

During the fiscal year ended September 30, 2014 the Town paid approximately \$69,632 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 is involved in litigation related to the former Mayor of the Town filing an action in Miami-Dade Circuit Court to be restored to Office. The Trial Court ruled that the former Mayor must be restored to office. The Town subsequently appealed this ruling before the Third District Court of Appeals. The former Mayor requested that the Town pay for his attorney in his action to revoke his order of suspension and be restored to his former office. However, the amount for his attorney fees incurred during the proceedings was not provided with his request. If the Town does not prevail in the appeal, the former Mayor could make a claim for his attorney fees and costs related to this litigation.

The Town could also be liable for some of the former Mayor's attorney fees and costs in defending his criminal indictment. As of April 23, 2015, the former Mayor has not filed a formal claim for the cost of defending the criminal case and the Town and Legal Counsel have not been made aware of any amounts for the potential costs. The Town legal counsel believes that the Town, in a worst case scenario, would only be liable for a portion of the former Mayor's legal costs, since the indictment included actions in performance of duties as the attorney for another municipality. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**9. RISK MANAGEMENT**

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

**10. Restated Net Position**

The following discloses the restatement of the Governmental Activities as of the beginning of the fiscal year.

	<u>Governmental Activities</u>
Net Position, beginning of the year, as previously stated	\$ 33,633,440
Decrease due to implementation of GASB Statement No. 65, write off of deferred debt issue costs	<u>(218,035)</u>
Net Position, beginning of the year, as restated	<u>\$ 33,415,405</u>

**11. Date of Management Review**

The Town's management has evaluated subsequent events through April 23, 2015, the date which the financial statements were available for issue.

**11. Insurance Recoveries**

A settlement was received during the year amounting to \$797,614 from the Surety Bond Company and the contractor for the cost to complete construction of the Park East Youth Center.



MIAMI LAKES  
**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF MIAMI LAKES, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Ad valorem taxes	\$ 5,733,800	\$ 5,733,800	\$ 5,525,235	\$ (208,565)
Utility taxes	2,587,575	2,587,575	2,880,432	292,857
Franchise fees	1,550,000	1,550,000	1,147,889	(402,111)
Communication service tax	1,274,000	1,274,000	1,937,765	663,765
Licenses and permits	1,072,500	1,072,500	1,197,885	125,385
Intergovernmental	2,792,770	2,792,770	2,871,920	79,150
Fines and forfeitures	221,800	221,800	536,168	314,368
Other	52,550	52,550	100,885	48,335
Budget Carryforward	1,150	1,097,440	-	(1,097,440)
Investment Income	<u>65,000</u>	<u>65,000</u>	<u>63,299</u>	<u>(1,701)</u>
Total revenues	<u>15,351,145</u>	<u>16,447,435</u>	<u>16,261,478</u>	<u>(185,957)</u>
Expenditures:				
Current:				
General government:				
Town council	344,876	354,476	354,820	(344)
Town administration and finance	2,315,158	2,625,061	2,361,762	263,299
Legal	<u>319,000</u>	<u>269,000</u>	<u>259,208</u>	<u>9,792</u>
Total general government	<u>2,979,034</u>	<u>3,248,537</u>	<u>2,975,790</u>	<u>272,747</u>
Public safety:				
Police	6,804,342	6,647,977	6,477,230	170,747
Parks and recreation	2,329,054	2,679,519	2,531,050	148,469
Public works	1,428,828	1,373,828	1,136,298	237,530
Comprehensive planning	<u>1,771,887</u>	<u>1,747,987</u>	<u>1,679,698</u>	<u>68,289</u>
Total expenditures	<u>15,313,145</u>	<u>15,697,848</u>	<u>14,800,066</u>	<u>897,782</u>
Excess of revenues over expenditures	<u>38,000</u>	<u>749,587</u>	<u>1,461,412</u>	<u>711,825</u>
Other financing uses:				
Transfers out	<u>(38,000)</u>	<u>(749,587)</u>	<u>(749,587)</u>	<u>-</u>
Total other financing uses	<u>(38,000)</u>	<u>(749,587)</u>	<u>(749,587)</u>	<u>-</u>
Net change in fund balance	-	-	711,825	711,825
Fund balance, beginning	<u>4,183,883</u>	<u>4,183,883</u>	<u>4,183,883</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,183,883</u>	<u>\$ 4,183,883</u>	<u>\$ 4,895,708</u>	<u>\$ 711,825</u>

See accompanying notes to Budgetary Comparison Schedules.

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2014**

**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.





MIAMI LAKES

**COMBINING STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

<b>Nonmajor Governmental Funds</b>						
<b>ASSETS</b>	<b>Capital Projects Fund</b>		<b>Capital Projects Fund</b>		<b>Debt Service</b>	<b>Total</b>
	<b>Special Revenue</b>	<b>Series 2010 Construction</b>	<b>Series 2013 Construction</b>			
Pooled cash and cash equivalents	\$ 663,812	\$ 9,875	\$ 108,289	\$ 30,000	\$ 811,976	
Cash and cash equivalents	1,354			214,533	215,887	
Receivables	221,381	-	-	285,798	507,179	
Other assets	-	-	-	25,862	25,862	
Restricted Assets:						
Cash and cash equivalents	-	-	-	639,696	639,696	
Total assets	<u>\$ 886,547</u>	<u>\$ 9,875</u>	<u>\$ 108,289</u>	<u>\$ 1,195,889</u>	<u>\$ 2,200,600</u>	
 <b><u>LIABILITIES AND FUND BALANCE</u></b>						
Liabilities:						
Accounts payable	\$ 110,617	\$ 1,175	\$ -	\$ -	\$ 111,792	
Due to other funds	-	-	-	254,937	254,937	
Total liabilities	<u>110,617</u>	<u>1,175</u>	<u>-</u>	<u>254,937</u>	<u>366,729</u>	
Fund balance:						
Nonspendable:						
Prepayments	-	-	-	25,862	25,862	
Restricted for:						
Debt Service	48,484	-	108,289	915,090	1,071,863	
Transportation and transit	<u>727,446</u>	<u>8,700</u>	<u>-</u>	<u>-</u>	<u>736,146</u>	
Total fund balance	<u>775,930</u>	<u>8,700</u>	<u>108,289</u>	<u>940,952</u>	<u>1,833,871</u>	
Total liabilities and fund balances	<u>\$ 886,547</u>	<u>\$ 9,875</u>	<u>\$ 108,289</u>	<u>\$ 1,195,889</u>	<u>\$ 2,200,600</u>	

