



Town of Miami Lakes, Florida

2016

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2016

**TOWN OF MIAMI LAKES, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016**

**Prepared by:
THE FINANCE DEPARTMENT**

www.miamilakes-fl.gov

TOWN OF MIAMI LAKES, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016
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INTRODUCTORY SECTION



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

Mayor
Manny Cid

Vice Mayor
Tony Lama

Councilmembers:

Tim Daubert

Luis E. Collazo

Caesar Mestre

Frank Mingo

Nelson Rodriguez

Town Manager
Alex Rey

Town Clerk
Gina Inguanzo

April 7, 2017

The Honorable Manny Cid, 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, 2016, 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 Governmental 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 Alberni Caballero & Fierman, LLP, 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, 2016 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, 2016, are fairly presented in conformity with the Generally Accepted Accounting Principles (GAAP). The independent auditors' 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 and is conveniently located just 16 miles north of Downtown Miami and only 10 miles from Miami International Airport. The Town encompasses about 6.8 square miles, bound by NW 170th Street and the Palmetto Expressway (SR 826) to the north, NW 138th Street to the south, NW 57th Avenue (Red Road) to the east, and Interstate 75 to the west.

Over the last 40 years, Miami Lakes has progressed from a dream on paper to a reality. This vibrant community is nationally recognized as one of the best examples of unique and innovative town planning. Land use in the Town is predominantly low-density residential. The next most prevalent uses are light industrial and office parks comprising 13% of the Town's area, and lakes and canals making up about 11%. The population of the Town of Miami Lakes has grown to around 30,456 residents and it currently ranks 12th in population size within Miami-Dade County, within the middle of the range for city size. Comparable cities include Coral Gables on the high end of the population spectrum and Pinecrest on the lower end. The Town of Miami Lakes' residential areas are essentially built out with only a handful of large parcels that are undeveloped.

Government Structure and Services Provided

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

The Town of Miami Lakes provides a full range of municipal services including recreation and culture, public safety, public works and administrative services for its residents and businesses. The Town operates through eight departments: Administration, Building, Community Services, Finance, Planning, Police, Public Works and Community Outreach. With only around 40 full-time and 36 part-time/seasonal staff members, the Town relies heavily on contractors for the provision of various public services. The Town provides police protection through a contract with Miami-Dade County, wherein police officers are assigned to the Town, and act under the direction of a Police Major, reporting directly to the Town Manager. Fire-Rescue services and solid waste management services are provided by Miami-Dade County directly and assessed separately on property tax bills. Water and sewer service are provided and billed directly to users by the Miami-Dade County Water and Sewer Department.

ECONOMIC CONDITION AND OUTLOOK

2016 preliminary taxable property values for the Town of Miami Lakes increased to \$2,809,602,232 or an increase of 6.37% from the prior fiscal year's final taxable value of \$2,641,276,279. The average Town residential taxable value for 2016 is \$179,213 which is 2.2% higher than prior fiscal year at \$175,277. 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 2011-2015 periods was \$28,888 while Miami-Dade MSA and the State per capita personal income were \$23,850 and \$26,829, respectively.

The Town has also benefitted from a relatively low unemployment rate. In December 2015, the unemployment rate was 5.8% in the County and 5.7% in the Town. In December 2016, it was 5.4% in the County and 5.4% in the Town. Overall, the Town's unemployment rate decreased by .3% in 2016.

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 2016 unassigned general fund balance is approximately \$4.5 which is a \$1.4 million increase from Fiscal Year 2015. The Fiscal Year 2016 millage rate reflects the Council's commitment to maintain a low tax rate. The continued low rates require the prioritization of resources exclusively to the core municipal government functions of public safety, code compliance, parks, road maintenance, drainage improvements and beautification of the Town's right of ways while maintaining strong internal controls. The Town updated and adopted a new 10 year Strategic Plan in fiscal year 2015.

The Town Council policy requires a minimum reserve of 15% of the operating expenditures in the General fund. The actual unassigned general fund balance at the end of fiscal year 2016 is \$4.5 million, representing 28% of the adopted general fund operating expenditures for the year, 13% above the established policy. The Town is in compliance with this policy as of September 30, 2016 and is in a solid financial position.

As previously mentioned, the Town is successful in managing operating costs effectively through a limited number of municipal staff administering private service contracts. This leaves the Town with no unions and limited pension liabilities. With relatively low unemployment rates and a stable revenue outlook, the Town is in a favorable position of financial strength. Since its inception, the Town has adopted a five year capital plan that is fully funded.

FINANCIAL INFORMATION

Accounting Control

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

The financial management system provides financial controls for the Town. The implementation of MUNIS in 2012 coincided with the rewrite and implementation of the revised Town's Procurement Ordinance. As system implementation continues, the automation of processes will continue to improve, while specific policies and procedures will continue to be developed to support improved processes. Beginning in 2015 we continued making strides by improving financial reporting capabilities. We also made several changes to our internal controls ensuring proper segregation of duties and made sure that our account structure is in compliance with State regulations. In 2016 we emphasized in streamlining and automating our procurement and accounts payable process.

Budgetary Controls

The annual budget serves as the foundation for the Town's financial planning and control. Departmental allocations are based on long range planning efforts, such as the Town's Strategic Plan, Stormwater Master Plan and the Transportation Master Plan. All Town departments are required to submit requests for appropriation to the Town's Administration Department prior to the presentation and setting of the preliminary millage by the Town Council. The Administration Department uses these requests as a starting point to assist the Town Manager in developing a Manager's Proposed Budget. A preliminary millage rate must be adopted no later than July 30th of each year. The Council is required to hold two public budget hearings on the Proposed Budget and to enact an Approved Budget no later than September 30th. The Approved Budget is prepared by fund, department, and line item within departments. The Town Manager may approve transfers of appropriations within a department up to a limit of \$700 per line item per month. Transfers of appropriations in excess of \$700 per month (cumulative), and between departments, require approval of the Town Council. Budget-to-Actual comparisons are provided in this report for the General Fund as part of the Required Supplementary Information. Comparisons for all other funds' budget-to-actual may be found in the Supplementary Information section. Line item budget to actual comparisons may also be found on the Town's web site.

FINANCIAL INFORMATION (continuation)

Enterprise Operations

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

Cash Management

The Town of Miami Lakes is charged with the security of the Town's funds and assets with the goal of maximizing return on surplus cash. The Town adopted a formal Investment Policy and acquired financial advisory services in an ongoing effort to maximize investment income through broader investment opportunities, while preserving capital. The Town's primary investment instruments for Fiscal Year 2016 were money market accounts and certificates of deposits. No investment is made for any commitment longer than a two-year period. During 2016, the Town earned \$ 93,443 in investment income, as compared to \$ 102,573 earned in Fiscal Year 2015.

Risk Management

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

MAJOR INITIATIVES

1. The following are significant projects completed during FY2016:

- Lake Martha Roadway and Drainage Improvements at approximately \$2,663,000.
- Mini Parks Community Center - \$138,301.
- West Lake A Drainage Project - \$1,569,000.

2. Other significant projects underway this fiscal year include:

- **Miami Lakes Optimist Park Master Plan**

The Town Council adopted the Miami Lakes Optimist Park Master Plan in 2003; while many of the proposed improvements have been completed, the Plan includes field reconfiguration and a new concession stand and bathroom facility (\$1.5 million), the completion of new sports field lighting (\$1.2 million), rebuilding tennis and basketball courts (\$450,000), and a walking path throughout the park (\$100,000). The total estimated project cost is \$3.2 million depending on site conditions. The FY2017 Budget allocates funds for field design and construction documents to implement the Plan. (\$100,000).

- **Miami Lakes Optimist Park New Clubhouse**

The demolished Miami Lakes Optimist Park Clubhouse will consist of a 5,000 square foot multi-purpose facility that includes a clubhouse and concession stand, administrative offices, multi-purpose rooms and additional parking at a cost of \$1,898,000 and it is scheduled to open in spring of 2017.

- **Bridge Park**

Total estimated project cost - \$5.0M; FY2017 Budget - \$25,000. The Town is exploring the potential development of the Miami Lakes Bridge Park located on the I-75 Highway overpass at the western boundary of NW 154th Street. The project would extend west from the Town's boundary into the City of Hialeah along NW 154th Street and connect to a planned large regional park in Hialeah. The Park will include bike lanes, walking paths and greenery and provide public green and recreational space to benefit existing residents and the adjacent new homes and commercial development.

- **Lake Sarah/Hilda Roadway and Drainage Improvement**

Total estimated project cost is \$2.0 million; FY 2017 Budget is \$1,321,400 split between Transportation and Stormwater Improvement funds. The project is divided into three phases, with Phases I and II expected to be completed in FY 2017 and Phase III in FY 2018. Phases I and II of the project include the area south of Miami Lakeway South to the 138th Street canal and west of 67th Avenue to Leaning Pine Drive. The Town was awarded a grant for \$300,000 from Florida Department of Environmental Protection (FDEP) to partially cover the cost of the drainage improvements.

MAJOR INITIATIVES (continuation)

- **Canal Bank Stabilization**

Total estimated project cost is \$3,000,000 and the FY2017 budget is \$678,500. The Town obtained a \$1 million grant through the Florida Legislature (via the Florida Department of Environmental Protection, FDEP) to fund Phase I of the Canal Stabilization Project. Phase I of this project stabilizes approximately 3,000 linear feet of the Golden Glades and Peter's Pike canals along the residential side of the canal along NW 170th street from approximately NW 78th avenue to just south of NW 170th Street on NW 77th Court. Subsequent phases of project would address stabilization of the residential side of the canal along NW 170th street from NW 78th avenue to I-75 and is subject to obtaining State funding. The survey and geotechnical work was completed in FY16 and the project is out to bid for construction. We expect to complete construction of Phase I in spring of 2017.

- **Adaptive Signalization Program**

Total estimated project cost and FY 2017 Budget is \$360,000. The project includes the implementation of a new state-of-the-art traffic light adaptive signalization program to improve traffic flow and roadway congestion on NW 154th street. Funding is for the purchase and installation of adaptive hardware and software at five main intersections of the Town along 154th Street between NW 82nd avenue and the Palmetto Expressway. The program allows for synchronization of traffic signals, provides real time surveillance of the signalized intersections, allows adjustment to signal timing and reduces side-street delays.

3. Beautification projects include:

- West Lake Neighborhood Reforestation - \$ 100,000
- Mini Parks Furniture - \$ 50,000
- NW 154th Street and 77th Court - \$ 130,000

4. Other initiatives in the FY2017 budget include:

- Mary Collins Community Center Improvements - \$ 155,000
- Optimist Park Marina and Storage Facility - \$ 220,000
- Hutchinson Roadway and Drainage Improvement - \$ 115,000
- 59th Avenue Extension, Public Works Storage Yard and Boat Yard - \$ 191,334
- Windmill Gate Road – Budget FY16 - \$ 350,000
- NW 77TH Court Greenway South of NW 154th street - \$ 140,000
- Complete Streets Policy and Implementation Plan - \$ 50,000
- TAP Grant Projects Design - \$ 50,000
- Underpass Bridges at 146th & 160th street and Palmetto - \$ 170,000

AWARDS AND ACKNOWLEDGMENTS

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

Tree City USA Designation - 10th Consecutive Year

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

Growth Award 8th Consecutive Year

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

Playful City USA Designation - 7th Consecutive Year

Playful City USA is a national recognition program honoring cities and towns that make play a priority and use innovative programs to get children active, playing, and healthy.

Excellence in Financial Reporting Recognition 4th Year in a Row

Miami Lakes, FL - The Town of Miami Lakes has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States for its comprehensive annual financial report for FY 2014-2015.

The William Lyman Phillips Award

The Town of Miami Lakes was unanimously selected to receive the William Lyman Phillips Award for excellence in park, recreation and conservation open space planning and design in Miami-Dade County.

Town Recognized as Healthiest Weight Community Champion

Miami Lakes, FL -The Town of Miami Lakes was recognized by Healthiest Weight Florida as a 2016 State Surgeon General Healthy Weight Community Champion. Through innovative programming for all ages, the Town is committed to making Miami Lakes the healthiest community in the nation.

A Special "Congratulations" to Mr. Eliezer Palacio, Town Building Official

Miami Lakes, FL - The Town of Miami Lakes is proud to announce that Mr. Eliezer Palacio has been awarded the Building Official of the Year designation by the members of the South Florida Building Officials Association (SFBOA), this is the South Florida Chapter of the Building Officials Association of Florida (BOAF). Mr. Palacio has been an invaluable asset to the town for over a decade. We are extremely proud of him and his many accomplishments.

Officer Juan Rodriguez Receives Municipal Police Officer of the Year Award

Town of Miami Lakes Community Service Officer Juan Rodriguez was named Municipal Police Officer of the Year at the 41st Annual Citizens' Crime Watch of Miami-Dade award ceremony.

GRANTS ADMINISTRATION

Grants Administration continues to collaborate with Departments and Offices to increase economic development and enhance the vibrancy and sustainability of the Town of Miami Lakes.

The Town secured the following Grants, during October 1, 2015 – September 30, 2016:

Quarter 1: FY2016 = \$89,122

- **\$4,122** - FDLE Edward Byrne Memorial Justice Assistance Grant Countywide (JAGC) for the School Resource Officer Program Overtime
- **\$85,000** - FDOT Transportation Alternatives Program (TAP) for the Greenway Trail on 77th Court from NW 154th Street to NW 163rd Street

Quarter 2: FY2016 = \$300,000

- **\$300,000** - FDEP FY15-16 General Appropriations Act Division of Water Restoration Assistance Grant for the Lake Sarah Drainage Improvements Project

Quarter 3: FY2016 = \$56,809

- **\$4,309** - FDLE Edward Byrne Memorial Justice Assistance Grant Direct (JAGD) for the School Resource Officer Program Overtime
- **\$12,500** (in matching canopy trees) - MDC Neat Streets Miami Street Tree Matching Grant for the NW 154th Street Corridor Project
- **\$40,000** - MPO Municipal Grant Program (MGP) Grant for the Complete Streets Implementation Plan Study

Quarter 4: FY2016 = \$135,000

- **\$125,000** - SFWMD Cooperative Funding Program (CFP) Stormwater Management Projects Grant for the Lake Sarah Drainage Improvements Project
- **\$10,000** - The Miami Foundation Public Space Challenge (PSC) Grant for the Par 3 Community Envisioning Event

Grant Closeouts are required to reconcile financial expenditures associated with awards. Grant Closeouts ensure all applicable administrative actions and proposed work is completed by the grantee at the end of a contract or project term. Failure to submit timely and accurate reports affects reimbursement and impacts future funding for the organization.

GRANTS ADMINISTRATION (continuation)

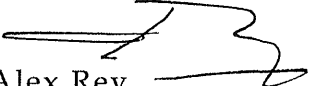
The Town completed the following Grant Closeout reporting requirements, ending September 30, 2016:

- Florida Department of Environmental Protection (FDEP) Water Quality Restoration Program for the Miami Lakes West Lakes Drainage Improvements Phase I Project in the amount of \$300,000.
- Florida Department of Environmental Protection (FDEP) Water Quality Restoration Program for the Miami Lakes West Lakes Drainage Improvements Phase II Project in the amount of \$300,000.
- Miami-Dade County (MDC) Neat Streets Tree Matching Grant valued at \$12,500 in canopy trees for the NW 154th Street Corridor Project.
- Edward Byrne Justice Assistance Grants (JAG) for the School Resource Officer Program Overtime in the amount of \$8,431.