TOWN OF MIAMI LAKES, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES -NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Nonmajor Governmental Funds				Total
	Special Revenue	Capital Projects Fund Series 2010 Construction	Capital Projects Fund Series 2013 Construction	Debt Service	
<b>REVENUES:</b>					
Utility taxes	\$ -	\$ -	\$ -	\$ 374,118	\$ 374,118
Intergovernmental	1,556,020	-	-	178,152	1,734,172
Investment income	2,261	-	-	4,969	7,230
Others	<u>767</u>	<u>-</u>	<u>-</u>	<u>541</u>	<u>1,308</u>
Total revenues	<u>1,559,048</u>	<u>-</u>	<u>-</u>	<u>557,780</u>	<u>2,116,828</u>
<b>EXPENDITURES:</b>					
Current:					
General government:					
Town administration and finance	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550</u>	<u>3,550</u>
Total general government	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550</u>	<u>3,550</u>
Public works	989,652	-	49,791	-	1,039,443
Debt service:					
Principal	-	-	-	100,000	100,000
Interest	-	-	-	599,573	599,573
Capital outlay	<u>14,702</u>	<u>-</u>	<u>894,876</u>	<u>-</u>	<u>909,578</u>
Total expenditures	<u>1,004,354</u>	<u>-</u>	<u>944,667</u>	<u>703,123</u>	<u>2,652,144</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>554,694</u>	<u>-</u>	<u>(944,667)</u>	<u>(145,343)</u>	<u>(535,316)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	524,031	524,031
Transfers out	<u>(268,328)</u>	<u>-</u>	<u>(247,144)</u>	<u>(370,808)</u>	<u>(886,280)</u>
Total other financing sources (uses)	<u>(268,328)</u>	<u>-</u>	<u>(247,144)</u>	<u>153,223</u>	<u>(362,249)</u>
Net change in fund balances	<u>286,366</u>	<u>-</u>	<u>(1,191,811)</u>	<u>7,880</u>	<u>(897,565)</u>
Fund balance, beginning	<u>489,564</u>	<u>8,700</u>	<u>1,300,100</u>	<u>933,072</u>	<u>2,731,436</u>
Fund balance, ending	<u>\$ 775,930</u>	<u>\$ 8,700</u>	<u>\$ 108,289</u>	<u>\$ 940,952</u>	<u>\$ 1,833,871</u>



MIAMI LAKES

**BUDGETARY SCHEDULES**

**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	Positive <u>(Negative)</u>
Revenues:				
New Local Option Gas Tax	\$ 380,000	\$ 380,000	\$ 391,862	\$ 11,862
State Grant -Bus Purchase	75,000	75,000	36,655	(38,345)
State Grant - MPO Origin and Destination Study	-	-	20,000	20,000
Transportation Sales Tax 20%	200,000	200,000	219,059	19,059
Peoples Transportation Sales Tax 80%	-	815,000	876,234	61,234
5% of 20% Transportation Sales Tax	10,000	-	-	-
Investment Income	-	-	2,261	2,261
Tree Program	7,350	7,350	767	(6,583)
Impact Fees-Public Safety	5,000	5,000	12,210	7,210
Others & Carryforward	<u>1,059,489</u>	<u>1,059,489</u>	<u>-</u>	<u>(1,059,489)</u>
Total revenues	<u>1,736,839</u>	<u>2,541,839</u>	<u>1,559,048</u>	<u>(982,791)</u>
Expenditures:				
Current:				
Transfer to Public Works General Fund	200,000	-	-	-
Transportation Roadway System Maintenance	100,000	100,000	80,078	19,922
Sidewalk Replacement	125,000	206,095	205,335	760
Potholes Repairs	30,000	30,000	17,909	12,091
Striping and Signage	5,000	23,905	15,539	8,366
Contingency	455,000	555,000	-	555,000
Transit				
Transit Salaries and Wages	24,600	24,600	11,987	12,613
Transit Payroll Taxes	1,800	1,800	854	946
Traffic Studies	15,000	25,000	19,623	5,377
Transit- Administration Program Expense 5%	10,000	10,000	10,953	(953)
Transit Bus Contract Expenses	150,000	204,565	221,183	(16,618)
Insurance	22,950	22,950	11,226	11,724
Global Positioning System	20,000	20,000	14,704	5,296
Bus Benches/Shelter Repairs and Maintenance	10,000	9,435	2,499	6,936
Promotional Activities	20,000	20,000	11,574	8,426
Bus Stop Signs	25,000	25,000	-	25,000
Contingency for Transit	510,100	448,489	-	448,489
People's Transportation Tax				
Streetlighting Utilities	-	267,005	260,538	6,467
Repairs and Maintenance	-	73,785	76,540	(2,755)
PTP - Administration Program Expense 5%	-	34,960	43,812	(8,852)
Contingency for PTP	<u>-</u>	<u>170,922</u>	<u>-</u>	<u>170,922</u>
Total expenditures	<u>1,724,450</u>	<u>2,273,511</u>	<u>1,004,354</u>	<u>1,269,157</u>
Excess of revenues over expenditures	<u>12,389</u>	<u>268,328</u>	<u>554,694</u>	<u>286,366</u>
Other financing (uses)				
Transfer out Capital Projects Fund	<u>-</u>	<u>(268,328)</u>	<u>(268,328)</u>	<u>-</u>
Total other financing (uses)	<u>-</u>	<u>(268,328)</u>	<u>(268,328)</u>	<u>-</u>
Net change in fund balance	12,389	-	286,366	286,366
Fund balance, beginning	<u>489,564</u>	<u>489,564</u>	<u>489,564</u>	<u>-</u>
Fund balance, ending	<u>\$ 501,953</u>	<u>\$ 489,564</u>	<u>\$ 775,930</u>	<u>\$ 286,366</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
Federal Direct Payment	\$ 183,624	\$ 183,624	\$ 178,152	\$ (5,472)
Electric utility taxes	394,425	394,425	374,118	(20,307)
Investment Income	6,000	6,000	4,969	(1,031)
Other	-	-	541	541
Total revenues	<u>584,049</u>	<u>584,049</u>	<u>557,780</u>	<u>(26,269)</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	100,000	100,000	100,000	-
Interest	599,573	599,573	599,573	-
Contingency	32,000	32,000	-	32,000
Debt Service Reserve	-	-	-	-
Total expenditures	<u>735,123</u>	<u>735,123</u>	<u>703,123</u>	<u>32,000</u>
(Deficiency) of revenues (under) expenditures	(151,074)	(151,074)	(145,343)	5,731
OTHER FINANCING SOURCES (USES)				
Transfers in	509,949	509,949	524,031	14,082
Transfers out	<u>(358,875)</u>	<u>(358,875)</u>	<u>(370,808)</u>	<u>(11,933)</u>
Total other financing sources (uses)	<u>151,074</u>	<u>151,074</u>	<u>153,223</u>	<u>2,149</u>
Net change in fund balance	-	-	7,880	7,880
Fund balance, beginning	<u>933,072</u>	<u>933,072</u>	<u>933,072</u>	<u>-</u>
Fund balance, ending	<u>\$ 933,072</u>	<u>\$ 933,072</u>	<u>\$ 940,952</u>	<u>\$ 7,880</u>



MIAMI LAKES  
**OTHER SCHEDULES**

**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE-CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	Positive (Negative)
<b>Revenues:</b>				
New Local Option Gas Tax	\$ 142,000	\$ 142,000	\$ 154,511	\$ 12,511
FDEP Grant for Westlakes	300,000	300,000	-	(300,000)
Greenway and Trails Masterplan Grant	35,000	35,000	35,000	-
FDEP Land & Water Grant - Sevilla Estates Park	-	100,000	-	(100,000)
FDEP Recreational Trails Grant - Bike Path	77,500	77,500	-	(77,500)
1/2 Cent transportation surtax	815,000	-	-	-
Impact fees - parks	-	-	17,827	17,827
Special Item- settlement	-	-	797,615	797,615
Other	-	-	3,600	3,600
Donations	-	-	11,717	11,717
Investment income	35,000	35,000	28,912	(6,088)
Total revenues	<u>1,404,500</u>	<u>689,500</u>	<u>1,049,182</u>	<u>359,682</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Town administration and finance	36,600	-	-	-
Legal Fees	-	10,700	9,779	921
<b>Capital outlay</b>				
<b>Drainage Improvements</b>				
West Lake A	685,680	758,667	758,667	-
West Lake B, C, D and E	-	25,000	17,386	7,614
83rd Place Drainage	-	152,013	128,743	23,270
Royal Oaks	-	120,000	53,843	66,157
CIP Reserve	241,653	381,729	-	381,729
<b>Transportation Improvements</b>				
Traffic Calming	65,000	65,000	13,372	51,628
Storage Yard	308,000	308,000	-	308,000
Bus Shelter Acquisition	-	170,000	-	170,000
CIP Reserve	2,042,001	1,593,410	-	1,593,410
<b>Roadway resurfacing:</b>				
Various projects	-	30,656	6,000	24,656
Lake Martha	700,000	700,000	74,053	625,947
Lake Sarah	300,000	300,000	81,569	218,431
Entrance Features	308,000	308,000	74,201	233,799
<b>Parks and Recreation</b>				
Dog Park	-	15,500	13,502	1,998
Concession Area, Clubhouse, Parking	64,914	341,413	-	341,413
<b>Mini Parks:</b>				
Rehab Tot Lots	-	53,000	47,038	5,962
Greenway Bike Path NW 170th Street	174,058	185,000	229,567	(44,567)
Community Center East	700,000	689,620	218,376	471,244
Community Center West	518,000	592,680	499,476	93,204
<b>Optimist Park:</b>				
Building construction	1,229,000	1,065,530	158,745	906,785
Water and Sewer connection	289,000	299,000	292,473	6,527
Parks Beautification Matching Grant	28,000	28,000	-	28,000
<b>Facilities and Equipment</b>				
Art in Public Places	-	64,320	-	64,320
Machinery and Equipment	85,000	33,000	28,141	4,859
Infrastructure	-	3,219	69,427	(66,208)
Town Hall Other Expense	212,216	184,988	-	184,988
Reserve	40,563	-	-	-
Total expenditures	<u>8,027,685</u>	<u>8,478,445</u>	<u>2,774,358</u>	<u>5,704,087</u>
Total revenues over expenditures	(6,623,185)	(7,788,945)	(1,725,176)	6,063,769
<b>Other financing sources(uses):</b>				
Transfers in	132,000	1,150,271	1,244,192	(93,921)
Transfers out	-	(132,356)	(132,356)	-
	<u>132,000</u>	<u>1,017,915</u>	<u>1,111,836</u>	<u>(93,921)</u>
Net change in fund balance	<u>(6,491,185)</u>	<u>(6,771,030)</u>	<u>(613,340)</u>	<u>5,969,848</u>
Fund balance, beginning	7,122,294	7,122,294	7,122,294	-
Fund balance, ending	<u>\$ 631,109</u>	<u>\$ 351,264</u>	<u>\$ 6,508,954</u>	<u>\$ 5,969,848</u>




**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE-SERIES 2013 ROADWAY IMPROVEMENT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final Budget</u>		Positive <u>(Negative)</u>
Revenues:				
Investment Income	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Acquisition and construction				
Construction costs	903,129	1,038,582	894,876	143,706
Contingency	94,268	134,157	49,791	84,366
Total expenditures	997,397	1,172,739	944,667	228,072
(Deficiency) of revenues (under) expenditures	(997,397)	(1,172,739)	(944,667)	228,072
OTHER FINANCING (USES)				
Transfer out	(151,074)	(151,074)	(247,144)	96,070
Total other financing (uses)	(151,074)	(151,074)	(247,144)	96,070
Net change in fund balance	(1,148,471)	(1,323,813)	(1,191,811)	324,142
Fund balance, beginning	1,300,100	1,300,100	1,300,100	-
Fund balance, ending	\$ 151,629	\$ (23,713)	\$ 108,289	\$ 324,142

**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE-STORMWATER UTILITY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Final Budget
	<u>Original</u>	<u>Final Budget</u>		Positive <u>(Negative)</u>
Revenues:				
Stormwater utility fees	\$ 1,000,000	\$ 1,000,000	\$ 850,864	\$ (149,136)
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>850,864</u>	<u>(149,136)</u>
Expenditures:				
Current:				
Salaries and Wages	131,183	130,542	104,490	26,052
Retirement Contributions	8,686	8,686	7,583	1,103
Payroll Taxes	9,600	9,600	8,138	1,462
Health Insurance	23,817	23,817	23,817	-
Wireless Stipend	483	768	764	4
Stormwater utility revenue bond debt	70,000	70,000	43,703	26,297
Master Plan update	25,000	25,000	-	25,000
Administrative support to Stormwater	30,000	30,000	30,000	-
Inspection services	60,000	60,356	81,767	(21,411)
Canal maintenance	210,000	210,000	83,893	126,107
Upgrades and improvements	100,000	100,000	89,965	10,035
System maintenance and repairs	25,000	25,000	15,644	9,356
Street sweeping/litter control	30,000	30,000	32,046	(2,046)
Vacuum Truck operations & maintenance	20,000	20,000	16,042	3,958
WASD collection fee	32,000	32,000	24,970	7,030
Stormwater utility administration	32,000	32,000	10,589	21,411
Professional services - legal/engineering	25,000	25,000	-	25,000
NPDES discharge model and permit fees	25,000	25,000	7,641	17,359
Community Rating System	2,000	2,000	1,123	877
Education and training	8,000	8,000	1,770	6,230
Publications and subscriptions	1,000	1,000	360	640
Public outreach and workshops	10,000	10,000	850	9,150
Depreciation	-	-	198,441	(198,441)
Contingency	554,061	554,061	-	554,061
Total expenditures	<u>1,432,830</u>	<u>1,432,830</u>	<u>783,596</u>	<u>649,234</u>
Excess of revenues over expenses	<u>(432,830)</u>	<u>(432,830)</u>	<u>67,268</u>	<u>500,098</u>
Non-operating income				
Interest income	400	400	2,618	(2,218)
Capital contributions	-	-	804,131	(804,131)
Total non-operating income	<u>400</u>	<u>400</u>	<u>806,749</u>	<u>(806,349)</u>
Change in net position	<u>(432,430)</u>	<u>(432,430)</u>	<u>874,017</u>	<u>(306,251)</u>
Net position, beginning	5,144,450	6,867,123	6,867,123	-
Net position, ending	<u>\$ 4,712,020</u>	<u>\$ 6,434,693</u>	<u>\$ 7,741,140</u>	<u>\$ (306,251)</u>