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, Alberni Caballero & Fierman, LLP. We wish to express our appreciation to all members of Town staff who assisted and contributed to the preparation of this report. Finally, we would also like to thank the various operating departments for their efforts and support in planning and conducting the Town's operations in a responsible and progressive manner.

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

Respectfully submitted,


Alex Rey
Town Manager



Government Finance Officers Association

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

Presented to

**Town of Miami Lakes
Florida**

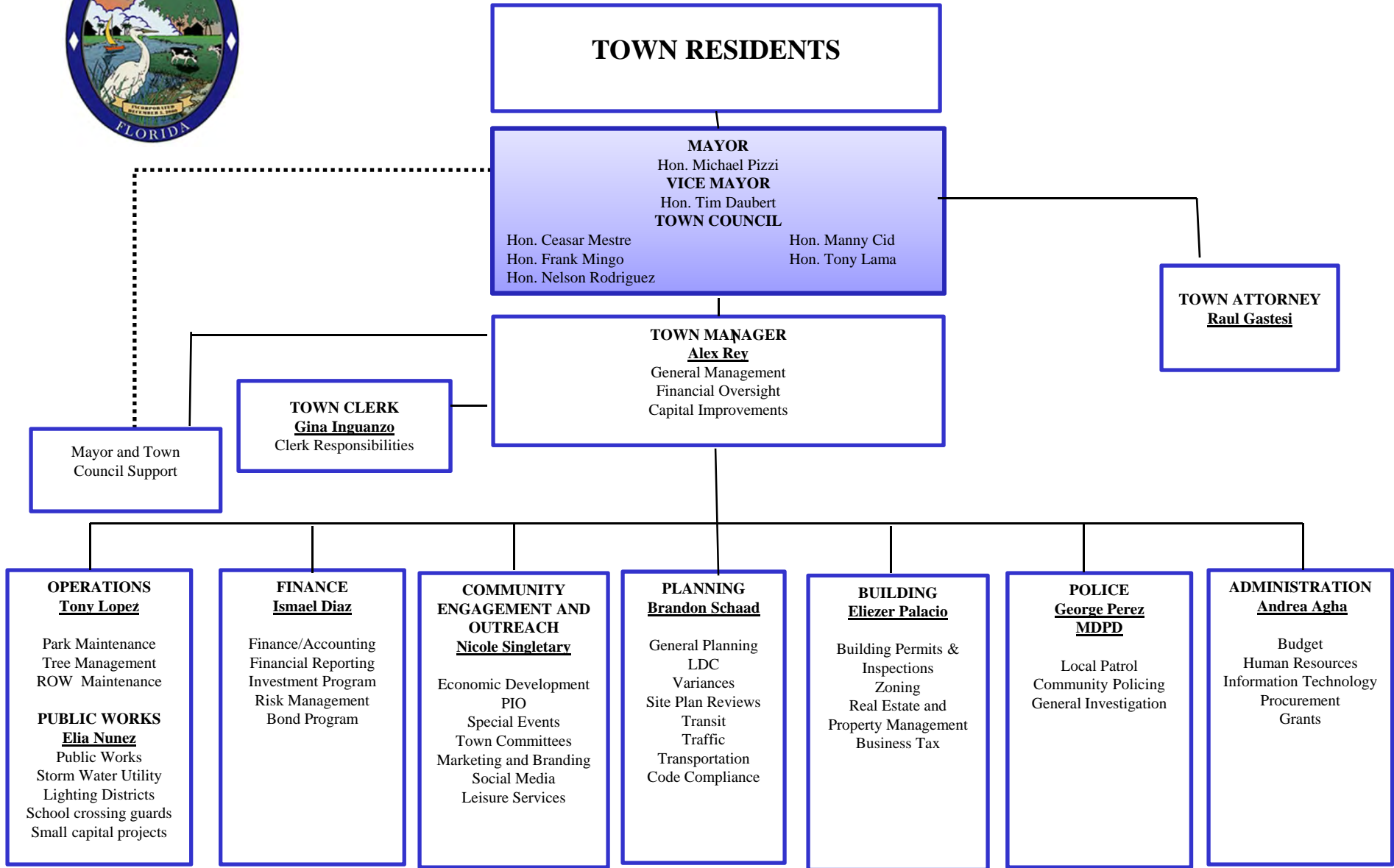
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO



Town of Miami Lakes
FUNCTIONAL ORGANIZATIONAL CHART



***Town of Miami Lakes
List of Principal Officials
September 30, 2016***

Mayor and Town Council

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

Appointed Officials

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



FINANCIAL SECTION



**INDEPENDENT AUDITORS'
REPORT**



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ACF-CPA.COM



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Town Council, and Town Manager
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 the Town of Miami Lakes, Florida (the "Town") as of and for the fiscal year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town and as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 and the Budgetary Comparison Schedules, Schedule of the Town's Proportionate Share of the Net Pension Liability Florida Retirement System Pension Plan, Schedule of the Town's Contributions Florida Retirement System Pension Plan, Schedule of the Town's Proportionate Share of the Net Pension Liability Health Insurance Subsidy Pension Plan, Schedule of the Town's Contributions Health Insurance Subsidy Pension Plan, and Schedule of Funding Progress – Other Post-Employment Benefits on pages 47 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and 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 budgetary comparison schedules 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 and budgetary comparison schedules 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 and budgetary comparison schedules 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
April 7, 2017



**MANAGEMENT DISCUSSION AND
ANALYSIS**

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

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, 2016. We encourage our readers to consider the information presented in this discussion and analysis in conjunction with additional information that is provided in the letter of transmittal, the financial statements and the accompanying notes to the financial statements.

Financial Highlights for Fiscal Year 2016

- At the close of the fiscal year the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$41.6 million (net position). Of this amount, \$4.1 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 approximately \$2.4 million during the current fiscal year.
- Net position of the Town's business-type activities increased by approximately \$1.4 million and approximately increased by \$947 thousand for governmental activities. Capital contributions from governmental activities to business-type activities accounted mainly for the increase in the business-type activities.
- As of the close of the current fiscal year, the Town governmental funds reported combined fund balances of \$9.9 million, a decrease of \$2.1 million in comparison with the prior year due to the completion of Capital Projects. Approximately \$4.5 million, or 46%, 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 \$4.8 million or 28% of total general fund expenditures. The unassigned fund balance for the general fund was \$4.5 million or 27% of total general fund expenditures. Non spendable fund balance was \$222 thousand (5% of general fund ending fund balance). These designations are in compliance with the Town's fund balance and financial policies as explained in the notes to the financial statements.
- Total cost of all the Town's governmental activities decreased by \$ 2.3 million or 13.4% due to an increase in building department fees and developer contributions.
- The town's long-term bonded debt decreased by \$1.8 million due to payment of principal on Special Obligation Bond, Series 2013 that was issued for the 87th Avenue Roadway Improvement Project.

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.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Overview of the Financial Statements (Continued)

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

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

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

Government-Wide Financial Statements

The *government-wide financial statements* - Statement of net position and statement of activities found on pages 11 and 12 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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

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

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Overview of the Financial Statements (Continued)

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

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

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

At the closing of fiscal year ended September 30, 2016, the following were classified as major funds, the General Fund, the Special Revenue Fund and the Capital Projects Fund. All other governmental funds are combined into a single column on the governmental funds financial statements. Individual fund data for the non-major funds is found in the combining statements.

The Town adopts an annual appropriated budget for its General Fund as well as its other governmental funds. Budgetary comparisons have been presented for funds which compare not only actual results to budget (budgetary basis), but also the original adopted budget to final budget. The budget to actual comparison for the General Fund and the Special Revenue Fund are presented on pages 47 and 48, respectively, of the required supplementary information and other governmental funds are presented beginning on page 57.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

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

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

The Town uses an enterprise fund to account for its Stormwater Utility. The basic proprietary fund financial statements can be found on pages 17 through 19 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 20 through 46 of this report.

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

The combined statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and other schedules can be found beginning on page 55 of this report.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Government-Wide Financial Analysis

The Government-wide Financial Statements were designed so that the user can determine if the Town is in a better or worse financial condition from the prior year. The Town's overall assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41.6 million at the close of the most recent fiscal year.

Town of Miami Lakes, Florida
Summary of Net Position

	Governmental		Business-Type Activities		Total Primary Government	
	Activities					
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Current assets	\$ 11,718,530	\$ 15,343,436	\$ 818,314	\$ 475,390	\$ 12,536,844	\$ 15,818,826
Capital assets, net	<u>33,022,524</u>	<u>31,538,935</u>	<u>9,315,448</u>	<u>7,641,072</u>	<u>42,337,972</u>	<u>39,180,007</u>
Total assets	<u>44,741,054</u>	<u>46,882,371</u>	<u>10,133,762</u>	<u>8,116,462</u>	<u>54,874,816</u>	<u>54,998,833</u>
Deferred outflows	982,824	258,822	32,699	8,949	1,015,523	267,771
Current liabilities	2,016,366	3,516,103	175,553	183,865	2,191,919	3,699,968
Noncurrent liabilities	<u>11,282,887</u>	<u>10,800,317</u>	<u>546,327</u>	<u>62,339</u>	<u>11,829,214</u>	<u>10,862,656</u>
Total liabilities	<u>13,299,253</u>	<u>14,316,420</u>	<u>721,880</u>	<u>246,204</u>	<u>14,021,133</u>	<u>14,562,624</u>
Deferred inflows	225,693	466,379	7,509	16,154	233,202	482,533
Net investment in capital assets	24,384,954	23,189,174	8,865,688	7,641,072	33,250,642	30,830,246
Restricted	4,316,340	5,374,581	-	-	4,316,340	5,374,581
Unrestricted	<u>3,497,638</u>	<u>3,794,639</u>	<u>571,384</u>	<u>221,981</u>	<u>4,069,022</u>	<u>4,016,620</u>
Total net position	<u>\$ 32,198,932</u>	<u>\$ 32,358,394</u>	<u>\$ 9,437,072</u>	<u>\$ 7,863,053</u>	<u>\$ 41,636,004</u>	<u>\$ 40,221,447</u>

The net investment in capital assets, \$33.2 million or 80%, 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 net investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources because as previously mentioned, capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$4.3 million (10%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position \$4.0 million (10%) may be used to meet the government's on-going obligations to citizens and creditors.

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

There was a decrease in *unrestricted net position* for the governmental activities of \$297 thousand (8%) as well as an increase in the business-type activities of \$349 thousand (157%), due to a planned transfer from the General Fund and the Stormwater Fund to the Capital Projects Fund to continue the capital pay-as-you-go projects. Also, a decrease in restricted net position of \$1.0 million represents mostly increase in spending proceeds of Transit and Transportation reserve for projected capital infrastructure projects.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Government-Wide Financial Analysis (Continued)

The following schedule compares revenues and expenses for the Town's operations for Fiscal Year 2016 and Fiscal Year 2015.

Town of Miami Lakes, Florida Summary of Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Program revenues:						
Charges for services	\$ 2,911,244	\$ 1,634,329	\$ 953,982	\$ 942,089	\$ 3,865,226	\$ 2,576,418
Operating grants/ contributions	2,075,665	70,759	-	-	2,075,665	70,759
Capital grants/ contributions	442,691	259,538	-	-	442,691	259,538
General revenues:						
Property taxes	5,967,817	5,784,851	-	-	5,967,817	5,784,851
Utility taxes	4,543,511	4,607,853	-	-	4,543,511	4,607,853
Franchise taxes	1,179,362	1,160,066	-	-	1,179,362	1,160,066
Intergovernmental	5,010,628	4,916,056	-	-	5,010,628	4,916,056
Investment income & miscellaneous	349,899	348,561	39,094	32,138	388,993	380,699
Total revenues	<u>22,480,817</u>	<u>18,782,013</u>	<u>993,076</u>	<u>974,227</u>	<u>23,473,893</u>	<u>19,756,240</u>
Expenses:						
General government	5,466,296	4,504,066	-	-	5,466,296	4,504,066
Public safety	8,014,737	7,972,810	-	-	8,014,737	7,972,810
Parks and recreation	3,481,695	3,306,152	-	-	3,481,695	3,306,152
Physical environment	-	4,307	-	-	-	4,307
Transportation	2,631,509	2,691,114	818,380	1,033,870	3,449,889	3,724,984
Interest expense	654,998	600,247	-	-	654,998	600,247
Total expenses	<u>20,249,235</u>	<u>19,078,696</u>	<u>818,380</u>	<u>1,033,870</u>	<u>21,067,615</u>	<u>20,112,566</u>
Excess/ (deficiency) before transfers	2,231,582	(296,683)	174,696	(59,643)	2,406,278	(356,326)
Transfers and contributions	<u>(1,284,839)</u>	<u>(251,946)</u>	<u>1,267,755</u>	<u>251,946</u>	<u>(17,084)</u>	<u>-</u>
Change in net position	946,743	(548,629)	1,442,451	192,303	2,389,194	(356,326)
Net position beginning of year	32,358,394	34,451,079	7,863,053	7,741,140	40,221,447	42,192,219
Cumulative effect of prior period adjustments	<u>(1,106,205)</u>	<u>(1,544,056)</u>	<u>131,568</u>	<u>(70,390)</u>	<u>(974,637)</u>	<u>(1,614,446)</u>
Net position as restated	31,252,189	32,907,023	7,994,621	7,670,750	39,246,810	40,577,773
Net position end of year	<u>\$32,198,932</u>	<u>\$32,358,39</u>	<u>\$ 9,437,072</u>	<u>\$ 7,863,053</u>	<u>\$41,636,004</u>	<u>\$40,221,447</u>

Governmental activities: The Town's Governmental revenues increased by \$3.7 million to \$22.5 million. Approximately 27% of the Governmental Activities' revenues come from property taxes, and another 29% from other taxes. Of the remainder, 13% from fees charged for services and the remainder primarily from shared revenues received from other governmental entities. Governmental expenses increased \$1.2 million or 6% over last year, attributable mostly to an increase in capital outlay and a reduction in principal debt.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Government-Wide Financial Analysis (Continued)

Revenues:

- Charges for various services provided by the Town increased by approximately \$1.3 million and (78%). This was attributable to the increase in permitting activities.
- Grants and contributions increased by approximately \$2.2 million due to Contributions from developers.
- Electric franchise fees increased by \$19 thousand (2%).
- Utility service tax decreased by \$63 thousand (1%).
- Intergovernmental revenues increased by \$95 thousand (2%) due to new Grants awarded in FY 2016.
- Investment income and miscellaneous revenues did not have significant changes.

Expenses:

- The Town's administrative costs increased by \$788 thousand (20%) this past year largely due to legal expenses and FEMA reimbursement.
- Public safety expenses as compared to the prior year increased by \$42 thousand (1%).
- Parks and recreation increased by approximately \$176 thousand (5%) due to the parks facilities repairs and maintenance costs.
- Transportation decreased by \$59 thousand (2%).