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

# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	49-54
<b>Revenue Capacity</b>	
These schedules contain information to help the read assess the government's most significant local revenue source, the property tax.	55-58
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's' ability to issue additional debt in the future.	59-60
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	61-62
<b>Operating Information and Insurance in Force</b>	
These schedules contain service and infrastructure data to help the Reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	63-66

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  
FINANCIAL TRENDS  
NET POSITION BY COMPONENT  
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>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 9,767,253	\$ 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
Restricted	1,725,395	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
Unrestricted	3,393,391	3,575,683	3,589,471	5,251,427	8,159,280	9,644,228	6,230,900	5,883,351	6,797,024	7,228,689
<b>Total governmental activities net position</b>	<b>\$ 14,886,039</b>	<b>\$ 16,808,800</b>	<b>\$ 19,546,223</b>	<b>\$ 21,442,887</b>	<b>\$ 25,641,318</b>	<b>\$ 28,446,637</b>	<b>\$ 32,469,706</b>	<b>\$ 33,029,607</b>	<b>\$ 33,633,440</b>	<b>\$ 34,451,079</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 1,493,937	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	702,928	427,813	921,494	1,343,801	1,574,095	1,998,079	899,610	410,351	380,542	648,868
<b>Total business-type activities net position</b>	<b>\$ 2,196,865</b>	<b>\$ 2,384,605</b>	<b>\$ 3,522,918</b>	<b>\$ 4,988,631</b>	<b>\$ 5,769,643</b>	<b>\$ 6,165,726</b>	<b>\$ 4,986,397</b>	<b>\$ 5,144,450</b>	<b>\$ 6,867,123</b>	<b>\$ 7,741,140</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 11,261,190	\$ 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
Restricted	1,725,395	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
Unrestricted	4,096,319	4,003,496	4,510,965	6,595,228	9,733,375	11,692,307	7,130,510	6,293,702	7,177,566	7,877,557
<b>Total primary government net position</b>	<b>\$ 17,082,904</b>	<b>\$ 19,193,405</b>	<b>\$ 23,069,141</b>	<b>\$ 26,431,518</b>	<b>\$ 31,410,961</b>	<b>\$ 34,662,363</b>	<b>\$ 37,456,103</b>	<b>\$ 38,174,057</b>	<b>\$ 40,500,563</b>	<b>\$ 42,192,219</b>

**TOWN OF MIAMI LAKES  
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>
<b>Expenses</b>										
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
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
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
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
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
Interest Expense	-	-	-	11,397	19,456	14,971	260,156	561,402	528,383	603,123
Non-departmental	1,773,843	1,849,245	1,931,551	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>14,340,326</b>	<b>21,794,605</b>	<b>17,849,184</b>	<b>17,396,943</b>	<b>16,217,935</b>	<b>15,260,455</b>	<b>16,700,515</b>	<b>16,825,762</b>	<b>17,478,991</b>	<b>17,587,682</b>
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
<b>Total business-type activities expenses</b>	<b>414,405</b>	<b>776,142</b>	<b>649,798</b>	<b>647,440</b>	<b>893,472</b>	<b>686,953</b>	<b>630,757</b>	<b>892,995</b>	<b>877,397</b>	<b>783,596</b>
<b>Total primary government expenses</b>	<b>14,754,731</b>	<b>22,570,747</b>	<b>18,498,982</b>	<b>18,044,383</b>	<b>17,111,407</b>	<b>15,947,408</b>	<b>17,331,272</b>	<b>17,718,757</b>	<b>18,356,388</b>	<b>18,371,278</b>
<b>Program Revenues</b>										
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
Public Safety	343,732	183,033	276,784	373,576	305,409	257,927	277,300	215,183	324,720	536,168
Parks and recreation	97,280	14,468	2,642	1,010	-	-	-	7,085	11,705	43,139
Public works	-	-	-	-	-	-	-	-	-	-
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
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
<b>Total governmental activities program revenues</b>	<b>2,497,101</b>	<b>7,251,694</b>	<b>3,149,707</b>	<b>2,894,078</b>	<b>3,848,300</b>	<b>1,894,110</b>	<b>4,128,355</b>	<b>2,081,405</b>	<b>3,677,965</b>	<b>2,068,927</b>
Business-type activities:										
Charges for services										
Stormwater Utility	1,108,962	876,342	1,262,970	990,651	992,577	983,278	1,011,821	978,961	970,188	850,864
Operating Grants and contributions	-	16,745	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>1,108,962</b>	<b>893,087</b>	<b>1,262,970</b>	<b>990,651</b>	<b>992,577</b>	<b>983,278</b>	<b>1,011,821</b>	<b>978,961</b>	<b>970,188</b>	<b>850,864</b>
<b>Total primary government program revenues</b>	<b>\$ 3,606,063</b>	<b>\$ 8,144,781</b>	<b>\$ 4,412,677</b>	<b>\$ 3,884,729</b>	<b>\$ 4,840,877</b>	<b>\$ 2,877,388</b>	<b>\$ 5,140,176</b>	<b>\$ 3,060,366</b>	<b>\$ 4,648,153</b>	<b>\$ 2,919,791</b>

**TOWN OF MIAMI LAKES  
FINANCIAL TRENDS  
CHANGES IN NET POSITION (CONTINUED)  
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>
<b>Net(expense)Revenue</b>										
Governmental activities	\$ (11,843,225)	\$ (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)
Business-type activities	694,557	116,945	613,172	343,211	99,105	296,325	381,064	85,966	92,791	67,268
Total primary government net expense	<u>(11,148,668)</u>	<u>(14,425,966)</u>	<u>(14,086,305)</u>	<u>(14,159,654)</u>	<u>(12,270,530)</u>	<u>(13,070,019)</u>	<u>(12,191,096)</u>	<u>(14,658,390)</u>	<u>(13,708,236)</u>	<u>(15,451,487)</u>