Business-type activities: The Town has a Stormwater Utility business-type activity. Business-type activities, exclusive of transfers, increased the Town's total net position by \$234 thousand. In addition, the total \$1.6 million increase in net position was the result of capital contributions made by the Capital Project Fund for drainage projects.

Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town and is used to account for most of its governmental activities. The General Fund's balance at September 30, 2016 was \$4.8 million. Of this amount, \$4.5 million or (95%) was unassigned. Non-spendable fund balance for prepayments was \$222 thousand (5%). 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 by \$210 thousand (5%) from the previous year.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$9.9 million, a decrease of \$2.1 million in comparison with the prior year. Approximately 46% of the total fund balance of \$9.9 million constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2016, the capital projects fund had a total fund balance of \$2.6 million, \$786 thousand of which has been assigned for use in capital projects and the remaining \$1.8 million restricted for transportation projects with no remaining funds to be classified as unassigned. The \$2.9 million decrease in fund balance was mainly due to the completion of capital projects.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Financial Analysis of the Town's Funds (Continued)

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

Net position of the Stormwater Utility as of September 30, 2016, amounted to \$9.4 million. Of this amount, \$8.9 million is invested in capital assets and \$571 thousand is unrestricted. Net position increased by \$1.6 million from the prior year, an increase of 20% as a result of capital contributions from capital projects fund related to the transfer of completed drainage projects. Investment in capital assets increased by \$1.2 million as a result of capital assets transferred from the Capital Projects Fund offset by a depreciation of \$226 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 approved for rollovers related to capital improvement projects, tasks and projects in progress, and prior year encumbrances; and (2) supplemental appropriations to recognize and appropriate grant revenues which were received after the adoption of the budget, and to provide appropriations for various other needs which had arisen since the adoption of the budget.

At year end, the General Fund expenditures exceeded the original adopted budget by \$437,233.

The final amended budget to actual resulted in a positive variance in expenditures of \$1.3 million; actual revenues were \$363 thousand more than the final amended budget.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2016 the Town's net investment in capital assets for its governmental and business-type activities amounted to \$33.2 million. This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. Total net investment in capital assets for governmental activities increased by \$1.195 million and by \$1.224 million for business-type activities. These increases were attributed by the following projects:

- Canal Stabilization
- West Lakes A,B,C,D,E
- Entrance Features
- Lake Martha
- Miami Lakes Optimist Park Building
- Dog Park

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

	Governmental		Business-Type Activities		Total Primary Government	
	Activities					
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Land	\$ 6,056,872	\$ 6,056,872	\$ -	\$ -	\$ 6,056,872	\$ 6,056,872
Building	5,498,176	5,697,475	-	-	5,498,177	5,697,475
Construction in Progress	5,862,558	3,198,090	2,897,201	1,629,446	8,759,759	4,827,536
Infrastructure	15,006,863	15,581,081	6,238,451	5,807,949	21,245,312	21,389,030
Furniture and Fixtures	598,055	1,005,417	179,796	203,677	777,852	1,209,094
Total Capital Assets, net	<u>\$ 33,022,524</u>	<u>\$ 31,538,935</u>	<u>\$ 9,315,448</u>	<u>\$ 7,641,072</u>	<u>\$ 42,337,972</u>	<u>\$ 39,180,007</u>

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Capital Assets (Continued)

In FY 2012, the Town implemented MUNIS, a Tyler Technologies product, as the financial system. With the implementation of the new financial system, the Town activated an automated process for tracking, inventorying, depreciating and reconciling the capital assets. This has significantly increased internal controls and loss prevention. We are expecting to upgrade the Munis Operating System to version 11.2 by the summer of 2017. This upgrade will include online financial transparency.

Long-Term Debt

At the end of the current fiscal year, the Town had \$8.8 million in bonds and notes payable. During Fiscal Year 2011, the Town issued \$7.33 million in Town of Miami Lakes, Florida Special Obligation Revenue Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”). Moody’s Investor Services and Fitch Ratings have rated these bonds Aa3 and AA, respectively. Also included in long-term debt is our unfunded FRS pension portion of around \$2.8 million and our roadway QNIP debt with the County for \$1 million. Additional information on these long term debts can be found on Note 7 on pages 32 through 34 of this report.

Town of Miami Lakes, Florida		
Outstanding Debt		
	FY 2016	FY 2015
Special Obligation Bonds	\$ 7,296,552	\$ 8,945,172
QNIP Bonds	1,006,155	1,106,205
Stormwater Utility Revenue Bonds	449,760	494,640
Total	<u>\$ 8,752,467</u>	<u>\$ 10,546,017</u>

Economic Factors and Next Year’s Budget

- The Town’s unemployment rate for 2016 was 5.1% down from 5.7% in 2015. (Source: Bureau of Labor Statistics).
- The Town’s residential property assessed value increased by \$191 thousand.
- The Town has maintained a healthy unassigned fund balance in the General Fund over the past few years in spite of the increases in capital projects to maintain infrastructure and reduce long term maintenance costs.
- The Town did not incur new long-term debt. However, in Governmental Activities we added \$1.006 million to our long-term debt in correlation with the “Quality Neighborhood Improvement Program” (QNIP). This is a debt with Miami-Dade County which expires in 2024.
- The property tax millage rate for the 2016 fiscal year has been maintained at 2.3518 mills (\$2.3518 per \$1,000 of taxable assessed valuation).

Some of these factors were considered in preparing the Town of Miami Lakes’ budget for the 2016 fiscal year.

Requests for Information

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

Town of Miami Lakes
 Finance Department
 6601 Main Street
 Miami Lakes, Florida 33014



**BASIC
FINANCIAL STATEMENTS**

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,207,742	\$ 549,512	\$ 5,757,254
Investments	3,786,921	128,528	3,915,449
Accounts receivable, net	1,658,593	140,274	1,798,867
Prepays	222,531	-	222,531
Restricted assets:			
Cash and cash equivalents	213,178	-	213,178
Investments	629,565	-	629,565
Capital assets:			
Non-depreciable capital assets:			
Land	6,056,872	-	6,056,872
Construction in progress	5,862,558	2,897,201	8,759,759
Total non-depreciable capital assets	11,919,430	2,897,201	14,816,631
Depreciable capital assets:			
Leasehold improvements	90,558	-	90,558
Furniture and equipment	2,879,357	284,455	3,163,812
Building	5,997,769	-	5,997,769
Infrastructure	22,260,289	7,828,214	30,088,503
Less: accumulated depreciation	<u>(10,124,879)</u>	<u>(1,694,422)</u>	<u>(11,819,301)</u>
Net depreciable capital assets	21,103,094	6,418,247	27,521,341
Total capital assets	<u>33,022,524</u>	<u>9,315,448</u>	<u>42,337,972</u>
Total assets	<u>44,741,054</u>	<u>10,133,762</u>	<u>54,874,816</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	<u>982,824</u>	<u>32,699</u>	<u>1,015,523</u>
Total deferred outflows of resources	<u>982,824</u>	<u>32,699</u>	<u>1,015,523</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	1,818,637	169,369	1,988,006
Accrued payroll and benefits	127,484	6,184	133,668
Deposits	70,245	-	70,245
Noncurrent liabilities:			
Due within one year	111,066	47,160	158,226
Due in more than one year	<u>11,171,821</u>	<u>499,167</u>	<u>11,670,988</u>
Total liabilities	<u>13,299,253</u>	<u>721,880</u>	<u>14,021,133</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>225,693</u>	<u>7,509</u>	<u>233,202</u>
Total deferred inflows of resources	<u>225,693</u>	<u>7,509</u>	<u>233,202</u>
<u>NET POSITION</u>			
Net investment in capital assets	24,384,954	8,865,688	33,250,642
Restricted for:			
Debt Service	875,282	-	875,282
Transit	496,128	-	496,128
Transportation - CITT	1,611,448	-	1,611,448
Transportation - Gas Tax 6 Cents	12,217	-	12,217
Mobility	660,194	-	660,194
Stormwater	612,717	-	612,717
Tree Removal	10,074	-	10,074
Impact Fees			
Public Safety	31,013	-	31,013
Parks	7,267	-	7,267
Unrestricted	<u>3,497,638</u>	<u>571,384</u>	<u>4,069,022</u>
Total net position	<u>\$ 32,198,932</u>	<u>\$ 9,437,072</u>	<u>\$ 41,636,004</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 5,466,296	\$ 13,079	\$ 2,037,165	\$ -	\$ (3,416,052)	\$ -	\$ (3,416,052)
Public safety	8,014,737	2,046,763	-	-	(5,967,974)	-	(5,967,974)
Parks and recreation	3,481,695	131,628	38,500	-	(3,311,567)	-	(3,311,567)
Transportation	2,631,509	719,774	-	442,691	(1,469,044)	-	(1,469,044)
Interest expense	<u>654,998</u>	-	-	-	<u>(654,998)</u>	-	<u>(654,998)</u>
Total governmental activities	<u>20,249,235</u>	<u>2,911,244</u>	<u>2,075,665</u>	<u>442,691</u>	<u>(14,819,635)</u>	-	<u>(14,819,635)</u>
Business-type activity:							
Stormwater	<u>818,380</u>	<u>953,982</u>	-	-	-	<u>135,602</u>	<u>135,602</u>
Total business-type activities	<u>818,380</u>	<u>953,982</u>	-	-	-	<u>135,602</u>	<u>135,602</u>
Total primary government	<u>\$ 21,067,615</u>	<u>\$ 3,865,226</u>	<u>\$ 2,075,665</u>	<u>\$ 442,691</u>	<u>(14,819,635)</u>	<u>135,602</u>	<u>(14,684,033)</u>
General revenue:							
Property taxes					5,967,817	-	5,967,817
Utility taxes					3,297,894	-	3,297,894
Communication services tax					1,245,617	-	1,245,617
Franchise taxes					1,179,362	-	1,179,362
Other taxes					702,897	-	702,897
Intergovernmental not restricted to specific programs					4,307,731	-	4,307,731
Investment income					77,678	39,094	116,772
Loss on disposal					(17,084)	-	(17,084)
Other income					272,221	-	272,221
Transfers					<u>(1,267,755)</u>	<u>1,267,755</u>	-
Total general revenues and transfers					<u>15,766,378</u>	<u>1,306,849</u>	<u>17,073,227</u>
Change in net position					946,743	1,442,451	2,389,194
Net position, beginning, as previously reported					32,358,394	7,863,053	40,221,447
Prior period adjustment (See Note 12)					<u>(1,106,205)</u>	<u>131,568</u>	<u>(974,637)</u>
Net position, beginning, as restated					<u>31,252,189</u>	<u>7,994,621</u>	<u>39,246,810</u>
Net position, ending					<u>\$ 32,198,932</u>	<u>\$ 9,437,072</u>	<u>\$ 41,636,004</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	<u>Major Funds</u>			Nonmajor Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>		
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,142,255	\$ 1,291,700	\$ 2,734,538	\$ 39,249	\$ 5,207,742
Investments	3,786,921	-	-	-	3,786,921
Accounts receivable, net	744,376	420,130	217,460	276,627	1,658,593
Due from other funds	245,057	-	-	-	245,057
Prepays	222,531	-	-	-	222,531
Restricted assets:					
Cash and cash equivalents	-	-	-	213,178	213,178
Investments	-	-	-	629,565	629,565
Total assets	<u>\$ 6,141,140</u>	<u>\$ 1,711,830</u>	<u>\$ 2,951,998</u>	<u>\$ 1,158,619</u>	<u>\$ 11,963,587</u>
<u>LIABILITIES</u>					
Accounts payable and other current liabilities	\$ 1,162,466	\$ 138,768	\$ 334,570	\$ -	\$ 1,635,804
Accrued payroll and benefits	132,245	1,325	-	-	133,570
Deposits	69,952	-	293	-	70,245
Due to other funds	-	-	-	245,057	245,057
Total liabilities	<u>1,364,663</u>	<u>140,093</u>	<u>334,863</u>	<u>245,057</u>	<u>2,084,676</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepays	222,531	-	-	-	222,531
Restricted for:					
Debt Service	-	-	-	875,282	875,282
Transit	-	496,128	-	-	496,128
Transportation - CITT	-	393,124	1,218,324	-	1,611,448
Transportation - Gas Tax 6 Cents	-	12,217	-	-	12,217
Mobility	-	660,194	-	-	660,194
Stormwater	-	-	612,717	-	612,717
Tree Removal	-	10,074	-	-	10,074
Impact Fees					
Public Safety	-	-	-	31,013	31,013
Parks	-	-	-	7,267	7,267
Assigned for:					
Facilities	-	-	123,581	-	123,581
Parks	-	-	662,513	-	662,513
Unassigned	4,553,946	-	-	-	4,553,946
Total fund balances	<u>4,776,477</u>	<u>1,571,737</u>	<u>2,617,135</u>	<u>913,562</u>	<u>9,878,911</u>
Total liabilities and fund balances	<u>\$ 6,141,140</u>	<u>\$ 1,711,830</u>	<u>\$ 2,951,998</u>	<u>\$ 1,158,619</u>	<u>\$ 11,963,587</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

Fund balances - total governmental funds (page 13) \$ 9,878,911

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	43,147,403	
Less: accumulated depreciation	<u>(10,124,879)</u>	
		33,022,524

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

Governmental bonds payable	(8,302,707)	
Compensated Absences	<u>(185,423)</u>	
		(8,488,130)

Debt interest payable that will not be liquidated with current financial resources is not reported in the governmental funds		(182,833)
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OPEB obligations attributable to retiree benefits financed from governmental fund types		(15,607)
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Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(2,773,064)	
Deferred outflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting	982,824	
Deferred inflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting	<u>(225,693)</u>	
		<u>(2,015,933)</u>