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes:										
Property taxes	6,093,713	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
Utility service taxes	2,326,833	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
Communication services tax	1,329,651	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
Franchise taxes	1,263,596	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
Intergovernmental not restricted to specific programs	3,445,972	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
Investment and miscellaneous income	235,870	304,387	569,304	250,310	82,981	106,006	54,466	80,198	103,153	99,441
Special Items	-	-	-	-	-	-	-	-	-	797,614
Transfers	(388,416)	(334,200)	(521,868)	(1,111,880)	(656,733)	(86,092)	1,565,914	(70,776)	(1,629,485)	(804,131)
Total governmental activities	<u>14,307,219</u>	<u>16,465,672</u>	<u>17,436,900</u>	<u>16,399,529</u>	<u>16,568,066</u>	<u>16,221,663</u>	<u>16,545,229</u>	<u>15,487,257</u>	<u>14,404,859</u>	<u>16,554,429</u>

Business-type activities:

General Revenues										
Investment income	-	-	3,273	10,622	25,174	13,666	5,521	1,311	397	2,618
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Investment and miscellaneous income									1,629,485	-
Transfers	388,416	334,200	521,868	1,111,880	656,733	86,092	(1,565,914)	70,776	-	804,131
Total business-type activities	<u>388,416</u>	<u>334,200</u>	<u>525,141</u>	<u>1,122,502</u>	<u>681,907</u>	<u>99,758</u>	<u>(1,560,393)</u>	<u>72,087</u>	<u>1,629,882</u>	<u>806,749</u>
Total primary government	<u>14,695,635</u>	<u>16,799,872</u>	<u>17,962,041</u>	<u>17,522,031</u>	<u>17,249,973</u>	<u>16,321,421</u>	<u>14,984,836</u>	<u>15,559,344</u>	<u>16,034,741</u>	<u>17,361,178</u>

**Change in Net Position**

Governmental activities	2,463,994	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
Business-type activities	1,082,973	451,145	1,138,313	1,465,713	781,012	396,083	(1,179,329)	158,053	1,722,673	874,017
Total prime government	<u>\$ 3,546,967</u>	<u>\$ 2,373,906</u>	<u>\$ 3,875,736</u>	<u>\$ 3,362,377</u>	<u>\$ 4,979,443</u>	<u>\$ 3,251,402</u>	<u>\$ 2,793,740</u>	<u>\$ 900,954</u>	<u>\$ 2,326,505</u>	<u>\$ 1,909,691</u>

**TOWN OF MIAMI LAKES, FLORIDA  
FINANCIAL TRENDS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
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>
<b>General Fund</b>										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,798	\$ 95,039	\$ 118,803
Restricted	-	-	2,635,346	1,883,267	31,361	549,214	28,283	33,735	-	-
Unassigned	3,393,391	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
<b>Total General Fund</b>	<b>\$ 3,393,391</b>	<b>\$ 3,575,683</b>	<b>\$ 3,800,957</b>	<b>\$ 5,339,987</b>	<b>\$ 8,256,811</b>	<b>\$ 9,808,996</b>	<b>\$ 8,390,213</b>	<b>\$ 3,997,925</b>	<b>\$ 4,183,883</b>	<b>\$ 4,895,708</b>
<b>All Other Governmental Funds</b>										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,452	\$ 25,862
Restricted, reported in:										
Special Revenue funds-Transportation & Transit	-	-	-	-	-	-	1,087,962	1,011,206	3,630,535	727,446
Capital Projects funds-Transportation	-	-	-	-	-	-	2,358,772	2,535,947	-	2,942,843
Town Government Center	-	-	-	-	-	-	3,665,450	2,131,416	1,296,471	-
Roadway Improvement	-	-	-	-	-	-	-	-	8,700	8,700
Debt Service fund - Debt Service	-	-	-	-	-	-	900,637	876,634	909,899	915,090
Capital Projects fund - Debt Service	-	-	-	-	-	-	-	-	-	108,289
Special Revenue fund - Debt Service	-	-	-	-	-	-	-	-	-	48,484
Assigned, reported in:										
Capital Projects fund-Parks	-	-	-	-	-	-	2,322,592	5,392,655	3,974,673	3,566,111
Unreserved, reported in:										
Special Revenue funds	293,263	437,919	523,962	573,707	773,156	1,024,130	-	-	-	-
Capital projects funds	1,432,132	1,551,616	1,926,452	1,505,158	414,182	1,728,570	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 1,725,395</b>	<b>\$ 1,989,535</b>	<b>\$ 2,450,414</b>	<b>\$ 2,078,865</b>	<b>\$ 1,187,338</b>	<b>\$ 2,752,700</b>	<b>\$ 10,335,413</b>	<b>\$ 11,947,858</b>	<b>\$ 9,853,730</b>	<b>\$ 8,342,825</b>

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  
FINANCIAL TRENDS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL 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>
<b>Revenues</b>										
Ad valorem taxes	\$ 6,093,713	\$ 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
Utility taxes	2,326,833	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
Franchise fees	1,263,596	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
Communication service tax	1,329,651	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
Licenses and permits	1,216,051	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
Intergovernmental	4,286,010	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
Impact fees	131,269	32,943	54,399	685,185	-	-	-	-	-	-
Fines and forfeitures	307,103	318,949	276,784	373,576	305,395	257,927	277,300	215,183	324,720	536,168
Others	42,617	52,013	58,714	201,914	162,945	61,702	32,988	58,545	10,008	915,125
Investment Income	197,292	295,824	323,999	236,054	78,727	64,557	46,636	66,720	103,150	99,441
<b>Total Revenue</b>	<b>17,194,135</b>	<b>24,053,379</b>	<b>20,714,805</b>	<b>20,608,857</b>	<b>21,073,099</b>	<b>18,201,867</b>	<b>17,084,672</b>	<b>17,639,441</b>	<b>19,712,307</b>	<b>19,427,488</b>
<b>Expenditures</b>										
General government:										
Town Council	121,125	207,189	265,712	257,576	206,114	191,879	805,975	404,915	427,733	354,820
Town Administration and finance	1,515,033	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
Legal	246,717	366,957	454,641	481,727	669,680	469,724	475,202	458,525	292,506	268,987
<b>Total general government</b>	<b>1,882,875</b>	<b>2,464,488</b>	<b>2,724,970</b>	<b>3,125,913</b>	<b>3,083,407</b>	<b>2,665,527</b>	<b>3,765,092</b>	<b>3,284,284</b>	<b>3,087,937</b>	<b>2,835,962</b>
Public safety:										
Police	5,387,539	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
Parks and recreation	1,824,921	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
Public works	2,471,423	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
Comprehensive planning	1,420,280	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
Interest	-	-	-	11,397	19,456	14,971	251,046	551,948	549,039	599,573
Cost of Issuance	-	-	-	-	-	-	242,260	-	53,650	-
Non departmental	1,773,843	1,849,245	1,931,551	-	-	-	-	-	-	-
Capital Outlay	3,728,164	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
<b>Total expenditures</b>	<b>18,489,045</b>	<b>23,756,947</b>	<b>20,514,257</b>	<b>19,761,122</b>	<b>19,047,802</b>	<b>15,084,320</b>	<b>19,809,357</b>	<b>21,119,284</b>	<b>23,743,574</b>	<b>20,226,568</b>
<b>Other Financing Sources(Uses)</b>										
Issuance of debt	-	-	310,605	319,746	-	-	7,329,999	-	1,855,000	-
Discount on debt issued	-	-	-	-	-	-	(41,384)	-	-	-
Transfer in	1,621,000	743,589	1,192,640	184,500	-	853,158	3,025,816	4,826,300	1,277,865	1,768,223
Transfer out	(1,584,416)	(593,589)	(1,017,640)	(184,500)	-	(853,158)	(1,425,816)	(4,126,300)	(1,009,768)	(1,768,223)
<b>Total other financing sources (uses)</b>	<b>36,584</b>	<b>150,000</b>	<b>485,605</b>	<b>319,746</b>	<b>-</b>	<b>-</b>	<b>8,888,615</b>	<b>700,000</b>	<b>2,123,097</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(1,258,326)</b>	<b>446,432</b>	<b>686,153</b>	<b>1,167,481</b>	<b>2,025,297</b>	<b>3,117,547</b>	<b>6,163,930</b>	<b>(2,779,843)</b>	<b>(1,908,170)</b>	<b>(799,080)</b>
Ratio of total debt service to										
noncapital expenditures	N/A	N/A	N/A	0.41%	0.88%	0.97%	2.36%	4.73%	3.37%	4.31%

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  
FINANCIAL TRENDS  
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN YEARS**

(IN THOUSANDS OF DOLLARS)

Fiscal year	Property Tax	Utility Service Tax	Communication Service Tax	Franchise fees	Total
2005	6,094	2,326	1,330	1,264	11,014
2006	7,065	2,484	1,531	1,584	12,664
2007	7,706	2,461	1,490	2,080	13,737
2008	7,428	2,534	1,491	2,001	13,454
2009	7,434	2,561	1,777	1,968	13,740
2010	6,572	2,730	1,561	2,008	12,871
2011	5,661	2,802	1,423	1,444	11,330
2012	5,442	2,846	1,349	1,674	11,311
2013	5,432	3,016	1,367	1,551	11,366
2014	5,525	3,255	1,938	1,148	11,866

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 Spetember 30,	Real Property				Total Actual & Assessed Value of Taxable Property	Exemptions (a)				
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Personal Property		Real Property - Amendment 10 Excluded Value (b)	Real Property - Other Exemptions	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	1,815,493	738,688	147,017	249,436	2,950,634	377,762	366,930	1,867	2,204,075	2.9120
2006	2,312,593	919,492	191,308	236,590	3,659,983	686,626	421,907	870	2,550,580	2.8250
2007	2,846,055	1,126,527	265,719	209,618	4,447,919	1,002,159	574,727	1,097	2,869,936	2.7400
2008	3,334,127	1,204,349	279,668	197,970	5,016,114	1,295,218	572,154	3,701	3,145,041	2.4800
2009	3,289,648	1,226,570	279,681	206,157	5,002,056	1,186,156	743,956	22,106	3,049,838	2.4800
2010	2,514,939	1,137,015	258,583	210,860	4,121,397	710,177	623,209	20,938	2,767,073	2.4470
2011 (c)	1,938,070	1,004,656	254,679	200,606	3,398,011	226,222	699,371	20,921	2,451,497	2.3702
2012 (d)	1,903,646	1,032,709	258,263	194,083	3,388,701	209,587	690,396	19,733	2,468,985	2.3518
2013	1,550,819	769,032	9,508	181,023	2,510,382	167,191	511,365	14,560	1,817,266	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

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  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(per \$1,000 of assessed value)

Fiscal Year	<u>Direct Rate</u>			<u>Overlapping Rates:</u>				<u>State Rates</u>			Total Direct & Overlapping Rates
	Town of Miami Lakes Operating Millage	Miami-Dade Countywide Operating	Miami-Dade Fire & Rescue Service District	Miami-Dade School Board	Public Library	County Debt Service	Children's Trust	South Florida Water Management District	Environmental Projects	Florida Inland Navigation District	
2005	2.9120	5.9350	2.6610	8.6870	0.4860	0.2850	0.4442	0.5970	0.1000	0.0385	22.1457
2006	2.8250	5.8350	2.6610	8.4380	0.4860	0.2850	0.4288	0.5970	0.1000	0.0385	21.6943
2007	2.7400	5.6150	2.6510	8.1050	0.4860	0.2850	0.4223	0.5970	0.1000	0.0385	21.0398
2008	2.4800	4.5760	2.2487	7.9480	0.3842	0.2850	0.4223	0.5346	0.0894	0.0345	19.0027
2009	2.4800	4.8379	2.2271	7.7970	0.3822	0.2850	0.4212	0.5346	0.0894	0.0345	19.0889
2010	2.4470	4.8379	2.2271	7.9950	0.3822	0.2850	0.5000	0.5346	0.0894	0.0345	19.3327
2011	2.3702	5.4275	2.5953	8.2490	0.3500	0.4450	0.5000	0.5346	0.0894	0.0345	20.5955
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

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 000's)

<u>Taxpayer</u>	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
The Graham Companies	\$ 305,059	1	8.97%	\$ 223,397	1	7.57%
Sengra Corporation	108,459	2	3.19%	83,687	2	2.84%
Florida Power & Light	25,769	3	0.76%			
Royal Oaks Plaza, Inc.	20,400	4	0.60%	15,200	10	
Caterpillar Tractor Co.	19,871	5	0.58%	16,125	9	0.55%
Cap East Associates	19,556	6	0.57%	19,307	7	0.65%
Cordis Corporation	19,012	7	0.56%	25,779	5	0.87%
Miami Lakes County Club, Inc.	18,624	8	0.55%	16,588	8	0.56%
Costco Wholesale Corp	14,578	9	0.43%			
Schering/Merck Sharpe & Rohme Corp	12,481	10	0.37%			
Pershing				47,309	3	1.60%
Private Taxpayer				24,360	6	0.83%
BPI				37,297	4	1.26%
<b>Total</b>	<b>563,809</b>		<b>16.58%</b>	<b>509,049</b>		<b>13.04%</b>
Total Net Assessed Real and Personal Property Value (in thousands)	<b>\$ 3,401,467</b>			<b>\$2,950,634</b>		

Source: Miami-Dade County Property Appraiser

Town of Miami Lakes, Florida  
Revenue Capacity  
Property Tax Levies and Collections (unaudited)  
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
2005	\$ 6,585	\$ 6,011	91.29%	83	\$ 6,094	92.54%
2006	7,589	7,029	92.62%	36	7,065	93.10%
2007	8,268	7,609	92.02%	97	7,706	93.20%
2008	7,840	7,348	93.72%	80	7,428	94.74%
2009	7,840	7,384	94.19%	50	7,434	94.82%
2010	6,771	6,414	94.73%	56	6,470	95.55%
2011	6,060	5,757	95.00%	51	5,808	95.84%
2012 (2)	5,807	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