Net position of governmental activities (Page 11)		<u>\$32,198,932</u>
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TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Special Revenue	Capital Projects		
REVENUES:					
Ad valorem taxes	\$ 5,967,817	\$ -	\$ -	\$ -	\$ 5,967,817
Utility taxes	2,957,322	-	-	340,572	3,297,894
Franchise fees	1,179,362	-	-	-	1,179,362
Communication services tax	1,245,617	-	-	-	1,245,617
Other taxes	146,988	400,889	155,020	-	702,897
Licenses and permits	1,709,343	675,690	-	-	2,385,033
Intergovernmental	3,145,343	1,209,319	442,691	-	4,797,353
Fines and forfeitures	274,594	-	-	-	274,594
Service charges	181,525	-	-	-	181,525
Impact fees					
Public safety	-	-	-	62,826	62,826
Parks	-	-	-	7,266	7,266
Investment income	46,031	4,542	27,728	(623)	77,678
Developers contributions	1,828,734	-	200,000	-	2,028,734
Other	63,962	-	29,337	178,922	272,221
Total revenues	<u>18,746,638</u>	<u>2,290,440</u>	<u>854,776</u>	<u>588,963</u>	<u>22,480,817</u>
EXPENDITURES:					
Current:					
General government:					
Town council	516,371	-	-	-	516,371
Town administration and finance	3,775,637	-	-	-	3,775,637
Legal	410,545	-	-	-	410,545
Public safety	7,917,265	-	-	-	7,917,265
Parks and recreation	2,826,779	-	-	-	2,826,779
Transportation	1,079,861	1,172,708	-	3,050	2,255,619
Debt service:					
Principal	100,050	-	-	1,650,000	1,750,050
Interest	53,373	-	-	601,625	654,998
Capital outlay	129,553	77,594	4,269,210	7,080	4,483,437
Total expenditures	<u>16,809,434</u>	<u>1,250,302</u>	<u>4,269,210</u>	<u>2,261,755</u>	<u>24,590,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,937,204</u>	<u>1,040,138</u>	<u>(3,414,434)</u>	<u>(1,672,792)</u>	<u>(2,109,884)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	176,384	454,765	2,053,004	2,684,153
Transfers out	(1,727,224)	(559,338)	-	(397,591)	(2,684,153)
Total other financing sources (uses)	<u>(1,727,224)</u>	<u>(382,954)</u>	<u>454,765</u>	<u>1,655,413</u>	<u>-</u>
Net change in fund balances	209,980	657,184	(2,959,669)	(17,379)	(2,109,884)
FUND BALANCE, beginning of year	4,566,497	914,553	5,576,804	930,941	11,988,795
FUND BALANCE, end of year	<u>\$ 4,776,477</u>	<u>\$ 1,571,737</u>	<u>\$ 2,617,135</u>	<u>\$ 913,562</u>	<u>\$ 9,878,911</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Amounts reported for governmental activities in the statement of activities (on page 12) are different because:

Net change in fund balances - total governmental funds (page 15)	\$(2,109,884)
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Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays meeting the capitalization threshold	4,289,314	
Less current year depreciation	<u>(1,520,886)</u>	
		2,768,428

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

Loss on disposal	(17,084)	
Contribution of capital assets to business-type activities	<u>(1,267,755)</u>	
		(1,284,839)

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 payments	1,750,050	
Amortization of discount on bonds issued	<u>(1,380)</u>	
		1,748,670

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	(21,371)	
Change in compensated absences	(61,780)	
Change in OPEB liability	6,739	
Changes in net pension liability and other deferral amounts	<u>(99,220)</u>	
		(175,632)

Change in net position of governmental activities (page 12)	<u>\$ 946,743</u>
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TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2016

	Business-type Activity <u>Enterprise Fund</u> <u>Stormwater</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 549,512
Investments	128,528
Accounts receivable, net	140,274
Total current assets	818,314
Noncurrent assets:	
Construction in progress	2,897,201
Furniture and equipment	284,455
Infrastructure	7,828,214
Less: accumulated depreciation	(1,694,422)
Total noncurrent assets	9,315,448
Total assets	10,133,762
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension	32,699
Total deferred outflows of resources	32,699
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable and other current liabilities	169,369
Accrued payroll and benefits	6,184
Bond payable	47,160
Total current liabilities	222,713
Noncurrent liabilities:	
Compensated absences	4,303
Net pension liability	92,264
Bond payable	402,600
Total noncurrent liabilities	499,167
Total liabilities	721,880
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension	7,509
Total deferred inflows of resources	7,509
<u>NET POSITION</u>	
Net investment in capital assets	8,865,688
Unrestricted	571,384
Total net position	\$ 9,437,072

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activity <u>Enterprise Fund</u> <u>Stormwater</u>
Operating revenues:	
Charges for services	\$ 953,982
Total operating revenues	953,982
Operating expenses:	
Administrative expenses	192,774
Contractual services	62,155
Repairs and maintenance	315,752
Depreciation	225,613
Total operating expenses	796,294
Operating Income	157,688
Nonoperating revenues (expenses):	
Investment earnings	39,094
Interest expense	(22,086)
Total nonoperating revenues	17,008
Income before contributions and transfers	174,696
Contributions and transfers:	
Capital contributions	1,267,755
Net contributions and transfers	1,267,755
Change in net position	1,442,451
Net position, beginning, as previously reported	7,863,053
Prior period adjustment (See Note 12)	131,568
Net position, beginning, as restated	7,994,621
Net position, end of year	\$ 9,437,072

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activity <u>Enterprise Fund</u> <u>Stormwater</u>
Cash flows from operating activities:	
Cash received from customers, governments and other funds	\$ 921,257
Cash paid to suppliers	(401,869)
Cash paid to employees	(175,291)
Net cash provided by operating activities	344,097
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(6,026)
Principal retirement of capital debt	(44,880)
Interest paid on capital debt	(22,086)
Net cash (used in) capital and related financing activities	(72,992)
Cash flows from investing activities:	
Purchases of investments	(128,528)
Interest and other income	39,094
Net cash (used in) investing activities	(89,434)
Net increase in cash and cash equivalents	181,671
Cash and cash equivalents, October 1	367,841
Cash and cash equivalents, September 30	\$ 549,512
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 157,688
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	225,613
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(32,725)
Deferred outflows of resources for pension	(23,750)
Increase (decrease) in:	
Accounts payable	(14,496)
Accrued payroll and benefits	6,184
Compensated absences	1,166
Net Pension Liability	33,062
Deferred inflows of resources for pension	(8,645)
Total adjustments	186,409
Net cash provided by operating activities	\$ 344,097
Noncash capital activities:	
Contribution of capital assets	\$ 1,267,755

See notes to basic financial statements



**NOTES TO BASIC
FINANCIAL STATEMENTS**

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 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, 2016.

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.

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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Town.

Accounting principles generally accepted in the United State of America set forth minimum criteria (percentage of assets plus deferred outflows of resources, liabilities plus deferred outflows of resources, 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:

General Fund – This 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.

Special Revenue Fund – This 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.

Capital Projects Fund – This 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.

The Town reports the following major proprietary fund:

Stormwater Utility 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:

Impact Fees Fund – This fund is used to account for the parks and public safety impact fees used to fund the cost of additional capital resources required to maintain and accommodate projected population growth due to new development.

Debt Service Fund – This 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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise fund functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

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, which are based on quoted market prices. 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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 governmental fund financial statements consider prepaid items to be nonspendable fund balance.

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, 2016 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.

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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has pension amounts that qualify for reporting in this category on the government-wide statement of net position in the amount of \$1,015,523.

In additions to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The Town has pension amounts that qualify for reporting in this category in the amount of \$233,202.

L. Compensated Absences

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

All vacation and sick leave is accrued and reported as a fund liability when it is probable that the Town will compensate the employee with expendable available financial resources. Vacation and sick leave is accrued when incurred in proprietary funds and reported as a fund liability. All vacation pay is accrued when incurred in the government-wide and proprietary fund 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 and retirements. For governmental funds, compensated absences are generally liquidated by the General Fund.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position

Total equity as of September 30, 2016, is classified into three components of net position:

Net investment in capital assets – consists of capital assets (including 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.

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.

Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

O. Fund Balance

The Town follows Governmental Accounting Standards for *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:

Non-spendable – 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 – 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 – 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 – 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.

Unassigned – This fund balance is the residual classification for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. It is also used to report negative fund balances in other governmental funds.

Minimum level of Unassigned Fund Balance Policy:

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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

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.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

Q. 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. These estimates include assessing the collectibility of receivables, the realization of pension obligations, OPEB and the useful lives of capital assets. 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.

R. 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.

S. Capital Contributions

Capital contributions in proprietary fund financial statements arise from grants or outside contributions of resources restricted to capital acquisition and construction.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Town is subject to various federal, state, and local laws and contractual regulations. The Town has no material violations of finance-related legal and contractual obligations.

1. Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

2. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Transportation & Gas Surtax	Roads, sidewalks, streets, busing, streetlights and other transportation expenses
Mobility Fee	Multi-modal transportation improvements
Impact Fees (Parks & Police)	Capital projects, improvements and to offset additional costs in each category

For the fiscal year ended September 30, 2016, the Town complied, in all material respects, with these revenue restrictions.

3. Excesses of Expenditures Over Appropriations

For the year ended September 30, 2016, the expenditures for the tree program (Special Revenue Fund) and interest (Debt Service Fund) exceeded appropriations by \$4,750 and \$871, respectively. These excess of expenditures were funded by excess revenues received in the current fiscal year and surpluses in other departments.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents

As of September 30, 2016, the balance of the Town's cash deposits was \$5,970,432. All deposits are held in banking institutions approved by the State of Florida to hold public funds. The Town's deposits are considered insured and collateralized with securities held by the Town or by its agent in the Town's name as discussed below.

The Town invests in certificates of deposit. The certificates bear an interest rate ranging from 1.02% to 1.20%. The certificates of deposit with original maturities of greater than three months totaling approximately \$4,545,014 are presented as investments in the accompanying statement of net position.

The SBA administers Florida PRIME ("PRIME"), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 219 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures of the administration of PRIME. PRIME is not a registrant with the Securities and Exchange Commission; however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value ("NAV") of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. At September 30, 2016, the Town's investment in the Florida PRIME was that of \$7,264 which is presented as cash and cash equivalents in the accompanying statement of net position. Thus, the Town's account balance in the SBA is its amortized cost.

Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial credit risk as these investments are not evidenced by securities that exist in physical or bank entry form.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Cash and Cash Equivalents (Continued)

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Town's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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.

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.

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 (WAM) of the Florida PRIME as of September 30, 2016 is 50 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average like (WAL) of Florida PRIME at September 30, 2016, is 70 days.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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, 2016.

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, 2016 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.

NOTE 4 - RECEIVABLES AND PAYABLES

Receivables as of September 30, 2016, including the allowances for uncollectibles (where applicable) was as follows:

	<u>General Fund</u>	Capital Projects <u>Fund</u>	Special Revenue <u>Fund</u>	Nonmajor <u>Funds</u>	Stormwater <u>Fund</u>
Due from other governments	\$ 546,829	\$ 214,905	\$ 420,130	\$ 1,031	\$ 140,274
Other	<u>303,203</u>	<u>2,555</u>	<u>-</u>	<u>275,596</u>	<u>-</u>
Gross receivables	850,032	217,460	420,130	276,627	140,274
Less: Allowance for uncollectibles	<u>(105,656)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 744,376</u>	<u>\$ 217,460</u>	<u>\$ 420,130</u>	<u>\$ 276,627</u>	<u>\$ 140,274</u>

Payables as of September 30, 2016 for the Town's governmental funds were as follow:

	<u>General Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Total Governmental <u>Funds</u>
Vendors	\$ 1,162,466	\$ 138,768	\$ 334,570	\$ 1,635,804
Payroll and related accounts	<u>132,245</u>	<u>1,325</u>	<u>-</u>	<u>133,570</u>
Total (fund statements)	<u>\$ 1,294,711</u>	<u>\$ 140,093</u>	<u>\$ 334,570</u>	<u>\$ 1,769,374</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4 - RECEIVABLES AND PAYABLES (Continued)

Payables as of September 30, 2016 for the Town's government wide statements were as follow:

	Fund Statements	Bond Interest Payable	Government Wide
Vendors	\$ 1,635,804	\$ 182,833	\$ 1,818,637
Payroll and related accounts	133,570	-	133,570
Total	<u>\$ 1,769,374</u>	<u>\$ 182,833</u>	<u>\$ 1,952,207</u>

Payables as of September 30, 2016 for the Town's proprietary fund was as follows:

	Stormwater Fund
Vendors	\$ 169,369
Payroll and related accounts	6,184
Total (fund statement)	<u>\$ 175,553</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2016, consisted of the following:

	Transfer In			
	Special Revenue Fund	Capital Projects Fund	Non Major Fund	
<u>Transfer Out</u>				
General Fund	\$ 176,384	\$ -	\$ 1,550,840	\$ 1,727,224
Special Revenue Fund	-	430,000	129,338	559,338
Non Major Fund	-	24,765	372,826	397,591
Total	<u>\$ 176,384</u>	<u>\$ 454,765</u>	<u>\$ 2,053,004</u>	<u>\$ 2,684,153</u>

- The General Fund transferred \$176,384 to the Special Revenue Fund as a reimbursement for the debt service payment related to the Series 2010 Bonds.
- The General Fund transferred \$1,550,840 to the Debt Service Fund for the repayment of the Series 2013 Notes.
- The Special Revenue Fund transferred \$430,000 to the Capital Projects Fund to partially finance various ongoing capital projects of the Town.
- The Electric Utility Tax Revenue Fund transferred \$371,276 to the Debt Service Fund to fund the interest and principal payments on the bonds.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,056,872	\$ -	\$ -	\$ -	\$ 6,056,872
Construction in Progress	3,198,090	3,932,223	-	(1,267,755)	5,862,558
Total capital assets not being depreciated	<u>9,254,962</u>	<u>3,932,223</u>	<u>-</u>	<u>(1,267,755)</u>	<u>11,919,430</u>
Capital assets being depreciated:					
Furniture & Equipment	2,863,685	30,376	(14,704)	-	2,879,357
Building	5,997,769	-	-	-	5,997,769
Leasehold Improvements	90,558	-	-	-	90,558
Infrastructure	21,950,406	326,715	(16,832)	-	22,260,289
Total capital assets being depreciated	<u>30,902,418</u>	<u>357,091</u>	<u>(31,536)</u>	<u>-</u>	<u>31,227,973</u>
Less accumulated depreciation for:					
Furniture & Equipment	(1,858,268)	(423,034)	-	-	(2,281,302)
Building	(300,294)	(199,299)	-	-	(499,593)
Leasehold Improvements	(90,558)	-	-	-	(90,558)
Infrastructure	(6,369,325)	(898,553)	14,452	-	(7,253,426)
Total accumulated depreciation	<u>(8,618,445)</u>	<u>(1,520,886)</u>	<u>14,452</u>	<u>-</u>	<u>(10,124,879)</u>
Total capital assets being depreciated, net	<u>22,283,973</u>	<u>(1,163,795)</u>	<u>(17,084)</u>	<u>-</u>	<u>21,103,094</u>
Governmental activities capital assets, net	<u>\$31,538,935</u>	<u>\$ 2,768,428</u>	<u>\$ (17,084)</u>	<u>\$ (1,267,755)</u>	<u>\$33,022,524</u>
	Beginning Balance (1)	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 1,629,446	\$ -	\$ -	\$ 1,267,755	\$ 2,897,201
Total capital assets not being depreciated	<u>1,629,446</u>	<u>-</u>	<u>-</u>	<u>1,267,755</u>	<u>2,897,201</u>
Capital assets being depreciated					
Infrastructure	7,828,214	-	-	-	7,828,214
Furniture & equipment	278,429	6,026	-	-	284,455
Total capital assets being depreciated	<u>8,106,643</u>	<u>6,026</u>	<u>-</u>	<u>-</u>	<u>8,112,669</u>
Less accumulated depreciation for:					
Infrastructure	(1,394,057)	(195,706)	-	-	(1,589,763)
Furniture & equipment	(74,752)	(29,907)	-	-	(104,659)
Total accumulated depreciation	<u>(1,468,809)</u>	<u>(225,613)</u>	<u>-</u>	<u>-</u>	<u>(1,694,422)</u>
Total capital assets being depreciated, net	<u>6,637,834</u>	<u>(219,587)</u>	<u>-</u>	<u>-</u>	<u>6,418,247</u>
Business-type activities capital assets, net	<u>\$ 6,637,834</u>	<u>\$ (219,587)</u>	<u>\$ -</u>	<u>\$ 1,267,755</u>	<u>\$ 9,315,448</u>

(1) As restated, see Note 12

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 6 - CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 505,889
Public safety	28,479
Transportation	356,235
Parks and recreation	<u>630,283</u>
Total depreciation expense - governmental activities	<u>\$1,520,886</u>
Business-type activities:	
Stormwater utility	<u>\$ 225,613</u>
Total depreciation expense - business-type activities	<u>\$ 225,613</u>

NOTE 7 - LONG-TERM DEBT

Special Obligation Bonds, Notes 2010

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

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

Under the American Recovery and Reinvestment Act of 2009 Congress added certain provisions to the Internal Revenue Code (the “Code”) which made it possible for state and local governments to potentially obtain lower net borrowing costs when issuing bonds that meet certain requirements of the Code and the related Treasury Regulations (“qualified bonds”). A Build America Bond is a “qualified bond” where the issuer has made an irrevocable election to have the special rules applicable to the qualified bonds.

A Build America Bond that constitutes a “qualified bond” entitles the issuer to receive direct subsidy payments from the United States Department of the Treasury, upon meeting certain other additional requirements, in the amount of 35% of the corresponding interest payable on the related bonds. The Series 2010 Bonds were issued as “qualified bonds”. Bonds bear interest rates ranging from 7.05% to 7.627%.

Special Obligation Notes, Series 2013

On April 23, 2013, the Town passed an Ordinance authorizing the issuance of a Special Obligation Notes, Series 2013 (the “Note”) in an aggregate principal amount not to exceed \$2 million to finance the construction of certain roadway improvement within the Town and the execution of a loan agreement between the Town and a financial institution relating to the issuance of the Note in the amount of \$1.855 million. The Notes bear an interest rate of 2.95% and are payable on April 1 and October 1 of each year through 2028. The Notes principal and interest will be repaid from budgeted and appropriated non-ad valorem revenues equivalent to the annual principal and interest requirements deposited in a sinking fund account. However, the Note was paid off during fiscal year 2016.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM DEBT (Continued)

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, 2016 the Town is not subject to the rebate provisions of the arbitrage regulations on its Series 2010 Bonds.

Quality Neighborhood Improvement Program 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.

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 2016, the Town paid \$153,423 of its QNIP share to Miami-Dade County.

Stormwater Utility Revenue Bonds

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.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 7 - LONG-TERM DEBT (Continued)

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

<u>September 30,</u>	<u>Special Obligation Bonds, Series 2010</u>		<u>Quality Neighborhood Improvement Program Bonds</u>		<u>Stormwater Utility Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ -	\$ 548,499	\$ 104,980	\$ 48,443	\$ 47,160	\$ 22,488
2018	-	548,499	110,345	43,078	49,440	20,130
2019	380,000	548,499	115,855	37,568	51,960	17,658
2020	200,000	521,709	121,800	31,623	54,480	15,060
2021	210,000	507,609	128,035	25,388	57,240	12,336
2022-2026	1,200,000	2,301,870	425,140	35,129	189,480	19,254
2027-2031	1,520,000	1,814,395	-	-	-	-
2032-2036	1,920,000	1,177,228	-	-	-	-
2037-2040	1,900,000	371,054	-	-	-	-
Total	<u>\$ 7,330,000</u>	<u>\$ 8,339,362</u>	<u>\$ 1,006,155</u>	<u>\$ 221,229</u>	<u>\$ 449,760</u>	<u>\$ 106,926</u>

Long-term liability activity for the year ended September 30, 2016 was as follows:

	<u>Beginning Balance (1)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Special Obligation Bonds payable	\$ 7,330,000	\$ -	\$ -	\$ 7,330,000	\$ -
Less: discount on bonds issued	(34,828)	-	1,380	(33,448)	-
Special Obligation Bonds, series 2013	1,650,000	-	(1,650,000)	-	-
QNIP Bonds	1,106,205	-	(100,050)	1,006,155	104,980
Net pension liability	1,709,156	1,267,201	(203,293)	2,773,064	-
OPEB	22,346	-	(6,739)	15,607	-
Compensated absences	155,365	77,704	(41,560)	191,509	6,086
Governmental activities long-term liabilities	<u>\$11,938,244</u>	<u>\$ 1,344,905</u>	<u>\$ (2,000,262)</u>	<u>\$11,282,887</u>	<u>\$ 111,066</u>
Business-type activities					
Stormwater Utility Revenue Bonds	\$ 494,640	\$ -	\$ (44,880)	\$ 449,760	\$ 47,160
Net pension liability	59,202	39,826	(6,764)	92,264	-
Compensated absences	3,137	1,166	-	4,303	-
Business-type activities long-term liabilities	<u>\$ 556,979</u>	<u>\$ 40,992</u>	<u>\$ (51,644)</u>	<u>\$ 546,327</u>	<u>\$ 47,160</u>

(1) As restated, see Note 12

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.

Pledged Future Revenues

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:

<u>Pledged Revenue</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Maximum Principal and Interest</u>	<u>Current Year Revenue</u>	<u>% of Revenues to Principal and Interest Paid</u>	<u>% of Revenues to Maximum Principal and Interest</u>
Electric utility tax	\$ 15,669,362	\$ 548,499	\$ 928,499	\$ 2,833,279	517%	305%

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM

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

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

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

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

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

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

Plan Description

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

Type of Benefit

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

Average Final Compensation

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Average Final Compensation (Continued)

The following chart shows the percentage value for each year of service credit earned in relation to the general classes of membership that the Town participates in:

	% Value (per year of service)
<u>Regular Class members initially enrolled before July 1, 2011</u>	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement up to age 62 or up to 30 years of service	1.63%
Retirement up to age 63 or with 31 years of service	1.65%
Retirement up to age 64 or with 32 years of service	1.68%
Retirement up to age 65 or with 33 or more years of service	1.68%
<u>Regular Class members initially enrolled on or after July 1, 2011</u>	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
<u>Special Risk Class</u>	
Service from Dec. 1, 1970 through Sept. 30, 1974	2.00%
Service on and after Oct. 1, 1974	3.00%
<u>Elected Officers' Class</u>	
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials	3.00%
Senior Management Service Class	2.00%

Vesting

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

Service Retirement

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

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

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

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Funding Policy

Contributions to the FRS are made by the Town as a percentage of covered payrolls. Effective July 1, 2012, state law instituted a requirement that employees in all classes make a contribution to the FRS of 3.00% of their covered payroll, in addition to the employer's contribution. The required contribution rates in effect at year end for the Town were 7.52% for regular class employees, 21.77% for senior management service class employees, 22.57% for special risk class employees, and 42.47% for elected officers' class. Additionally, the Town is required to contribute 12.99% for all DROP participants. These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2016 and the two preceding years were as follows:

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Contribution requirements:			
Employer	\$ 243,149	\$ 225,015	\$ 222,401
Employee	<u>85,027</u>	<u>78,409</u>	<u>79,032</u>
Total contribution requirements	\$ 328,176	\$ 303,424	\$ 301,433
Contributions made (100%)	\$ 243,149	\$ 225,015	\$ 222,401
Total covered payroll	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Percent of contributions to total covered payroll	7.80%	7.62%	7.81%

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

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

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2016, are shown below (in thousands):

	<u>FRS</u>	<u>HIS</u>
Total pension liability (A)	\$167,030,999	\$11,768,445
Plan fiduciary net position (B)	<u>(141,780,921)</u>	<u>(113,859)</u>
Net pension liability (A-B)	<u>\$ 25,250,078</u>	<u>\$11,654,586</u>
Plan fiduciary net position as a percentage of the total pension liability (B/A)	84.88%	0.97%

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Net Pension Liability (Continued)

The total pension liability for each plan was determined by the Plans' actuary and reported in the Plans' valuations dated July 1, 2016. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plans' fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The Town reported a liability of \$2,865,328 for its proportionate share of the net pension liability. The detail of proportion shares are as follows:

FRS Pension Plan					
Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Measurement Date
\$ 151,893	0.006230023%	\$ 159,892	0.006556569%	\$ 804,691	\$ 1,655,539

FRS Retiree Health Insurance Subsidy (HIS) Program					
Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/Asset at Measurement Date
\$ 36,121	0.009449186%	\$ 53,206	0.010380367%	\$ 963,668	\$ 1,209,789

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2014/2015 and 2015/2016. Although GASB 68 encourages the use of the employers projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Actuarial Methods and Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in July 1, 2016 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2016, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.60%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.85% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2016:

HIS: The total pension liability is calculated on a single equivalent discount rate as required by GASB Statement No. 67. The discount rate used was updated from 3.80% to 2.85% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond Municipal Bond Index. That index was originally approved for use in HIS GASB 67 calculation by the 2014 Actuarial Assumption Conference.

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

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2016 the FRS Actuarial Assumption Conference reviewed long-term assumptions developed by capital market assumptions teams from both Milliman and Aon Hewitt Investment Consulting, investment consultants to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	Target <u>Allocation (1)</u>	Annual <u>Arithmetic Return</u>	Compound Annual (Geometric) <u>Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.00%	3.00%	1.70%
Fixed income	18.00%	4.70%	4.60%	4.60%
Global equity	53.00%	8.10%	6.80%	17.20%
Real estate (property)	10.00%	6.40%	5.80%	12.00%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	12.00%	6.10%	5.60%	11.10%
Assumed inflation - mean		2.60%		1.90%

(1) As outlined in the Plan's investment policy.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2016.

	FRS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>6.60%</u>	<u>7.60%</u>	<u>8.60%</u>
Total pension liability	\$12,343,922	\$10,951,502	\$ 9,792,496
Less: fiduciary net position	<u>(9,295,963)</u>	<u>(9,295,963)</u>	<u>(9,295,963)</u>
Net pension liability	<u>\$ 3,047,959</u>	<u>\$ 1,655,539</u>	<u>\$ 496,533</u>
	HIS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>1.85%</u>	<u>2.85%</u>	<u>3.85%</u>
Total pension liability	\$ 1,399,722	\$ 1,221,608	\$ 1,073,783
Less: fiduciary net position	<u>(11,819)</u>	<u>(11,819)</u>	<u>(11,819)</u>
Net pension liability	<u>\$ 1,387,903</u>	<u>\$ 1,209,789</u>	<u>\$ 1,061,964</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Expense and Deferred Outflows/(Inflows) of Resources

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

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

For the fiscal year ended September 30, 2016, the Town recognized pension expense of \$215,177 and \$100,410 for FRS and HIS, respectively. Additionally, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FRS Pension Expense			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:			
Contributions, subsequent to measurement date	\$ 44,396	\$ -	\$ 44,396
Experience expected/actual	126,761	(15,414)	111,347
Assumptions/inputs	100,155	-	100,155
Projected/actual earnings	427,937	-	427,937
Changes in proportion, NPL	38,810	(162,521)	(123,711)
Total	\$ 738,059	\$ (177,935)	\$ 560,124

HIS Program			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:			
Contributions, subsequent to measurement date	\$ 11,706	\$ -	\$ 11,706
Experience expected/actual	-	(2,755)	(2,755)
Assumptions/inputs	189,847	-	189,847
Projected/actual earnings	612	-	612
Changes in proportion, NPL	75,299	(52,512)	22,787
Total	\$ 277,464	\$ (55,267)	\$ 222,197

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 8 - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Expense and Deferred Outflows/(Inflows) of Resources (Continued)

The Town contributions subsequent to the measurement date of \$44,396 and \$11,706 for FRS and HIS, respectively, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period	<u>FRS Expense</u>	<u>HIS Expense</u>
<u>Ending September 30,</u>		
2017	\$ 95,217	\$ 45,210
2018	50,821	33,504
2019	217,657	33,387
2020	157,220	33,331
2021	28,093	37,783
Thereafter	<u>11,116</u>	<u>38,982</u>
Total	<u>\$ 560,124</u>	<u>\$ 222,197</u>

The required contribution rates in effect at year end were:

	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
	<u>Contribution Rate</u>	<u>Contribution Rate</u>	<u>Contribution Rate</u>
Special Risk Class	3.00%	22.57%	25.57%
Senior Management Service Class	3.00%	21.77%	24.77%
Regular Class	3.00%	7.52%	10.52%
Elected Officer's Class	3.00%	42.47%	45.47%
DROP from FRS	0.00%	12.99%	12.99%

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

The Town offers to retiring employees a one-time opportunity to participate in the Town's employee group health and life insurance program pursuant to Section 112.0801, Florida Statutes. This required participation for retirees and their eligible dependents in the health and life insurance program and other coverage listed in the statute of the Town is at a premium cost to the retiree that is no more than the premium cost applicable to active employees. A retiring member who rejects this initial opportunity to continue to participate in the health and life insurance program will not be entitled to another opportunity to renew participation at any time in the future. The coverage provided under this program is supplemental and/or secondary to coverage under any and all other health insurance plans or programs that are provided to or carried by the retiring member from any other source. As of September 30, 2016, there was 1 participant receiving these post-employment benefits.

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

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy

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

Annual OPEB Cost and Net OPEB obligation

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed thirty years. The Town's annual OPEB cost, the estimated amount contributed to the plan, and the changes in the Town's estimated net OPEB obligation for the year ended September 30, 2016 were as follows:

Annual required contribution	\$ -
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	-
Estimated employer contribution	<u>(6,739)</u>
Change in the net OPEB obligation	<u>(6,739)</u>
Estimated net OPEB obligation, beginning of year	<u>22,346</u>
Estimated net OPEB obligation, end of year	<u>\$15,607</u>

Funded Status and Funding Progress

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net obligation for fiscal year ended September 30, 2016 and two preceding years are presented below:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	% of Estimated OPEB Cost Contributed	Estimated Net OPEB Obligation
2016	\$ -	\$ 6,739	0%	\$ 15,607
2015	22,346	-	0%	22,346

Methods and Assumptions

Funded Status and Funding Progress

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Methods and Assumptions (Continued)

Actuarial Methods and Assumptions

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

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

Measurement date:	October 1, 2014
Actuarial cost method:	Normal Cost Method
Amortization method:	Closed
Remaining amortization period:	30 years
Asset valuation method:	Market Value
Investment rate of return:	4.00%
Projected salary increases:	0.00%
Payroll growth rate:	0.00%
Inflation Rate:	2015 8.00%
	2019 5.00%
	2020 4.50%
Healthcare cost trend rate:	8% in fiscal year 2015, trending to 5% in 2019, then 4.5% in fiscal year 2020 and onward

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Agreement with Miami-Dade County for Local Police Patrol Services

Effective November 14, 2004, the Town executed an agreement with the County for local police patrol services provided by the County. Consideration for the services is based utilizing the actual costs of officers and equipment. Services are due on a quarterly basis based on the Town's annual budget. The last payment of the fiscal year is adjusted to actual costs for the year. Additional payments are required for optional law enforcement services. On March 4, 2014, the Town approved a new contract expiring on November 13, 2019 and retroactive to November 13, 2012. The Town paid approximately \$6,735,000 to the County for local police patrol services during the fiscal year ended September 30, 2016.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)

Litigation

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

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

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the Town's financial condition.