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				Population	Per Capita Personal Income Note (1)	Percentage of Personal Income	Per Capita	Debt Coverage	
	Government Activities Notes Payable	Special Obligation Bonds Payable, Series 2010	Special Obligation Bonds Payable, Series 2013	Total Government					Pledged Revenue	Coverage
2007	\$ 310,605	\$ -	\$ -	\$ 310,605	27,027	n/a	n/a	11.49	(2)	
2008	661,564	-	-	661,564	27,031	32,676	0.07%	24.47	(2)	
2009	519,937	-	-	519,937	26,694	30,178	0.06%	19.48	(2)	
2010	330,042	-	-	330,042	29,361	32,000	0.04%	11.24	(2)	
2011	201,663	7,330,000	-	7,531,663	29,369	29,670	0.86%	256.45	2,439,328	4.45
2012	-	7,330,000	-	7,330,000	30,057	n/a	n/a	243.87	2,502,818	4.56
2013	-	7,330,000	1,855,000	9,185,000	30,396	28,410	1.06%	302.18	2,670,036	4.87
2014	-	7,330,000	1,755,000	9,085,000	30,161	27,042	1.11%	301.22	2,849,187	5.19

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				Coverage
	Utility Services Tax	Principal	Interest	Total Debt Service Requirements	
2012	2,502,818	-	548,499	548,499	456%
2013	2,670,036	-	548,499	548,499	550%
2014	2,849,187	-	548,499	548,499	519%

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, 2011

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>% of Debt Applied to Miami Lakes (1)</u>	<u>Amount of Debt Applied to Miami Lakes</u>
Miami-Dade County Schools (2)	\$ 139,740	1.31%	\$ 1,836
Miami-Dade County (3)	1,023,588	1.31%	\$ 13,445
Sub-tota overlapping debt	<u>1,163,328</u>		<u>15,281</u>
Town of Miami Lakes direct debt	\$ 9,048,792	100.00%	\$ 9,048,792
Total direct and overlapping debt	<u>\$ 10,212,120</u>		<u>\$ 9,064,073</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 (unaudited)  
Last Ten Calendar Years

<b>Calendar Year</b>	<b>Population</b>	<b>Median Household Income (1999 \$)</b>	<b>Total Personal Income (in 000's)</b>	<b>Unemployment Rate</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>
2005	24,741	n/a	n/a	n/a	n/a	37	n/a
2006	n/a	n/a	n/a	n/a	n/a	38	n/a
2007	27,027	n/a	n/a	n/a	n/a	38	n/a
2008	27,031	n/a	883,265	2.80%	32,676	38	n/a
2009	26,694	67,800	805,572	4.40%	30,178	39	6,800
2010	29,361	62,034	852,614	7.00%	29,039	38	7,557
2011	29,369	63,794	871,378	5.70%	29,670	38	8,005
2012	30,057	(1)	(1)	6.90%	(1)	(1)	(1)
2013	30,396	64,497	863,550	5.80%	28,410	38	(1)
2014	30,161	63,754	815,614	3.80%	27,042	39	(1)

Sources:

Per Capita and Median Household Income information provided by U.S. Bureau of the Census.  
School enrollment data provided by U.S. Census Bureau for 2000, 2005-2009, and 2008-2011 American Community Survey Estimates.  
Unemployment rate data provided by the U.S. Bureau of the Census or derived from Local Area Unemployment Statistics.  
Population information provided by the U.S. Bureau of the Census (2000 and 2011) or Florida's Bureau Economic and Business Research (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

Employer	2014			2004		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cordis Company (Johnson & Johnson)	940	1	6.72%	(a)		-
The Graham Companies	456	2	3.26%	(a)		-
Inktel	464	3	3.32%	(a)		-
Social Service Coordinators, Inc.	400	4	2.86%	(a)		-
All Med Services	300	5	2.15%	(a)		-
Bank United	286	6	2.05%	(a)		-
Merck Sharpe & Rohme Corporation	275	7	1.97%	(a)		-
Caterpillar Logistics Services, Inc.	220	8	1.57%	(a)		-
	3,341		23.90%	-		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 Government Employees by Function/Program  
 Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Town Clerk's Office	1	1	1	3	3	4	5	4	1	1
Town Administration	9	10	12	10	12	11	8	12	14	12
Building Department	3	7	8	5	6	6	4	12	19	12
Planning and Development				4	3	5	5	5	5	4
Parks and Recreation	6	7	7	7	7	8	7	16	26	13
Public Works	1	2	3	2	1	1	2	6	7	6
<b>Total</b>	<b>20</b>	<b>27</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>35</b>	<b>31</b>	<b>55</b>	<b>72</b>	<b>48</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>General Government</u>										
Building permits issued	1,264	1,390	1,088	744	556	519	673	699	749	948
Business Tax Receipts	n/a	n/a	n/a	n/a	n/a	1,193	1,171	1,250	973	1,394
<u>Police</u>										
Physical arrests	360	314	355	485	529	407	362	332	357	273
<u>Culture and Recreation</u>										
Summer camp participants - per week	n/a	n/a	n/a	n/a	133	208	215	150	20	100
Community programs - per year	n/a	n/a	64	66	68	106	146	93	91	83
Special events - per year	n/a	39	45	52	63	n/a	n/a	47	48	75
<u>Stormwater Utility</u>										
Stormwater system linear feet cleaned	n/a	50,649	58,866	36,945	77,371	36,602	43,905	24,500	34,180	26,617
Number of Stormwater drains cleaned	n/a	839	673	150	483	266	676	185	516	380
<u>Public Works</u>										
Road miles (maintained)	n/a	77	77	77	77	77	60	60	60	60
Street lights (maintained)	n/a	2,943	2,943	2,943	2,943	2,943	540	801	1,032	491

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/Purpose  
 Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Police (4)</u>										
Police Personnel	45	49	50	52	50	50	49	49	49	49
<u>Culture and Recreation (3)</u>										
Number of parks	96	97	98	99	99	99	99	99	101	101
Park acreage	116.8	117.3	117.6	117.8	117.8	118.3	118.3	118.3	127.17	127.17
Community center	2	2	2	2	2	3	3	3	3	3
<u>Stormwater Drainage (1)</u>										
Stormwater system - linear feet	n/a	82,394	82,394	82,394	82,394	82,394	86,087	88,894	88,894	90,824
Stormwater drains - catchbasins & manholes	n/a	1,460	1,460	1,460	1,460	1,460	1,464	1,560	1,324	1,335
<u>Public Works (2)</u>										
Road miles	n/a	77	77	77	77	77	77	77	77	77
Street lights (Owned)	n/a	2,943	2,943	2,943	2,943	2,943	2,890	2,084	2,975	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, 2014

Type of Coverage	Insurer	Policy Period	Premium
Property and Inland Marine	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	(a)
General Liability	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	(a)
Automobile Insurance	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	(a)
Public Officials Liability	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	(a)
Employment Practices Liability	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	(a)
Workers Compensation	Preferred Governmental Insurance Trust	10/1/2014 - 10/01/2015	\$22,317

(a) These policies carried together at one combined premium of \$169,838



**MIAMI LAKES**  
**COMPLIANCE**  
**SECTION**



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

Honorable Mayor and Town Council  
Town 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, 2014, and the related notes to the financial statements, which collectively comprise Town of Miami Lakes, Florida's basic financial statements and have issued our report thereon dated April 23, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Miami Lakes, Florida'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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See items 2014-1, 2014-2, and 2013-1.