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 - RESTATEMENT

During the current year, it was determined by the Town that the September 30, 2016 beginning net position for the governmental activities, business-type activities, and the Stormwater Utility Fund were to be restated in order to correct the beginning capital assets and debt. Such corrections comprised of unrecorded Quality Neighborhood Improvement Program Bonds for the governmental activities and unrecorded capital assets, accumulated depreciation and corresponding debt from the Stormwater Utility Revenue Bonds for the business-type activities and the Stormwater Utility Fund.

The following presents the impact in the net position as of October 1, 2015:

	Government-Wide Financial Statements		Fund Financial
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Statements</u>
			<u>Stormwater Utility Fund</u>
Net position, beginning, as previously reported	\$ 32,358,394	\$ 7,863,053	\$ 7,863,053
Correction of capital assets	-	626,208	626,208
Correction of long-term liabilities	(1,106,205)	(494,640)	(494,640)
Net position, beginning, as restated	<u>\$ 31,252,189</u>	<u>\$ 7,994,621</u>	<u>\$ 7,994,621</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 12 – RESTATEMENT (Continued)

The following presents the impact in capital assets as a result of the prior period adjustment:

	Government-Wide Financial Statements		Fund Financial Statements	
	<u>Business-type Activities</u>		<u>Stormwater Utility Fund</u>	
Capital assets, net, beginning, as previously reported	\$	7,641,072	\$	7,641,072
Correction of capital assets		<u>626,208</u>		<u>626,208</u>
Capital assets, net, beginning, as restated	\$	<u>8,267,280</u>	\$	<u>8,267,280</u>

The following presents the impact in long-term debt as a result of the prior period adjustment:

	Government-Wide Financial Statements		Fund Financial Statements	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Stormwater Utility Fund</u>	
Long-term liabilities, beginning, as previously reported	\$	10,832,039	\$	62,339
Correction of long-term liabilities		<u>1,106,205</u>		<u>494,640</u>
Long-term liabilities, beginning, as restated	\$	<u>11,938,244</u>	\$	<u>556,979</u>

The following presents the effect in the change in net position of the preceding period:

	Government-Wide Financial Statements		Fund Financial Statements	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Stormwater Utility Fund</u>	
Unrecorded depreciation expense	\$	-	\$	(22,365)
Principal reduction		<u>95,410</u>		<u>42,840</u>
Net effect due to correction of an error		95,410		20,475
Change in net position, preceding period		<u>(548,629)</u>		<u>192,303</u>
Corrected change in net position, preceding period	\$	<u>(453,219)</u>	\$	<u>212,778</u>



**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final Budget		Final Budget
				Positive/(Negative)
Revenues:				
Ad valorem taxes	\$ 6,013,000	\$ 6,013,000	\$ 5,967,817	\$ (45,183)
Utility taxes	2,780,000	2,780,000	2,957,322	177,322
Franchise fees	1,250,000	1,250,000	1,179,362	(70,638)
Communication services tax	1,375,000	1,375,000	1,245,617	(129,383)
Other taxes	130,000	130,000	146,988	16,988
Licenses and permits	1,165,200	1,315,200	1,709,343	394,143
Intergovernmental	3,201,292	3,231,101	3,145,343	(85,758)
Fines and forfeitures	203,709	203,709	274,594	70,885
Service charges	136,000	136,000	181,525	45,525
Investment income	56,000	56,000	46,031	(9,969)
Developers Contributions	-	1,828,227	1,828,734	507
Other	12,000	64,550	63,962	(588)
Total revenues	<u>16,322,201</u>	<u>18,382,787</u>	<u>18,746,638</u>	<u>363,851</u>
Expenditures:				
Current:				
General government:				
Town council	540,048	624,048	519,611	104,437
Town administration and finance	3,097,069	4,362,957	4,028,381	334,576
Legal	235,000	433,000	410,545	22,455
Total general government	<u>3,872,117</u>	<u>5,420,005</u>	<u>4,958,537</u>	<u>461,468</u>
Public safety:				
Police	7,346,504	7,351,313	6,901,928	449,385
Building	1,035,568	1,185,568	1,016,767	168,801
Parks and recreation	2,946,213	3,018,718	2,852,341	166,377
Public works	1,171,799	1,184,299	1,079,861	104,438
Total expenditures	<u>16,372,201</u>	<u>18,159,903</u>	<u>16,809,434</u>	<u>1,350,469</u>
Excess (deficiency) of revenues over (under) expenditures	(50,000)	222,884	1,937,204	1,714,320
Other financing (uses):				
Transfers out	-	(1,727,224)	(1,727,224)	-
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(50,000)	(1,504,340)	209,980	1,714,320
Fund balance appropriated	<u>50,000</u>	<u>1,504,340</u>	<u>-</u>	<u>(1,504,340)</u>
Net change in fund balance	-	-	209,980	209,980
Fund balance, beginning	<u>491,400</u>	<u>1,379,476</u>	<u>4,566,497</u>	<u>(3,187,021)</u>
Fund balance, ending	<u>\$ 491,400</u>	<u>\$ 1,379,476</u>	<u>\$ 4,776,477</u>	<u>\$ (2,977,041)</u>

See note to budgetary comparison schedules

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final Budget		Final Budget
				Positive/(Negative)
Revenues:				
Gas tax 6 cents	\$ 389,440	\$ 389,440	\$ 400,889	\$ 11,449
CITT transit sales tax 20%	215,000	215,000	241,864	26,864
CITT transportation sales tax 80%	850,000	850,000	967,455	117,455
Tree program	-	-	15,496	15,496
Mobility	-	650,000	660,194	10,194
Contributions	-	300,000	-	(300,000)
Investment income	500	500	4,542	4,042
Total revenues	<u>1,454,940</u>	<u>2,404,940</u>	<u>2,290,440</u>	<u>(114,500)</u>
Expenditures:				
Current:				
Tree program	6,140	6,140	10,890	(4,750)
Transportation	1,141,177	1,848,034	844,117	1,003,917
Transit	646,275	892,804	395,295	497,509
Contingency	-	300,000	-	300,000
Total expenditures	<u>1,793,592</u>	<u>3,046,978</u>	<u>1,250,302</u>	<u>1,796,676</u>
Excess (deficiency) of revenues over (under) expenditures	(338,652)	(642,038)	1,040,138	1,682,176
Other financing sources (uses):				
Transfers in	-	176,384	176,384	-
Transfers out	(453,675)	(583,675)	(559,338)	24,337
expenditures and other financing sources (uses)	(792,327)	(1,049,329)	657,184	1,706,513
Fund balance appropriated	<u>792,327</u>	<u>1,049,329</u>	-	<u>1,049,329</u>
Net change in fund balance	-	-	657,184	2,755,842
Fund balance, beginning	-	-	<u>914,553</u>	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,571,737</u>	<u>\$ 2,755,842</u>

See note to budgetary comparison schedules

TOWN OF MIAMI LAKES, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2016

NOTE 1 - BUDGETARY INFORMATION

Annual budgets are adopted for all governmental funds on a basis consistent with accounting principles generally accepted in the United States. The following procedures are used to establish the budgetary data reflected in the financial statements:

- a. 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.
- b. Public hearings are held to obtain tax payers comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. 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.

Excesses of Expenditures Over Appropriations

For the year ended September 30, 2016, the expenditures for the tree program (Special Revenue Fund) and interest (Debt Service Fund) exceeded appropriations by \$4,750 and \$871, respectively. These excess of expenditures were funded by excess revenues received in the current fiscal year and surpluses in other departments.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2016
(UNAUDITED)

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

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

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2016

	2016	2015	2014
The Town's proportion of the net pension liability	0.006556569%	0.006230023%	0.006870141%
The Town's proportionate share of the net pension liability	\$ 1,655,539	\$ 804,691	\$ 419,180
The Town's covered-employee payroll	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
The Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	53.13%	27.26%	14.73%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
SEPTEMBER 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 191,426	\$ 187,579	\$ 188,515
Contributions in relation to the contractually required contribution	(191,426)	(187,579)	(188,515)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered-employee payroll	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Contributions as a percentage of covered-employee payroll	6.14%	6.35%	6.62%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2016

	2016	2015	2014
The Town's proportion of the net pension liability	0.010380367%	0.009449186%	0.038232292%
The Town's proportionate share of the net pension liability	\$ 1,209,789	\$ 963,668	\$ 3,574,813
The Town's covered-employee payroll	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
The Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.83%	32.65%	125.61%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
SEPTEMBER 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 51,723	\$ 37,192	\$ 34,152
Contributions in relation to the contractually required contribution	(51,723)	(37,192)	(34,152)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered-employee payroll	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Contributions as a percentage of covered-employee payroll	1.66%	1.26%	1.20%

Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.



COMBINING STATEMENTS

TOWN OF MIAMI LAKES, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Nonmajor Governmental Funds		
	<u>Impact Fees</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 37,249	\$ 2,000	\$ 39,249
Accounts receivables, net	1,031	275,596	276,627
Restricted assets:			
Cash and cash equivalents	-	213,178	213,178
Investments	-	629,565	629,565
Total assets	<u>\$ 38,280</u>	<u>\$ 1,120,339</u>	<u>\$ 1,158,619</u>
<u>LIABILITIES</u>			
Due to other funds	\$ -	\$ 245,057	\$ 245,057
Total liabilities	<u>-</u>	<u>245,057</u>	<u>245,057</u>
<u>FUND BALANCES</u>			
Restricted for:			
Debt Service	-	875,282	875,282
Impact Fees			
Public Safety	31,013	-	31,013
Parks	7,267	-	7,267
Total fund balances	<u>38,280</u>	<u>875,282</u>	<u>913,562</u>
Total liabilities and fund balances	<u>\$ 38,280</u>	<u>\$ 1,120,339</u>	<u>\$ 1,158,619</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, 2016

	<u>Nonmajor Governmental Funds</u>		
	<u>Impact Fees</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Utility taxes	\$ -	\$ 340,572	\$ 340,572
Impact Fees			
Public Safety	62,826	-	62,826
Parks	7,266	-	7,266
Investment income	33	(656)	(623)
Others	-	178,922	178,922
Total revenues	<u>70,125</u>	<u>518,838</u>	<u>588,963</u>
Expenditures:			
Current:			
Transportation	-	3,050	3,050
Debt service:			
Principal	-	1,650,000	1,650,000
Interest	-	601,625	601,625
Capital outlay - Public Safety	7,080	-	7,080
Total expenditures	<u>7,080</u>	<u>2,254,675</u>	<u>2,261,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,045</u>	<u>(1,735,837)</u>	<u>(1,672,792)</u>
Other financing sources (uses):			
Transfers in	-	2,053,004	2,053,004
Transfers out	(24,765)	(372,826)	(397,591)
Total other financing sources (uses)	<u>(24,765)</u>	<u>1,680,178</u>	<u>1,655,413</u>
Net change in fund balances	<u>38,280</u>	<u>(55,659)</u>	<u>(17,379)</u>
Fund balances, beginning	-	930,941	930,941
Fund balances, ending	<u>\$ 38,280</u>	<u>\$ 875,282</u>	<u>\$ 913,562</u>



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

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND-IMPACT FEES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final Budget		Final Budget
				Positive/(Negative)
Revenues:				
Impact Fees				
Public Safety	\$ 16,000	\$ 452,800	\$ 62,826	\$ (389,974)
Parks	15,500	2,469,957	7,266	(2,462,691)
Investment income	-	-	33	33
Total revenues	<u>31,500</u>	<u>2,922,757</u>	<u>70,125</u>	<u>(2,852,632)</u>
Expenditures:				
Current:				
Contingency	-	2,537,492	-	2,537,492
Capital outlay - Public Safety	10,000	10,000	7,080	2,920
Total expenditures	<u>10,000</u>	<u>2,547,492</u>	<u>7,080</u>	<u>2,540,412</u>
Excess of revenues over expenditures	21,500	375,265	63,045	(312,220)
Other financing (uses):				
Transfers out	(40,265)	(375,265)	(24,765)	(350,500)
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(18,765)	-	38,280	(662,720)
Fund balance appropriated	<u>18,765</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	38,280	(662,720)
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,280</u>	<u>\$ (662,720)</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final Budget		Final Budget
				Positive/(Negative)
Revenues:				
Electric utility taxes	\$ 370,539	\$ 370,539	\$ 340,572	\$ (29,967)
Investment income	4,500	4,500	(653)	(5,153)
Other	177,960	177,960	178,920	960
Total revenues	<u>552,999</u>	<u>552,999</u>	<u>518,839</u>	<u>(34,160)</u>
Expenditures:				
Current:				
Transportation	3,550	3,550	3,050	500
Principal	105,000	1,650,000	1,650,000	-
Interest	597,174	600,754	601,625	(871)
Contingency	34,109	64,192	-	64,192
Total expenditures	<u>739,833</u>	<u>2,318,496</u>	<u>2,254,675</u>	<u>63,821</u>
(Deficiency) of revenues (under) expenditures	(186,834)	(1,765,497)	(1,735,836)	29,661
Other financing sources (uses):				
Transfers in	519,714	2,068,294	2,053,004	(15,290)
Transfers out	(366,039)	(366,039)	(372,826)	(6,787)
(Deficiency) of revenues (under) expenditures and other financing sources (uses)	(33,159)	(63,242)	(55,658)	7,584
Fund balance appropriated	<u>33,159</u>	<u>63,242</u>	<u>-</u>	<u>63,242</u>
Net change in fund balance	-	-	(55,658)	70,826
Fund balance, beginning	-	-	930,940	930,940
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 875,282</u>	<u>\$ 1,001,766</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final Budget		Final Budget
				Positive/(Negative)
Revenues:				
Gas tax 3 cents	\$ 145,000	\$ 145,000	\$ 155,020	\$ 10,020
Intergovernmental	1,442,938	1,392,532	442,691	(949,841)
Investment income	5,000	5,000	27,728	22,728
Developers Contributions	-	200,000	200,000	-
Other	-	-	29,337	29,337
Total revenues	<u>1,592,938</u>	<u>1,742,532</u>	<u>854,776</u>	<u>(887,756)</u>
Expenditures:				
Capital outlay:				
Drainage improvements	1,807,300	2,507,362	1,268,042	1,239,320
Transportation improvements	3,075,638	2,989,455	1,619,651	1,369,804
Parks and Recreation	1,083,162	2,334,496	1,321,817	1,012,679
Facilities and equipment:	141,500	188,281	59,700	128,581
Total expenditures	<u>6,107,600</u>	<u>8,019,594</u>	<u>4,269,210</u>	<u>3,750,384</u>
(Deficiency) of revenues (under) expenditures	(4,514,662)	(6,277,062)	(3,414,434)	2,862,628
Other financing sources:				
Transfers in	<u>340,265</u>	<u>805,265</u>	<u>454,765</u>	<u>350,500</u>
(Deficiency) of revenues (under) expenditures and other financing sources	(4,174,397)	(5,471,797)	(2,959,669)	3,213,128
Fund balance appropriated	<u>4,174,397</u>	<u>5,471,797</u>	<u>-</u>	<u>5,471,797</u>
Net change in fund balance	-	-	(2,959,669)	8,684,925
Fund balance, beginning	-	-	<u>5,576,804</u>	<u>5,576,804</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,617,135</u>	<u>\$ 14,261,729</u>



**STATISTICAL
SECTION**

TOWN OF MIAMI LAKES, FLORIDA
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.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	60-64
Revenue Capacity <i>These schedules contain information to help the read assess the government's most significant local revenue source, the property tax.</i>	65-69
Debt Capacity <i>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.</i>	70-71
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	72-73
Operating Information and Insurance in Force <i>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.</i>	74-77

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities:										
Net investment in capital assets	\$ 13,506,338	\$ 14,112,595	\$ 16,263,340	\$ 16,025,495	\$ 18,197,702	\$ 20,557,318	\$ 21,814,437	\$ 22,471,538	\$ 23,189,174	\$ 24,384,954
Restricted	2,450,414	2,078,865	1,218,698	2,776,914	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581	4,316,340
Unrestricted	3,589,471	5,251,427	8,159,280	9,644,228	6,230,900	5,883,351	6,797,024	7,228,689	3,794,639	3,497,638
Total governmental activities net position	\$ 19,546,223	\$ 21,442,887	\$ 25,641,318	\$ 28,446,637	\$ 32,469,706	\$ 33,029,607	\$ 33,633,440	\$ 34,451,079	\$ 32,358,394	\$ 32,198,932
Business-type activities:										
Net investment in capital assets	\$ 2,601,424	\$ 3,644,830	\$ 4,195,548	\$ 4,167,647	\$ 4,086,787	\$ 4,734,099	\$ 6,486,581	\$ 7,092,272	\$ 7,641,072	\$ 8,865,688
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	921,494	1,343,801	1,574,095	1,998,079	899,610	410,351	380,542	648,868	221,981	571,384
Total business-type activities net position	\$ 3,522,918	\$ 4,988,631	\$ 5,769,643	\$ 6,165,726	\$ 4,986,397	\$ 5,144,450	\$ 6,867,123	\$ 7,741,140	\$ 7,863,053	\$ 9,437,072
Primary government										
Net investment in capital assets	\$ 16,107,762	\$ 17,757,425	\$ 20,458,888	\$ 20,193,142	\$ 22,284,489	\$ 25,291,417	\$ 28,301,018	\$ 29,563,810	\$ 30,830,246	\$ 33,250,642
Restricted	2,450,414	2,078,865	1,218,698	2,776,914	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581	4,316,340
Unrestricted	4,510,965	6,595,228	9,733,375	11,692,307	7,130,510	6,293,702	7,177,566	7,877,557	4,016,620	4,069,022
Total primary government net position	\$ 23,069,141	\$ 26,431,518	\$ 31,410,961	\$ 34,662,363	\$ 37,456,103	\$ 38,174,057	\$ 40,500,563	\$ 42,192,219	\$ 40,221,447	\$ 41,636,004

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental activities:										
General government	\$ 3,170,034	\$ 3,139,386	\$ 3,020,796	\$ 2,648,569	\$ 4,006,694	\$ 3,241,018	\$ 3,505,665	\$ 3,359,809	\$ 4,504,066	\$ 5,466,296
Public safety	6,215,685	7,004,847	6,619,819	6,654,020	6,566,778	6,234,271	6,287,319	6,365,715	7,972,810	8,014,737
Parks and recreation	2,586,003	2,709,057	2,571,167	3,019,126	2,667,382	2,798,627	2,703,496	3,051,793	3,306,152	3,481,695
Public works	2,311,072	2,829,430	2,178,162	1,288,942	1,746,804	2,353,479	2,831,483	2,527,545	2,691,114	2,631,509
Comprehensive planning	1,634,839	1,702,826	1,808,535	1,634,827	1,452,701	1,636,965	1,622,645	1,679,697	-	-
Physical Environment	-	-	-	-	-	-	-	-	4,307	-
Interest Expense	-	11,397	19,456	14,971	260,156	561,402	528,383	603,123	600,247	654,998
Non-departmental	1,931,551	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	17,849,184	17,396,943	16,217,935	15,260,455	16,700,515	16,825,762	17,478,991	17,587,682	19,078,696	20,249,235
Business-type activities:										
Stormwater utilities	649,798	647,440	893,472	686,953	630,757	892,995	877,397	783,596	1,033,870	818,380
Total business-type activities expenses	649,798	647,440	893,472	686,953	630,757	892,995	877,397	783,596	1,033,870	818,380
Total primary government expenses	18,498,982	18,044,383	17,111,407	15,947,408	17,331,272	17,718,757	18,356,388	18,371,278	20,112,566	21,067,615
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	55,469	871,832	158,677	20,252	109,411	229,955	181,927	251,688	926,044	13,079
Public Safety	276,784	373,576	305,409	257,927	277,300	215,183	324,720	536,168	318,413	2,046,763
Parks and recreation	2,642	1,010	-	-	-	7,085	11,705	43,139	85,024	131,628
Public works	-	-	-	-	-	-	-	-	304,848	719,774
Comprehensive Planning	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	318,943	15,363	1,274,011	205,390	655,345	564,774	178,071	3,392	70,759	2,075,665
Capital grants and contributions	1,249,374	620,692	1,298,299	312,500	2,023,000	-	1,978,459	36,655	259,538	442,691
Total governmental activities program revenues	3,149,707	2,894,078	3,848,300	1,894,110	4,128,355	2,081,405	3,677,965	2,068,927	1,964,626	5,429,600
Business-type activities:										
Charges for services										
Stormwater Utility	1,262,970	990,651	992,577	983,278	1,011,821	978,961	970,188	850,864	942,089	953,982
Total business-type activities program revenues	1,262,970	990,651	992,577	983,278	1,011,821	978,961	970,188	850,864	942,089	953,982
Total primary government program revenues	\$ 4,412,677	\$ 3,884,729	\$ 4,840,877	\$ 2,877,388	\$ 5,140,176	\$ 3,060,366	\$ 4,648,153	\$ 2,919,791	\$ 2,906,715	\$ 6,383,582

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net(expense)Revenue										
Governmental activities	\$ (14,699,477)	\$ (14,502,865)	\$ (12,369,635)	\$ (13,366,344)	\$ (12,572,160)	\$ (14,744,356)	\$ (13,801,027)	\$ (15,518,755)	\$ (17,114,070)	\$ (14,819,635)
Business-type activities	613,172	343,211	99,105	296,325	381,064	85,966	92,791	67,268	(91,781)	135,602
Total primary government net expense	(14,086,305)	(14,159,654)	(12,270,530)	(13,070,019)	(12,191,096)	(14,658,390)	(13,708,236)	(15,451,487)	(17,205,851)	(14,684,033)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	7,706,385	7,427,746	7,433,753	6,572,134	5,660,784	5,441,776	5,432,333	5,525,235	5,784,851	5,967,817
Utility service taxes	2,461,479	2,533,824	2,560,676	2,730,389	2,802,104	2,845,651	3,016,183	3,254,550	3,230,117	3,297,894
Communication services tax	1,490,228	1,491,360	1,776,558	1,560,902	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736	1,245,617
Franchise taxes	2,079,921	2,001,376	1,967,915	2,008,171	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066	1,179,362
Other Taxes	-	-	-	-	-	-	-	-	713,520	702,897
Intergovernmental not restricted to specific programs	3,651,451	3,806,793	3,402,916	3,330,153	3,595,274	4,167,906	4,565,197	4,596,066	4,202,536	4,307,731
Investment and miscellaneous income	569,304	250,310	82,981	106,006	54,466	80,198	103,153	99,441	83,792	77,678
Gain (loss) on disposal	-	-	-	-	-	-	-	-	-	(17,084)
Special Items	-	-	-	-	-	-	-	797,614	264,769	272,221
Transfers	(521,868)	(1,111,880)	(656,733)	(86,092)	1,565,914	(70,776)	(1,629,485)	(804,131)	(251,946)	(1,267,755)
Total governmental activities	17,436,900	16,399,529	16,568,066	16,221,663	16,545,229	15,487,257	14,404,859	16,554,429	16,565,441	15,766,378
Business-type activities:										
General Revenues										
Investment income	3,273	10,622	25,174	13,666	5,521	1,311	397	2,618	32,138	39,094
Investment and miscellaneous income	-	-	-	-	-	-	1,629,485	-	-	-
Transfers	521,868	1,111,880	656,733	86,092	(1,565,914)	70,776	-	804,131	251,946	1,267,755
Total business-type activities	525,141	1,122,502	681,907	99,758	(1,560,393)	72,087	1,629,882	806,749	284,084	1,306,849
Total primary government	17,962,041	17,522,031	17,249,973	16,321,421	14,984,836	15,559,344	16,034,741	17,361,178	16,849,525	17,073,227
Change in Net Position										
Governmental activities	2,737,423	1,896,664	4,198,431	2,855,319	3,973,069	742,901	603,832	1,035,674	(548,629)	946,743
Business-type activities	1,138,313	1,465,713	781,012	396,083	(1,179,329)	158,053	1,722,673	874,017	192,303	1,442,451
Total primary government	\$ 3,875,736	\$ 3,362,377	\$ 4,979,443	\$ 3,251,402	\$ 2,793,740	\$ 900,954	\$ 2,326,505	\$ 1,909,691	\$ (356,326)	\$ 2,389,194

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,798	\$ 95,039	\$ 118,803	\$ 153,892	\$ 222,531
Restricted	2,635,346	1,883,267	31,361	549,214	28,283	33,735	-	-	-	-
Unassigned	1,165,611	3,456,720	8,225,450	9,259,782	8,361,930	3,936,392	4,088,844	4,776,905	4,412,605	4,553,946
Total General Fund	\$ 3,800,957	\$ 5,339,987	\$ 8,256,811	\$ 9,808,996	\$ 8,390,213	\$ 3,997,925	\$ 4,183,883	\$ 4,895,708	\$ 4,566,497	\$ 4,776,477
All Other Governmental Funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,452	\$ 25,862	\$ 24,781	\$ -
Restricted, reported in:										
Special Revenue Fund	-	-	-	-	1,087,962	1,011,206	3,630,535	727,446	914,553	1,571,737
Capital Projects fund	-	-	-	-	2,358,772	2,535,947	-	2,942,843	3,553,535	1,831,041
Town Government Center	-	-	-	-	3,665,450	2,131,416	1,296,471	-	-	-
Roadway Improvement	-	-	-	-	-	-	8,700	8,700	-	-
Debt Service fund	-	-	-	-	900,637	876,634	909,899	1,071,863	906,493	875,282
Impact Fee Fund (Public Safety & Parks)	-	-	-	-	-	-	-	-	-	38,280
Assigned, reported in:										
Special Revenue funds	523,962	573,707	773,156	1,024,130	-	-	-	-	-	-
Capital Projects fund	1,926,452	1,505,158	414,182	1,728,570	2,322,592	5,392,655	3,974,673	3,566,111	1,961,499	786,094
Total all other governmental funds	\$ 2,450,414	\$ 2,078,865	\$ 1,187,338	\$ 2,752,700	\$ 10,335,413	\$ 11,947,858	\$ 9,853,730	\$ 8,342,825	\$ 7,360,861	\$ 5,102,434

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Ad valorem taxes	\$ 7,706,385	\$ 7,427,746	\$ 7,433,753	\$ 6,572,134	5,660,784	\$ 5,441,776	\$ 5,432,333	\$ 5,525,235	\$ 5,784,851	\$ 5,967,817
Utility taxes	2,461,479	2,533,824	2,560,676	2,730,389	2,802,104	2,845,651	3,016,184	3,254,550	3,230,117	3,297,894
Franchise fees	2,079,921	2,001,376	1,967,915	2,008,171	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066	1,179,362
Communication service tax	1,490,228	1,491,360	1,776,558	1,560,902	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736	1,245,617
Licenses and permits	1,246,495	1,011,605	811,904	1,098,041	1,063,299	1,064,408	1,003,083	1,197,885	1,188,917	2,385,033
Intergovernmental	5,016,401	4,646,217	5,975,226	3,848,044	4,334,874	4,924,656	6,905,351	4,813,430	4,532,833	4,797,353
Impact Fees	54,399	685,185	-	-	-	-	-	-	-	70,092
Fines and forfeitures	276,784	373,576	305,395	257,927	277,300	215,183	324,720	536,168	312,466	274,594
Others	58,714	201,914	162,945	61,702	32,988	58,545	10,008	915,125	1,111,235	1,156,643
Investment Income	323,999	236,054	78,727	64,557	46,636	66,720	103,150	99,441	83,792	77,678
Developers Contributions	-	-	-	-	-	-	-	-	-	2,028,734
Total Revenue	20,714,805	20,608,857	21,073,099	18,201,867	17,084,672	17,639,441	19,712,307	19,427,488	18,782,013	22,480,817
Expenditures										
General government:										
Town Council	265,712	257,576	206,114	191,879	805,975	404,915	427,733	354,820	628,992	516,371
Town Administration and finance	2,004,617	2,386,610	2,207,613	2,003,924	2,483,915	2,420,844	2,367,698	2,212,155	2,645,746	3,775,637
Legal	454,641	481,727	669,680	469,724	475,202	458,525	292,506	268,987	639,785	410,545
Total general government	2,724,970	3,125,913	3,083,407	2,665,527	3,765,092	3,284,284	3,087,937	2,835,962	3,914,523	4,702,553
Public safety	6,205,485	6,698,208	6,534,646	6,554,129	6,558,600	6,234,271	6,306,601	6,350,819	7,973,823	7,917,265
Parks and recreation	2,474,116	2,488,718	2,320,385	2,272,225	2,194,546	2,248,811	2,183,242	2,495,685	2,721,909	2,826,779
Public works/Transportation	2,265,780	2,593,852	1,958,909	1,170,545	1,469,459	2,018,943	2,485,634	2,175,948	2,345,948	2,255,619
Comprehensive planning	1,619,406	1,697,387	1,802,792	1,619,772	1,456,088	1,439,318	1,635,458	1,679,697	-	-
Debt service:										
Principal	-	57,348	119,238	123,724	128,379	201,663	-	100,000	105,000	1,750,050
Interest	-	11,397	19,456	14,971	251,046	551,948	549,039	599,573	600,247	654,998
Cost of Issuance	-	-	-	-	-	-	53,650	-	-	-
Non departmental	1,931,551	-	-	-	242,260	-	-	-	2,406	-
Capital Outlay	3,292,949	3,088,299	3,208,969	663,427	3,743,887	5,140,046	7,442,013	3,988,884	3,355,986	4,483,437
Total expenditures	20,514,257	19,761,122	19,047,802	15,084,320	19,809,357	21,119,284	23,743,574	20,226,568	21,019,842	24,590,701
Other Financing Sources(Uses)										
Proceeds from debt issuance	310,605	319,746	-	-	7,329,999	-	1,855,000	-	-	-
Discount on debt issued	-	-	-	-	(41,384)	-	-	-	-	-
Transfer in	1,192,640	184,500	-	853,158	3,025,816	4,826,300	1,277,865	1,768,223	1,974,371	2,684,153
Transfer out	(1,017,640)	(184,500)	-	(853,158)	(1,425,816)	(4,126,300)	(1,009,768)	(1,768,223)	(1,474,371)	(2,684,153)
Total other financing sources (uses)	485,605	319,746	-	-	8,888,615	700,000	2,123,097	-	500,000	-
Net change in fund balance	686,153	1,167,481	2,025,297	3,117,547	6,163,930	(2,779,843)	(1,908,170)	(799,080)	(1,737,829)	(2,109,884)
Ratio of total debt service to noncapital expenditures	N/A	0.41%	0.88%	0.96%	2.36%	4.72%	3.37%	4.31%	3.99%	11.85%