Honorable Mayor and Town Council  
Town of Miami Lakes, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Town's Response to Findings**

Town of Miami Lakes, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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  
April 23, 2015



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

Honorable Mayor and Town Council  
Town of Miami Lakes, Florida

**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, 2014, and have issued a report thereon dated April 23, 2015.

**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 April 23, 2015, should be considered in conjunction with this management letter.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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.

Honorable Mayor and Town Council  
Town of Miami Lakes, Florida

**Purpose of this Letter** (Continued)

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.**

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  
April 23, 2015

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2014**

**SECTION I – CURRENT 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.
Criteria:	Florida Statute 218.74 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.
Cause of Condition:	Invoices are not submitted by the department heads for payment as soon as they are received.
Effect of Condition:	The Town is not in compliance with Florida Statutes 218.74.
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.
Management Response:	The Town has put in place a process to monitor the amount of time to process invoices and is currently monitoring performance. We will evaluate a centralized invoice process, if determined to save processing time.

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.
Criteria:	A fundamental concept of internal control is the segregation of duties. No one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.
Cause of Condition:	The assigned job functions of personnel within the accounting department were reassigned during the year, resulting in the same person performing bank reconciliations and bank deposits.
Effect of Condition:	If segregation of duties is inadequate, the probability that intentional fraud or unintentional errors could occur and not be detected will increase.
Recommendation:	A reassignment of job functions should be conducted within the accounting department to ensure that no one individual has access to both physical assets and related accounting records or to all phases of a transaction.

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2014**

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

2014-2 - Segregation of Duties – Bank Reconciliations (continued)

Management Response: The job functions of personnel within accounting department have been reassigned effective January 2015 so that the same person does not perform bank reconciliations and bank deposits.

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

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:

- The Town currently has no formal written procedures on its implementation of the standardized invoice that clearly identify which vendors are required to use the form, how the form should be completed, the frequency and approval process. The lack of written procedures resulted in inconsistencies in processing invoices for payment.
- The Town's accounting system has an embedded control mechanism which prevent processing of duplicate invoice for payment. However, we noted that in some instances where vendor invoices were combined into a single request for payment using work order tracking excel spreadsheet, thus circumventing controls in place.
- There is a potential risk that the other work orders may inadvertently process for second payment since the invoice number for those other invoices are not in the system yet. We recommend that the Town process each vendor work order individually and integrate the work order tracking system into Munis instead of manually preparing it using an excel spreadsheet.
- No indication that standardized invoice are directly coming from vendor as the invoices were printed in Town's letterhead
- We noted that some of the invoices selected for testing are not approved by the vendors.
- The Town lacks a policy for the type of document provided by the vendor prior to issuance of payment and there are inconsistencies as to the type of supporting documentation maintained in the files. We noted during our testing that some payments were issued based on the original vendor invoice as support, however, other payments were issued based solely on the Town's standard invoice.
- Inconsistencies on the approval process of vendor invoices request for payments, during the audit process several invoices selected for testing had no indication that they were approved by the Department head

**TOWN OF MIAMI LAKES, FLORIDA  
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SEPTEMBER 30, 2014  
(CONTINUED)**

**SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)**

2013-1 - Purchasing and Disbursement (continued)

- One of the invoices selected for testing during the audit did not match the amount of the check payment and there was no explanation provided to support the difference. The check amount was less than the invoice amount, hence no financial implication to the Town.
- 
- Several instances were noted where vendor name on first page of the standardized invoice form is not the same as the succeeding invoice pages.

We also noted during our walkthrough procedures that an employee manually corrects vendor invoices instead of requesting a revised invoice from vendor circumventing the internal controls in place for invoice payment process. We further noted instances where purchase orders were prepared only after invoices were received from vendors.

Current Year Status: With the exception of the item listed below, all of the prior year control items have been addressed:

- No indication that standardized invoice are directly coming from vendor as the invoices were printed in Town's letterhead

Recommendation: We recommend that the Town monitor its compliance with its written policies and procedures on standardized vendor invoicing..

Management Response: There are some instances where vendors submitted the standard invoice format with the Town logo on it. Staff has been reminded to comply with its written policies and procedures on standardized vendor invoicing. In addition, on April 17, 2015, all standardized invoices were revised (Rev 3) and posted to the Towns website and on the internal network drive to ensure the availability of the correct standard invoice format. Effective May 20, 2015, the older standardized invoice forms will not be approved for payment.

2012-1 - Purchasing Cards

Condition: We noted that the Town has no written policies and procedures on the use of purchasing cards.

Recommendation: We recommend that the Town develop and adopt written policies and procedures to ensure purchasing cards are only used for Town activities.

Current Year Status: We noted that the Town has developed written policies and procedures. Comment will not be repeated.

**LETTER TO MANAGEMENT  
SEPTEMBER 30, 2014  
(CONTINUED)**

**SECTION II – PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)**

2012-2 - Journal Entry Review

Condition:	Our review of journal entries prepared by the Town's accounting department during the year ended September 30, 2012, disclosed journal entries that showed no evidence of review or approval by supervisory personnel. In addition, these entries were posted in the general ledger system by the same personnel who prepared them.
Recommendation:	We recommend that proper segregation of duties over the review and approval process be strictly implemented. In addition, we recommend that direct posting of manual journal entries be limited to supervisory level.
Current Year Status:	The Town has implemented an extensive approval process for journal entries with clear segregation of duties. This comment will not be repeated.

**TOWN OF MIAMI LAKES, FLORIDA  
LETTER TO MANAGEMENT  
SEPTEMBER 30, 2014  
(CONTINUED)**

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

1. Unless otherwise required to be reported in the auditor's report on internal control over financial reporting and on compliance and other matters, the management letter shall include, but not be limited to, a statement as to whether or not corrective actions have been taken to address significant findings and recommendations in the preceding annual financial audit report. The Town is still in the process of taking corrective actions to fully address the significant findings in the preceding annual financial audit reports. See current year status of each finding in Section II of this report.
2. The Town of Miami Lakes complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were significant findings and recommendations to improve the Town's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2014, see finding 2014-01, 2014-02, and 2013-01.
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, 2014, financial audit report.
8. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted based on the procedures performed. 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.





**INDEPENDENT ACCOUNTANTS' REPORT**

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, 2014. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

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  
April 23, 2015