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

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

Fiscal year	Property Tax	Utility Service Tax	Communication Service Tax	Franchise fees	Total
2007	7,706	2,461	1,490	2,080	13,737
2008	7,428	2,534	1,491	2,001	13,454
2009	7,434	2,561	1,777	1,968	13,740
2010	6,572	2,730	1,561	2,008	12,871
2011	5,661	2,802	1,423	1,444	11,330
2012	5,442	2,846	1,349	1,674	11,311
2013	5,432	3,016	1,367	1,551	11,366
2014	5,525	3,255	1,938	1,148	11,866
2015	5,785	3,230	1,378	1,160	11,553
2016	5,968	3,297	1,246	1,179	11,690

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
ASSESED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(IN THOUSANDS)

Calendar Year Ended December 31,	Real Property				Total Actual & Assessed Value of Taxable Property	Exemptions (a)				Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Personal Property		Real Property - Amendment 10 Excluded Value (b)	Real Property - Other Exemptions	Personal Property			
2007	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	
2008	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	
2009	2,514,939	1,137,015	258,583	210,860	4,121,397	710,177	623,209	20,938	2,767,073	2.4470	
2010	1,938,070	1,004,656	254,679	200,606	3,398,011	226,222	699,371	20,921	2,451,497	2.3702	
2011	1,903,646	1,032,709	258,263	194,083	3,388,701	209,587	690,396	19,733	2,468,985	2.3518	
2012	1,874,949	1,042,206	256,502	191,859	3,365,516	167,191	511,365	14,560	2,672,400	2.3518	
2013	1,907,261	1,042,902	250,187	201,117	3,401,467	282,618	604,260	17,619	2,496,970	2.3518	
2014	2,137,641	1,058,802	267,240	185,585	3,649,268	454,180	602,557	18,893	2,573,638	2.3518	
2015	2,388,913	1,058,745	271,135	180,874	3,899,667	628,869	611,211	18,311	2,641,276	2.3518	
* 2016	2,579,351	1,153,649	299,061	188,591	4,220,652	N/A	N/A	N/A	2,809,602	2.3518	

NOTES:

* 2016 - Based on preliminary values as final values are NOT yet available.

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

*** Source: Miami-Dade County Property Appraiser

**** N/A - Information not available as of the issuance of this report

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PER \$1,000 OF ASSES ED 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	<u>Miami-Dade County</u>							South Florida Water Management District	Environmental Projects	Florida Inland Navigation District	
		Miami-Dade Countywide Operating	Miami-Dade Fire & Rescue Service District	Miami-Dade School Board	Public Library	County Debt Service	Children's Trust					
2007	2.7400	5.6150	2.6510	8.1050	0.4860	0.2850	0.4223	0.5970	0.1000	0.0385	21.0398	
2008	2.4800	4.5760	2.2487	7.9480	0.3842	0.2850	0.4223	0.5346	0.0894	0.0345	19.0027	
2009	2.4800	4.8379	2.2271	7.7970	0.3822	0.2850	0.4212	0.5346	0.0894	0.0345	19.0889	
2010	2.4470	4.8379	2.2271	7.9950	0.3822	0.2850	0.5000	0.5346	0.0894	0.0345	19.3327	
2011	2.3702	5.4275	2.5953	8.2490	0.3500	0.4450	0.5000	0.5346	0.0894	0.0345	20.5955	
2012	2.3518	4.7035	2.4627	7.7650	0.1725	0.5180	0.5000	0.3676	0.0613	0.0345	18.9369	
2013	2.3518	4.7035	2.4623	7.6440	0.1725	0.7550	0.5000	0.3523	0.0587	0.0345	19.0346	
2014	2.3518	4.7035	2.4496	7.9770	0.1725	0.4220	0.5000	0.3583	0.0587	0.0345	19.0279	
2015	2.3518	4.6669	2.4207	7.9740	0.2840	0.4500	0.5000	0.1577	0.0548	0.0345	18.8944	
2016	2.3518	4.6669	2.4207	7.6120	0.2840	0.4500	0.5000	0.1459	0.0506	0.0320	18.5139	

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

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

	2016			2007		
Taxpayer	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	\$ 342,944	1	12.98%	\$ 258,984	1	8.23%
Sengra Corporation	114,208	2	4.32%	88,700	2	2.82%
Florida Power & Light	24,478	3	0.93%	16,121	10	0.51%
Miami Lakes Automall LLC	21,840	4	0.83%	18,600		0.59%
Royal Oaks Plaza, Inc.	20,400	5	0.77%	22,811		0.73%
Cordis Corporation	20,318	6	0.77%	29,650	3	0.94%
Miami Lakes Country Club, Inc.	20,024	7	0.76%	21,604	5	0.69%
Cap East Associates	19,488	8	0.74%	26,431	4	0.84%
Caterpillar Tractor Co.	17,000	9	0.64%	20,560	6	0.65%
Costco Wholesale Corp	14,415	10	0.55%			
Osheroff Miami Lakes LLC	13,349	11	0.51%			
Royal Oaks Plaza, Inc.				19,679	7	0.63%
Lowell S Dunn & W Betty				18,914	8	0.60%
First States Investment 5000A LLC				17,464	9	0.56%
Total	628,464		23.79%	559,518		17.79%
Total Taxable Assessed Value (in thousands)	\$ 2,641,276			\$3,145,041		

Source: Miami-Dade County Property Appraiser

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

Fiscal Year ended September 30, (1)	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Net Amount Levied	Percentage of Levy		Amount	Percentage of Levy
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	5,807	5,258	90.55%	n/a	n/a	n/a
2013	5,517	4,785	86.73%	473	5,258	95.31%
2014	5,904	5,525	93.58%	n/a	n/a	n/a
2015	6,056	5,785	95.53%	85	5,870	96.93%
2016	6,329	5,968	94.30%	95	6,063	95.80%

source: Miami-Dade County Property Tax Collector

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

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

Fiscal Year	Government Activities				Business-type Activities		Debt Coverage					
	Government Activities Notes Payable	Special Obligation Bonds Payable, Series 2010	Roadway Improvement Special Obligation Loan Payable	Quality Neighborhood Improvement Program (QNIP) Roadway	Stormwater Utility Revenue Bonds	Total Primary Government	Population	Per Capita Personal Income	Percentage of Personal Income	Debt Per Capita	Pledged Revenue	Coverage
2007	\$ 310,605	\$ -	\$ -	\$ -	\$ -	\$ 310,605	27,027	31,256	0.04%	11.49	(1)	
2008	661,564	-	-	-	-	661,564	27,031	32,676	0.07%	24.47	(1)	
2009	519,937	-	-	-	-	519,937	26,694	30,178	0.06%	19.48	(1)	
2010	330,042	-	-	-	-	330,042	29,361	32,000	0.04%	11.24	(1)	
2011	201,663	7,289,652	-	-	-	7,491,315	29,369	29,670	0.86%	255.08	2,439,328	4.45
2012	-	7,291,032	-	-	-	7,291,032	30,057	28,756	0.84%	242.57	2,502,818	4.56
2013	-	7,292,412	1,855,000	-	-	9,147,412	30,396	28,410	1.06%	300.94	2,670,036	4.87
2014	-	7,293,792	1,755,000	-	-	9,048,792	30,161	27,042	1.11%	300.02	2,849,187	5.19
2015	-	7,295,172	1,650,000	-	-	8,945,172	30,791	28,006	1.04%	290.51	2,805,937	5.12
2016	-	7,296,552	-	1,006,155	449,760	8,752,467	30,456	28,888	0.99%	287.38	2,833,279	5.17

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.

	Utility Services		Next Succeeding Year		
	Tax	Principal	Interest	Total Debt Service Requirements	Coverage
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%
2015	2,805,937	-	548,499	548,499	512%
2016	2,833,279	-	548,499	548,499	517%

Legend:

(1) No outstanding bonds prior to fiscal year 2011.

TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2016

<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)	\$ 499,129,000	1.16%	\$ 5,810,770
Miami-Dade County (3) - (000)	1,528,306,000	1.16%	17,792,265
Sub-total overlapping debt	2,027,435,000		23,603,035
Town of Miami Lakes direct debt	8,336,155	100.00%	8,336,155
Total direct and overlapping debt	\$ 2,035,771,155		\$ 31,939,190

Sources:

- (1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the County's taxable property value that is within the Town's boundaries and dividing it by the County's total taxable property value.
- (2) Based on Miami-Dade County percentage of County's taxable property.
- (3) Miami-Dade County, Finance Department (General Obligation Bonds)

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

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

Calendar Year	Population	Median Household Income (1999 \$)	Total Personal Income (in 000's)	Unemployment Rate	Per Capita Personal Income	Median Age	School Enrollment
2007	27,027	n/a	n/a	n/a	n/a	38	n/a
2008	27,031	n/a	883,265	2.80%	32,676	38	n/a
2009	26,694	67,800	805,572	4.40%	30,178	39	6,800
2010	29,361	62,034	852,614	7.00%	29,039	38	7,557
2011	29,369	63,794	871,378	5.70%	29,670	38	8,005
2012	30,057	(1)	(1)	9.10%	(1)	(1)	7823
2013	30,396	64,497	863,550	7.00%	28,410	38	7973
2014	30,161	63,754	815,614	7.40%	27,042	39	7668
2015	30,791	65,269	862,333	5.70%	28,006	39	7,774
2016	30,456	66,601	879,813	5.10%	28,888	39	8,082

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).

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

Employer	2016			2007		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Inktel holdings	788	1	3.98%	(a)		-
Bank United	564	2	2.85%	(a)		-
Cordis Company (Johnson & Johnson)	505	3	2.55%	(a)		-
The Graham Companies	457	4	2.31%	(a)		-
NutriForce Nutrition	375	5	1.89%	(a)		-
Caterpillar Logistics Services, Inc.	220	6	1.11%	(a)		-
Walgreens	202	7	1.02%			
Publix Supermarkets	201	8	1.01%	(a)		-
ISACO Int. Corp.	200	9	1.01%	(a)		-
	3,512		17.73%	-		0.00%
Total Employed	19,803	(1)		12,381	(2)	

Note (1) U.S. Census Bureau, Selected Economic Characteristics 2008-2011 American Community Survey

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

Note (a) Information unavailable

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Town Clerk's Office	1	3	3	4	5	4	1	1	1	1
Town Administration	12	10	12	11	8	12	14	12	14	17
Building Department	8	5	6	6	4	12	19	12	9	10
Planning, Code Compliance and Development		4	3	5	5	5	5	4	4	8
Parks and Recreation	7	7	7	8	7	16	26	13	8	8
Public Works & Transit	3	2	1	1	2	6	7	6	4	4
Total	31	31	32	35	31	55	72	48	40	48

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>General Government</u>										
Building permits issued	1,088	744	556	519	673	699	749	948	799	909
Business Tax Receipts	n/a	n/a	n/a	1,193	1,171	1,250	973	1,394	1,541	1,483
<u>Police</u>										
Physical arrests	355	485	529	407	362	332	357	273	166	148
<u>Culture and Recreation</u>										
Summer camp participants - per week	n/a	n/a	133	208	215	150	20	100	100	135
Community programs - per year	64	66	68	106	146	93	91	83	47	51
Special events - per year	45	52	63	n/a	n/a	47	48	75	65	65
<u>Stormwater Utility</u>										
Stormwater system linear feet cleaned	58,866	36,945	77,371	36,602	43,905	24,500	34,180	26,617	25,383	28,602
Number of Stormwater drains cleaned	673	150	483	266	676	185	516	380	328	429
<u>Public Works</u>										
Road miles (maintained)	77	77	77	77	60	60	60	60	60	77
Street lights (maintained)	2,943	2,943	2,943	2,943	540	801	1,032	491	485	915

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

Notes:

n/a indicates information for those years is not available

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Police (4)</u>										
Police Personnel	50	52	50	50	49	49	49	49	46	49
<u>Culture and Recreation (3)</u>										
Number of parks	98	99	99	99	99	99	101	101	101	101
Park acreage	117.6	117.8	117.8	118.3	118.3	118.3	127.17	127.17	127.17	127.17
Community center	2	2	2	3	3	3	3	3	3	3
<u>Stormwater Drainage (1)</u>										
Stormwater system - linear feet	82,394	82,394	82,394	82,394	86,087	88,894	88,894	90,824	90,824	98,835
Stormwater drains - catchbasins & manholes	1460	1460	1460	1,460	1,464	1,560	1,324	1,335	1,335	1,376
<u>Public Works (2)</u>										
Road miles	77	77	77	77	77	77	77	77	77	77
Street lights	2,943	2,943	2,943	2,943	2,890	2,084	2,975	2,362	2,362	2,047

(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
LAST TEN FISCAL YEARS

Type of Coverage	Insurer	Policy Period	Premium
Property	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	\$ 65,712
General Liability	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	62,700
Public Officials & Employment Practices Liability	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	78,472
Automobile Insurance	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	15,801
Inland Marine	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	793
Crime/Fidelity	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	791
Workers Compensation	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	24,413
Government Crime	Preferred Governmental Insurance Trust	10/1/2015 - 09/30/2016	500
		Total Policies	<u>\$ 249,182</u>



**COMPLIANCE
SECTION**



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

To the Honorable Mayor, Town Council, and Town Manager
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 the Town of Miami Lakes, Florida (the "Town"), as of and for the fiscal year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 7, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

Compliance and Other Matters

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

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 Town'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.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
April 7, 2017



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**MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

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

Report on the Financial Statements

We have audited the basic financial statements of the Town of Miami Lakes, Florida (the "Town"), as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated April 7, 2017.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Schedule

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 Accountants' Report on Compliance with the Requirements of Section 218.415 Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida. Disclosures in those reports, which are dated April 7, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the recommendation made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town was created pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There were no component units related to the Town.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town'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 same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

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 the Florida House of Representatives, the Florida Auditor General, Federal and state awarding agencies, Members of the Town Council and management of the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
April 7, 2017

TOWN OF MIAMI LAKES, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDING AND STATUS

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2016 Letter to Management.

Matters that are not repeated in the accompanying Letter to Management:

- 2014-1 Prompt Payment Act
- 2015-001 Revenue Recognition



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have examined the Town of Miami Lakes, Florida (the "Town") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2016. 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 year ended September 30, 2016.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
April 7, 2017